

**NATIONAL COOPERATIVE DEVELOPMENT CORPORATION  
(INTEGRATED COOPERATIVE DEVELOPMENT PROJECT DIVISION)**

**Sub: Terms of reference for the Consultant for preparation of Detailed Project Report (DPR) for a ICD project in a selected district and Guidelines for the State Government – Reg.**

In supersession to the earlier communications issued by the Corporation, following shall be the latest terms of reference for the Consultant engaged for preparation of Detailed Project Report (DPR) and guidelines for State government are issued for compliance:

**A. TERMS AND REFERENCE FOR CONSULTANTS ENGAGED FOR PREPARATION OF DETAILED PROJECT REPORT (DPR) FOR INTEGRATED COOPERATIVE DEVELOPMENT PROJECTS IN SELECTED DISTRICT(S)**

**1. GENERAL TERMS OF REFERENCE:**

- i) Consultant should enter into Memorandum of Understanding with the State Government and obtain the detailed order toward appointment, terms of reference, payment schedules and schedule for submission of DPR.
- ii) Thereafter the Consultant, in consultation with District Magistrate/DRCS or ARCS, shall work-out schedule for collection of preliminary data on various sector/activities/cooperatives/other organizations, meetings with various departments and cooperatives in the district, field visits, surveys etc.
- iii) Consultant may study the scope and functions of NCDC, pattern of funding based on the activity,category of the State and district profile. If need be, Consultants can discuss the schemes/pattern of assistance with the ROs of NCDC.
- iv) Consultant may hold a preliminary meeting with the DM/DC and state and district officers for understanding about the district; scope, strength and weaknesses of cooperatives, development plans that have been mooted or being contemplated and role being played by other organization.
- v) Consultant on a day-to-day basis shall maintain a diary of all events covered and wherever possible maintain photographs to be annexed in Volume-III of the DPR.
- vi) Consultant should adhere to time frames as prescribed by the State government.
- vii) The words 'NCDC Sponsored /Assisted Project' should be suitably mentioned on the DPR.
- viii) Consultant shall submit 5 copies of draft Detailed Project Report to the District Magistrate that shall be first discussed in detail by a team of officers of the State/District administration/RCS office, NCDC officer and GM DCCB. The Consultant shall also attend the same.
- ix) Any changes as suggested by the Committee shall be incorporated by the Consultant within 30 days. The same shall be put-up to DLCC and forwarded to SLCC for its approval and for consideration of State government. The Consultant shall submit 20 copies of the final DPR to the State Government.

## 2. SPECIFIC TERMS OF REFERENCE:

The Report should cover the following:-

1. Detailed profile of the selected district/project area covering the demographic, sociological, economic, financial, infrastructural and cooperative structure. The profile should give emphasis on activities such as agriculture, allied, rural industries, labour services and banking sectors with specific reference to the role of cooperatives in these areas.
2. Study of the existing development programme of different agencies and possible linking /dovetailing to the proposed ICD Project specially in the Cooperative Sector.
3. Development plan to be implemented over a period of 5 years will be made, keeping in view the needs and resources of the district. The plan will be for the following broad sectors:-
  - i) Agriculture
  - ii) Allied (Horticulture, Dairy, Fishery, Animal Husbandry, Handlooms & Sericulture etc.)
  - iii) Rural and Cottage Industries
  - iv) Services including Labour Cooperatives and
  - v) Banking
4. For each sector the development plan shall include a detailed study of present status of cooperatives including:
  - i) Organisational structure
  - ii) Role and functions
  - iii) Financial health
  - iv) Business achievements
  - v) Working results
  - vi) Strengths and weaknesses
  - vii) Infrastructure already available
  - viii) Systems and procedures
  - ix) Problems being faced
  - x) Backward and forward linkages among primary societies, district level and State level cooperative institutes.
5. Sectoral development plan shall be split into 5 sub-sectors as under:-
  - a) **Production Planning**

To support production programme in the district the growth/projection for various requirements such as credit, fertilizer, other agricultural inputs need to be assessed. Likewise production plan for allied and rural industries sector need to be prepared / assessed.
  - b) **Business Planning**

For all sectors and all types of cooperatives business plan shall be prepared keeping in view the production plan, local resources and needs, capability of the cooperatives etc. Plan for agri-business and pledge loan etc. be suitably incorporated in the business plan of PACS and PCMS
  - c) **Infrastructural Planning**

To achieve the business plan, infrastructural plans shall be prepared taking into account infrastructural facilities already available.

12. The Cooperative Banking Sector would basically deal with the State Cooperative Bank/District Cooperative Bank. Consultant, on the above lines, shall collect information for the last three years and a note on its establishment, branches, infrastructure owned/hired, activities, achievements made, existing manpower, reasons for shortfall/higher achievements thus enabling the Consultant to prepare a Development plan by taking into new or any initiatives that are under implementation / being contemplated by Central / State government / NABARD or any other organization etc., items like infrastructure, banking counters, furniture and fixtures, computerization, solar inverters etc. may be included in the proposal as per the need.

13. On the basis of data/information collected for the study, a broad approach to Integrated Cooperative Development would be developed indicating policy changes in credit disbursement, rationalisation of methods, rules and procedures with regard to distribution of inputs and raw-materials, consumer goods, deposit mobilisation, marketing of agriculture produce, output of allied and agro-based industrial cooperative societies, working capital requirement, project implementation, monitoring and evaluation. Further, the Consultants would suggest viable linkages among various types of cooperatives/activities being covered under the project.

14. The Consultants will follow project approach in preparing the Integrated Cooperative Development Project and in line with the project approach stream of costs and benefits of each activity / sector will be quantified over a period of 10 years. Activities proposed to be taken up should be based upon the need and viability of the project area.

15. For any activity like creation of new infrastructural facilities or repair/up-gradation/renovation/expansion/modification of existing infrastructural facilities - godowns, shops, showroom, retail outlets, cold storages, agro-processing units, banking structures, computerization, units in allied / new sectors proposed / suggested by the Consultant in DPR, should be supported by activity-wise / item-wise background note on its present scenario with their status, gaps estimated in Annual Action Plan (AAP) of district/PLP of NABARD; schemes/policies of the State/Central government for the activity in - vogue, factual cost-estimates, drawings from PWD or any other government agency, and projections on future business, employment generation etc. as well as its economics.

16. The Consultants would also identify viable organisational and implementation framework indicating the staffing pattern and incremental cost estimates of project implementation.

17. The Project Report would give the annual phasing of the investments alongwith the physical growth, the estimated business turnover both physical and financial of the cooperatives for each sector and type of societies and manpower for implementation of the project. A detailed plan for training of personnel under each sector being worked out and given in the Report.

18. The report would have the time scale for different activities and would be based on series of sub-projects prepared at the primary level. In the case of sub-projects involving agro-processing, the Consultants would work out the techno-economic feasibility and establish both backward and forward linkages. Report must also contained a schedule of suggestions / means for development of sick units and to make them operationally viable.

19. As far as possible, each component and sub-component of all the sectors of the project would be vertically and horizontally linked.

20. Preparation of Project Report will be based on :-

d) **Human Resource Plan**

Assessment of training needs and incentives for all kinds of societies in the project area.

e) **Financial Planning**

Financial requirements will be assessed for the infrastructure proposed, margin money, training, incentives, project implementation etc. with annual activity wise break up.

6. Depending upon the local resources and needs, lead activity(ies) may be identified and included in the project so that the impact of the project is visible.

7. The Agriculture sector plan would focus on developing Primary Agriculture Credit Societies (PACS), Farmers Cooperative Service Societies (FCS), Large Size Agricultural Societies (LAMPS), Joint Farming Cooperatives, Primary Agricultural Marketing Societies (PAMS) and other concerned societies as multi-purpose entities so as to enable them to cater to the overall needs of the farmers with special reference to :-

- a) Credit
- b) Inputs
- c) Consumer Goods
- d) Marketing / Pledge loan
- e) Deposit mobilisation
- f) Irrigation
- g) Extension facilities
- h) Other services - grading/processing etc.
- i) Micro finance

The Plan for the agriculture sector would be functionally linked with the cooperative structure in the district (i.e.) primary societies, secondary societies and the federations with a view to economise the operating costs.

8. The allied sector plan would basically deal with cooperative in the agriculture related activities such as minor forest produce, processing, fruits and vegetables, poultry and dairy, fisheries etc. and would aim at meeting the needs for:-

- i) Inputs/raw materials
- ii) Marketing
- iii) Services and other common needs like technical support etc.
- iv) Human resources planning including training & manpower development.

9. The Plan for village and rural industries would cover rural artisans engaged in activities amenable to cooperativisation such as handlooms, handicrafts, sericulture, coir etc. The plan would provide for the common facilities required for raising the income levels of the members of the Cooperatives. Consultants may select a few good working societies and / or societies having potentials by suggesting sub-projects so as to develop them as model societies for replication elsewhere.

10. The service sector would cover water conservation, irrigation, animal care/health, agricultural insurance, rural sanitation etc. The plan would provide for common facilities required for the benefit of the members of the service cooperatives.

11. The plan for labour contract cooperatives would cover the facilities required for smooth implementation of their projects.

- i) Detailed information collected from the relevant agencies for the various economic factors of the district.
- ii) Detailed information collected from all cooperative societies (which depict the contribution of Cooperative Act in their present activities) in the district/project area such as primary, district level societies including cooperative bank, land development bank and other relevant apex level societies.
- iii) A sample survey by visiting atleast 25% of the societies in the district/project area. In case number of cooperatives for any activity/sector is less than 20, all such cooperatives should be covered for survey. In case of other societies the details may be collected through the meetings, discussions and sending formats for collecting information.
- iv) Assessment of the problem area, business potential and possible remedies based on the interviews of atleast 4-5 beneficiaries per society during sample survey.
- v) Discussions with all district / State Government /RCS office, society functionaries etc.

3. **FORMAT OF DETAILED PROJECT REPORT FOR ICD PROJECT:**

- x) Detailed Project Report (DPR) should contain three volumes –

(1<sup>st</sup> Volume) - Executive summary;

(2<sup>nd</sup> Volume) - Complete DPR – Chapter-wise

(3<sup>rd</sup> Volume) - The supporting documents/estimates/drawings/photographs etc.

- a) The **Volume-I** – Executive Summary should contain the following:

- Broad outline of the district for which DPR has been prepared giving general details of vital statistics and of various sectors and highlights of potential and upcoming areas that are being ushered by the Central/State government and District administration
- Cooperative structure i.e. total number of all types of cooperatives in the district, of which active and dormant, details of membership – total members, men and women members, members belonging to General, SC and ST categories, active members that are transacting business with the cooperative, business turnover, numbers in profit/loss, infrastructure possessed/hired.
- Need for taking up of ICD project in the district.
- Summary of the Sectors/components that have been proposed for each type of Cooperatives i.e. for infrastructure development/repair/modification of godown, retail outlets, shops, collection centres, grading and packing units, processing units, fodder preparation, organic farming, milk units, rearing units, cold stores, value chain etc. vis-a-vis share capital/margin money for business development of PACS, LAMPS, FSS, whole sale stores, consumers, floriculture, horticulture, aromatic plants, allied sector cooperatives – dairy, fishery, piggery, livestock, agro-processing, renewable energy, organic farming, transportation, rural housing and projects covered in upcoming and potential areas etc. and cost for PIT, Training Monitoring Cell and cost of DPR..
- In case, the DPR is being prepared for Phase-II of the ICD project of the same district, there should be a mention of highlights on the achievements made during the Phase-I.

- b) The **Volume-II** shall be the Complete DPR and shall contain Chapters on the following:

- Index – Details of Chapters etc.

- References and Abbreviations used.
- List of officers in District/State and persons in Cooperatives
- Chapter on Overview of the district - its salient features on topography, water reservoirs, weather conditions, soil structure, crops grown in Khariff and Rabi seasons, number of crop rotations, market structures, occupational patterns of the inhabitants, health, tourism, allied sector- livestock, dairy, poultry, piggery, forest produce, potential and up-coming areas, new areas and projects being contemplated/ being implemented.
- Chapter on Overview of Cooperative Structure – number of primary cooperatives in each sector viz. Agriculture, marketing, consumer, allied sector - horticulture, floriculture, forest produce, dairy, sericulture, fishery, livestock, piggery, poultry, tourism, rural housing , education, health, banking, services including labour cooperatives, non-conventional and renewable source of energy etc., number of functional and non-functional/dormant cooperatives, membership details – total, gender based and for general, SC and ST categories, business turnover, number of cooperatives in profit and loss.
- Chapter on Overview of projects/schemes initiated by the Central/State governments as also by private sector, NGOs, Producer companies in the district.
- Chapter on Overview of different types of organizations working in the district – Role of each such organization, schemes, pattern of financial assistance to member cooperatives/members, projects being implemented, quantum of financial assistance provided.
- Overview of Schemes being contemplated or implemented in the district as assessed in District Annual Action Plans as also in the PLP of NABARD. Highlights on gaps assessed in different areas like infrastructure development, business development, new potential areas etc.
- Chapters on each type/sector of Cooperatives in the district giving elaborate account of their numbers, membership, availability of infrastructural facilities, conditions of the infrastructural facilities based on the information collected and summarized for the last 5 years, present strength and weaknesses, initiatives undertaken by different organizations, areas which can be undertaken in accordance with the cooperative acts and allowed by the State Cooperation Department, that can help to draw a future development plan for next 5 years. Based on the above, the projects and sub-projects are to be proposed for such cooperatives along with cost estimates and economics.

For any activity like creation of new infrastructural facilities or repair/up-gradation/renovation/expansion/modification of existing infrastructural facilities like godowns, shops, showroom, retail outlets, cold storages, agro-processing units, banking structures, computerization, units in allied and other thrust or new sectors etc. proposed / suggested by the Consultant in DPR, it should be supported by activity-wise / item-wise note on its background, present scenario with their status, gaps estimated in Annual Action Plan (AAP) of district(PLP of NABARD); schemes/policies of the State/Central government for the activity in vogue, factual cost-estimates and drawings from PWD or any other government agency, and projections on future business, employment generation etc. as well as its economics.

- The Chapters on projects in new and up-coming or potential areas be separately dealt with an overview of the area, gaps, initiatives taken by which organization and its achievements so far, cost estimates and IRR.

- A separate Chapter for Project Implementing Agency (PIA) i.e. about District Central Cooperative Bank – overview, activities performed, details of manpower, branches, their location, infrastructure hired/owned and its status, analysis of balance sheet for the last three years in format circulated by the Corporation, schemes of State government/NABARD being implemented for DCCB and what benefits have been obtained from these schemes and if any proposal is being contemplated/under consideration, details of financial pattern. Based on these and after discussions with the DCCB, proposals for their needs may be formulated and proposed with estimates and drawings etc.
  - The Chapters on Project Implementation Team (PIT) shall convey that there will be a Project Implementation Agency (PIA) for implementing the ICD project. To assist the PIA in project implementation Project Implementation Team(PIT) is constituted with professionals & supporting staff. The PIT staff are constituted by State Government in consultation with the PIA as per the requirements of the district. Typically, PIT consists of a General Manager, Development Officers, Accountant and supporting staff as per the need of the project.
  - The training needs be specifically elaborated upon for type of training needed for members, board members, secretaries of the cooperatives, institutes, duration and unit cost and total cost. Specialized trainings for members and personnel of commodity-based or for different types of cooperative societies in allied sectors as well as organized under new activities like renewable energy, irrigation, health, transportation, processing activities etc. In this also the proposal should contain details of type of training proposed, targeted group, duration, per person cost, number of trainings. The trainings should be spread over in the initial 1-2 year for total project period for overall exposure of all concerned.
  - Total subsidy component in a project is limited to 30% of total project cost. This subsidy includes all type of subsidy i.e. including subsidy for beneficiary cooperatives, PIT etc.
- c) The **Volume-III** of DPR shall contain the following:
- Cost estimates based on rates of PWD/ Government agency for infrastructure being proposed for new construction, repair/expansion/modification etc. for all types of cooperatives in the district.
  - Drawings, specifications etc. as given by PWD or government agency.
  - Economics of the projects suggested in DPR.
  - Write-ups on any new scheme being contemplated in the district.
  - Copies of extracts/documents referred for writing the DPR.
  - Photographs of the cooperatives, infrastructures, meetings with the state government officers, members, board members etc. with dates.
  - Copies of Resolutions passed by the cooperatives etc. List of persons contacted with name, designation, complete address, email address, phone numbers (Mobile and land line)

## **B. GUIDELINES FOR STATE GOVERNMENT:**

### **TIME SCHEDULES FOR VARIOUS ACTIVITIES:**

- i) The State government should chalk out time-frames /time-schedules for completion of activities as per the following schedules:

| S.No. | Item   | Period                                 |
|-------|--|--|
| a)    | After identification of district by the State government -Recommend proposal for district approval to NCDC in the prescribed format with all the supporting documents.                               | 90 days                                |
| b)    | Selection of Consultants by following due procedure and as per the terms and conditions.   | 90 days                                |
| c)    | Preparation and Submission of draft DPR by the Consultant to the State Government for consideration. Re-submission of DPR with modification/revision if suggested.                                   | 90 days                                |
| d)    | Approval of DPR and submission to NCDC for conduct of appraisal and sanction.  | 45 days                                |
| e)    | Constitution of PIA/PIT as per recruitment criteria and allocation of first year outlay as per NCDC Sanction letter.   | 30 days                                |
| f)    | Any approvals needed for sub-projects after their formulation.   | Within 30 - 45 days                    |
| g)    | Monitoring reports – Updating of monitoring system module for each project.  | By 10 <sup>th</sup> of following month |
| h)    | Mid-term review.   | At the start of 4 <sup>th</sup> year.  |
| i)    | Submission of Project Completion Report (PCR) etc. with all necessary details as per Performa along with notable achievements or failures vis-a-vis reasons, corrective actions and suggestions etc. | 90 days of completion of project       |

#### SIGNING OF MOU WITH THE CONSULTANTS:

- ii) The State Government should enter into MOU with the Consultants where agreement is on the terms and reference for preparation of DPR, Payment terms and schedules, submission etc.

#### APPOINTMENTS TO BE MADE BY THE STATE GOVERNMENT FOR ASSISTING CONSULTANT IN PREPARATION OF DPR OF ICD PROJECT(S):

- iii) The State Government should ensure issuance of detailed orders to the District Administration for appointment of Consultants, and for other officers and staff of various departments in the district etc. for liaison and for providing total co-ordination/support of the departments in the district. A copy of the same be endorsed to NCDC HO and its Regional Office.
- iv) A nodal officer from State Govt. is given additional charges to assist the Consultant in collecting information from the field and in preparation of the DPR. The concerned official should have knowledge of the district and potential areas for development in the concerned district.
- v) Besides officers of the State Government/RCS office and District Administration, DCCB Officer of NCDC should also be co-opted at the preparation stage of DPR.
- vi) District Collector/District Magistrate of the district has a major role to play in ensuring better quality of DPRs, which can be achieved through periodical meetings and effective co-ordination among departments within the district. The Consultant should be co-opted in all the periodical meetings, and must appraise the DM/DC on the progress of preparation of DPR.
- vii) DRCS or ARCS, under the guidance of DM/DC should work-out schedule for Consultant for collection of preliminary data for various activities, meetings with various departments, organizations vis-a-vis cooperatives, field visits, field surveys etc.

#### AT THE TIME OF SUBMISSION OF DRAFT/FINAL DPR

- viii) On submission of draft DPR by the Consultant, constitute a team of officers from the State government/District administration, RCS office, NCDC officer and GM DCCB for making suggestions if any and recommending the same for consideration of the DLCC and in turn by SLCC and State Government. Time frame as mentioned in para(i) be given to the Consultant for making amendments/modifications etc. in DPR to the corrections and suggestions of the Team.
- ix) DM/DC should be involved in getting clearance of DPR from DLCC and submitted to the State government, who while adhering to the time schedule as mentioned in point(i), approves the DPR through SLCC and forwards it to NCDC for appraisal and sanction. In doing so, the insights, approach and estimates of costs and projections for future development in various sectors in the district as provided in the DPR will have least or no changes and the ICD project would be more practical in its approach.

**AFTER THE ICD PROJECT IS SANCTIONED BY NCDC:**

- ix) As soon as the recommended ICD projects by the State government is sanctioned by the Corporation, the State government may immediately initiate steps for the following:
  - a) Appoint District Central Cooperative Bank (DCCB) in the district as Project Implementation Agency (PIA) and in case there is no or weak DCCB, State Government may either appoint SCB / their branch / RCS office as the PIA.
  - b) The State government/PIA may constitute Project Implementation Team (PIT) in accordance with the approval of the Corporation and select personnel i.e. General Manager, Development officers, supporting staff etc. as per the recruitment criteria prescribed by the NCDC in its Sanction letter. The persons selected be well conversed with complete knowledge of various activities and schemes etc. and have experience in implementation of such projects in the State/district.
  - c) The key personnel of PIA/PIT should not be changed during the project implementation period.
- x) The Monitoring Cell/DLCC/PIA/PIT should ensure inter-departmental co-ordination for formulation of sub-projects as depicted in DPR, liaise for getting approvals/permission and registration of products from various authorities/institutions within time frame, sanction of project, arrangements for providing technical assistance in installation of units vis-a-vis marketing arrangements for their products, release of financial assistance, monitoring, and recovery of financial assistance etc.
- xi) HRD projections for trainings etc. of cooperative personnel/management committee/members etc. as depicted in DPR should be implemented. Specialized trainings for members of cooperatives in allied/new sector may also be conducted through certified training institutes.

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