

**TERMS OF REFERENCE  
FOR  
HIRING TECHNICAL SUPPORT AGENCY  
FOR  
HANDICRAFT CLUSTER PROMOTION  
UNDER NRETP**

## Table of Contents

1. BACKGROUND.....	2
2. RATIONALE .....	2
3. OBJECTIVES.....	3
4. SCOPE OF WORK.....	3
A. Training & Capacity Building .....	4
B. Production.....	6
C. Support to Producer Company .....	7
D. Brand creation and communication:.....	7
E. Advisory support.....	8
5. MONITORING & EVALUATION.....	9
A. Review.....	9
B. MIS.....	10
6. HANDOVER.....	10
7. DURATION AND DELIVERABLES .....	10
8. FIRM'S QUALIFICATION & EXPERIENCE REQUIREMENTS .....	11
A. Eligibility-EOI .....	11
B. Team Composition.....	11
C. Team Deployment.....	13

## **1. BACKGROUND**

The National Rural Economic Transformation Project (NRETP) is the next phase of the World Bank funding to the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM). It will provide support for economic initiatives related to a) agriculture, livestock, non-farm and skills development, b) financial inclusion and c) convergence initiatives. The project aims to scale-up successful pilot models of economic transformation activities under NRLP that demonstrated how building strong social and financial capital can provide a launch pad for a new generation of economic initiatives such as the promotion of high value agriculture commodities and value chain development through improvements in market access, rural enterprise and skills development and the introduction of digital finance innovations. NRETP builds on the significant work done in the earlier phases of national and state rural livelihoods programs. During the last decade, the DAY-NRLM has built a platform of over 45 million rural women mobilized into community institutions (SHGs and higher tiers) primarily for securing financial inclusion across 2,500 blocks in 29 states. The community platform has leveraged nearly USD 25 billion of financing from commercial banks since the launch of the NRLM in 2011.

Bihar Rural Livelihoods Promotion Society (JEEViKA) is the State Rural Livelihoods Mission (SRLM) of Bihar and is the partner for implementation of NRETP. Bihar Rural livelihoods Promotion Society is an autonomous society working under Government of Bihar with an objective of addressing rural poverty in Bihar. More than 1 crore households have been mobilized into more than 10 lakh Self-Help Groups and their federations. The project focuses on value chain initiatives across the farm and nonfarm sectors. Interventions include (a) productivity enhancement activities, including the delivery of community-based extension services and promotion of modern technologies; (b) value chain initiatives in Non-farm sectors; (c) a strong end-to-end value chain approach across selected non-farm sub-sectors.

### **1. RATIONALE**

The Non-farm team has been working with Producer Groups (PG) for the past few years. The focus has been on reducing market vulnerabilities and exploitation by the middlemen. While this has considerably empowered the groups, but there is a felt need of bringing in technical expertise at the PG level for the groups to be more aware of contemporary design and start operating like a grass-root level social enterprise. JEEViKA also established a producer company “Shilpgram” in Darbhanga district of Bihar in 2018. Shilpgram is strategized to be the market interface in the proposed Handicraft cluster.

The project is now poised at developing a sustainable supply chain and would like to onboard a technical support agency (TSA) that can bring in this kind of an expertise to the project.

## 2. OBJECTIVES

The agency will undertake end-to-end cluster development activities in Arts and Crafts shortlisted skills i.e., Madhubani Hand painting and Sikki basketry. The area of operation would be Madhubani and Darbhanga, districts of Bihar.

More specifically, the main objectives for hiring the agency would be:

- To establish a sustainable artisanal cluster with one or more producer collectives which are registered institution ensuring artisan ownership.
- Provide relevant soft and hard interventions which will lead to increase in -wages, incomes, number of days of employment and setting up of common facility centres (with technological innovation) for localized value addition.
- Establish end to end value chain development for the shortlisted skillsets.
- Develop a market-led product portfolio, ensuring fair trade practices<sup>i</sup> and sustainability of raw material.
- Create a marketing strategy which caters to different market segments and is driven by differential skillsets of artisans (include branding and communication).

The target for the project over a period of 3 years are 30-40 PGs covering approximately 650 HHs (450 existing and additional 200 artisans).

## 3. SCOPE OF WORK

The beneficiaries targeted by the project are people presently engaged/practising the craft activity - Madhubani hand painting and Sikki basketry and additional of 50 HHs in stitching in Madhubani & Darbhanga district. The project would target around 30-40 PGs (average 20artisans/PG) which include approximately 650 Households (HHs) for Madhubani hand painting, Sikki basketry and Stitching.

The scope of work is as under.

### **Diagnostic Study and Intervention Plan**

#### ***Diagnostic Study***

The agency's first activity in the target clusters would be to conduct a diagnostic study. The objective of conducting diagnostic study in a cluster is to map all the business processes of the cluster units viz. production processes, technology, marketing, quality control, testing, purchase, outsourcing, etc. to find out its strengths, weaknesses, opportunities and threats (SWOT), problems and impediments, and accordingly prepare a well-drawn action plan for enhancing competitiveness of the units of the cluster and to position the cluster on a self-sustaining trajectory of growth.

The study should focus on enhanced competitiveness, technology improvement, product diversification, capacity building, adoption of best production practices, marketing of products, employment generation, etc. The interventions should follow from and directly address the issues highlighted in the report.

The study is expected to include a comprehensive skill assessment exercise undertaken on all 30 Producer Groups in the target clusters. The Agency is expected to assess the 30 targeted Producer Groups and categorize them into three categories (A, B and C). A standard assessment tool would be developed for the grading of PGs that may include indicators like skill level of artisans, understanding of market trends, business plan understanding, books of records etc. Hence, a database of every artisan and the individual artisan grade would also be prepared. For e.g. “if 70% of artisans in a PG are category A, then that PG may be given A grade on the skill parameter”. All parameters together would determine the PG rating. Category “A” artisans refer to the most skilled of the target group of artisans, who would be trained as Master crafts persons as part of interventions described in the following subsections.

Apart from skill assessment, the diagnostic study will identify other techno-managerial areas for capacity building and improvement. The TSA, after discussion with JEEViKA, will develop list of performance indicators to be tracked every quarter. The TSA will conduct a baseline exercise of the cluster and its beneficiaries (presently for existing and subsequently for all new beneficiaries) based on performance indicators developed.

The diagnostic study would also capture baseline data such as number of products being made by a PG, average cost & selling price of the product, approx. distribution of institutional and local buyers of products etc. (At the end of the contract, the agency would need to submit an impact study on these indicators).

The agency is expected to get the study approved by BRLPS.

### ***Intervention Plan***

Based on the diagnostic report, the agency would prepare an Intervention Plan. Some of the indicative activities to be included in the Plan and implemented by the Agency are given in the subsections below. This list is illustrative and is not meant to be exhaustive. The agency would prepare the Intervention Plan based on its own understanding of the ground realities and requirements. The agency is expected to get the first implementation plan approved from BRLPS.

The Intervention Plan prepared in the initial stages is subject to modification as it is expected that the plan may change as new facts, circumstances, requirements, and ideas emerge. The agency is expected to update the Plan in consultation with BRLPS, whenever necessary, to enable mid-course corrections.

### **A. Training & Capacity Building**

The agency would be responsible for providing training to the target group of artisans on a regular basis to enhance their skills such that they are able to produce marketable products with substantially improved quality. The agency would also provide skill trainings to take up localized fabrication / finishing to artisans in the fabrication / finishing unit.

The ***skill upgradation trainings*** would include (but not limited to):

- *Skill enhancement* on the arts/craft to all group members. It is to ensure that the common artisans also slowly attain a master artisan level
- *Product improvement*: The skill enhancement trainings would ensure that the existing products would have an improved quality& finishing.
- *Product diversification*: Introduce new& innovative products that may be created using the same art/craft as per market trends, both for B2B and B2C.
- *Design development*: Workshops to help the artisans develop market researched new designs and products.
- *Finishing & fabrication*: This would assist in, completing the value addition locally which will eventually bring in higher value realization, set protocols for quality and standardisation of products.

*Design / Product development through these workshops and trainings are part of a larger market strategy and should be accordingly timed by the Agency. The Agency is expected to prepare a market plan / strategy, identify target markets and segments, and accordingly plan product / design development.*

*The Agency would achieve this by training Master Resource persons through Product Development Workshops. The Agency would be required to hire the services of qualified, professional designers for this purpose. Design Development Kits and Specification Manuals for the new products / designs would be developed.*

*These trained Master Resource persons would then further train other artisans, as part of the production effort or standalone trainings, to disseminate the learning.*

The **production trainings** would include (but not limited to):

- *Procurement*: Identification of quality raw material vendors, optimum order quantities based on forecasting and collective bargaining for purchase
- *Orders*: The PGs need to understand the volume of work they can take, how to receive orders & commit to a timeframe for production.
- *Costing & Pricing*: The PGs would need be trained to follow a methodology for costing and pricing to arrive at the cost price and selling price (MRP) of the products. Also, the concepts of negotiating the retail margins with buyers/retail stores, markdown, and mark-up calculations. This is one of the most critical aspects as the PGs mostly under-price their products. All elements of costing & pricing would need to be explained.
- *Quality Parameters*: Training on how to maintain quality of the products by introducing innovative techniques of peer to peer QC checks and develop standard operating procedures for production.
- *Management Information System*: The agency would train PGs on the MIS (detailed in Section 5) and ensure timely submission of the same.
- *PC Linkage*: The agency would ensure a robust relationship with the producer company (PC support detailed in section 4D)

The **business trainings** would include (but not limited to):

- *Accounting*: Maintaining books of records record, quality check, production management, costing, procurement, etc. These trainings would be provided to “Village Resource Persons”, i.e. motivated beneficiaries / youth (identified according to well defined criteria) who would function as field level production managers
- *Business Plan*: The agency would develop business plan for all PGs for at least two years. At the end of the second year of the contract period, the office bearers of PGs should be adept at creating their own business plan and submit it for the third year.
- *Access to finance*: The agency needs to assist the PGs in becoming credit worthy to avail credit from mainstream financial institutions.

The agency should include these training plans as part of the intervention plan which would be approved by BRLPS.

*At the end of the contract period, all targeted Producer Groups should be in grade “A” with at least 70% of the artisans in each of the group being Grade A as well.*

## **B. Production**

The trainings would be executed in tandem, with the introduction of new buyers and markets. The agency would be expected to introduce new institutional and local buyers to the PC. It may be noted that the Business plan of each PG would reflect the same. Each PG should have business tie-ups with at least 3-4 buyers for sustaining the business operation and not solely depend on seasonal sale and fairs alone. The agency would endeavour to include all 650 beneficiaries in the production process in due course of time.

The Agency would provide incubation support and techno-managerial services in the entire production chain:-

- a. Enable contracts between buyers and PC/PG
- b. Handhold PC to conduct price negotiations with the buyer along with a minimum order quantity. Ensure an overall income enhancement of PG members.
- c. Ensure quality of products and handhold PC for timely delivery of the same.
- d. Build processes for smooth logistics for supply chain management in terms of procurement of raw material, distribution, availability of production space and delivery of finished products. The agency must ensure that the processes are transparent, and accountabilities are fixed.
- e. Introduce relevant technologies, mechanization where needed.

*The trainings and production are not on a linear timeline. The agency must plan for end production and plan trainings accordingly.*

The agency would aim at achieving a turnover of up to Rs. 4-5 crores from PC over the contract period. Business tie up with at least 5 institutional buyers should be ensured.

### C. Support to Producer Company

The agency will work with *Shilpgram* Producer Company<sup>ii</sup> and provide required assistance in strengthening the PC. The agency is expected to cover similar topics of trainings as covered in Section B above.

In addition to that, the agency would need to provide trainings on (but not limited to):

- Board of Directors: Roles & responsibilities
- Leadership training to CEO & BoDs
- Managing relationship between PC and PGs
- Trainings on legal and fiduciary compliance
- How to manage supply chain for all products

Agency would be responsible for preparation of detailed business plan for each targeted PCs which would include operation plan, team structure and staff requirement, organization management, funding requirement and financial projections. Agency would also be responsible for development of required BORs to keep financial track of PCs. The Agency would train the PC in key business activities i.e. purchasing raw material, collecting raw material from traders, receiving orders, costing / pricing, carrying out production and marketing the finished product.

### D. Brand creation and communication:

The agency would help develop an umbrella brand under which all products of the PGs/PC can be marketed. Although the agency would be working with Arts and Craft, and Stitching, all products being produced by the PGs under JEEViKA would eventually become part of this one brand name. This *brand name* should be recognized as the source of authentic arts that are produced by women entrepreneurs of Bihar

Agency would help create a brand language; appeal unique to JEEViKA products close coordination with BRLPS. It is to be noted that this brand language would need to be developed for three target segments.

- High End:** International and domestic tourists of Bihar, high net worth individuals, people traveling to Bihar from metros for business etc.
- Bulk /Institutional orders:** This segment would cater to bulk orders and institutional buyers for gifting purpose or sale through retail outlets. These products should be affordable but with good design.
- Mass products:** Products for local market, local buyers, who should also relate to the brand when they purchase the products.

These segments are indicative, and the agency is expected to come up with a proper branding strategy for the same.

Specific activities that the agency is expected to carry out as part of brand building would include (but not limited to):



- *Packaging & label designing*: Develop a packaging of all products that communicates consistently as a brand.
- *Catalogues*: The agency would design and develop one catalogue every 6 months for the contract period. This needs to be done since new products would be added through trainings and market demand. The brand language of the catalogues needs to be consistent across the contract period.
- *Event participation\**: The agency would enable PG/PC participation in national and state level events, in addition to the ones they are already participating in, (Patna Saras, Sonpur Mela, Aajeevika fair and other SRLM Fairs) The agency has to ensure that there is sufficient visibility of the brand name in these fairs.
- *Promotional events*: The agency may propose promotional events in the later period of the contract as a brand building activity.
- *Certifications*: The agency would enable relevant certifications for PG/PC products that would help enhance brand value (e.g. Fairtrade mark, craftmark etc.)
- *PG Grading*: The agency would grade the PGs annually to ensure that the processes for ensuring quality are followed.
- *Legal Compliances*: The agency would take all required registration as Trademark, Fairtrade and Craftmark, etc. to formalize the brand.

*\*The role of the Agency in participation of fairs / exhibitions would be facilitative in nature and would involve activities such as (a) Identifying the fair, exhibition or other marketing event the Producer Groups would participate in (b) Liaise with the organisers in booking suitable space (c) Facilitate set up of stalls, accommodation and transportation arrangements for the participants, and, (d) Provide guidance and advisory support to participating beneficiaries throughout (At least one staff member of the Agency would accompany the participants). The cost of booking the space, travel and accommodation of the participants, cost of setting up the stall, etc shall be borne by BRLPS.*

## **E. Advisory support**

Besides the activities listed above, the Agency would provide key advisory support to BRLPS to facilitate project interventions. This would include proactive guidance in areas such as:

- a. Establishment of Common Facility Centers (CFCs)
- b. Establishment of the Finishing / Fabrication, Dying and Packaging unit
- c. Establishment of other cluster assets, such as storage centers, support centers (such as childcare centers for women beneficiaries)
- d. Mobilization and institution building activities
- e. Facilitate and organize Exposure visits that would be organized to improve learning in key areas
- f. Developing marketing and publicity material
- g. Any other area that can significantly contribute to the effectiveness of the project
- h. Fostering linkages with other schemes and interventions working on non-farm livelihoods at the local, state and national levels.

## 4. MONITORING & EVALUATION

### A. Review

The agency would report directly to the State Project Manager, Non-Farm, BRLPS. Meetings would be done at district level in which representatives of both the team would participate and discuss about the backlog/challenges and further plan of action. There would be a quarterly project review at the state level as well that would focus progress on key indicators, design and further course of action. The agency would identify nodal person who would attend these review meetings.

Project progress review meeting would be done according to the below mentioned timeline:

Type	Frequency	Level	Led By	Report from Agency
Progress Review <sup>#</sup>	Monthly	District	DPM	Basic status to be shared with all concerned districts
Progress Review	Quarterly	State	SPM, Non-Farm	Quarterly Progress Report
Design & Progress Review <sup>*</sup>	Bi-annual	State	SPM, Non-Farm	-
Design & Progress Review <sup>**</sup>	Annual	State	CEO, BRLPS	Annual Report

The template for Quarterly Progress Report would need to be approved by BRLPS.

*#Since the work locations are spread across multiple districts, the district review meetings would be on a rotation basis*

*\*At the end of 6 months an external review team appointed by BRLP would review project design and progress*

*\*\*Annual review meeting - for reviewing achievements during the year and planning project activities and approving budget for the next year. The Project leader is expected to attend bi-annual and annual reviews*

## B. MIS

Agency would assist BRLPS in firming up and operationalizing the MIS. While configuration of MIS is BRLPS's responsibility; operationalizing will be responsibility of the agency, In case of non-availability of functional MIS the agency may develop excel based reporting format for operationalization.

## 5. HANDOVER

At the end of the contract period, the agency would work with the Producer Collectives in preparing a business plan (for the PGs/PC) for the duration of the next three years after the contract period. As part of this business plan, the agency would clearly chart out actions in terms of skill development activities, design development activities, managerial trainings, supply chain activities, key investments, exposure visits, marketing strategy and business building activities etc. to ensure that the PGs/PC have a clear roadmap beyond the project period.

The agency would need to share an impact evaluation report at the end of the contract period for the 60 PGs that the agency worked with. As detailed in section 4A, the evaluation report would study the delta that was created because of the intervention in the selected parameters. This would be part of the closing report from the agency.

## 6. DELIVERABLES AND PAYMENT

The duration of the project is 3 years. The deliverables & indicative timelines are as following. The contract may be extended for a period of two years based on project need and satisfactory performance of the agency.

#	Deliverable	Instalment	Timeline	Payment
1	a. Diagnostic study report	I (Year 1)	By the end of 3 <sup>rd</sup> month from the date of signing of the contract.	15% of the contract value
	b. Baseline skill & income assessment for existing 450 artisans			
	c. Intervention plan and business plan for PC			
2	a. Training & Capacity building of 250 active artisans	II (Year 1)	By the end of 9 <sup>th</sup> month from the date of signing of the contract	15% of the contract value
	b. Master Trainer pool creation- 75			
	c. Design bank (1) and product catalogue development (1)			
3	a. Sales as per agreed Business Plan	III (Year 2)	By the end of 18 <sup>th</sup> month from the date of signing of contract	15% of the contract value
	b. Training of 200 new artisans			
	c. Module development (Design, Business Planning, Market)			
4	a. Sales as per agreed Business Plan	IV (Year 2)	By the end of	15% of

	b. Training of 200 new artisans		24 <sup>th</sup> month from the date of signing of the contract	contract value
	c. New design development and product catalogue updation			
5	a. Sales as per agreed Business Plan	V (Year 3)	By the end of 30 <sup>th</sup> month from the date of signing of the contract	20% of the contract value
	b. Training of 650 artisans, PG/PC cadre/staff and master trainers.			
6	a. Sales as per agreed Business Plan	VI (Year 3)	By the end of 36 <sup>th</sup> month from the date of signing of the contract	20% of the contract value
	b. Impact evaluation report			
	c. Project Completion report			

## 7. FIRM'S QUALIFICATION & EXPERIENCE REQUIREMENTS

### A. Eligibility

**Note:**

- Bidders may associate to jointly bid for this assignment, however at most only two organizations are permitted. Consortium will be allowed with lead agency being one with relevant experience.
- Individual or proprietary establishments are not permitted to apply

### B. Team Composition

The agency is expected to put in place a competent, dedicated team to ensure that the tasks are implemented of the highest quality. The guidelines for the team composition are as follows:

Sl.No.	Positions	Numbers	Qualifications
1	Team Leader/Program Manager/ Director	1	<p>More than 12 years of experience in the Art &amp; Craft sector in artisan cluster development, institutional building, market development and other areas relevant to this assignment.</p> <p>Would be responsible for providing overall direction and guidance to the team. Would interface with government officials, industry experts and other key stakeholders.</p> <p>Qualification: Post-Graduation in Business management, Rural management, Management in creative industries or relevant experience</p>

2	Program Coordinator @ the state level or at the head office	1	<p>More than 7 years of experience in coordinating various developmental activities in the non-farm sector at the grassroots level.</p> <p>Would be responsible for daily coordination with cluster representatives, training experts and other key stake holders.</p> <p>Qualification: Post Graduation in Management Studies/Development studies.</p>
3	Creative/ Design Lead	1	<p>More than 12 years of experience in design and skill training-oriented activities in the artisan skill based creative industries sector. Should have a thorough understanding of different market segments and respective product lines. Would be responsible for all the skill and design development training programs in the field.</p> <p>Qualification: Post -Graduation in Design education with 10 years of experience OR Graduate with 12 years of experience in Art &amp; Craft. Educational qualification shall be preferably from reputed National level institutes</p>
4	Designers (full time)	2	<p>Minimum 5 years of experience in actively engaging in design development activities in the artisan sectors. Prior experience in working in Bihar is a plus.</p> <p>Qualification: Graduation in Design or relevant field (NID or NIFT preferably)</p>
5	Cluster Coordinator (full time)	2	<p>Preferably recruited from the cluster; good rapport / influence in his/her own cluster and in the neighbouring ones; a practitioner of the skill practiced in the said skill is a plus. Responsible for regular coordination with the implementing agency for all the interventions implemented in the cluster. Minimum experience: 1 years</p> <p>Qualification: At-least Graduate. Preferably Bachelor in Fashion Technology.</p>
6	Marketing manager	2	<p>More than 6 years of experience in direct market positioning of artisan products, pricing and costing mechanism; thorough understanding of various market segments such as exhibitions, export, fairs and festivals, retail and e-commerce. Would be expected to have in depth knowledge of products,</p>

			seasons, packaging, certifications, regulations etc. Qualification: Post-Graduation in Business Administration or relevant field
7	Production Manager	1	More than 5 years' experience in managing production, quality control, vendor management, buyer coordination, purchase of raw material etc Qualification: Materials management from state level university or relevant experience.

### C. Team Deployment:

Sr. No.	Positions	Number of Resources	No. of months
1	Team Leader/Program Manager/ Director	1	10
2	Program Coordinator at the state/head office level	1	36
3	Creative Head	1	18
4	Designers	2	36
5	Cluster Coordinator	2	36
6	Marketing manager	2	36
7	Production Manager	1	36

**Fair Trade principles:** It is set of business practices voluntarily adopted by the producers and buyers of agricultural commodities and hand-made crafts that are designed to advance economic, social and environmental goals, including: Raising and stabilizing the incomes of artisans

<sup>ii</sup>SHILPGRAM Mahila Producer Company Ltd: A producer company incorporated under Companies Act 2013 (formerly the Companies Act 1956) on 1<sup>st</sup> October 2018 at Bahedi block of Darbhanga with 13 Producer Groups spread over 3 districts (various art and crafts PGs like-Madhubani Painting, Sikki Craft, Sujani Embroidery, Stitching and Lac bangles) with almost 400 artisans