

Pakistan Horticulture Development & Export Company
Pre-Feasibility Study for Banana Processing Line
Terms of References (TORs)

Study at glance:

PHDEC is seeking a Firm/Individual/team of consultants to carry out an exercise that appraises the economic impact of PHDEC's objectives in banana value chains across various producing areas of Pakistan.

The study will collect & analyze data from selected value chain actors in banana.

The study will also document the various aspects including banana processing Line and related aspects of Banana Value Chain.

Study Title:

Pre-Feasibility Study for Banana Processing Line

General Summary & Objective of the Assignment:

Pakistan Horticulture Development and Export Company (PHDEC) was created as a business support organization for the development of Horticulture sector of Pakistan.

PHDEC have always gone the extra mile

- PHDEC facilitate horticulture growers and exporters in strengthening their supply base
- PHDEC equip them to take advantage of the global market access opportunities.
- PHDEC has tried to add value to the already promising Horticulture sector of Pakistan and envision to make Pakistan the most competitive and efficient producer and supplier of high value horticulture products in the region.
- PHDEC also tries to provide support and assistance to all stakeholders in the Horticulture value chain of Pakistan.

PHDEC is seeking a Firm/individual/ team of consultants to carry out an exercise that appraises the economic impact of PHDEC's objectives in banana value chains across various producing areas of Pakistan. The study will collect & analyze data from selected value chain actors in banana. The study will also document the various aspects including Banana Processing Line and related aspects of banana value chain.

Background:

Banana is a major fruit crop of Pakistan. It is grown on 34,900 hectares with production of 154,800 tons. It is mainly grown in Sindh and Balochistan provinces where the soil and climatic conditions are favorable for its successful cultivation. The total share of Sindh province alone in its cultivation is 87 per cent. Major districts where banana is grown are Thatta, Hyderabad, Badin, Mirpurkhas, Tando Allahyar, Matiari, Tando Muhammad Khan, Sangar, Naushero Feroz, and Nawabshah in Sindh and Uthal, Lasbela and Winder are key producing areas of Balochistan. However, its cultivation has extended to northern parts of Sindh particularly district Khairpur. 95% of area is under Basrai variety (Cavendish dwarf), and the remaining under William Hybrid. Recent introductions include variety Grand Naine (G-9) while the work is underway to introduce high yielding Chinese varieties viz. B-10, W-11, and Pishang.

In order to realize the true potential of Pakistani banana sector, the PHDEC has pledged to strengthen this important industry by removing identified constraints, and strengthening key banana value chain players by enabling them to export quality produce to high value international destinations at competitive prices. Project activities are focused on creating market linkages, developing on-farm infrastructure, assist farmers achieve international certifications, provide trainings on pre and post-harvest practices, setting up Banana Processing Line and work in banana value addition.

Objectives of the Study:

The overall objective of the study is to

- Conduct a value chain analysis of the banana sector with specific focus on setting up Banana Processing Line and related value chain aspects.
- Analysis measure and backward linkages (source of inputs and destination of output) and determine the value-added.

The assessment should consider following key sub-objectives and for each of them PHDEC has defined the minimum activities the consultants are expected to complete:

i. Introduction of the Horticulture Sector of Pakistan

- a) Overview of horticulture sector in Pakistan (current status and future potential)
- b) Overview of banana fruit in Pakistan (current status and future potential)

ii. Need Assessment of a Banana Processing Line in Pakistan

- a) Project Overview
- b) Production statistics encompassing major areas of production of banana in Pakistan
- c) Status of existing banana processing lines/plants facilities in the country (if any)
- d) Repercussions arising from the non-availability of a banana processing line in the country.
- e) Socio-economic benefits that can be derived from establishment of banana processing line such as;
 - i) Increase in government revenue,
 - ii) Horticulture sector development,
 - iii) Incorporation of technology,
 - iv) Increased rate of return for the growers, processors and exporters
 - v) Improving product quality to compete in high end markets.

iii. A detailed business model to ensure project sustenance in the long run along with key players/business segments that would be interested to invest.

- a) Clearly suggest the practicable “management model” to
 - Establish and effectively & efficiently operate the project.
 - Propose the requisite organizational structure for running day-to-day affairs of the project.
 - Consider a Public Private Partnership Business model.

- The management model include the extent of involvement of Provincial and Federal Governments/PHDEC in the management of the project.
- Conduct risk analysis identifying the type and magnitude of possible risks and suggest measures to overcome/mitigate those risks.

iv. A detailed financial plan encompassing;

- a) Detailed project costs,
- b) Investment plan,
- c) Return on Investment (ROI)
- d) Pay-back Period
- e) Revenue and expense breakdown,
- f) Projected financial statements,
- g) Valuation and sensitivity analysis etc.

v. Recommendations summarizing the overall project along with its financial and operational viability.

1. Scope of the Study

- The consultant(s) will focus on the banana production areas within the provinces of Sindh and Balochistan.
- The consultant(s) will work with coordination from Islamabad Office and Karachi Office for the majority of the study period with frequent travel to other cities in order to interact with transport, processing, marketing and other actors that operate more at a regional and national level to be able to analyze the complete chain.

2. Activities and Tasks

General Activities:

1. Develop/Finalize the detailed methodology to use for the study, including the conceptual framework, assumptions and coefficients/ratios, protocols, quantification of impacts, attribution, instruments, and detailed analysis plan.
2. Collaborate with PHDEC team to design methodology and assessment instruments for the collection of information related to this study;
3. Seek approval from PHDEC team on study design, methodology, time frame and any instruments to be used during the study.
4. Where possible and required; coordinate with relevant national and local Governmental officials, community elders and other relevant notables for the smooth implementation of the study.
5. Develop an analysis plan and seek PHDEC approval
6. Provide a draft report to PHDEC in English for review and comments.
7. Conduct any supplemental analyses based on feedback from PHDEC include results in final report.
8. Work closely with PHDEC focal point and related officials throughout the contract period.

Specific Activities and Deliverables: PI see suggestions given for scanner instalation

Task 1: Kick-off Meeting

Within one week of the award of the Assignment, the Firm/Consultant/team of consultants will hold a kick-off meeting with PHDEC to discuss and finalize the detailed plan of activities proposed by him. The meeting will mainly cover the following;

1. Review of the proposed methodology and requirements to complete the assignment
2. Review of timetable of activities / milestones going forward
3. Review of the Consultant's team organization and functions of the team members
4. Discussion and finalization of a communication strategy whereby the stakeholders will be regularly involved and consulted throughout the assignment
5. Any specific issue requiring immediate attention of PHDEC

Deliverables:

- a. Detailed methodology and time schedule for the assignment
- b. Developing a communication strategy

Time frame: 7 days from signing of the Agreement

Task 2: Review of Relevant Information / Secondary Data on Existing Banana Production and Processing Facilities

At this stage, the Consultant to become familiar with the previous work that has been done on the subject. The consultant would review functioning/operations of all the existing Banana Processing Units (for fresh as well as value addition) in the country. It will also focus on such processing & packaging units in public sector (owned by federal or provincial governments) and look into their legal status, management model, organizational structure, available facilities, technical/operational performance, social, environmental and financial aspects, especially issues faced/being faced and remedies thereof and summarize the experiences and lessons learnt through these projects.

Deliverables:

- a) Review of existing data / information on Banana Processing Lines, Packing, Processing units in the country & relevant critical factors.

Task 3: Needs Assessment Analysis

The Consultant will examine the need or otherwise of the proposed project based on the information collected and interactions with the stakeholders including the growers, processors, wholesalers, traders and exporters.

Deliverables:

- a. Summarizing the findings from Task 2
- b. A report on needs assessment analysis carried out by the Consultant.

Time frame: 30 days from signing of the Agreement

Task 4: Review / Preparation & Submission of Pre-Feasibility Study

The Consultant will be required to prepare the pre-feasibility study based on data collected, consultative meetings with the stakeholders and analysis of all the factors affecting the project's operation/viability. This will include needs assessment analysis (justification of the project), input requirements, master plan, cost estimates, management model, financial model and critical / risk factors and suggested remedies, in the light of given "Terms of Reference".

Deliverables:

- a) A draft Pre-Feasibility Report
- b. Presentation to PHDEC on the report.
- c. Final Pre-Feasibility Report in the light of suggestions/comments of PHDEC - five (5) hard copies of the report along-with its soft copy (in form of CD/USB)
- d) All the primary and secondary sources of data that the Consultant has used for the preparation of report.

3. Study Timeline

The consultancy is expected to commence by **July 2023** and be completed by the end of **September 30, 2023**. The Consultants will have an Level of Effort (LOE) of 60 days.

Estimated due dates of the deliverables are given below:

Deliverable	Due Date
1. Inception report including Methodology, approach and Work Plan	Day 7 of LOE
2. Field visit and Data Collection	Day 35 of LOE
3. Highlights on the preliminary findings	Day 40 of LOE
4. Draft study report	Day 50 of LOE
5. Final study report	Day 60 of LOE
6. Hard copies of reports/questionnaires/photos etc.	Day 60 of LOE

4. Management & Team Composition:

The study will be outsourced to a **Consulting Firm/individual consultant or team of consultants** who will work closely with PHDEC. PHDEC will select Consulting Firm/individual consultants through competitive selection process and would ask them work in the team.

5. Eligibility Criteria:

The consultant should have;

1. Good understanding of horticulture sector of Pakistan and Global practices
2. Demonstrable experience in horticulture value chain analysis and related value chain actors
3. Have undertaken value chain studies, base line studies and impact assessments for various horticulture crops and related value added products
4. Demonstrable experience in financial feasibilities and related financial analysis
5. Good command over costs and able to provide cost benefit analysis
6. Fair knowledge on Banana value chain, processing and value added products
7. Demonstrable working experience with development sector, Corporate business houses, International welfare and governmental organizations
8. Have good geographical knowledge and accomplished various assignments in multiple provinces of Pakistan
9. Active taxpayers' status

6. Evaluation Criteria

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|---|--------------|
| 1. Specific experience of the Consultants relevant to the assignment | [10] |
| 2. Adequacy of the proposed methodology and work plan | |
| i. Technical approach and methodology | [10] |
| ii. Work plan | [10] |
| iii. Team and staffing | [10] |
| 3. Past experience of working in multiple provinces | [10] |
| 4. Experience in conducting value chain studies, base line studies and impact assessments | [10] |
| 5. Experience in Feasibility Studies | [10] |
| 6. Knowledge of Value Chain Actors involved in horticulture value chain | [10] |
| 7. Experience in Cost benefit analysis and related financial analysis | [10] |
| 8. Knowledge of Banana value chain, processing and related value added products | [10] |
| Total points for criterion: | [100] |

Note: Specific experience must be supported by solid evidence in hard or soft form

Application Procedures & Selection:

1. Covering letter justifying your suitability for the assignment and the position you are applying for.
2. Profile along with the Curricula Vitae (CV) for all members of the team applying for consideration;
3. List of relevant assignments.