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Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)

Terms of Reference

For empanelment of Technically Qualified Consulting Firms experienced in promoting Value Chain with specific focus on Market Linkages for provision of technical support to State Rural Livelihoods Missions in the implementation of Value Chain Projects under DAY-NRLM.

Introduction

1. The Ministry of Rural Development (MORD), Government of India (GOI) has been implementing Deen Dayal Antyodaya Yojana- National Rural Livelihoods Mission (NRLM) since June 2011. The central objective of the DAY-NRLM is to eliminate rural poverty through innovative implementation strategies involving mobilization and organization of the rural poor and promotion of their financial and economic inclusion as well as promotion of convergence with other livelihood programmes.

2. The central objective of the Mission is to bring about increase in the household incomes of the rural poor through sustained livelihood enhancements and improved access to financial and non-financial services. The Mission aims at creating efficient and effective institutional platforms of the poor as mediating institutions. The four key inter-related components of the Mission are: (i) social inclusion; (ii) financial inclusion; (iii) livelihood promotion; and (iv) convergence. The four components posited on the Community Based Organizations (CBOs) of the poor are expected to promote and sustain livelihoods of the rural poor. Thus, the DAY-NRLM aims at mobilizing all the rural poor households into SHGs and their federations viz., Village Organizations, Cluster/ Block Level Federations and use these institutional platforms to promote the livelihoods of the poor. The Mission seeks to promote access of the CBOs of the poor to financial and technical services as well as economic support services and enable them to diversify and improve their livelihoods. Towards this end, the Mission intends to promote organic financial and non-financial relations between the SHGs and their federations. The Mission provides Revolving Fund (RF) and Community Investment Fund (CIF) support to the eligible SHGs and VOs which are expected to enable them to leverage funds from the formal banking institutions for undertaking sustainable livelihoods. The Mission also provides technical and convergent support for the member households to diversify their livelihood assets.

3. NRLM has also designed various interventions to address various livelihoods issues of the women SHG members through a strong structure for providing technical assistance - improved practices for productivity enhancement, access to farm implements, access to knowledge and information, access to water and other productive resources and also access to markets. For the poor small and marginal producers access to market has been a serious hindrance in realization of remunerative prices for their produce. NRLM has promoted interventions to

develop market linkages for rural produce from farm gate to market through a value chain based approach.

4. INRLPS propose to empanel suitable Technical Support Agencies for development of Market linkages through Value Chain approach and to provide technical assistance to State Rural Livelihoods Missions in implementation of such interventions. NRLPS seek to empanel technically qualified agencies so that State Rural Livelihoods Missions shall be in a position to quickly hire the services of a Technical Support Agency from the list of empaneled consultants.

Implementation Architecture

5. The Mission is implemented through specially created structures. At the national level, the Mission is implemented by a specially created National Mission Management Unit (NMMU) comprising several thematic groups and professional experts, under the Rural Livelihoods (RL) Division of the MORD. As part of transiting to DAY-NRLM, the state governments are required to establish special purpose vehicles in the form of autonomous and empowered State Rural Livelihoods Mission (SRLM) Societies at the state level. The SRLMs are in turn required to:

- (i) establish dedicated Mission implementation units at the State (SMMU), District (DMMU), Block (BMMU) and Sub-Block Units (Cluster Level);
- (ii) recruit, induct, train and position multidisciplinary professionals at all levels; and
- (iii) establish adequate management, finance, procurement, MIS and M&E systems.

Phased Implementation

6. As development of sustainable community institutions is a process intensive activity requiring the support of trained Community Resource Persons (social capital), a phased intensive implementation approach has been adopted by the Mission under the approach a certain number of blocks are selected in each year for intensive application of Mission resources. The blocks selected in the first few years, apart from creating sustainable institutions of the poor for livelihoods promotion, are expected to generate social capital in the form of CRPs and other activists to replicate and support the implementation of Mission strategies in other blocks of the state. However, each SRLM is required to prepare the non-intensive blocks also for intensive approach by seeding and implementing Mission activities in a less intensive fashion. The states are also advised to use the services of experienced CRPs from other states which have been implemented models similar to DAY-NRLM in the initial stages.

Status of DAY-NRLM

7. As of December 2017, all the 29 States transited to DAY-NRLM and a state level autonomous society has been established and designated as SRLMs in these states. The state governments have approved establishment of Mission architecture at SMMU, DMMU and BMMU levels. The governments have also permitted recruitment of professional staff at all levels. Management, finance, procurement and other systems have been established as per the guidelines of DAY-NRLM. The State Missions have been implementing DAY-NRLM Annual Action Plans (AAPs) approved by MoRD.

National Rural Livelihoods Project

8. For ensuring that technical assistance and required implementation support is available under NRLM, the Government of India has availed a Credit from the World Bank for the National Rural Livelihoods Project (NRLP) which aims to provide support the Deen Dayal Antyodaya Yojana -National Rural Livelihoods Mission (DAY-NRLM). The World Bank is providing a credit of USD 500 million to NRLP project. The Bank funding to NRLP project will be till June 2018. MORF might come up with a separate project for promotion of higher level livelihoods interventions.

National Rural Livelihoods Promotion Society

9. National Rural Livelihoods Promotion Society is an autonomous institution under the Ministry of Rural Development, Government of India providing technical and professional support to State Missions in implementation of NRLM activities. NRLPS is registered under the SOCIETIES REGISTRATION ACT, 1860 and is funded during the project period from the World Bank Credit. NRLPS receives grants from the Ministry under the provisions made for NRLP.

Promotion of Livelihoods under DAY-NRLM

10. NRLM has designed several interventions to promote livelihoods with the women SHG members in both farm and non farm sectors. In farm sector NRLM has been continuously working toward productivity enhancement in agriculture, livestock and NTFP based livelihoods. NRLM has also initiated several market linked value chain interventions in milk, horticulture, vegetables and NTFP to ensure remunerative prices to the farmers.

Mahila Kisan Sashkitikaran Pariyojna (MKSP)- The primary objective of the MKSP is to empower women in agriculture by strengthening community institutions of poor women farmers and leverage their strength to promote sustainable agriculture. MKSP also has component on non-timber forest produce . MKSP is now being successfully implemented in 22 states with about 33 lakh women farmers.

11. Start-up Village Entrepreneurship Programme (SVEP): The SVEP is a sub-programme under NRLM. The long term vision of the SVEP is to provide support for start-up to 1 crore village enterprises and provide direct employment to 2 crore people. The SVEP shall help the rural poor come out of poverty by helping them set up enterprises and provide support till the enterprises stabilize.

12. Rural Self Employment Training Institutes (RSETIs). Under NRLM RSETIs are being established in collaboration with Public Sector Banks, in each district of the country to provide training to the rural youth from the poor households for setting up micro enterprises. RSETIs provide short term residential training with long handholding support to the youth.

Objectives of the Assignment

13. The main objective of this assignment is to provide technical assistance and program implementation support to SRLM as well as to the participating and Community Based Organizations (CBOs)/ Cluster Level Federations and Producers organizations in the development of market linkages in the agriculture, and Non-Timber Forest Produce (NTFP)

products so that these become profitable, bankable, and self-sustaining in the long run. Some of the main components of this objective would be:

- a. Identifying key market players and helping the producer enterprises to build linkages with them;
- b. Providing advisory and hand holding support to the SMMU in the implementation of value chain development approaches/models; business plan development; market analysis; cost benefit analysis and facilitating preparation of detailed implementation report (DIR) etc.
- c. Support SRLM in setting up of Producers Enterprises/Producers Companies and prepare business plans and provide implementation support.
- d. facilitating partnerships development/linkages with key knowledge/technology institutions, private firms, marketing institutions;
- e. Identify key products covering Agriculture and allied activities and NTFP segments that have potential for development of value chain and market linkages in the State.
- f. Facilitating access to technology to address critical gaps in production, post-harvest and processing, marketing etc.
- g. Development of manuals; standard operating procedures, for smooth functioning of producer enterprises;
- h. Work closely with the National and State Mission in the roll out of value chain and market linkage initiatives etc.,
- i. Work on development of value chains and market linkages for 5-10 identified commodities/ products and roll out the plan.

Scope of Work

14. As part of the assignment, the consultant is required to explore each of existing and potential end market to determine which offers the greatest benefits (profit margins, embedded services, competitive advantages, etc.) and risks (competition, sizeable investment, fleeting business relationships, etc.) for each actor in the value chain of identified products in the agriculture and NTFP. Some of the key activities, but not limited to, that are expected to be undertaken by the consultant are listed below.

(1) Submission of Action Plan:

Based on this TOR the consultant will draw up a Plan of Action with time lines for roll out of the key tasks and submit the same to CEO/SMD. The action plan would prioritize the on going projects on value chain interventions in the states. The Plan of Action will also include the proposed approach for providing technical assistance and implementation support to SRLMs for market linkages, Value Chain Development, methodology, a broad time frame and budget. It will also explain how the involvement of Mission Staff and stakeholders will be ensured. The Plan of Action will include a clear description of the different product groups (Agriculture and NTFP) to be analysed.

(2) Identify Potential Commodities for Development

Based on the desk review of secondary data and consultation with various stakeholders viz., MORD, SRLMS, MKSP Partners, representatives of select Cluster Level Federations/ Community Organisations etc., the consultant is required to come up with a list of state wise potential commodities that can be taken for development of value chain and market linkage. This plan should highlight the existing value chain gaps in terms of transaction costs of farmers for the identified commodities.

(3) Plan and conduct a Market Assessment and Value Chain Analysis:

In consultation with SRLM, the list of products/ sectors and geographical area that will be taken up for development needs to be prepared. After identification of products/sectors that needs to be focused, the consultant is required to undertake Market assessment for select products and sectors. The consultant is also required to identify the gaps in the value chain and market linkage and come up with suitable recommendations to address the gaps in the value chain/ market linkages.

The consultant is requested to consider following aspects while undertaking market assessment.

- identification of major local, regional and, if applicable, distant markets
- assessment of size of markets, volume of sales, market integration/segmentation
- local market structure and enabling environment (e.g. security issues or policies affecting market access)
- market actors (consumers, sellers, traders, middle-men, employers) behavior
- procurement mechanisms, market requirements (standards, conditions for delivery) and prices, wage rates and employment conditions
- Other areas as identified by the methodology and data collection

While analysing the Value Chains, following aspects needs to be looked into.

- Identification of various chain actors and their relationship
- Selecting and prioritizing value chains for promotion
- Mapping of value chains
- Analyzing value chain technical capacities
- Analyzing value chain competitiveness
- Formulating upgrading strategy the identified value chains
- Implementing the upgrading strategy, monitoring and impact assessment
- Developing business services including collecting and disseminating market information
- Assistance in such areas as technology upgrading, quality management and training
- Establishing necessary infrastructure for compliance with accreditation systems-quality, hygiene, safety standards etc

(4) Development of Commodity Value Chains

The consultant is required to support SRLMS in developing commodity value chain for at least 10-15 commodities focus on those areas which lead to improvements in value chain performance in farm sector to ensure better price realization for the producers in terms of: (i) reducing the time needed to reach the customer; (ii) taking up local value addition activities (iii) minimizing transactional costs; and (iv) improving the capacity of chain actors to follow and assimilate technology and market developments. The consultant is required to come up with a detailed tools, techniques and guidelines for value chain development.

The value chain development strategy should be built on a strong and sustainable business model with clearly articulated institutional structure and management systems.

While developing the value chains the consultant is required to look into the Structural Factors viz., (i) End Markets; (ii) Business Enabling Environment; (iii) Vertical linkages; (iv) Horizontal linkages; and (v) Supporting market and Dynamic Factors viz (i) Value chain finance; (ii) ICT requirements; (iii) value chain governance; (iv) Inter firm relationship; and (v) Upgrading aspects of commodity value chains etc., appropriate instructional structure for taking up value chain intervention.

(5) Handholding of Producers Enterprises/ Producers Companies

The TSA may support SRLMs in promoting Producers Enterprises for various commodity/production groups identified by the SRLM. The TSA is also expected to conduct feasibility study for effective implementation of business plans emerging out of market analysis focusing on the following:

- Marketing strategy
- Feasibility and viability study
- Estimation of potential returns and risks
- Investment plans
- Access to Finance

As part of promotion of Producers Enterprise, the consultant is required to take up following key activities, but not limited to.

- a) **Design detailed project strategy:** The Technical Assistance Provider will work closely with SRLM core team to come up with a detailed strategy and work plan to facilitate the Value chain intervention. Activities will include:
 - Discussing and identifying target Producers who would be part of the programme
- b) **Developing viable business plans:** depending on this diagnostic study the agency is expected to develop producer organization wise viable business plans
 - Define USP of the producer enterprise
 - Define market linkage
 - Financing model

- Benefit to the farmers
- c) Development of Business Process and management practices of Producer Enterprises
 - a. Design Standard Operating Procedures;
 - b. Human resources management process
 - c. Guide/ provide the support to PE in the preparation of finance and accounting, procurement, material/ commodity handling and supply chain management, protocols for payment to farmers
 - d. Quality control guidelines
- d) **Monitoring and evaluation and Development of MIS:** Periodic monitoring and evaluation exercises will be conducted to assess the progress of the POs and the project. The TSA will develop comprehensive systems to assess the maturity of the POs throughout the project duration on various parameters such as institutional strength, business strength, financial strength, and governance. They will explore opportunities to leverage ICT for monitoring and evaluation purposes.
- e) **Document approach and lessons:** The TSA will compile data from the diagnostic and thematic analysis and performance of the POs and regularly report to SRLM. The TSA will create a comprehensive report on the project approach detailing PO formation, scale up and capacitation that will be shared with SRLM. A final project completion report will summarize key activities and results. Based on the learning's, outcomes and information collected, TSA will also create a platform that will effectively disseminate these learning's and key findings to all stakeholders in the PO landscape.
- f) **Support Producer Enterprise in the Market Linkage**

The agency is required to identify major reliable buyers who will be buying the products from the producer enterprise and development of SOWT analysis for each buyer and similar exercises should also be taken up for various markets.

(6) Training and Capacity Building

The TSA is required to support SRLMs to develop Capacity building curriculum, tools and session plan etc and roll out capacity building plan.

- i. support to the SRLMs for undertaking the training of CRPs in the Value Chain Development and Market Linkage areas etc., if such resources are not available with the SRLM.
- ii. Design and deliver training to the SRLM staff in the Value Chain Development and Market Linkage areas

(7) Institution of MIS Systems

The agency is required to provide handholding support to state missions in the roll out of MIS, reporting and use of MIS reports for monitoring of project progress.

(8) Document approach and lessons:

The consultant is required to create comprehensive reports on the status of roll out of value chain development and market linkage. Collect MIS from DMMUs and report to SRML on a quarterly basis.

Proposed Team

15. The consultant is required to deploy following key professionals for undertaking the assignment. The team should have following key skills and competencies
- i. Good Communication (written & spoken), Problem solver, Analytical skills
 - ii. Result Orientation, Task Orientation, self-starter, thought clarity
 - iii. Experience with participatory extension approaches and farming system.
 - iv. Thorough understanding of value chain of production, processing, storage and distribution with emphasis on market oriented production systems.
 - v. Should be able to travel extensively within the country.

Education qualification and experience required for each position is outlined below.

Key Professions

1. **Team Leader:** The team leader should have an experience of minimum 10 years in a senior management role in value chain development/ market linkage for rural produce. Candidate should also have minimum 4 years of experience working in agriculture value chains. Experience of procurement and marketing of rural produce will be essential for the team leader. S(h)e should have experience in managing a team of professionals. Should be a Post Graduate in Agri-business management / Rural Management / Rural Marketing or MBA in Marketing from a recognized university/institute. Candidate with UG/PG in agriculture or veterinary science is desirable. Candidates having experience in managing agriculture commodity supply chain in companies engaged in agri business would be preferred. Candidate having in depth handling experience of at least 2 major rural produce in large volume would be preferred.
2. **Value Chain Expert - Agriculture:** Should have an experience of minimum 6 years at middle level management responsible for sourcing and supply chain management of agriculture produce and/or community centric agriculture extension activities. . Should be a Post Graduation in Agri-business management / Rural Management / Rural Marketing or MBA in Marketing from a recognized university/institute. Candidate with UG/PG in agriculture is desirable. Candidates having experience in managing agriculture commodity supply chain in companies engaged in agri business would be preferred. Candidate having in depth experience of at least one major rural produce in large volume would be preferred.
- 3.

The CVs of the key professionals will be evaluated at the request for proposal stage. All the consultants are required to provide 3 CVs for each position. (Ex. the consultant will provide the CVs of Team Leader-1; Team Leader-2; Team Leader-3. Similarly for other positions)

Non-Key Professionals

The consultant is required to provide following non-key professionals.

1. **Value Chain Expert - Livestock:** Should have an experience of minimum 6 years in a livelihood development project at middle management level responsible for promotion of livestock based value chain. Candidate should also have minimum 3 years of working experience in value chains of rural produce. Should be a Post Graduation in Agri-business management / Rural Management / Rural Marketing or MBA in Marketing from a recognized university/institute. Candidate with UG/PG in veterinary science is desirable.
2. **Value Chain Expert - NTFP:** Should have an experience of minimum 6 years in a livelihood development project at **middle** management level responsible for value chain development and market linkages for NTFP products. Candidate should also have minimum 5 years of working experience in NTFP value chains. Should be a Post Graduation in Agri-business management / Rural Management / Rural Marketing or MBA in Marketing from a recognized university/institute. Candidate with UG/PG in forestry is desirable.
4. **Financial Management Expert:** Must have a Master's Degree or equivalent in M.Com or a CA. Should have 8 years of experience in systems for financial management and legal compliance in a medium sized Enterprise/CBOs or other agencies or Producers Organization/ Cooperative Organization. Strong team collaboration and technical leadership skills is desirable.
5. **Value chain Operations Manager:** Should have an experience of minimum 5 years either in value chain development/ market linkage/ commodity procurement. Candidate should have minimum 3 years of experience in running commodity business operations including procurement. Should be a Post Graduate in Agriculture/Agri-business management / Rural Management / Rural Marketing or MBA in Marketing from a recognized university/institute.
6. **Commodity Coordinator:**Should have an experience of minimum 3 years either in value chain development/ market linkage/ commodity procurement. Candidate should have minimum 1 years of experience in running commodity business operations including procurement. Should be a Post Graduation in Agriculture/Agri-business management / Rural Management / Rural Marketing or MBA in Marketing from a recognized university/institute.

It may be noted that based on the requirement of Procuring State Missions, the composition of Non-Key staff may differ. The State Mission will indicate the requirement of Non-Key staff at the time of calling the commercial proposals from the consultants accordingly the consultant should quote the rates.

All the Key and Non-Key professionals should be available for full time and should follow SRLM working hours and consultants will be entitled to leaves as per the policy of the SRLM in addition to the public holidays observed by SRLM. Leave and tour of professionals deployed to SRLM would be approved by State Mission Director or designated officer.

Operational Budget

16. Once the selection process is finalized, the selected agency shall prepare annual budget/Action plan to meet the cost of reimbursable expenditure, cost of thematic experts, and items/activities listed out above and any other operational cost required for the assignment. *A per diem allowance, including hotel, for experts for every day of absence from the home office for the purposes of the services will be paid as per the travel rules of SRLM in force.* As per the travel rules of SRLM in force, the client will reimburse field travel expenditure, accommodation, food and other expenditure incurred while official travel undertaken by the consultant on actual basis. The copy of the travel rules shall be made available to the selected consultants.

17. The Consultant shall take approval from authorized representative of the client to take up the activities approved in the action plan. Further, while procuring the goods and services, the consultant shall adhere to NRLM procurement norms. Whereas, expenditure related to operational expenditure, the consultants shall follow the rules and regulation in force in SRLM and follow the principals of economy, efficiency, value for money etc.,

Duration and Key Deliverables

18. Services of TSA will be hired initially for a period of 2 years. Payment to the consultant will be made based on the time input of the consultants and on submission of time sheet of individual consultants. Further, the consulting firms is required to submit a quarterly report highlighting progress made during the quarter. During the period of engagement, the TSA team is required to deliver the following:

	<i>Time frame (from the date of contract)</i>	<i>Indicative Deliverables</i>
1.	Quarter -1	<ul style="list-style-type: none"> • Inception report with detailed action plan • Mobilization of team of professionals • Conduct of consultation work shop with SRLM for identification of commodities/products for development of value chain and market linkage; • Requirement of ICT applications/ infrastructure etc., • Development of tools and techniques required for development of value chain, market linkage,
2.	Quarter - 2	<ul style="list-style-type: none"> • Brief quarterly status report • Submit a strategy document for promotion of Producers Organizations and action plan for roll out

		<ul style="list-style-type: none"> • Conduct of Market Assessment and Value Chain Analysis • Development of Commodity value chain for at least 5 products • Development of Capacity Building strategy and roll out plan • Conduct one TOT for select Value Chain Resource Group members • Development of monitoring framework • Draft Market Linkage guide for CRPs. If the guide is made available by the MORD, the TSA shall translate the guide into the local language
3.	Quarter-3	<ul style="list-style-type: none"> • Brief quarterly status report • Development of Commodity value chain for at least 5-10 products • Provide technical assistance to state Missions in the roll out of value chain development
4.	Quarter - 4	<ul style="list-style-type: none"> • Brief quarterly status report • Start capacity building and training programmes for CRPs • Development of Commodity value chain for at least 5-10 products • Provide technical assistance to state Missions in the roll out of value chain development • Development of work plan for year two by the end of 11th month of the contract.

At the end of first year, deliverables for year 2 will be worked out and agreed. Based on the requirement of the SRLM, the contract may be further extend to one more year.

Review Committee to Monitor Consultant’s Work

19. The State Mission Director, NRLM or designated officer/ team will review the work of the TSA on a quarterly basis. S/He may constitute a review/steering committee to monitor the progress of the agencies from time to time and provide necessary advice. The review/steering committee may also seek comments and inputs on the consultant’s work from MORD and other experts as appropriate.

Services to be provided by the Client

20. The Consultant would be provided access to MIS data, internal project communications, correspondence, study reports, manuals, handbooks, policy note and such other material which are not in the nature of classified documents of the SRLM.

Ownership

21. All information collected by consultant will be used only for the purpose of delivering the scope specified in the TOR. No part of the information shall be used for any other purpose without the prior explicit consent of the client. All material and data collected shall be the property of the client.

Reporting

22. The agency will report to CEO/State Mission Director, State Rural Livelihoods Mission or designated officer.

Review of the TSA:

23. The performance of the TSA will be reviewed by a committee constituted by CEO/State Mission Director, State Rural Livelihoods Mission. This review committee may comprise of SPM, Livelihoods; SPM, Finance; and SPM Procurement of the respective SRLM in addition to an independent nominee of CEO/SMD, of SRLM. The committee will review the project on quarterly basis.

24. All reports (including the Inception Report, monthly progress reports, quarterly report, annual report, mid-cycle project assessment report, and final report) are to be submitted by the TSA to CEO/SMD.
