

## TERMS OF REFERENCE FOR CONSULTING SERVICES

### A. Output 1: Investment feasibility study conducted

1. **Scope of Work.** An international consulting firm will be engaged to conduct the investment feasibility study (IFS) using quality- and cost-based selection procedures with 90:10 quality-cost ratio and simplified technical proposals. The contract with the firm will be partial lump-sum and performance-based.

2. The firm is expected to deliver the following aspects, among others: (i) a sector analysis, (ii) an institutional analysis, (iii) a demand analysis, (iv) proposed project scope, (v) proposed implementation arrangements, (vi) subproject implementation workflow (from identification to completion), (vii) feasibility studies for three representative livestock related subprojects, (viii) an operation and maintenance strategy and plan for the entire project, (ix) risk assessment, (x) economic and financial analysis, (xi) financial management assessment, (xii) strategic procurement planning and packaging assessment, (xiii) social and gender analysis, (xiv) safeguards assessment and plans (including environmental and social safeguards [land acquisition and resettlement]), (xv) a list of pre-screened candidate subprojects in the project areas for financing consideration by the project, and (xvi) applicable climate resilience measures to address impacts of livestock on climate changes and impacts of climate change on livestock (climate adaptation and mitigation). It is required that close consultations, discussions, and surveys of potential users and/or stakeholders be conducted to ensure the project design has high likelihood of sustainability. A detailed IFS report structure will be provided to the selected firm by the Asian Development Bank (ADB) upon signing of the contract for consultant services. The expected date of service commencement is November 2020.

3. **Deliverables.** The firm shall submit the following reports: (i) Inception Report, (ii) Draft Final IFS Report, and (iii) Final IFS Report after addressing comments and/or recommendations from ADB and the government. All the reports shall be in English.

4. **Consultant's Qualification.** The minimum requirements for the international firm are (i) extensive and proven experience in conducting investment feasibility studies for and implementing projects related to integrated livestock development, agricultural value chain development, value chain infrastructure in various countries for international financial institutions such as ADB and World Bank; and (ii) at least 15 years' experience for the team leader and 10 years' experience for other key staff in similar rural development and agriculture value chain development projects. It is preferred that an international firm will associate with a national firm(s) which can substantiate (i) recent experience in preparing ADB-financed project feasibility studies related to agriculture, livestock, and agriculture value chain infrastructure in Afghanistan; and (ii) are familiar with Afghanistan's regulations pertaining to the sector.

5. **Detailed Terms of Reference.** A team of consultants will be engaged through a firm consisting of international and national experts. The consulting team will be led by the international livestock value chain specialist (team leader), who, together with the national institutional development specialist (deputy team leader), will supervise all the transaction technical assistance (TA) consultants and be responsible for the delivery of their outputs. The indicative consulting services input is in Table 1. The terms of reference for each specialist are outlined hereunder.

**Table 1: Indicative Consulting Service Inputs for Conducting the IFS**

<b>Positions</b>	<b>International (person- months)</b>	<b>National (person- months)</b>	<b>Key or Non-Key Position</b>
<b>Output 1: IFS conducted</b>			
Livestock Value Chain Specialist (Team Leader)	5.0	0	Key
Institutional Development Specialist (Deputy Team Leader)	0	5.0	Key
Veterinarian	2.0	0	Key
Agro-processing Specialist	0	3.0	Key
Food Safety Specialists	1.5	4.0	Key
Financial Specialist and Economist	2.5	0	Key
Financial Analyst and Financial Management Specialist	0	3.0	Non-key
Procurement Specialists	1.5	3.0	Non-key
Environmental Specialists	1.5	4.0	Key
Social Development and Gender Specialist	0	3.0	Non-key
Resettlement Specialists	1.0	3.0	Non-key
<b>Subtotal</b>	<b>15.0</b>	<b>28.0</b>	

IFS = investment feasibility study.

Source: Asian Development Bank.

6. **Livestock Value Chain Specialist (Team Leader)** (international: 5.0 person-months). The Team Leader must have at least a bachelor's degree, preferably post graduate degree, in agriculture economics, rural development, development management, project management, or a related field, with at least 15 years' aggregated experience in designing and implementing agriculture value chain development and/or rural development projects in several countries. (S)he will also have experience in retaining nutritious value of livestock products along the input and output supply chains. Experience in the last 5 years in leading and/or designing ADB-financed sector modality projects (including Afghanistan's) is required. Knowledge of and experience in agriculture (horticulture and livestock) value chain development are highly preferred.

7. The Livestock Value Chain Specialist will be responsible for the following:

- (i) Analyze (a) the government's agriculture and rural development and poverty reduction strategies and plans at the national and regional levels, (b) performances of past sector investments, (c) supporting policy and regulatory environment, (d) sector expenditures, and (e) institutional capacity; and assess how those factors influence the commitment and capacity of relevant government agencies to finance and implement livestock development projects and/or programs;
- (ii) Review lessons learned from the ongoing and past interventions for agricultural development, rural infrastructure and prepare a report on key relevant lessons learned and best practices in the country by the inception workshop;
- (iii) Lead the consultant team in analyzing the demography, development opportunities, poverty, ethnic minority and gender issues, technical feasibility, financial and administrative management capacity, and institutional framework of project regions;
- (iv) Identify potential subproject investments based on an assessment of potential value chains to be supported under the project ensuring consistency with subproject eligibility criteria as agreed with government and with overall project objectives;
- (v) Review planned investments (if available) in relevant rural development and livestock interventions in project regions over the next 10 years, identify their potential linkages with the ensuing project (the project), and formulate proposals

- on how to create synergy among those projects utilizing geographic information system mapping;
- (vi) Formulate (a) midterm regional livestock development plans that recommend potential subprojects, and (b) criteria for subproject selection based on the recommendations of team experts and findings of representative subprojects analysis;
  - (vii) Prepare a simple but efficient monitoring and evaluation system to capture the progress of livestock subproject implementation at various levels, and conduct baseline assessment together with other consultants;
  - (viii) Prepare project reports in the IFS Report outline (to be provided by ADB), including the feasibility study for the grant project and feasibility studies for three representative subprojects, and ensure the consistency with both government and ADB document requirements;
  - (ix) Represent the design team in technical, financial and implementation discussions between the government and ADB, and
  - (x) Undertake and oversee the pre-screening of potential candidate subprojects in the project areas for financing consideration by the project.

8. **Institutional Development Specialist (Deputy Team Leader)** (national: 5.0 person-months). The specialist must have at least a bachelor's degree in development economics, public administration, law, procurement, project management or a related field with at least 10 years' aggregated experience in designing and implementing agriculture and rural development projects in Afghanistan. Knowledge of and experience in preparing implementation and financing arrangements for the efficient management and livestock development projects are highly regarded.

9. The institutional development specialist will be responsible for the following:

- (i) Assess the institutional framework existing for livestock development, including the public support arrangements in animal health, technical extension services, and food safety together with the flow of fund and information, governance system, technical and administrative capacity, incentives and performance of various agencies, and producer linkages with agro-processors;
- (ii) Review the administrative and tendering procedures of relevant past and ongoing projects and/or programs and other government policies and regulations. Propose procedures to simplify the project administration;
- (iii) Assess human and financial resources available in the relevant local government agencies, identify the gap between the existing functions and proposed responsibilities and prepare an institutional and human resources development plan, including training needs assessment to fill in the identified gap;
- (iv) Review various existing planning and beneficiary participation models in planning and implementing livestock development subprojects and propose suitable identification, appraisal, and implementation models. Design short training courses on the use of participatory methods together with social development and gender specialist; and
- (v) Propose implementation arrangements for the project including an overall framework for private sector (livestock agribusiness entities) participation and institutional arrangements that enhance beneficiaries' participation.

10. **Veterinarian** (international: 2.0 person-months). The veterinarian shall have at least a bachelor's degree, preferably post graduate degree in veterinary science with a specialization in

animal health and transboundary diseases, or a related discipline with 15 years' work experience in animal disease related projects in different countries. The specialist must have a thorough understanding of livestock diseases and be familiar with the support services by way of epidemiological services, diagnostic laboratories and animal health services with experience in disease surveillance systems and the associated systems for monitoring and responding to disease outbreaks. The specialist should be familiar with the reporting obligations required by the Animal World Health Organization for notifiable diseases.

11. The international veterinarian shall be responsible for the following:

- (i) Assist the team leader in identifying potential livestock value-chains to be supported under the project;
- (ii) Provide the technical production parameters under the with and without project associated with the identified value chains;
- (iii) Assist the team leader in carrying out a livestock sub-sector analysis to identify opportunities and constraints associated with livestock disease that impacts livestock development;
- (iv) Review the animal health support mechanisms provided by the government to the livestock sub-sector with particular focus on notifiable animal disease reporting and response mechanisms, veterinary input supplies and the practicality of diagnostic laboratories to serve the sector;
- (v) Provide technical support to all members of the design team in livestock production and management matters covering both the sedentary sector and the nomadic livestock producers—both commercial and subsistent producers; and
- (vi) Detail technical production parameters for the three representative subprojects selected for advanced readiness preparation.

12. **Agro-processing Specialist** (national: 3.0 person months). The specialist shall have at least a bachelor's degree in food technology or food processing or related field with 10 years' work experience with livestock product processing in Afghanistan. Ideally, the specialist will substantiate familiarity with development partner funded projects in the agricultural sector (livestock agro-processing would be considered favorably).

13. The national agro-processing specialist shall be responsible for the following:

- (i) Assist the team leader in developing eligibility criteria for participation of subprojects to be financed through the project;
- (ii) Review the livestock agribusiness and agro-processing sector to identify the common constraints and opportunities within the sector;
- (iii) Develop awareness raising workshops to inform potential beneficiaries of the intent of the project and to ascertain their interest in participation;
- (iv) Provide the technical parameters for the three representative subprojects identified for advanced action in the respective enterprises; and
- (v) Assist in the development and strengthening of producer linkages with the agribusiness entity to improve the quality of products delivered for processing and inform producers of market requirements; and
- (vi) Assist the safeguards specialists in identifying safeguard impacts and assist in identifying systems/treatments to deal with these externalities.

14. **Food Safety Specialists** (international: 1.5 person-months and national: 4.0 person-months). The international specialist shall have tertiary qualifications in veterinary science or food

science; post graduate qualifications are preferred. The international specialist will be able to substantiate at least 15 years' work experience in food safety, much of which will have been undertaken in development partner funded food safety related projects. The national specialist will have a minimum of 7 years' experience in food safety related project work in Afghanistan much of which will have been undertaken for livestock products and their derivatives.

15. The specialists shall be responsible for the following:

- (i) Review available documents and regulations in respect of food safety for strengthened food safety surveillance and diagnostic systems;
- (ii) Recommend options to strengthen current public awareness campaigns with awareness packages for specific target audiences, identifying institutional responsibilities (for content development, dissemination, and post-dissemination follow-up);
- (iii) Assess the current food safety surveillance and diagnostic system;
- (iv) Review the current situation (regulation, organization, capacity and incentives) and assessing the needs for improvement of meat inspection at slaughterhouse and market level;
- (v) Recommend specific investments to strengthen the system. These recommendations would include changes in regulations and investments in sample collection systems infrastructure (laboratories), equipment and technical assistance (training);
- (vi) Review the existing private and public animal feed quality surveillance and diagnostic systems, and recommending needs for improvement with specific proposed investments;
- (vii) Review the current standards in place for food and animal feed safety and quality;
- (viii) Assist in designing agro-processing system improvements for eligible subprojects wishing to upgrade their livestock processing facilities to meet international hazard analysis and critical control points standards;
- (ix) Review the representative subprojects to confirm compliance with established food safety requirements; and
- (x) Recommend specific interventions for: (a) increased awareness of current standards; (b) revision of current standards, if necessary; (c) training and support to improve the application of standards; and (d) support for the monitoring and enforcement of standards.

16. **Financial Specialist and Economist** (international: 2.5 person-months). The specialist shall have at least a bachelor's degree, preferably post graduate degree in agricultural/rural development economics, and/or finance, with 15 years' work experience in preparing economic and financial analyses, conducting financial due diligence, and/or designing of agriculture value chain and/or rural development projects in several countries. The specialist should be familiar with developing valuation methods to measure benefits from dairy and poultry-related production, particularly techniques to value benefits from genetic material and insemination equipment/facilities, fodder production and manufacturing animal feed mills, collection, storage, processing, packing equipment and machinery, and veterinary extension service facilities, and quality control systems in livestock agro-processing facilities. In addition, the specialist should preferably possess a professional accountancy and/or finance qualification such as a Chartered Accountant, Certified Public Accountant, or the equivalent.

17. The specialist will perform the following tasks:

- (i) Review the relevant sector policies, regulations and performance;
- (ii) Evaluate the current status of fiscal management, counterpart fund availability and mechanisms to finance publicly funded industry support (disease monitoring, outbreak responses, technical extension services, livestock rearing inputs—breeding material, artificial insemination etc.) available from the relevant regional and district administrations;
- (iii) Prepare project cost estimates and financing plan;
- (iv) Prepare a detailed financial and economic analysis, including risk analysis, for each representative subproject and the project as a whole in accordance with relevant ADB guidelines, particularly incorporating the 10 key areas of economic analyses for ADB investment projects;<sup>1</sup>
- (v) Carry out a demand analysis for the representative subprojects based on the income projection of the country and external market penetration by the sector;
- (vi) Evaluate the financial affordability and sustainability of proposed project activities;
- (vii) Estimate operation and maintenance costs over the life for each type public support mechanism, and propose financing plans to cover the required expenditures for the relevant entities (including opportunities for cost recovery); and
- (viii) Assess training needs for conducting financial and economic analysis for subprojects.

18. **Financial Analyst and Financial Management Specialist** (national: 3.0 person-months). The specialist shall have at least a bachelor's degree in accounting, auditing, finance or economics with at least 10 years' experience in financial management and governance regimes and possess a professional accountancy and/or finance qualification such as a Chartered Accountant, Certified Public Accountant, or the equivalent.

19. The specialist will perform the following tasks:

- (i) Conduct financial management assessments of the executing agency and other agencies related to the project financing in terms of financial management, governance, and integrity and other ADB's required due diligence;
- (ii) Analyze the financial state of relevant funding for the operations of industry support institutions and the levels of subsidy transfer from the regional and district government;
- (iii) Analyze risks and recommend mitigation measures to safeguard risk exposures of the executing agency and other agencies related to the project financing;
- (iv) Assess the financial management capacity of institutions that are relevant to project implementation; and
- (v) Assist in the preparation of project cost estimates and financing plan and other tasks under the guidance of the international financial specialist and economist.

20. **Procurement Specialists** (international: 1.5 person-months; national: 3.0 person-months). The international specialist shall have at least a bachelor's degree, preferably post graduate degree in engineering, economics, finance, project procurement or a relevant field, with 15 years' work experience in project management and project procurement in developing countries. The national specialist shall have at least a bachelor's degree in economics, finance, project procurement or a relevant field, with 10 years' work experience in project management and procurement in Afghanistan. Both specialists are required to be familiar with procurement

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<sup>1</sup> ADB. 2017, *Guidelines for the Economic Analysis of Projects*. Manila.

guidelines, procurement risk assessment and related procedures of ADB and the government.

21. The specialists will perform the following tasks:

- (i) Prepare procurement workflow from the detailed design stage to the commissioning stage for each type of subproject;
- (ii) Conduct strategic procurement planning and risk assessment in accordance with ADB Guidelines;
- (iii) Prepare an overview of supply market for the type of goods, works, and services required by the project;
- (iv) Prepare the project procurement plan in collaboration with the other relevant team members including the economist and financial management specialist;
- (v) Assist the executing agency in undertaking advance actions in procurement, namely, (a) preparing the draft request for proposal including the terms of references for the detailed design and supervision consultant, and (b) assisting the executing agency in shortlisting interested firms; and
- (vi) Undertake the pre-screening of potential candidate subprojects in the project areas for financing consideration by the project.

22. **Environmental Specialists** (international: 1.5 person-months; national: 4.0 person-months). The international specialist shall have at least a bachelor's degree, preferably post graduate degree in environmental management or environmental engineering, with 15 years' working experience in environmental safeguards and climate change in developing countries. Experience in environmental safeguards associated with processing of food and livestock products is required. Prior work experience in Afghanistan is preferred. The national specialist shall have at least a bachelor's degree in environmental management or environmental engineering, with 10 years' work experience as an environmental specialist or a climate change specialist, preferably in donor-financed projects. Both specialists are required to be familiar with ADB's environmental safeguard and climate change policies and procedures.

23. The specialists will perform the following tasks:

- (i) Review and clarify domestic environmental initial assessment rules and requirements for potential subprojects by subsector and scale, particularly for the three representative subprojects;
- (ii) Prepare environmental categorization checklist for the whole project and representative subprojects;
- (iii) Prepare initial environmental examinations for three representative subprojects which include environmental management plans to manage impacts, based on assessment of potential environmental impacts of representative subprojects, baseline surveys and stakeholder consultations;
- (iv) In parallel of and through task (iii), prepare an environmental assessment and review framework to guide future subproject selection, assessment and management;
- (v) Assess the human resource and institutional capacity of the executing agency and regional government agencies to carry out initial environmental examinations and monitor environmental impacts and identify capacity development needs;
- (vi) Assess need and identify approach for climate risk management in subprojects and estimate emissions increase and identify means to improve efficiency of production; and
- (vii) Assess and recommend applicable climate resilience measures to address

impacts of livestock on climate changes and impacts of climate change on livestock (climate adaptation and mitigation) in proposed subprojects

24. **Social Development and Gender Specialist** (national: 3.0 person-months). The specialist shall have at least a bachelor's degree in social sciences, sociology, anthropology, or other relevant disciplines for the assignment. (S)he shall have at least 10 years' experience in social development and/or gender development. Familiarity with ADB policies on social safeguards, gender development, and core labor standards is required. Working experience in gender and rural development, i.e., agriculture value chain infrastructure in Afghanistan is highly desired.

25. The specialist will perform the following tasks:

- (i) Undertake social analysis and identify the beneficiaries and subgroups in each region that will gain from the project, based on available data and through the mapping exercise of the population (identify areas where the poor and low-income groups live). Included in this assessment is to identify the respective roles of men and women in the intensive livestock subsector;
- (ii) Undertake sample surveys (participatory rural appraisals) required of representative beneficiaries/subgroups identified for the project. Given different income levels, gender, ethnicity, remoteness, assess their attitudes toward different types of project activities, and assess their capacity and willingness to pay in order to access these services;
- (iii) Identify priority needs for livestock interventions, and propose realistic options to balance the differing needs given variations in socioeconomic status, gender, and ethnicity;
- (iv) Assess and evaluate the potential of the project to significantly and adversely affect local community members, including women, ethnic minorities, and other vulnerable groups, and propose their mitigation measures. Consider issues related to land titling, in-migration, rights of communities, and other factors;
- (v) Together with the institutional development specialist, review the existing experience in applying community participation approaches to proposed project activities, and propose practical and feasible options for integrating participatory methods for different types of livestock development to ensure ownership (consistent with the Ministry of Agriculture, Irrigation and Livestock's Gender Policy); include any special consideration required to ensure the participation of women (who are the primary carers of poultry and small ruminants);
- (vi) Identify capacity building and/or training needs to facilitate participation of and effective communication with local communities;
- (vii) Conduct a social development and gender assessment, highlighting men and women's roles and tasks; their access to resources, technologies and services, gender-based inequalities; assessment on core labor standards, particularly on child labor and equal pay for equal work; constraints faced by men and women, and recommendations to address these issues through the project's outputs or interventions. These include (a) developing a baseline on women and men's engagement in the livestock sector as unpaid household worker, as livestock owners, as entrepreneurs; (b) conducting gender analysis of regulatory environment and past and existing initiatives in the livestock sector by government and other development partners; and (c) conducting gender analysis of the livestock value chain to identify barriers to and opportunities for women's engagement in different levels of the value chain, taking into consideration the



project targets, for example, analysis of modalities of agribusiness arrangements to identify business models that are most beneficial to women as producers and workers; and

- (viii) Prepare the gender action plan and the summary poverty reduction and social strategy based on ADB's template and provide inputs into other IFS documents in compliance with ADB's social safeguards and gender mainstreaming policies.

26. **Resettlement Specialists** (international: 1.0 person-month; national: 3.0 person-months). The international specialist shall have at least a bachelor's degree, preferably post graduate degree in social sciences, sociology, anthropology, or other relevant disciplines for the assignment, with 15 years' work experience in human settlement and safeguards in developing countries and has extensive experience in Afghanistan. The national specialist shall have at least a bachelor's degree in social sciences, sociology, anthropology, or other relevant disciplines for the assignment, with 10 years' work experience in the field of land management and human resettlement in Afghanistan. Both specialists must be familiar with ADB's safeguards policies and procedures.

27. Following ADB's Safeguard Policy Statement (SPS, 2009), the specialists will perform the following tasks:

- (i) In close coordination with the social development and gender specialists, assess land issues, titles, and the potential impact of in-migration upon the land use rights of the communities engaged in livestock production, and identify means of protecting the land-use rights of the communities along or within the subproject areas;
- (ii) Prepare profiles of the project-affected communities in the project areas in terms of household sizes, demographic trends, income sources and levels, occupations, socioeconomic conditions, social service infrastructure, and social organizations, including gender profiles;
- (iii) Prepare indigenous peoples impact categorization and involuntary resettlement impact categorization for the whole project and representative subprojects; and
- (iv) Prepare a resettlement framework for the entire project and due diligence reports for representative subprojects by involving full stakeholder participation and indicating specific actions for indigenous people (if any) affected by involuntary resettlement in accordance with the Safeguard Policy Statement and the requirements of the government.

## B. Output 2: Assisting Grant Processing and Implementation Startup

Positions	International (person-months)	National (person-months)	Key or Non-Key Position
<b>Output 2: Grant processing and implementation startup expedited</b>			
Project Design and Implementation Startup Specialists	5.0	5.0	Not applicable
<b>Subtotal</b>	<b>5.0</b>	<b>5.0</b>	

Source: Asian Development Bank.

29. **Project Design and Implementation Startup Specialists** (international: 5.0 person-months; national: 5.0 person-months). The specialists shall have at least a bachelor's degree, preferably post graduate degree in agricultural economics, or project finance, with 15 years' work

experience in designing and implementing ADB-financed projects in the agriculture and natural resources sector. Familiarity with ADB's requirements in reporting, due diligence, procurement, and disbursement guidelines and practices is a must. The specialist will be engaged on an intermittent basis prior to the grant fact-finding mission to undertake the following: (i) address critical technical gaps including sector and market assessment, financial, business and market risks, financial and economic evaluation, among other aspects of due diligence during the grant processing stage; and (ii) provide implementation startup support. These activities are to ensure that (i) proper ADB's Board documents are prepared and technical revisions are made during the loan processing; and (ii) disbursement is expedited.