Draft TERMS OF REFERENCE (TOR)

For Hiring Consultancy agency to conduct a Sector Scan Study and a Sub-sector Scan Study of
Agribusiness Sector for Assam Bureau of Investment Promotion (ABIP)

Background

1. The Government of Assam (GoA) through Government of India (GoI) has applied for a loan from the World Bank (WB) for implementation of Assam Agribusiness and Rural Transformation Project (APART). Assam Rural Infrastructure and Agricultural Services (ARIAS) Society is the main coordinating agency for the project. The project will be implemented by eight line departments of GoA including their directorates/ agencies/ Commissionerates. ARIAS Society in association with the Department of Industries and Commerce, now intends to utilize a part of credit to hire a consultancy agency to conduct (i) a sector scan study to prioritize the potential sectors for investor targeting and (ii) a subsector scan study of agribusiness sector to prioritize potential sub-sectors for investment and identifying specific investment opportunities in these priority sub-sectors for Assam Bureau of Investment Promotion (ABIP). ABIP is being set up under the Department of Industries and Commerce, GoA.

2. **Project Development Objective (PDO):** The Assam Agribusiness and Rural Transformation Project aims to "increase value-added and improve resilience of selected agriculture value chains, focusing on smallholder farmers and agro-entrepreneurs in targeted districts of Assam".

3. There are four components of the project: **The first component is Enabling Agri enterprise Development**, with sub components being (i) enhancing state capacity to attract private investments, (ii) setting up of an Enterprise Development and Promotion Facility (EDPF) (iii) Agribusiness Fund Support (iv) establishing stewardship councils. **The second component is Facilitate Agro Cluster Development** with sub-components being- (i) support establishment of cluster level Industry Associations (IAs), (ii) supply chain infrastructure support to establish a modern supply chain. **The third component is Fostering Market Led Production and Resilience Enhancement** with sub components being (i) promoting climate resilient technologies and their adoption (ii) Facilitating market linkages through market intelligence & product aggregation (iii) Facilitating access to and responsible use of financial services. **The fourth component is project Management, Monitoring and Learning**.

4. APART would support, value addition in the production and post-harvest segments of selected agricultural value-chains; facilitate agribusiness investments through inclusive business models that provide opportunities to small farmers as well as stimulate the establishment of new small and medium agribusiness enterprises; and support resilience of agricultural production systems in order to better manage increasing production and commercial risks associated with climate change and marketing of agro produce, in the targeted districts. The project would adopt a cluster strategy within the targeted districts to generate economies of scale; promote vertical and horizontal links between local agricultural enterprises; enable diffusion of innovations; leverage network externalities; and channel public support for services and infrastructure. By adopting a cluster approach, the project would enable all the value chain participants to develop competitive and innovative products that meet market demands rapidly and successfully.

5. Component A is envisioned to enhance the pace of enterprise growth and employment in the targeted districts. This would be done by establishing a cohesive institutional platform (whose role is economy wide and not sector specific), and securing increased private sector investment in the development of value chains, processing and marketing in the targeted districts. GoA has recently enacted a new Assam Ease of Doing Business Act, under which Assam Bureau of Investment Promotion (ABIP) is being setup for improving the investment environment and investment promotion in the state. The objective of ABIP specifically, is to market investment opportunities in the State. It is charged with attracting investments from within the State, from elsewhere in India, and from overseas. As a newly formed organization, ABIP is yet to develop a clear strategy for proactive targeting of

potential investments. It is further expected that ABIP will become a self-sustaining entity that outlasts the project duration.

6. The APART will support the initial set up and operations of ABIP. The activities to be financed under the proposed project would include setting up platforms and initiatives such as road shows, investor outreach to improve linkages with venture capital and private industry; public-private dialogue platform which is aimed at discussing and adopting an action plan to improve the investment climate.

7. ARIAS Society in conjunction with the Department of Industries and Commerce, Govt. of Assam is seeking to hire a consulting firm to conduct the following for the state of Assam:

   a. a sector scan study to assist the state of Assam in identifying a set of priority sectors and markets for pro-active investment targeting;

   b. sub-sector scan study of the agribusiness sector to assist the state of Assam in identifying a set of priority sub sectors of agribusiness sector and markets and specific investment opportunities for pro-active investment targeting.

Objective of the Assignment:

8. The objective of this assignment is two-fold as follows:

Sector Scan Study	Sub-sector Scan Study
a. Identify the most promising sectors where the state has advantage b. Understand the demand supply considerations of investors interested in Assam c. Identify the source markets where potential investors can be targeted for each of the identified sectors	a. Assist the state of Assam in identifying a set of priority sub-sectors in the broad agribusiness sector that represent the best opportunities for successful proactive investment targeting. b. After identification of priority sub-sectors, each identified priority sub-sector will be studied in detail to determine the specific investment opportunities in each of the prioritized sub-sectors.

Note: After sector scan study is carried out and report approved by ARIAS Society, Sub-sector scan will be taken up.

Scope of the Assignment:

9. *For Sector Scan Study:-*

   a. A **demand analysis** should be conducted to identify the main trends and features of investment into Assam and its key competitors. The analysis should consider a range of data sources in terms of:

      • Both historical and future (projected) trends, across sectors and subsectors

      • Investment in terms of projects, jobs and capital expenditure

      • Previous reports, studies and strategies on sector developments of relevance to the State

   b. A **supply side analysis** should be conducted to assess the Assam investment proposition in sector, in order to understand the State's relative strengths. Research should include benchmarking of the region within sectors and subsectors against key competitors.

   c. The **alignment** of these analyses should lead to a prioritized short list of the key sectors for investment attraction. The consultant firm should explain how this alignment will be achieved to ensure a mix of established and emerging sectors being identified. An outline of potential target volumes of investment for ABIP in these priority sectors should also be provided.

   d. Following agreement from the State on sectors prioritized, a **Source Market Analysis** should identify high potential target markets for proactive investment promotion. Different markets may be identified for each sector, and could include the State's own market, other Indian states / cities, and overseas.

e. Identify Assam's **unique selling proposition messages** in each of the above specified sectors in view of competing investment locations to the State.

10. ***For Sub-Sector Scan Study (of Agribusiness Sector):-***

   A. **Identifying the priority subsectors within agribusiness sector:**

   a. A **demand analysis** should be conducted to identify the main trends and features of investment into Assam and its key competitors. The analysis should consider a range of data sources in terms of:

   - Both historical and future trends, across subsectors of broad agribusiness sector

   - Investments in terms of projects, jobs and capital expenditure

   - Previous reports, studies and strategies on sector developments of relevance to the State.

   The assessment should also consider new or prospective sub-sectors of Agribusiness that might be emerging as competitive for new investment

   b. A **supply side analysis** should be conducted to assess the Assam's investment proposition in agribusiness sector, in order to understand the State's relative strengths. Research should include:

   - Benchmarking of the state and region within the agribusiness sector against major key competitors

   - Aspects of the Agribusiness investment climate relating to the entry and operation of new investors that might be problematic for investors, thus constituting a reform agenda for enhanced sector competitiveness. If these hindering factors are sub-sector specific then a detailed case basis investigation needs to be carried out and implementable recommendations to overcome these should be given.

   c. The **alignment** of these analyses should lead to a prioritized short list of the key sub-sectors within broad agribusiness sector for proactive investment attraction. The consultant should explain how this alignment has been achieved to arrive at the final list of sub-sectors. An outline of potential target volumes of investment for ABIP in these priority sub-sectors should also be provided.

   B. **Identifying specific investment opportunities in each of prioritized sub-sectors:**

   a. Following agreement from the project on selection of sub-sectors, a **Source Market Analysis** should identify high potential target markets for proactive investment promotion, using a similar demand side approach (as used in A above). Different markets may be identified for each sub-sector, and could include the State's own market, other Indian states / cities, and overseas.

   b. Identify Assam's **unique selling proposition messages** in each of the selected priority sub-sectors in view of competing investment locations to the State.

   c. Recommend specific measures for enhancing Assam's competitiveness in each sub-sector, especially in terms of investment climate reforms and the State's attractiveness for value-addition/processing related investments.

   d. Overall investment opportunities in each priority sub-sector identified, including for each business activity-average investment size, total investment potential, number of players that can be supported with the available resources, possible average market share of each, market size, approximate possible number of jobs that may be created classified by categories like technical/non technical and senior, mid-level, junior etc.

Expected Deliverables, Milestones and Payment Schedule:

11. The following will be the schedule of deliverables, payments and key milestones-

Deliverables and Milestone	Days from contract signing (cumulative)	Payment (%) of contract price
(A) Sector Scan Study		
Inception report	07	5%
Completion of field work	45	--
Draft Report	60	20%
Draft Presentation	70	--
Final report	80	--
Final presentation	90	25%
(B) Sub-sector Scan Study (of Agribusiness Sector)		
Inception report	95	5%
Completion of field work	140	--
Draft Report	155	20%
Draft Presentation	160	--
Final report	170	--
Final Presentation	180	25%

Services to be provided by the Client

12.   The client shall ensure necessary cooperation of District Industries and Commerce and Centres (DICCs) and/or other line departments of GoA. The client will share relevant available background information, including the results of any preliminary work already conducted. However, the client will not provide any logistics support such as staff housing, office space, communication facilities etc. to the consultant during the study. Consultant shall have to arrange all such facilities/services required for carrying out the assigned work and they should take note of this in submitting the financial proposal.

Key Professionals whose CV and qualifications will be evaluated

13.   The CVs of following Key Professionals will be evaluated:

#	Designation	Qualification & Experience	Role
1	Team Leader cum Private Sector Development Specialist	Master's degree /MBA or equivalent preferably in Agribusiness At least **15** years' relevant private sector experience (especially on industrial policy & promotion, G2B service delivery, etc) particularly in agribusiness and allied sectors.	• Overall coordination • Providing inputs on investor expectation from state in terms of procedures for setting up agribusiness, policies, licenses, approvals, certifications, resource mapping/availability, ease of doing business, sub-sector attractiveness, emerging sub-sectors, strategies for promotion of agribusiness sector investments in the state, particularly in the prioritized sub-sectors.
2	Investment promotion specialist	Master's degree /MBA or equivalent preferably in Agribusiness At least **10** years' relevant experience in Investment Promotion activities	• Providing inputs on return on investments in prioritized subsectors, long term investment promotion vision for the state • Providing inputs on improving the investment climate, investor targeting strategies, marketing collaterals, USP design for each prioritized sub-sector, outreach programs, investor facilitation, aftercare etc, job creation potential of prioritized sub-sectors, investment attractiveness with other states etc

3	Market Analyst	Master's degree in Economics /MBA or equivalent	• Source market analytics- demand-supply trends, market potential, investor attractiveness etc.
		At least **10** years' relevant experience in research & analytics (pertaining to demand , supply, investment trends, etc preferably in agribusiness)	• Investment climate data analysis using statistical/business analysis tools software etc
4	Panel of Sector experts (minimum 4 nos.)	Master's degree /MBA	• Technical inputs on value chains in the prioritized sub-sectors, forward & backward linkages to the markets, market share, market size, major players etc.
		At least **10** years' relevant private sector experience	

Total=7 key experts

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