

## **Terms of Reference**

### **Scoping Study and Value Chain Analysis for identification of potential clusters for Value Chain Development under BTDP**

#### **I. Background**

Bihar Transformative Development Project (BTDP), an initiative of Government of Bihar with an objective to provide livelihoods opportunities for rural communities with special focus on poor. Bihar Rural Livelihoods Promotion Society through support from the World Bank aims to scale up the JEEVIKA model of poverty alleviation in 300 blocks of 32 districts in Bihar under Bihar Transformative Development Project (BTDP).

Bihar Transformative Development Project aims to improve the rural livelihood options and works towards social and economic empowerment of the rural poor and women by promoting self-managed community institutions and further strengthening their livelihoods. BTDP intervenes with the community in the following four themes or programmes: institution and capacity building, social development, microfinance and livelihoods. Under the Livelihoods theme, BRLPS aims to integrate the rural households high value agriculture value chains and markets and for improved income, employment opportunities and ability to respond to market demand and opportunities.

To fulfil these objectives, Bihar Transformative Development Project will focus the development of pro-poor value chains. Bihar Transformative Development Project will be making initiatives directly in support of value chain development: formation/strengthening Farmer Producer organisations, initiatives to promote social inclusion, support for high value commodity production and post-harvest activities.

#### **II. Objectives of the Assignment**

The main objective of this assignment is to provide sufficient understanding on the current status and future potential of different agricultural commodities in the project area and do a value chain analysis of at least six prominent agricultural commodities & the value chain of milk in Bihar identifying specific bottlenecks and opportunities in their respective value chains that can be addressed and leveraged through the project intervention thereby increasing production, income and employment for the rural poor. The specific objectives are as follows:

- Prioritise value chains in the geographical areas within BTDP which have the potential to be developed as commodity specific clusters and shortlist at least six value chains of agricultural commodities and milk value chain that can create a high impact on the income of producers.
- Within the project area identify major production pockets, growth potential, market trends & competitiveness of selected value chains (supply and demand) including its future prospects within the country and abroad.

- Value chain mapping that depicts the chain actors and their functions & inter relationship.
- Identify and examine constraints and opportunities within the selected value chains and recommend interventions to overcome constraints and make use of opportunities to promote inclusive & sustainable pro poor economic growth and competitiveness.
- Analyse dynamics of processing and value creation, reward distribution, value chain governance and power relation structures and knowledge transfer.
- Identify the underlying policy, institutional, and infrastructural issues that affect the competitiveness of the selected value chains with reference to the role of government and private sector in the regions of focus. Also develop a matrix indicating areas of priorities for which public sector can intervene and areas for the private sector support.
- Identify institutions and organisations working for selected value chains from national to local levels (local, regional, national organisations from GO, NGO and private sector) that can contribute to pro poor value chain development

### **III. Expected Outcome of the Assignment**

The consultant firm will furnish a comprehensive value chain analysis report having disaggregated data including following, but not necessarily limited to:

- Detailed analysis of selected value chains with quantitative & qualitative description and the incremental values at each level of the chain.
- Value chain mapping of actors, process stages, monetary flows, governance and power structures, information and knowledge flows from input, production, processing to consumption level.
- Economic analysis, production and market costs and revenues, value additions and profit margin along the chain including income and employment.
- Production pockets area and major market centres identification, growth potential, market trends (supply and demand) including cross-border trade (export and import) and competitiveness of selected value chain.
- Power Analysis: Power analysis with the value chains to understand forms and causes of exclusion at different levels of the value chains. Power analysis should be carried at least at following levels: Traders and farmers; Land owners and tenant farmers and Farmers and seasonal labours
- Identify constraints and opportunities at each stages of value chain and leverage points.
- Recommend areas of interventions to improve the value of products including capacity building requirements for pro poor value chain development.

- Enabling environment (policy/incentives and its implication) with suitable policy advice for project implementation and VC supporting/facilitating organisations & institutions at local /regional/national level (CBOs, cooperatives, GO, NGOs and private sector) and their roles.
- List of potential agribusiness interested to collaborate with the project through contractual arrangements and their contact details including useful policy advice for their involvement at any level of the value chain.
- List of stakeholders consulted and list of References (studies and other literature used)

#### IV. Deliverables

The service provider is expected to deliver the following listed deliverables:

- **Inception report** (digital copy) and hard copies (3) of the assignment. The inception report should cover the methodologies and work plan. The hiring of person and their training should be completed during the period.
- **Interim report:** Raw Data double entered, Digital and hard copy of the data collected and analysed, models, diagrams including photographs & contact list of interviewees and workshop participants and key traders.
- **Draft report and Presentation:** Commodity Cluster Report covering 6 Agricultural Commodities and milk value chain report detailing out backward and forward linkages with margins of all the actors in the value chain with recommendations mentioning the bottlenecks, opportunities and key leverage points where the project can intervene for maximising the returns to producers.
- **Final report** incorporating the comments (digital and 5 hard copies) of each value chains.

Deliverables	Period from the Date of Agreement	Payment Schedule
Inception report	4 weeks	10%
Interim report.	28 weeks	30%
Draft Final Report and Presentation	32 weeks	30%
Final Report	36 weeks	30%

#### V. Study Methodology

The study comprises literature review and qualitative as well as quantitative research method. Checklist as key informant interview, Focus Group Discussion (FGD), Participatory Rural Appraisal (PRA), observation and so on will be used to gather information at each level of value chain. Primary information and secondary data analysis is equally important.

Participatory tools, techniques and methodologies will be applied in information gathering and verification of the available information. The technical proposal should include the following methodology in detail:

- Literature review and review of secondary information
- Develop survey instrument and conduct survey assessment
- Required number of focused group discussions and interviews with key informants/VC actor.
- Participatory field observations, interviews and consultations at the major market points including producers, traders and relevant stakeholders to collect required information.
- Analyse government policy and regulatory frameworks related to specific value chain development and private sector participation.
- Agribusiness mapping especially their current status in corporate social responsibility, trade volume and sales.
- Roles and responsibilities of each team members including number and person-days of the enumerators with their roles and responsibilities.
- Methods and tools not necessarily limited to can be used on mutual agreement prior to commencing study.

The abovementioned list is not limited and the agency may submit a better proposal commensurate with the industry standards.

## **VI. Qualification and Experience of the Agency**

The agency should have:

- At least 15 years of experience in value chain, sub sector analysis, good understanding of private sector and trade policies including market dynamics so as to make the study sufficiently private sector oriented.
- Experience in working with various Government organizations and institutions across different states, both as technical resource agency as well as implementation.
- Experience of working in Bihar on agricultural value chains and evidence of existing infrastructure, team and projects in Bihar
- Expertise in designing and executing high quality documentation and knowledge sharing initiatives commensurate with the best in the industry.
- Preference would be given to the agencies which have pan India presence and have prior experience of working with Bihar Government.

- The agency should have professional staff and technical experts commensurate with the industry standards.

The service provider will deploy the following staff:

<b>Position</b>	<b>Number of staff</b>	<b>Qualification</b>
<b>Project Director</b>	1	Minimum Master's Degree with Management Consulting experience with ten or more years of experience in conducting value chain analysis and development (VCD). S/He should have proven experience of value chain, sub sector analysis, good understanding of private sector and trade policies including market dynamics so as to make the study sufficiently private sector oriented.
<b>Project Manager</b>	1	Minimum Master's Degree in Management/Agriculture with at least 10 years of experience in value chain development. S/He should have proven experience of value chain, sub sector analysis, good understanding of private sector and trade policies including market dynamics so as to make the study sufficiently private sector oriented
<b>Business Advisors</b>	2	Minimum Master's Degree in Management/Agriculture with 2-5 years of experience. S/He should have proven experience of value chain, sub sector analysis.
<b>Research Associate</b>	6	Minimum Graduate in agri-business and rural development.

#### **Details of Man-days required**

<b>Sl. No.</b>	<b>Name of Experts</b>	<b>No. of days</b>
1.	Project Director -1	20
2.	Project Manager -1	50
3.	Business Advisors – 2	360
4.	Research Associate - 6	540

#### **VII. Duration of the Assignment**

Duration of the assignment will be 9 months from the time of signing the contract including 1 months' time for mobilising the staff and setting up the system.

#### **VIII. Reporting obligation**

The Inception Report , Interim Report, Draft Final report, Presentation and final Report will be submitted in BRLPS as per the schedule mentioned above. The Following reports shall be submitted in both hard (3 copies in number) and soft copies. For each round, the data will be

double-entered, and the two separate files in a standard format such as Stata or SPSS, will be submitted to BRLPS in addition to the merged and corrected final panel dataset.

### **IX. Services Provided by the Client**

The State Project Manager (Livelihoods-Farm) BRLPS, would supervise the assignment and facilitate the interaction and exchange of information between the Consultant and BRLPS. All relevant Project documentation will also be made available to the Consultant.

### **X. Review Committee to Monitor Consultants Work**

The Chief Executive Officer, BRLPS in association with State Project Manager (Livelihoods Farm) shall be responsible for reviewing and monitoring the work of consultants. S/he may constitute a review committee to monitor the progress and interact with the Consultant. The Committee may also seek comments and inputs on the Consultants work from the World Bank officials and from the other experts.

### **XI. Ownership**

This assignment is funded by BRLPS and therefore shall be the owner of the assignment output. The Consultant will have no right of claim to the assignment or its outputs once completed. Any reports / research outputs /process documents produced as a part of this assignment shall be deemed to be in the property of BRLPS and the consultant will not have any claims and will not use or reproduce the contents of the above documents without the written permission of BRLPS.