

राष्ट्रीय सहकारी विकास निगम
NATIONAL COOPERATIVE DEVELOPMENT CORPORATION

www.ncdc.in

**INVITATION FOR EXPRESSION OF INTEREST
FOR EMPANELMENT OF MARKET INTEGRATION PARTNERS (MIPs)
FOR ENGAGEMENT WITH PRIMARY COOPERATIVES INCLUDING
FARMER PRODUCER ORGANIZATIONS (FPOs) PROMOTED BY
NATIONAL COOPERATIVE DEVELOPMENT CORPORATION (NCDC)**

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3 PM on 30 JUNE 2021**

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1. INTRODUCTION

- a. The National Cooperative Development Corporation (NCDC) formed by NCDC Act, 1963, is the apex organization under the Ministry of Agriculture and Farmers Welfare (MoAFW), Government of India, focused on planning, promoting, financing, development and assistance to cooperatives in India.
- b. The Government of India accords high importance to development of agriculture and allied sector value chains leading to maximum returns to the farmers. NCDC is committed to promotion of cooperatives in this regard.
- c. NCDC promotes different types of cooperatives as per its mandate. It is also an Implementing Agency under the Central Sector Scheme for formation and promotion of 10,000 Farmer Producer Organizations (CSS) over a period of 5 years by 2023-24, launched in 2019-20. In line with the CSS, NCDC has identified about 500 blocks in 103 districts for development of FPOs under the Cooperatives Societies Act of the States. NCDC has also initiated collaboration with the Indian Council for Agricultural Research (ICAR) and Krishi Vignan Kendras (KVKs) in about 130 blocks for promotion of FPOs.
- d. The CSS operational guidelines has provision for engagement of Community Based Business Organizations (CBBO) and perform roles under CSS.
- e. NCDC as the apex organization of cooperatives in India aims to blend the best principles and practices of Cooperatives and the technical and commercial standards of success stories in cooperative movement for promotion of cooperatives including the new FPOs under its mandate and purview.
- f. Accordingly, NCDC plans to develop a unique and sustainable business model for primary cooperatives including FPOs to be promoted and nurtured by it under the Cooperatives model. In line with the same, NCDC plans to empanel **Market Integration Partners (MIP)**, without any financial support whatsoever from NCDC, agencies with experience and expertise in
 - i. FPO engagement with respect to provision of market linkages and engaging in procurement from FPOs,
 - ii. making credit and financial assistance available to FPOs,
 - iii. value addition, primary/secondary processing and Marketing
 - iv. providing agri-inputs to FPOs, and
 - v. providing technical advisory and program management services.
- g. The MIP will not have any role conflict nor role substitution with CBBOs engaged by NCDC. In line with the above requirements, this invitation for expression of interest seeks applications from eligible agencies (bidders or parties).

2. SCOPE OF WORK

The Market Integration Partner (MIP) shall be a key enabler for handholding and supporting primary cooperatives including FPOs to transform into commercially sustainable and professionally run organizations functioning at the grassroots. The MIP will not have any conflict nor role substitution with CBBOs engaged by NCDC. A cluster of 10-15 primary cooperatives including FPOs may have one MIP who would work with primary cooperatives including FPOs in the cluster on various business initiatives in a time-bound manner to enable gradual transformation of nascent FPOs into commercially transformed FPOs working on a sustainable business model. The MIP either directly with primary cooperatives including FPOs or in coordination with CBBOs, shall work on one or more of the following initiatives for enabling the end objective of operationalization of a sustainable business model (SBM) for primary cooperatives including FPOs.

- 1) Procurement of commodities from primary cooperatives including FPOs by enabling suitable market linkages as per the joint business plans developed between MIP and primary cooperatives including FPOs.
- 2) Facilitation for provision of NCDC credit / financial assistance and working capital (or any source other than NCDC purely at the discretion and viability of borrower cooperative / FPO) to primary cooperatives including FPOs.
- 3) Collaboration as an operating partner or as a technical advisory for development and operation of value addition facilities
- 4) Facilitation for provision of Agri-inputs
- 5) Advisory and extension services.

The MIP needs to be an active collaborator along with primary cooperatives including FPOs in the cluster and work closely with them for achievement of business outcomes. The MIP and primary cooperatives including FPOs in the cluster shall become a part of an integrated value chain development initiative for an initial period of 3 years and further for a period of 2 years more. NCDC shall regularly review and monitor the progress and functioning of the collaboration on business outcomes.

This relationship engagement between the MIP and primary cooperatives including FPOs engagement is purely a commercial engagement aligned towards commercial outcomes, (without any liability whatsoever to NCDC,) wherein the MIP has to invest upfront on the primary cooperatives including FPOs with respect to operationalization of the SBM for an FPO cluster or Value Chain Cluster (VCC or VC cluster). Further this empanelment relationship engagement is not only for capacity enhancement of FPOs, but also for commercial transformation of primary cooperatives including FPOs in a time bound manner. It is also informed that the envisaged role of MIP is not of a knowledge partner or as a consultant for training, capacity building and handholding but as an active collaborator in the business of FPOs. Therefore, **all the applicants for MIP have to invest** to enable access to capital, technology and markets, to achieve the above-mentioned initiatives in a timely manner and align with the performance goals set for their allocated cluster by NCDC.

The scope of work for the MIP, without any conflict with role of CBBOs under CSS, is as follows.

- 1) Comprehensive baseline assessment of the business potential of the identified FPOs in various states with respect to value chain integrations
- 2) Techno-commercial feasibility assessment of FPO clusters including development of product portfolio, financial plan, business plans and implementation and monitoring plans.
- 3) Preparation of detailed project report for each VC cluster in line with the technical assessment and interventions proposed for integrations.
- 4) Definition of process standardization and targeted operating business model for each FPO in the cluster considering risk management.
- 5) Business development for procurement of commodities and products generated at VC cluster.
- 6) Development of market linkages plan for agri-input supply at each VC cluster.
- 7) Development of captive micro-retail channel for sale of products developed at VC cluster.
- 8) Development and launch of VC cluster pilot process for identified FPO clusters and completion of process standardization process on various fronts.,
- 9) Development of digital platforms for operations, marketing, financing and quality assurance for VC cluster.
- 10) Implementing VC clusters at all feasible locations and linking all the allocated FPOs to business operations in coordination with institutional partners.

Resources and Implementation plan: The MIP shall implement the scope of work in three phases for an overall project period of three years, which is extendable to two more years.

- 1) Operating model: The selected MIPs along with primary cooperatives including FPOs in the cluster shall conceptualize, design and develop a business plan including value addition, value chain integration, production and processing, marketing and sales activities, which will function in the form of a business activity at each value chain cluster (VCC). The aim is to develop the VCC into a sustainable business model which will function in collaboration between FPOs and the MIP. NCDC shall facilitate the business arrangement between MIP and the primary cooperatives including FPOs in the cluster. The business arrangement shall be aligned with the business activities and can be a revenue sharing or a profit-sharing model as per specific circumstances. The business operating model shall be finalized in the phase-I after submission of a detailed project report (DPR) by the empanelled MIP for the cluster of FPOs allocated to them.
- 2) The model is based on development of revenue generating commercial activities by FPOs in a collaborative mode managed through value chain clusters.
- 3) Phase-I: During Phase-I , the MIP in coordination with NCDC shall identify atleast 5 VC clusters each with 5-10 primary cooperatives including FPOs and conduct techno-commercial feasibility assessment study as a program management consultant. The project period for phase-I is planned for 9 months with commercial Go-Live after 9 months. Each empanelled consultant shall be offered with a maximum of 20 VC clusters based on their capabilities. The MIP will deploy personnel with requisite

knowledge and expertise as may be required at each VC cluster for accomplishment “Go-Live” objectives for which NCDC shall not provide any financial assistance.

- 4) Phase-II: During phase-II, after commercial Go-live of the VCCs, scale-up shall be initiated for a targeted business growth of atleast 25% over previous year.
- 5) Phase-III: In phase-III, based on review of business in 3rd year and achievement of growth targets, the activity shall be carried over for 4th and 5th years.
- 6) The selected agency which shall engage VCCs shall appoint a project director for overall management responsibility of the VCCs and who shall be responsible for the business growth targets and sustainability of the engagement.

3. PREQUALIFICATION CRITERIA

The following are the pre-qualification criteria for participation in the expression of interest.

- 1) The bidder should be a registered company under Company Act,2013 and should have been existence for atleast three years.
- 2) The bidder should have a minimum of three years experience in atleast two of the following areas
 - a. Procurement of Agricultural commodities from FPOs by enabling market linkages
 - b. Provision of agricultural credit and financial assistance to FPOs in the form of working capital or project loans
 - c. Collaboration with FPOs for value addition, processing and marketing
- 3) The bidder should not be a Resource Institution or CBBO (Cluster based Business Organization) under any of the centrally or State sponsored FPO programs/schemes.

4. TERMS OF EMPANELMENT

- 1) The empanelment shall be based on technical assessment of the organization’s capabilities and experience of Farmer Producer organizations (FPOs) with respect to commercial activities. All Empanelled agencies shall be assigned clusters of FPOs in different States for handholding in business transformation activities as a Market Integration Partner (MIP). NCDC reserves the right of altering / changing this condition and the decision of NCDC, GoI in this case shall be final.
- 2) Validity of Bids submitted by the bidders shall remain valid for a period of 180 (one hundred and eighty) days after the date of bid opening. Any bid valid for shorter period shall be treated and rejected as non-responsive. NCDC may solicit the bidders consent to an extension of bid validity beyond the mentioned time period but without the modification in the proposal.

- 3) Clarifications to Eol: During Eol evaluation, NCDC may, at its discretion, ask bidders for clarifications on their Eol. The bidders are required to respond within the time frame prescribed by NCDC during release of clarifications.
- 4) Amendments in Eol at any time prior to deadline for submission of Eol, NCDC may for any reason, modify the Eol. The prospective bidders having received the Eol shall be notified of the amendments through website and such amendments shall be binding on them.
- 5) NCDC may at its sole discretion and at any time during the evaluation of Eol, disqualify any bidder,
 - a. if the bidder has submitted the Eol documents after the response deadline
 - b. if the bidder made misleading or false representations in the forms, statements and attachments submitted in proof of the pre-qualification requirements.
 - c. if the bidder exhibited a record of poor performance such as abandoning works, not properly completing the contractual obligations, inordinately delaying completion or financial failures, etc in any project in the preceding three years.
 - d. if the bidder submitted an Eol that is not accompanied by required documentation or is non-responsive.

5. ANNEXURES AND FORMS

Form-1

Details of the Bidder

Item	Particular
Name of the Organization	
Details of Office addresses and contact details	
Nature of the organization (Company/LLP/Partnership)	
Registration details (RoC) Certificate No	
Name of the Authorized Signatory and contact person with Email and Phone no	
GST No	

Form-2

Names of top-10 primary cooperatives including FPOs associated in the past 3 years.

SNo	Name of the primary cooperatives including FPOs	Total business in Rs Cr in the year 18-19 from Mkt linkages, Finance and Agri inputs	Total revenue in Rs Cr in the year 19-20 Mkt linkages, Finance and Agri inputs	Total revenue in Rs Cr in the year 20-21 Mkt linkages, Finance and Agri inputs
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Experience credentials

SNo	Experience parameter	Total Revenue billed for 20-21	Total Revenue billed for 19-20	Total Revenue billed for 2018-19
1	No. of primary cooperatives including FPOs served by the organization			
2	Procurement operations vide Market linkages to primary cooperatives including FPOs in terms of value in Rs Cr			
3	Credit facilitated to primary cooperatives including FPOs in terms of value in Rs Cr			
4	Agri inputs supplied to primary cooperatives including FPOs in terms of value in Rs Cr			
5	Value addition/processing/marketing activities generated in terms of value in Rs Cr			

Form-3

Declaration Letter

To
The Managing Director
NCDC
4, Siri Institutional Area,
Hauz Khas, New Delhi 110016
Email: coopfpo@ncdc.in

Date:

Sub: Submission of EoI for empanelment as Market Integration partner -reg

Dear Sir

This is to notify you that our Firm intends to submit a proposal in response to EoI for Empanelment of Agencies for Market Integration Partner for primary cooperatives including FPOs. In accordance with the above we would like to declare that:

- a. We are not involved in any major litigation that may have an impact of affecting or compromising the delivery of services as required under this assignment.
- b. We are not blacklisted by any Central / State Government / Public Sector Undertaking in India

Sincerely,

Name:

Designation:

(Sign and Seal of Authorized signatory)

Form-4

Technical Approach and Methodology proposed for primary cooperatives including

FPOs engagement: The applicant shall provide details in the below table. If the applicant wishes to illustrate through additional information, the same may be provided as Annexures with reference made in the below table.

SNo	Parameter	Details
1	Approach & Methodology	
2	Understanding of Scope	
3	Area of Operations (States and Districts, where the applicant plans to work with NCDC-FPOs)	
4	Proposed solution.	
5	Key Milestones and Deliverables	
6	Risks& Assumptions	
7	Monitoring framework	