

**PUNJAB RESILIENT AND INCLUSIVE AGRICULTURE TRANSFORMATION  
(PRIAT) PROJECT**

**TERMS OF REFERENCES (TORs)**

**FOR**

**HIRING OF LOCAL SERVICE PROVIDER (LSP) UNDER SUB-COMPONENT 2.1  
(LONG TERM)**

**A. INTRODUCTION**

Agriculture plays a major role in the economy of Pakistan in general, and of Punjab in particular, but agricultural growth has been stagnant. Nationally, agriculture accounts for 20 percent of GDP, employs 40 percent of the labor force, and directly and indirectly delivers nearly 80 percent of the total value of Pakistan's exports, of which about 60 percent is contributed by Punjab. Agriculture in Punjab is central to the country's economy and food security. Punjab encompasses 73 percent of the national cropped area and 78 percent of the national irrigated area. The province provides large shares of the country's primary crops: maize (78 percent), wheat (77 percent), cotton (73 percent), sugarcane (63 percent), and rice (52 percent). Agricultural growth in Punjab, however, has immense potential yet to be achieved.

Improving agricultural growth, especially among small farmers, would be essential to achieving poverty reduction and shared prosperity. Poverty in Pakistan has increasingly become concentrated among rural households (HH) relying on agriculture. In Punjab, rural poverty is prevalent among the landless and small farmers with landholding of less than three acres who represent 78 percent of the total rural population in the province.

Despite emerging market opportunities for productive diversification and increased value addition (VA), on-farm and off-farm constraints are slowing down the modernization of the agri-food sector.

In order to face the challenges that the agricultural sector is facing in Punjab, the Province of Punjab has launched the Punjab Resilient and Inclusive Agriculture Transformation Project (PRIAT). PRIAT objective is to enhance equitable access to, and productivity of, agricultural water, and improve incomes of farmers supported by the project.

**B. PROJECT COMPONENTS**

The major activities to be carried out under the project would include, inter alia, the followings.

**1) Component-1: Community-driven Improvement of Water Conveyance and Application**

**Sub-Component 1.1:** Upgrading Community Water Conveyance Infrastructure

**Sub-Component 1.2:** Improving Community Water Management

**2) Component-2: Promotion of Climate Smart High Value Production, Regenerative Agriculture, Crop Diversification, Agriculture Value Addition, and Inclusive Access to Markets**

This component will seek to support growth-oriented farmers to (i) diversify, intensify, and add value to their production in a market-driven and climate smart approach through regenerative agriculture; and (ii) establish and/or upgrade their market linkages with off-takers in a sustainable and profitable manner. Producers and Producers Groups (i.e., Farmers Enterprise Group = FEGs) will receive both Technical Assistance from local service providers (LSPs) and direct financial support through a Matching Grant Mechanism.

**Sub-Component 2.1:** Promotion of Regenerative Agriculture, Crop Diversification, Harvesting, Processing, Agriculture Value Addition, and Inclusive Access to Markets

Improving the market integration of producer groups for increased production, diversification and Value Addition (VA)

**Sub-Component 2.2:** Promotion of Climate Smart High Value Production Practices & Technologies

### C. CONSULTING SERVICES

PRIAT is seeking the services of consulting firms to act as Local Service Provider (the CONSULTANT) within the Subcomponent 2.1 for following activities:

- i) Conduct field survey & analysis.
- ii) Community mobilization & formation of FEG.
- iii) Capacity development (training) of the Producers Groups / FEG's in production practices for better yield and quality (Good Agriculture Practices – GAP), technical (Climate Smart Agriculture, Environmental issues), and Business topics (Financial, marketing, commercial).
- iv) The designing and developing matching grants mechanism and associated outreach (Business Plan Design).
- v) Develop linkages of FEG's with potential buyers (Market Linkage Program).
- vi) Provide technical assistance for the Business Plan implementation.
- vii) Provide overall project management support services to the DGA (WM) Punjab, Lahore/ PD-PRIAT/ PMU.
- viii) Prepare standards and specifications for Farm machinery & implements to be provided under the project.
- ix) Facilitate in finalization of rates for various items, equipment & machinery.
- x) Submit monthly, quarterly, and annual reports for proposed project activities besides other periodic reports as per requirements of project management.
- xi) Provide support in the implementation of social & environmental management framework, communication strategy/plan, labour & gender management plans, annual work plans, etc.
- xii) Any other duty assigned by the project management and the World Bank/ donor.

The “Local Service Provider” will work in close coordination with PRIAT implementation Unit (especially with the Sub Comp. 2.1 team). The contract would cover operation of matching grant windows 1 & 2 with several FEGs (Farmer Enterprise Group) to initiate Producer Alliances in high value Agriculture across the province of Punjab.

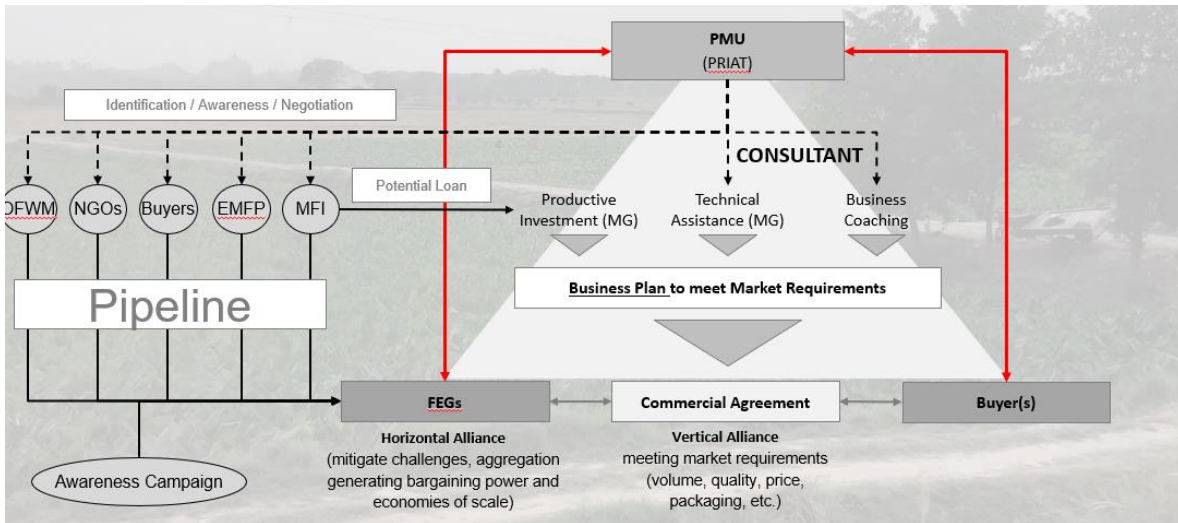
## **D. OBJECTIVES AND DURATION OF THE ASSIGNMENT**

The **CONSULTANT** will be required to provide the requisite services by deploying team / Human resource having adequate skill set and experience for implementation of Project activities as envisaged in Component 2.1 of the Project PC-1 and Project Implementation manual. The assignment is supposed to last for 36 months.

The component 2.1 is targeting **small and medium producers** of high value chains (Citrus, Mangos, grapes, olives, flowers & Vegetables because these potential beneficiaries represent a huge part of the agriculture production. Unfortunately, they are facing low yields, poor quality produce, market aggregation failures (e.g., limited farmer aggregation, poorly functioning wholesale produce markets), high transaction costs, inefficient post-harvest practices, and poor infrastructure supporting storage and farm-to-market transport. In order to mitigate these challenges through the development of productive alliances (PAs) which is a vertical alliance with Producers group **AND** a buyer, the **CONSULTANT** will support:

- The organization and collective action of growth-oriented small and medium producers through horizontal alliances (i.e., Farmer Entrepreneur Groups – FEGs);
- The establishment of vertical alliances by bringing together FEGs and prospective buyers to supply specific products in high demand;
- The formulation of business plans (BPs) to meet the terms of the contract endorsed by the buyer, as well as criteria for climate-smart land and water resources, and ecosystem-based practices and management; and
- The implementation of the BP through the provision of technical assistance (TA) and financial support (Matching Grants) to allow FEGs to make the required investments and supply the required quantity of quality products.

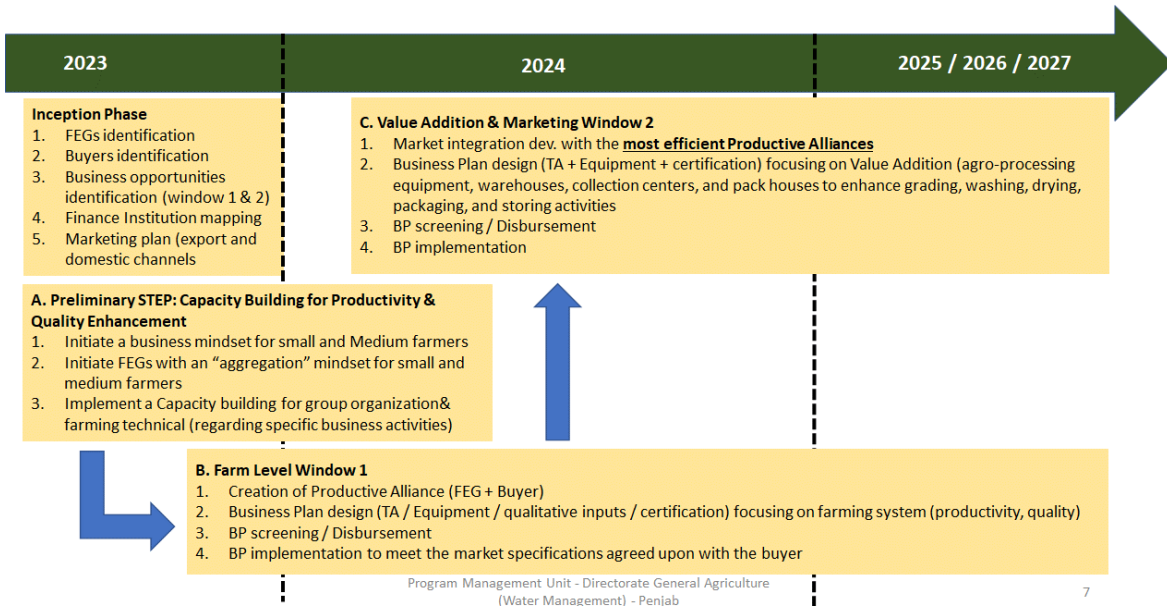
The objective of component 2.1 is to address the needs of small and medium farmers (owning or leasing less than 25 acres) by providing dedicated technical & financial support for better productivity & market integration through Farmer Enterprise Groups (FEGs). Productive alliance (PA) approach will be adopted by integrating farmers and buyers. The following diagram illustrates the concept of Productive Alliance:



In order to achieve the objectives of sub-component 2.1, the following interventions will be carried out:

- i. Inception
- ii. Preliminary step
- iii. 330 Business Plans (or more) at an area of approximately 150,000- Window 1 (mainly for production improvement)
- iv. 100 Business Plans under a Competition process - Window 2 (mainly for value addition – ceilings are higher)

The following diagram illustrates four steps approach within the PRIAT:



The two windows steps will generate a progressive market integration of FEGs. This approach is aligned with the limited experience of small and medium producers in making groups. On the top

of these steps, the component 2.1 will support the market integration of FEGs organizing specific events and implementing innovations.

### **The CONSULTANT Activities**

#### **Inception Phase: field analysis**

In order to implement in an efficient manner, it would be critical for the Project Implementation Unit (PIU) to get information and intelligence regarding the following topics:

- Value Chain identification report
- FEGs identification report (and their pipeline)
- Buyers identification report
- Financial Institution mapping report
- Business opportunities identification report (Window 1 & 2)
- Marketing plan (Export and domestic channels)
- Develop and implement detailed system for disbursement of matching grants at the farm as well as the processing level (MATCHING GRANT MANUAL). The system will include identification of beneficiaries eligible for grants, keeping in view the value chain analysis and specific requirement of beneficiaries.

Finally, the **CONSULTANT** will prepare

1. **Value Chain Identification Report:** The report will identify potential horticulture value chains produced in Punjab with respect to export and domestic potential. The report will also identify the gaps, potential and opportunities of value addition in each value chain. The consultant shall carry out a survey to identify major production issues being faced by the growers to be addressed through the farmer training program. The Consultant shall get the existing crop production training material reviewed through subject matter specialists. Design & develop modules and material for farmer training program.
2. **Business opportunities identification report (Window 1 & 2):** The report will identify business opportunities for the FEGs. This identification will be done analyzing the domestic and export markets. The **CONSULTANT** will also identify business innovations all around the world that could be replicated in Punjab. Within this report, the **CONSULTANT** will also identify the Supply & Service Companies (SSC) that may supply/deliver equipment, inputs to the productive alliance during their business plan implementation. Enlistment of private sector Supply & Service Companies (SSCs) and certification bodies shall be carried out through EOI. The **CONSULTANT** will have to develop specifications of farm machinery & implements, tools and equipment to be purchased under grant provisions. Finally, the **CONSULTANT** will pre-identify Technical Experts (national and international) and provide a roster that may be used during the Business Plans implementation.
3. **A marketing plan:** Analyze, propose and implement different activities to support the market integration of FEGs / productive alliances (including the buyers) for domestic market and exports. This could be exhibitions (local, provincial level), visits, and any other innovations (like the participatory guarantee systems). The LSP will provide an action plan with tentative budget requirements.
4. **FEGs identification report (and their pipeline):** The report identifies the different pipelines/channels, as entry point, to initiate FEGs and make efficient Expression of Interest (EoI). These entry points could be buyers, Microfinance Institution, previous project output. It also provides a deep analysis regarding the capacities of the small and medium producers that could create the FEGs. A focus would be to review existing business capacities, the

farming system capacities, and the group organization capacities. This information will help to design specific training support for the beneficiaries. The **CONSULTANT** will be responsible for identifying key training sessions. PIU with the help of M&E Consultants will develop control mechanism for quality trainings and also assess the level of competence attained by the FEG after the training. Producers with multi activity would be allowed only if the farming systems generate more than 50% of the house-holds income.

5. **Buyers identification report:** The report would identify the potential buyers and their market requirements. The CONSULTANT will have to update this report and direct contact with potential buyers will also be used to explain the objectives and the role of the buyers in the project. It will be crucial to encourage buyers to be involved in the project explaining the potential benefits they will have (secured supplies in quantity and quality for example).
6. **Financial Institution mapping:** This report would consist of deep analysis of the Financial Institutions in general & in particular the Microfinance Institutions. It would make a strong focus on (i) Different approaches the MFIs use to work with groups, (and if possible, with farmers groups); (ii) Various financial services they offer (especially for long-term investment) and; (iii) the potential synergies with PRIAT, especially as an exit strategy.
7. The CONSULTANT will design different forms to be used in the matching grants mechanism. **The CONSULTANT may have to update a matching grants Manual** for the two windows. The Project Implementation Manual (PIM) will be shared with the consultant at the beginning of the assignment for the guidelines and better understanding of the concept.

Finally, during this phase, the Consultant will provide an Inception report that include action plan, approach, risk analysis and logistic aspect.

## **Preliminary step: Capacity Development (EOI and Training)**

The objective of the Preliminary step is to:

1. Initiate FEGs with an “aggregation” mindset for small and medium farmers;
2. Initiate a business mindset for small and medium farmers;  
    Implement a Capacity building program of the FEGs on Good Agriculture Practices (farming techniques) and business aspects

The consultant will support PRIAT to design and deliver Call for Proposal in order to identify potential FEGs. Potential FEG will design an Expression of Interest (EOI) and contact PRIAT in order to receive potential support (capacity building).

Based on the gaps identified during the inception phase, the **CONSULTANT** will design, update or develop and implement a comprehensive training plan for capacity building of small and medium producers within the FEGs. Trainers with strong Business (financial, commercial marketing) and technical capacities (Climate Smart Agriculture, Good Agriculture Practices, Environmental safeguard...) will be required to implement this Preliminary phase.

At the end of the assignment, at least **330 FEGs (or more) at an area of 150,000 acres** (8-15 members per FEGs) should be capacitated to (i) “discuss” with a buyer, (ii) design a Business Plan and (iii) implement a business plan. Several Calls for Proposal will be launched in order to attract potential FEGs. These FEGs will provide an expression of Interest and if the EOI is accepted, the FEGs will be authorized to receive support from the LSP for trainings (and then Business Plan design). **This preliminary step would**

**be an on-going process that will be implemented all over the project life. This step will serve as a pipeline to feed the Business Plan competition activities.**

**Within the Preliminary step, specifics activities would need to be highlighted, the following ones are given as example and some of them may be delivered within a Business Plan implementation:**

1. Design / Update Call for Proposal and support PRIAT in delivering it.
2. Develop & implement training modules and manuals for selected products. The module may include the curricula covering Good Agriculture Practices (GAP) for production and postharvest management, lesson plans, training methods and evaluation procedures.
3. Develop & implement training modules for capacity building of the farmers on business skills (financial, marketing, commercial).
4. Support FEGs in the registration process.
5. Any other tasks assigned by the PMU for developing capacity of different stakeholders to improve production quality and ensuring food safety.

### **Business Plan Competition: Business Plan design**

After the validation of the EoI and capacity building of the first FEGs initiated, the **CONSULTANT** will help FEGs to contact buyers (using the report of the inception phase). These connections will be developed with the support of the **CONSULTANT**. This contact with the buyer will provide a business objective for the FEGs in order to fulfill the market requirements of the Buyer. As soon as a buyer is involved in the mechanism, we can speak about a **PRODUCTIVE ALLIANCE**.

To meet these market requirements, the FEG will have to design a Business Plan with the support of **CONSULTANT**.

### **Business Plan Competition: Business Plan implementation**

The Business Plan will be assessed, reviewed and screened by an external firm. If the Business Plan is approved, **the FEGs will implement it with the support of the CONSULTANT who will provide business coaching to the FEGs**. 70% of the required investment will be provided by the project and 30% will be contributed by the FEG. A “close” business coaching is key to build the capacities of the FEG and to create and maintain trust with the buyer.

<p>The details (ceiling, eligibility criteria, ...) will be shared with the <b>CONSULTANT</b> at the very beginning of his assignment. <b>The objective of this assignment is to implement 330 Business plans (or more) at an area of 150,000 acres.</b></p>
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### **Marketing Linkages (Domestic & International):**

The **CONSULTANT** shall deploy team of experts having vast knowledge and experience of domestic & international marketing and trade of Horticulture Products. The team shall design and implement a comprehensive plan for Market linkages (see Inception Phase report) to support the market integration of FEGs.

The marketing arm of the **CONSULTANT** will:

1. In consultation with various stakeholders, the consultant will develop and implement a comprehensive strategy for developing marketing linkages nationally and internationally for project stakeholders. The strategy will facilitate all the stakeholders and achieve project objectives and targets; marketing strategy may be based on the following factors:

- Potential of commodities /group of commodities with respect to domestic market and import volume by countries
- Specific import prerequisites for potential export Markets.
- Based on the potential and prospects develop a marketing strategy for each selected product in identified market.
- Identification of reputable international and national exhibitions that might be helpful for marketing of the produce,
- Develop and execute plan for domestic exhibition of international standard, domestic & International promotional campaigns, exposure visits, participation in single country exhibitions etc.
- and any other innovations (like the participatory guarantee systems).

The implementation plan should give a clear path way for activities to be undertaken with clear timelines and costs. The plan will be submitted with a budget to PMU-PRIAT for approval.

2. After approval, the consultant will implement the plan according to the schedules, timelines and agreed costs.
3. In consultation with PMU-PRIAT and stakeholders, the consultant will develop and implement a robust plan for participation in identified national & international exhibitions, promotion & awareness campaigns and exposure visits etc. The plan will include criteria for selection for participation of various stakeholders (exporters, traders, farmers) in the event, related costs and expected outcomes measured in terms of increase in business volume.
4. The CONSULTANT will develop and implement a detailed plan for domestic & international promotional campaigns. The plan will include identification of stakeholders, products and associated costs of the campaigns. Promotional techniques like free tasting of the products and their preparations, sale at discounted rates at the venue by exhibitors, presentations, brochures and flyers will be part of the overall plan. The plan will clearly indicate other costs incurred by Consultant and charged to the Project.
5. The CONSULTANT may propose any other effective technique to develop market linkages and it may become part of the plan
6. Any other task directly related to achieve project objectives not previously identified.



## **Gender aspect**

Gender aspect must be considered during the project. The CONSULTANT will give a specific attention to the women for each activity, deliverable, report and objectives.

10% of the Productive alliance must have FEGs with women as FEG leader. Specific communication strategy may be proposed to target women (Small and medium producers but also buyers). Specific training strategy will be formulated based on the best practices. Finally, a business coaching would be designed, tested, assessed and implemented for women.

## **DELIVERABLES**

### **Objectives**

It is expected that the **CONSULTANT** will be able to deploy the required team during the 36 months of the project implementation to achieve the following objectives:

At least extra 330 FEGs (or more) at an area of 150,000 are created, 330 active productive alliances (10% with women FEGs) and 330 business plans (or more) implemented.

### **Reporting**

The **CONSULTANT** will be responsible for 4 different and specific activities. The application will include these 4 different activities:

**Activity 1: Inception and Field analysis**

**Activity 2: Capacity development (training)**

**Activity 3: Business Plan Design Support**

**Activity 4: Business Plan Implementation Support**

The consultant has to produce the following deliverables:

### **Activity 1: Inception and Field analysis**

1. Inception report (action plan, including M&E plan and Risk management...).
2. Small and medium analysis report with a specific focus on women.
3. Buyers' identification report.
4. A marketing plan.
5. A "Good Agriculture Practices" Crop production manuals & modules
6. Financial Institution mapping report.
7. Business opportunities identification report (Window 1 & 2).

8. Matching Grant form.
9. Communication plan (including the initial Call for Proposal).

#### **Activity 2: Capacity development (training)**

1. Call for Proposal;
2. FEG organization (100 FEGs and at least 10% with women as leader)
3. Training implementation:
  - a. Good Agriculture Practices (GAP) for production and postharvest management,
  - b. Climate Change aspect and Climate Smart Agriculture,
  - c. Environmental aspect (pollution, losses, resource management),
  - d. Business skills (financial, marketing, commercial).

#### **Activity 3: Business Plan Design Support**

1. Support to FEGs: Business Plan formulation (330 BP – or more).

#### **Activity 4: Business Plan Implementation Support**

1. Support to FEGs: Business Plan implementation coaching (330 BP – or more);
2. Marketing plan implementation to support for productive alliances.

The firm will provide the following reporting:

- i. Monthly reports (Training, Applications, Grants, Short-Term technical expert intervention);
- ii. Periodic report (Activities, results achieved, challenges);
- iii. Final report.

### **E. GESTATION PERIOD**

The estimated duration of consultancy services is 36 months (to be decided at the time of contract negotiation covering the loan closing and grace period). However, contract period will be extendable as mutually agreed by both parties.

### **F. SELECTION METHOD**

The consultants will be recruited in accordance with World Bank Procurement Regulations for IPF Borrowers Nov 2020 for selection of consultants using the Quality & Cost Based Selection (QCBS) method.

### **G. FIRM EXPERIENCE, TEAM COMPOSITION AND QUALIFICATION REQUIREMENTS FOR KEY EXPERTS**

Applicants have a recognized expertise in rural development in Pakistan and must demonstrate experience in supporting agri-businesses and Agriculture enterprise development with small and medium producers, and in the administration of similar value chain development and/or financial support mechanisms (credit, grants, etc.). Experts required to carry out the task may include:

Sr. No.	Name of Expert	Qualification and Experience	Input/ man-month
1	<b>Technical Coordinator - Team Lead</b>	<p><b>Qualification:</b> Master's degree in Business, Economics, Agriculture or Rural Development</p> <ul style="list-style-type: none"> <li>• <b>Experience:</b> General experience in his/her field of expertise (minimum 15 years or more) and proven specific experience (minimum 10 years or more) in the implementation of Business Development projects for Local Communities programs. He/she must also demonstrate team management skills. Fluency in speaking English is essential.</li> </ul>	36 (1 position)
2	<b>Technical Assistance Manager in Business Capacity Development</b>	<ul style="list-style-type: none"> <li>• <b>Qualification:</b> Master's degree in Business or related discipline</li> <li>• <b>Experience:</b> Strong general experience in his/her field of expertise (minimum 10 years or more) and proven specific experience (minimum 7 years or more) in the implementation of Business training and Coaching programs for local communities. Experience in Punjab and fluency in English are essential.</li> </ul>	36 (1 position)
3	<b>Technical Assistance manager in Horticulture</b>	<ul style="list-style-type: none"> <li>• <b>Qualification:</b> Master's degree in Agriculture with majors in Horticulture or related discipline</li> <li>• <b>Experience:</b> Strong general experience in his/her field of expertise (minimum 10 years or more) and proven specific experience (minimum 7 years or more) in the Horticulture development and climate smart agriculture. Experience in Punjab and fluency in English are essential.</li> </ul>	36 (1 position)
4	<b>Technical Assistance Manager in Matching Grant management</b>	<ul style="list-style-type: none"> <li>• <b>Qualification:</b> Master's degree in Business, Economics, Agriculture or Rural Development or related discipline</li> <li>• <b>Experience:</b> General experience in his/her field of expertise (minimum 10 years or more) and proven specific experience (minimum 7 years or more) in matching grant management (or related field) and business coaching.</li> </ul>	36 (1 position)
5	<b>Social and Gender Specialist</b>	<ul style="list-style-type: none"> <li>• <b>Qualification:</b> Master degree in social sciences, sociology, anthropology or related discipline</li> <li>• <b>Experience:</b> Proven experience minimum seven (07) years in social safeguards and gender equity, particularly in addressing the specific risks, needs, and vulnerabilities of marginalized groups, especially women, in program implementation. It would also be</li> </ul>	36 (1 position)

		desirable for the social and gender specialist to have experience or a basic understanding of the issue of GBV/SEA/SH and the management of such cases. Experience in Punjab and fluency in English are essential.	
6	<b>Communication and complaints management Specialist</b>	<ul style="list-style-type: none"> <li>• <b>Qualification:</b> Master degree in communication or social science or related discipline</li> <li>• <b>Experience:</b> Proven experience in project communication and social management, minimum seven (7) years, and preferably in complaints management. Experience in Punjab and fluency in English are essential.</li> </ul>	36 (1 position)
7	<b>Marketing Specialist</b>	<ul style="list-style-type: none"> <li>• <b>Qualification:</b> Master degree in marketing or business administration with specialization in marketing.</li> <li>• <b>Experience:</b> Proven experience in developing market linkage for small and medium agribusinesses. Experience of international marketing will be added advantage. Experience of working in Horticulture sector and fluency in English are essential.</li> </ul>	36 (1 position)
	<b>Total</b>		<b>252</b>
	<b>Non-key Experts/ Support Staff</b>	Administrative and Financial Officer, Logistics Manager, Technical Trainers, Social Mobilizers / Business Coaches, Human Resource Manager, Associates, Drivers, support staff as deemed necessary	

The proposal of the consultant shall include details of the material resources required for the realization of the service (vehicles, motorcycles, tablets, office space, energy, computer, communication, visibility materials, supplies and fuels) under reimbursable expenses. The proposal shall also include the communication campaign budget estimation and a lump sum for the Short-Term technical experts (including daily rates, travel, travel allowance and logistic training expenses). These will be considered as direct costs and reimbursed as such, with no possibility for the provider to make a profit on them.

## **H. CLIENT'S INPUT AND COUNTERPART PERSONNEL**

- i) The Consultant shall work closely with the Director General Agriculture (Water Management) Punjab, Lahore/ Project Director (PRIAT), Lahore to whom they will be reporting on day-to-day basis. The Consultant will establish their offices in Lahore and project areas at suitable places.
- ii) Director General Agriculture (Water Management) Punjab, Lahore/ Project Director (PRIAT) will be representative of the Client who will also resolve various administrative issues relating to Consultants arising during the course of assignment. The Consultants' Team Leader/ Project Manager will be the principal contact and will be expected to be readily available during project implementation.
- iii) The Consultants shall be responsible for all aspects of performance of services as set forth in these TORs.
- iv) All records and sites will be made available to the Consultant to enable them to perform their functions. The Consultants will be required to ensure confidentiality of the record.
- v) All relevant documents regarding on farm water management activities are freely accessible at OFWM website (<http://ofwm.agripunjab.gov.pk>), which may be useful for interested consultants/ consulting firms.