

Subject: Invitation to Comment on Terms of Reference and Participate in Interactive Conference

The Project Coordinator, UPDASP, Government of Uttar Pradesh, is organizing an Interactive Conference on May 14, 2025 at 4:00 PM, in advance of the issuance of the Request for Proposal (RFP) for the Selection of a Technical Support Agency (TSA) for Capacity Building of Farmer Producer Organizations (FPOs) under the Uttar Pradesh Agriculture Growth and Rural Enterprise Ecosystem Strengthening Project (UPAGREES), supported by the IBRD (World Bank).

The Terms of Reference (ToR) for the assignment are available on the UPDASP website. Interested consulting firms are invited to review the ToR and are welcome to submit written comments or make a short presentation 5-10 Minutes offering suggestions or feedback during the conference.

The objective of this assignment is to develop and strengthen commercially viable FPOs in the project areas. These FPOs will be supported in undertaking key activities such as:

- Bulk procurement and distribution of agricultural inputs
- Aggregation and marketing of produce
- Quality control and primary processing
- Establishing effective market linkages

The upcoming conference aims to familiarize prospective consulting firms with the RFP and ToR, providing them with comprehensive information to ensure a clear understanding of the assignment before they commit resources to proposal development.

Terms of Reference

Selection of Technical Support Agency for Capacity Building of Farmer Producer Organization

1. Background

The Uttar Pradesh Diversified Agriculture Support Project (UP-DASP) project coordination unit is an autonomous society established to promote sustainable agricultural growth with employment generation and poverty alleviation through agriculture diversification in the State. In addition to coordinating and monitoring the implementation of the UP-DASP project across the State, the society will also implement the proposed World Bank assisted Uttar Pradesh Agriculture Growth and Rural Enterprise Ecosystem Strengthening (UP-AGREES) Project. UP-AGREES project will be implemented in 28 districts¹ of Eastern Uttar Pradesh and the Bundelkhand region.

2. UP-AGREES Project

The UP-AGREES project, with an outlay of INR 4000 Crore, is envisaged to be implemented over six years. The project development objective is to “promote climate resilient, inclusive, and competitive value-chains of prioritized agriculture commodities in Uttar Pradesh”. The key project components are as follows:

- **Component 1 - Productivity Enhancement:** This component focuses on strengthening agricultural productivity against the backdrop of high levels of climate risks and variability in productivity across the project areas. It focuses on strengthening Uttar Pradesh’s formidable position as the leading producer of multiple crops while enhancing the resilience of the dominant production systems. This component aims to address the existing productivity challenges through improved access to climate-smart inputs and efficient use of natural and fostering innovations that promote sustainability. The component will create a scale-friendly template for the uptake of climate-smart agriculture (CSA) investments by way of: (a) prioritization of affordable agricultural inputs, machinery, and technologies that boost farm productivity complemented by targeted extension services, (b) fortification of the production ecosystem targeting higher input efficiencies and soil fertility management, and (c) leveraging voluntary market-based mechanisms that seek to secure emissions reductions or avoidance credits (carbon or green) for sustainable agricultural practices.
- **Component 2 - Commodity Clusters:** The objective of this component is to support the integration of smallholder farmers into value chains for select high-value commodities, thereby increasing productivity, value addition, and farmers' incomes. The component will address the current fragmentation of production and market activities in the sector and take advantage of the State's potential to increase the commercialization of select high-value crops in domestic and export markets. The approach will be to identify and support 'agri-clusters', which are networks of producers, agribusinesses, and public institutions within a defined geographic area engaged in the same agricultural subsector. This approach's core is the institutions within a defined geographic area engaged in the same agricultural subsector. At the core of this approach is the interlinkage between the producer and the private off-taker,

¹ The districts are Jhansi, Lalitpur, and Jalaun (Jhansi Division); Banda, Chitrakoot, Hamirpur, and Mahoba (Chitrakoot Division); Mirzapur, Sonbhadra, and Sant Ravidas Nagar (Vidhyachal Division); Varanasi, Ghazipur, Jaunpur, and Chandauli (Varanasi Division); Gorakhpur, Deoria, Khushinagar and Maharajganj (Gorakhpur Division); Basti, Siddharthnagar, and Sant Kabir Nagar (Basti Division); and Azamgarh, Mau, and Ballia (Azamgarh Division) Gonda, Balrampur, Shravasti and Behraich (Devi Patan Division)

whether that be an agri-processor, exporter, or retailer. This partnership will be supported by production and market-based service providers, both public and private. By supporting strategic clusters, the aim is to build upon the existing competitive advantage of selected commodities and enhance these through working across the clusters. This component will also work towards enhancing fish productivity in farm ponds and reservoirs and improving access to the market. The sub-component seeks to unlock the fisheries potential of underutilized, underachieved reservoirs and farm ponds in Uttar Pradesh. The project will work with premier National Fisheries Research and Development Institutions under the Indian Council of Agricultural Research (ICAR) in cooperation with local Agricultural Universities to fill the gap in aquaculture and fisheries management technologies in UP.

- **Component 3 - Digital and Financial Ecosystems:** The project will harness forward-looking Industry 4.0 technologies and integrate state-of-the-art technologies like AI, big data analytics, IoT, GIS, and drone technology to pioneer an Agriculture 3.0 revolution in Uttar Pradesh. The interventions will align with national programs such as IndEA , IDEA , and Agristack . The objective of the sub-component is to establish a state-wide digital agriculture ecosystem, support the Department of Agriculture with digital technologies, and develop data-sharing protocols for enhanced real-time monitoring. The project will assist the GoUP in developing a comprehensive digital agriculture policy and contribute to the global repository of Digital Public Infrastructure (DPI). Further, this component will strive to improve per capita agri-credit from the formal financial institutions to improve productive investments and competitiveness in the agri-allied areas. The proposed interventions will cater to the diverse needs of agri-producers and market players ranging from small and marginal farmers to agripreneurs, farmer collectives, and agri MSEs (micro and small enterprises) through a range of financial instruments including but not limited to digitizing KCC, launching blended finance loan products, creating a challenge fund, etc.
- **Component 4: Project Management, Learning, and Partnerships-** The objectives of this component are to develop management and monitoring systems, enhance staff capacity for effective and efficient implementation of project activities, and develop partnerships with key national and global public and private sector organizations.

3. GOAL

The goal of the component 2 of the project, Institutional Strengthening for Improved Market Access is to improve the profitability of farm production by organizing farmers into different producers' organization and enhancing the capacities of the farmers at local-level to align production with market demand and promotion of collective input marketing and output marketing. This can be achieved through the interventions support to be given as follows:

There are four sub-components: (a) market led extension; (b) strengthening of cluster level farmers/women producers' organizations; (c) investment support fund for agribusiness activities and income generating activities and (d) improvement in rural market infrastructure and improved access to markets.

Activities under the component includes: (a) capacity building and training of producers; (b) setting up of rural market infrastructure (c) investment support for productive infrastructure (d) exposure visit, buyer seller meet, industry sensitization workshop, etc. Activities of the component will target farmers/producers from earlier sodic lands

reclamation projects as well as the proposed project to achieve the necessary scale and critical mass for input and output marketing. The initial thrust for collective marketing would be on input marketing (e.g. seeds, fertilizers) and gradually moving to produce marketing.

4. Objectives

- The objective of this assignment is to develop and establish commercially viable Farmer Producer Organizations in project area to undertake various activities such as bulk purchase of inputs and delivery to individual members; marketing of produce, grading and quality control and first level processing and linkages with market. The specific objectives of the assignment are:
- Select 100-125 FPOs by following a structured methodology of secondary data analysis, individual grading exercise and final approvals by the PMU.
- Develop a business plan for the final shortlisted FPOs that highlight the pathways for improving KPIs by the mid-term evaluation of the project (expected around 2027).
- Assist the producer organizations in developing and strengthening the linkages for (a) agribusiness firms for forward linkage; (b) farm input providers for backward linkage; (c) banks & other financial institutions for access to credit; (d) logistics providers, etc.;
- Mentoring, backstopping and monitoring the effectiveness of the producer organizations on a regular basis and revising and adapting planning & implementation arrangements to respond to the emerging needs and demands on the ground.

5. Approach & Methodology

The approach and methodology to be adopted by the Support Organization is “creating markets, which would work for the poor.” It should be based on a detailed and in depth understanding of the market supply chain, addressing social, economic and institutional issues. The risks and costs associated with such issues may exclude the poor in having full participation in the market. The Support Organization would have to develop the framework to address such constraints. It would also include development of a long-term framework for market development, which could continue in a sustainable manner after the project stint.

6. Scope of Work/Activities

The Business Support Organization would support the strengthening existing (FPOs). The agency is also expected to establish a new FPO in case the existing FPOs aren't available or are not aligned with the project objectives. It is envisaged that FPOs will draw members from the Farmer Producer Groups (FPGs) supported by the project. The details of the scope of work and activities are as follows:

6 (A). Selection of FPOs

The agency is expected to develop detailed selection criteria in consultation with the PMU. Some of the indicative steps are furnished below:

- Undertake a deep dive into the data collected through the FPO Shakti portal.
- Generate a shortlist of about 200-250 FPOs based on the project requirements, commodities, etc.

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- Devise grading criteria based on established and tested state/national/international protocols and assess the existing performance of the shortlisted FPOs. Conduct a grading exercise to further shortlist of FPOs 100-125
 - Develop the business plan of the shortlisted FPOs around KPIs that have been agreed to by the project.
 - The agency is then expected to support the FPOs in creating a presentation that needs to be made to the PMU. The PMU will have the final say in the quantum of investments in the FPOs
 - The presentation should highlight the status of the FPOs, type and amount of investments required (working capital/infra/both), alignment with project objectives, approach towards sustainability, etc.

6 (B). Needs assessment of FPOs

- Conduct a needs assessment of each FPO and highlight the support required in the business plans. The support could be in the form of finance, infrastructure, advisory support, etc.
- The business plan, customized for each FPO, should indicate the source to address the articulated need, such as investment from the project, linkage with banks, linkage with training institutions, mentorship from business support organizations, support from PMU, etc.

6 (C) Implementation Plan

Overall, the selected agency will be fully responsible for providing technical assistance, capacity building, and handholding of the selected FPOs. The specific points are articulated below:

- The implementation plan should highlight the mobilization strategy of FPG members into FPOs and their capacity building.
- Support FPOs in robust backward linkage to facilitate adequate and timely inputs and services so that members can achieve the productivity gains envisaged under the project.
- Support FPOs in accessing adequate and timely access to credit by establishing linkage with formal financial institutions. In addition, efforts should be made to increase the paid-up equity base by increasing the membership base, if needed and ensuring that the proportion of active membership rises yearly.
- Support FPOs in forward linkage by establishing relationships with leading agribusiness firms, government bodies, etc.
- It is envisaged that the FPOs will manage risks by leveraging the commodity and derivatives exchanges (e.g. NCDEX). In addition, the FPOs should be registered on the e-NAM portal.
- The post-harvest management capacities of the FPOs should be improved by improving infrastructure through dovetailing with other project investments, accessing government schemes, etc.
- Support FPOs are fully compliant with the state and national regulations.

6 (D) Monitoring and Reporting Protocols

- The agency is expected to be in constant contact with the FPOs to ensure that the progress vis a vis the business plan remains on track.
- The selected agency will report on KPIs on a monthly basis through the digital platform currently being developed by the project or an equivalent alternate arrangement until the platform is operational. Additionally, the agency is also expected to develop an exception report in consultation with the PMU to facilitate gap analysis and bring the PMU's attention to the deviations from the plan. The PMU, in consultation with the agency, is expected to address the challenges in a time-bound manner.
- The agency will document best practices and publish a biannual report that, inter alia, highlights success stories from the field.
- Conduct annual state-level workshops for dissemination and knowledge sharing.

7. Place Of Work

28 Project District of Eastern Uttar Pradesh and Bundelkhand Region.

8. Outputs & Reporting Requirements

The details of outputs after performance of different tasks and the timeline for completion of the tasks are as follows:

Task	Outputs	% of payment	Timeline
A.	Signing of the contract	-	--
B.	Shortlisting of FPOs to be supported through the project	10	03 months
C.	Final approved business plans that reflect needs assessment	10	04-08 months
D.	75%* of selected FPOs increase the annual turnover by at least 20% (Year 1)	20	09-12 months
E.	75%* of selected FPOs increase the annual turnover by at least 20% (Year 2)	20	13-18 months
F.	75%* of selected FPOs increase the annual turnover by at least 20% (Year 3)	15	19- 30 months
G.	90%* of the selected FPOs achieve 100% OSS (Year 3)	15	31-34 months
H.	Documentation of the entire processes and submission of the reports (Year 3)	10	34-36 months

*Note: Or on a pro-rata basis if it is below the specified percentage.

9. TEAM COMPOSITION

S.No.	Position	Type	No.	Qualification	Experience	Responsibility
1	Team Leader	Key-Expert	1	Masters degree in Agriculture/Agribusiness/ MBA or equivalent field	10+ years in value chain development	Overall execution and developing strategies for forward and backward linkage
2	Community Mobilization/Institution Building Expert	Key-Expert	1	Masters degree in Rural Development /MBA or equivalent field	10+ years in institution building	Ensure inclusive mobilization and member centrality in FPO operations
3	Agri-Finance Expert	Key-Expert	1	Masters degree in Rural Development /MBA or equivalent field	5+ years in agri-finance/ financial inclusion	Ensure linkage of FPOs with formal financial institutions
4	MIS/KMC Coordinator	Key-Expert	1	Masters degree in Rural Development /MBA or equivalent field	3+ years in data analysis and report writing	Progress reporting/ Analytical report preparation. Case study preparation
5	FPO Coordinator	Non-Key Expert	28	Masters degree in Rural Development /Social Work /MBA or equivalent field	3+ years in farmer mobilization, organizing trainings/capacity building	Business plan preparation and its execution. Responsible for day-to-day support to FPOs.

10. Review Mechanism

- Monthly meeting at UPAGREES/UPDASP headquarter would be organized in which progress against Scope of Works/Activities and Outputs would be reviewed.
- There would be quarterly review of the progress at UPDASP headquarter in which the Support Organization would have to make presentation of the progress as well as constraints. In such meeting strategy would be formulated to address the constraints and the Support Organization would have to work as per the strategy to debacle the constraints.

11. Review committee

- The review committee for the monthly meeting would consist of Senior Technical Expert – Agriculture, Agribusiness, Credit, Social Development, Digital and Fisheries. The meeting would be chaired by the Additional Project Director UP-AGREES.

The review committee of quarterly meeting would consist of Additional Project Director, Senior Technical Expert – Agriculture, Agribusiness, Credit, Social Development, Digital and Fisheries. The meeting would be chaired by the Project Director.

12. Duration of the assignment

The duration of the assignment would be for three years.

13. Services to be provided by the Client

The project's TSA team will supervise the assignment. The TSA team will also facilitate coordination between various verticals and ensure smooth flow of information. All documents, including MIS data, that are not classified documents, will be made available to the TSA for the purpose of assignment. Full time team members are expected to work out of UP-AGREES Project and carryout the field work as per their work plan.

14. Future Use of Data

All information collected, both print and electronic, and the software application designed specifically for this project, in whatever format, will be the property of the UP-DASP/UPAGREES. The agency is not permitted to use the data for any other purpose, nor is it permitted to license the data to be used by others.