



STANDARD OPERATING PROCEDURES
FOR
SINDH AGRICULTURAL GROWTH PROJECT
LIVESTOCK COMPONENT

PROJECT DURATION
(JULY 2014-JUNE 2019)

Standard Operating Procedures

This document describes how to use standard operating procedures (SOPs) to different components of Sindh Agricultural Growth Project (Livestock Component) including Capacity Building of farmers and public sector of Livestock department; Rehabilitation/ modernizing of rain/ flood affected Veterinary hospitals/ dispensaries, Dairy Value Chain and Project Management, Monitoring & Evaluation. It provides an overview of the SOP process and lists the desired SAGP-L project outcomes. The requirements of the World Bank guideline Standards are covered in this module and throughout the individual SOPs. The manual comprises an introduction and three standard operating procedures relating activities implementing techniques of all components of this project.

Purpose and scope

This SOPs cover management of all components of this project. The purpose is to outline the procedures for proper procurement of goods, consultancy services for value chain as well as civil works and delivering effective capacity building components. This document will be helpful in proper implementation of project and ensure the optimal efficiency to address troubleshoots in variety of activities of the project.

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1. Introduction

The milk producing livestock population of Sindh is recorded as 6.9 million cattle heads, 7.3 million buffalo heads, 12.6 million goat heads, and 3.9 million sheep heads (Census, 2006). The majority of Sindh residents are directly or indirectly engaged in agriculture, producing significant amounts of the nation's milk (27%), beef (27%), mutton (21%), and poultry products (18%). In addition livestock provides financial security and a risk mitigation strategy, plus draft power and by-products such as wool, hides and manure. The actual contribution to provincial gross domestic product (GDP) is not known, although it is estimated to be on par with the national average.

The dairy sector is characterized by a large number of smallholders in the rural areas, and 'dairy colonies' around Karachi and some of the other larger cities in Sindh are all very commercial. Besides its importance in the national economy, livestock rearing is an integral part of socio-economic activities of the rural areas and plays a very supportive role in mitigating the effects of poverty by providing essential items of daily use. The dairy sector is an important source of regular income for the rural community and offers ample scope for improvement. Approximately 80% of milk is collected from rural areas, predominantly from subsistence farmers (80%) who implement poor livestock health and management practices, considerably reducing the yield from their small herds. These scattered small holders depend on the traditional collection and sale of their milk using *dodhis*, who are able to maintain low prices to small holders. *Dodhis* also reduce milk quality deliberately adulterating it to preserve it during transportation and to increase the volume of their sales. A lack of market information, poor cooling chain infrastructure available from farm to processing and marketing; capping of prices by the district administration, and lack of credit facilities lock small holders from meaningful participation in the dairy value chain.

The competition for raw milk provides a good starting point to invest in farm development: smallholders and medium scale farmers that can be motivated to improve their efficiency and productivity, responding to a growing demand for raw milk.

2. Components of Livestock

2.1. Capacity Building and Institutional Development

The project will finance training and capacity building for farmers, which will be based on training needs assessment carried out by the department and consultancy firm for dairy value chain. This will be done through a mixture of public information campaigns, face-to-face training, and farmer-to-farmer study tours, and exposure visits to other areas within province or elsewhere in the country as well as in other countries in the region/ world as appropriate.

- Capacity Building of 760 trainees in Artificial Insemination
- Capacity Building of 3075 farmers in different fields of Livestock
- Institutional twinning of the staff of Livestock Department with ILRI and other institutions

IMPLEMENTATION:

The Technical Assistant firm for dairy value chain/ Project Implementation Consultants (PIC) will carry out “Training Needs Assessment (TNA)” of Livestock farmers by conducting FDGs at specific location. Through TNA process livestock farmers will be consulted to recommend the capacity building areas that they are interested to learn and livestock related services required from the DoLF. Based upon the TNA analysis, PIC will carry out the “Training Needs Identification” process to recommend the most critical training areas based upon the prioritized needs identified by the farmers groups and broadly outline the training contents for initiating the comprehensive capacity building program for the members of the Milk Producers’ Groups (MPG) through the initiative. Based upon the TNA and TNI report PMU can invite the “Call for Proposals” from local organizations (NGOs), private sector consultants/individual, universities and milk processing companies to submit technical and financial proposals for training design and delivery for capacity building of the MPG members. Identify areas of capacity building considering the dairy value chain model and recommend national and international training institutes and locations for exposure visits.

In addition to this the Project Implementation consultant would carry out the need assessments for type of training, people, course modules and institutes within Pakistan or abroad and recommend effective implementation plan.

2.2. Institutional Development

- **Rehabilitation of rain/flood affected Veterinary dispensaries/hospitals, Institutes**

Rehabilitation of 100 veterinary hospitals/ dispensaries throughout Sindh province, 13 Livestock Production Offices in various districts, 02 Semen Production Units at Rohri and Karachi, and 06 Central Veterinary Diagnostic Laboratories sub-centres located at Karachi, Mithi, Sukkur, Larkana, Dadu, and Naushehro Feroze.

- **Establishment of Milk Collection and Bulking centres**

Establishment of 153 chiller rooms for milk collection and bulking centres in 09 districts of Sindh province i.e., Tharparkar, Mirpurhas, Hyderabad, Thatta, Shaheed Benazirabad, Naushehro Feroze, Khairpur Mir's, Sukkur and Larkana.

- **Establishment of A.I training center at Tandojam, Sindh**

IMPLEMENTATION:

- This would be implemented through Technical Assistance/ consultancy for civil works. The Consulting Firm will be responsible for design and supervision of over all civil work / construction activities of the Sindh Agricultural Growth Project (Livestock Component) and ensure compliance with the World Bank Guidelines / Rules. The services would include but are not limited to: project management, architectural, structural, civil, electrical and mechanical engineering, quantity surveying and interior design services and any specialist consultancy required in support of these.
- The rain/flood affected Veterinary dispensaries/hospitals, Institutes will be identified in collaboration of service providers and Technical Assistant firm (Civil Work), the flood/ rain affected Veterinary units will be visited by Technical Assistant firm along with DPIU and DoLF team. The firm will prepare the rough cost estimates and bidding document. The firm will be responsible for quality work and completion in given time frame.
- The MOU has been signed between Project Director and Vice Chancellor Sindh Agriculture University Tandojam for providing land. The firm will verify the prepared design as well as cost estimates. The firm will also be responsible for quality work and completion in given time frame.

2.3. Dairy Value Chain

The project will finance formation of approximately 153 milk producers groups (MPGs) in all 9 districts of Sindh Province. It will target small and medium milk-producing households, but since women are involved in at least 80 percent of production management, the project will also provide services exclusively targeting women (e.g., extension messages, female extension agents, etc.).

Key Objectives:

- I. Identifying milk pockets in targeted Districts of Sindh
- II. Establish Milk Producing Groups (MPGs)
- III. Registration of milk animals Cow/Buffalo
- IV. Disease screening, Treatment, Prevention & Drenching of registered animals
- V. AI facility for registered animals in all MPGs
- VI. Milk Chiller plant for each MPG

2.3.1. Identifying milk pockets in targeted Districts of Sindh

A total of 765 Villages will be selected in five (5) years in selected Districts of Sindh. The small and medium Livestock farmers will be targeted for registration in the Dairy Value Chain activity.

The selected Districts are:

- i. **Year 1:** Tharparkar & Mirpurkhas (Mirpurkhas & Shaheed Benazirabad Districts)
- ii. **Year 2:** Hyderabad and Thatta
- iii. **Year 3:** Nausheroferoze and Khairpur
- iv. **Year 4:** Sukkur and Larkana.

Other Districts of Sindh may also be included depending upon need basis.

2.3.2. Establish Milk Producing Groups (MPGs)

In each identified milk pocket, 5 villages having at least 200 milk animals producing 5 liters milk/day/animal will be selected to establish an MPG. A total of 153 MPGs will be established in all selected Districts.

2.3.3 Milk Chiller plant for each MPG

A total of 153 Milk chilling units with 1000 liters milk storage capacity will be installed in each MPG. The Milk Pockets will be identified by the DPIU team and verified by the Technical Assistant firm for dairy value chain. The land for construction of milk chiller room will be provided by breeders/ members of MPG. The Milk Chiller installation and market access services will be provided by Technical Assistant firm/ PIC.

2.3.4. Registration of milk animals Cow/Buffalo

A total of 30600 animals (Cow/Buffalo) will be registered based on their daily milk production i.e. 5 liter/day/animal and facilitated with health cover in all selected Districts.

2.3.5. Disease screening, Treatment, Prevention & Drenching of registered animals

Livestock & Fisheries department Government of Sindh will provide the facilities through:

i. Directorate of Central Veterinary Diagnosis Laboratory (CVDL)

This Directorate will provide services for disease screening of all registered animals for proper cure and prevention of diseases of all registered animals in selected Districts.

ii. Directorate of Animal Husbandry

This Directorate will provide services for base line survey, identification of milk pockets, registration of animals through tagging in premises of established MPG. The Directorate will also help in treatment and to carry out preventive vaccination services against contagious diseases through proper and scheduled vaccination of all animals in premises of MPGs. The staff of Animal Husbandry department will provide service for all these activities in related District.

iii. Directorate of Animal Breeding

The Livestock & Fisheries Department, Government of Sindh will provide Artificial Insemination services through Directorate of Animal Breeding. The AI specialist personnel will inseminate the Cows/Buffaloes using the stored semen of local/foreign high quality dairy Bulls. The AI specialist will also diagnose the pregnancy of Cow/Buffaloes through ultrasound machines as well as manually to implement the proper breeding improvement program.

3. Demand Driven Investment and Innovation fund

The project will establish a Demand Driven Investment and Innovation Fund (the “Fund”) to:(a) respond to the needs for equipment and other inputs that will help producers meet their production and market access goals (e.g., water storage, farm to market road, cold storage, etc.); and (b) facilitate the creation of enterprises that will help producers of the targeted commodities access equipment and services and to access profitable output markets.

The idea behind the fund is that there are equipment/technologies that are needed by select individuals or groups, but not all; that there are innovative ideas that the project designers have not thought of; and that there are local enterprise opportunities that can provide services to farmers on a sustainable basis if they are helped in meeting the capital costs of setting up their business.

The Fund will focus on co-financing technologies that are not suitable for all producers, but rather could be used by a group of producers or by an entrepreneur who can use the technology to provide services to the local producer population.

3.1. Objectives

- Finance pilot innovations that will enhance productivity and market access beyond the equipment and services provided in the Technology Transfer Program.
- Foster innovation among producers and entrepreneurs to meet production and market access needs.

3.2. Eligibility Criteria

The demand driven investment fund is open to individual producers, producer groups, and enterprises. The eligibility criteria include:

- Proposal must be submitted only by those residing in immediate project area
- Proposals should focus on the project targeted commodities and how to increase the production quantity and quality of those commodities and access to markets by the producers
- For proposals to co-finance enterprise development, the enterprise (and the equipment acquired) must remain the local area
- For milk sector proposals, the proposer must get the endorsement of the local MPGs

3.3. Maximum Grant Amount

- Individual Farmers/Entrepreneurs: US\$25,000 (70/30)
- Associations/Milk Producer Groups: US\$100,000 (70/30)
- Private companies: US\$100,000 (50/50)

3.4. Activities

- Raise awareness among project beneficiaries and stakeholders of the rules of the Fund and the rules for participation.
- Groups will submit proposals to the PIU first for pre-screening to determine if:
 - the applicant(s) meet the eligibility criteria for participation, and
 - the proposed sub-project meets the eligibility criteria for matching grant funding.
- Proposals for enterprise development should include a business plan for appraisal.
- Each PMU will appraise proposals and notify successful grantees.
- Grantees will transfer their contribution to the PMU
- Upon verification of the transfer, the PMU will provide their matching amount and order the equipment from the appropriate supplier for delivery.
- Project staff will provide assistance to proposers (as needed) to develop full proposals in an approved format.
- Implementation support will be given based on expressed need of the proposers. All funded proposals will be monitored for progress on agreed criteria.

3.5. Ideas for the Demand Driven Innovation Fund

MILK	
<ul style="list-style-type: none"> • Dairy sheds • Water containers • Milk utensils • Food grade containers • Milk testing kits, e.g., <ul style="list-style-type: none"> ○ CMT ○ Brucellosis ○ Pregnancy ○ Milk quality 	<ul style="list-style-type: none"> • High quality buffalo bulls breeding services • Animal health kits and grants (\$500 us) to establish local service and inputs provider enterprise • Fattening of dry/culled animals • Collection centres

4. Procurement of goods, works and consultancy services

4.1. Procurement Policy, Plan and Strategy:

The aim of procurement is to obtain right quality of works, goods and services at the right time, and reasonable and competitive prices, giving equal opportunities to those individuals/companies/firms/ manufacturers/builders who are capable of delivering the goods, works and services. Procurement policy also needs to provide encouragement for development of national institutions, consultancy firms, manufacturers, contractors etc. Following are the main principles universally accepted and followed:

- Need for economy and efficiency
- Need for high quality services
- Fair opportunity to all eligible bidders
- Development of domestic contracting, manufacturing and consulting firms
- Transparency in the procurement process

Procurement of all goods, works and services will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011 (Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011 (Consultant Guidelines) and the agreed procedures described in the Legal Agreements which are going to be involved in the implementation of the project. In case of any contradictions between these with Bank's Procurement and Consultancy Guidelines, the Bank's Guidelines as referred to above will supersede.

Procurement Plan

Procurement plans/schedules including the description of goods, works and services to be procured along with their value and consistent with technically and administratively approved estimate, will be prepared for the first 18 months and subsequently for each year based on the estimated requirements of each action item under NDP I, in accordance with the budgetary provisions. All Procurement Plans and their updates or modifications shall be subject to the Bank's prior review and no objection before implementation. Bank shall arrange the publication on its external website of the agreed initial procurement plan and all subsequent updates once it has provided a no objection.

The procurement plan for sub project proposal would be submitted for each Sub Project Proposal by the EIA and the procurement plan for each sub project need to be finalized and communicated to EIA after appraisal and approval of the Sub Project Proposal by PMU. The actual procurement is to follow the approved plans in accordance with paragraph 4.1(A)

Procurement Plan and Contracts database

It is important that all contracts and agreements are reviewed, placed and renewed in a timely manner. To this end, all contracts or agreements, which have a duration clause must be recorded in the contracts database. This database will form part of the Procurement Plan. During the regular quarterly meetings with the Certifying Officers contract renewals and future requirements for goods and services shall be recorded in the Procurement Plan. This is to ensure adequate time is given to compete the necessary procurement tendering process (EOI, RFP/RFQ, IFB and contract conclusion) in accordance with the Financial Regulations and Rules. Contract agreement shall include following attachment:

1. General Conditions of Contract
2. Special conditions of contract
3. Technical specifications
4. Price Schedule
5. Deliver schedule
6. Performance security
7. Letter of Bid
8. Letter of Award/acceptance

NOTE: SAGP-L is focusing on three major ingredients in procurement process as under:

- 1. Procurement Conduct:** it shall be free, fair and transparent
- 2. Procurement Objective:** to bring value for money in terms of Quality, Timeliness , reliability, after sales service, Warranty, Guarantee, Source, price and Cost+Quality.
- 3. Procurement Process:** It shall be effective, efficient and economical.

These Procedures shall be implemented in a manner consistent with the responsibilities of the Procurement related officers.

4.1.1. RESPONSIBILITY

- **Responsibility for Acquisition**

The project director and procurement specialist are responsible for all procurement activities in Sindh Agricultural Growth Project Live Stock Component. The over-all responsibility for the acquisition and the procurement process for goods, civil work and services are delegated to the Chief of the Procurement Section duly designated by the World Bank. To this end, the Chief Procurement officer or specialist shall ensure that the Relevant Financial Regulations and Rules on Procurement are strictly complied with World Bank guidelines.

- **Responsibility for Procurement planning**

The Procurement planning is essential for the effective and timely solicitation of bids, proposals, award of contracts and delivery of the goods and services required for the project success and bright future. Chiefs of Section are responsible for developing their procurement plans in cooperation with the Procurement Section and the financial manager.

4.1.2. REQUISITION

Requisitions for goods, civil work and Services are ordered by requisitions, which are raised by the Section Chiefs and/ or requisitioning officers. All requisitions must be certified by a duly designated Certifying Officer of the department by,

- Reviewing all requisitions in the light of actual needs for procurement and the availability of funds in PC-1 for the goods/ civil work/services being processed.
- Ensuring specifications are comprehensive, generic and unambiguous that shall allow widest possible competition, and the description of scope of work in the requisition must be clear. A complete description or detailed specifications, which may be available should be listed on the requisition for each item. It is of utmost importance for evaluating or technical offers or committee and for the winning supplier that Certifying Officers make sure that technical specifications of goods, civil works and/or services are sufficiently detailed and generic.

4.1.3. Procurement Requisitions and benefits.

All requests for procuring goods, civil work and services shall be submitted to the Procurement Section as per requirement.

The requisitions shall include the following information:

- a. Need Assessment
- b. A clear, concise statement of what is required. This may consist of a simple description or a fully developed specification.
- c. To develop this specification, the Section Chiefs and/or the requisitioning officers may use experts within the Sections of department or, where
- d. Appropriate, an outside source;
- e. Why it is required? Define benefits from it.

- f. Define project areas where those goods and services shall be delivered.
- g. Who are the beneficiaries from goods, civil work buildings and services?
- h. Outcome from goods, civil works and services.
- i. A detailed technical specification or Statement of Work, where applicable, prepared by the Section Chiefs and/or the requisitioning officers on a separate sheet and as an attachment to the requisition;
- j. Use of goods, services and civil work
- k. User of goods, services and civil work
- l. Beneficiaries from procurement

Note: A contact person designated to answer questions concerning the requisition. In the case of contracts for large or complex goods or services, the contact person designated should be available throughout the procurement process;

- a. Delivery or completion date required;
- b. The total estimated quantities and costs;
- c. The budget code in PC-1;
- d. The recommended supplier(s) if available;
- e. General comments or note on the requisitions necessary and relevant to the conduct of a conclusive and successful procurement exercise.

NOTE: SPECIFICATION:

The specifications should be generic in nature, in order to facilitate fair competition for the goods and services being acquired. Specifications shall not specify brand names, products of one company or features which are particular to the products of one company, unless it has been determined in writing by the requisitioner that these particular products or those particular features are essential to the PMU'S requirements, and that products of another company would not meet the requirements. Where proprietary items are specified or standardization is evoked, the requisitioner must provide justifications in writing to the Registrar or the Designated Officer for approval before the procurement action is initiated.

On occasion, brand name could be stated to clarify requirements or essential, however Adding “equivalent” is compulsory.

It should be noted that Procurement Section will not process any requisition without available of budget in PC-1. Thus proper approval in written Note from financial manager for budget availability is very essential for further process of procurement. Financial officer also responsible for maintaining detailed records of all obligations and expenditures against the accounts for which they have been delegated the responsibility. It is the responsibility of the FINACILA MANAGER not to exceed the budget lines under his/her authority

4.1.4. Sealed Bids

Sealed bidding is a method of soliciting competitive offers to purchase goods or services. The PMU shall make an award to the supplier providing the best overall value to the PMU, Quality, Timeliness, reliability, after sales service, Warranty, Guarantee, Source, Price and Cost + Quality as mentioned major ingredients in procurement process.

(a) It is not necessary to conduct discussions with bidders where required because the goods or services being procured are quantitatively and qualitatively described in a manner which permits all bidders to bid on the same basis; and

(b) There is a reasonable expectation of the PMU receiving more than one sealed bid in the process.

4.1.5. The bidding documents

The bidding documents (“the solicitation”) are the means by which the PMU informs potential bidders of the PMU’s requirements and conditions and by which interested bidders obtain the information needed to submit their bids. The solicitation should reflect the nature and complexity of the goods or services being Procured and usually will include:

An RFP, TORs and Bidding Documents describing carefully and in full detail what the PMU requires the supplier to perform or Provide, including technical specification if applicable. the evaluation criteria upon which the PMU will determine In sealed bidding, evaluation focuses on below factors.

- Specification Compliance
- Bidding document compliance
- Responsiveness of Bid
- Eligibility of bidder
- Best bid cost and Quality as specified in Bidding documents or RFP
- Warranties
- Delivery Duty Paid
- Schedule of Terms and Conditions
- Performance Differentials

For specialized areas of procurement, other specialized factors may be included:

- a. the mandatory PMU terms and conditions which will be included in the agreement or purchase order;
- b. bid forms, guarantee or bond requirements, if applicable;
- c. date and time for submissions of bids;
- d. name and address to which the bid is to be sent;
- e. PMU assigned bid number;

Instructions requiring the prospective bidders to place their bids in an envelope and mark the outside of the envelope with PMU assigned bid number and date, time and location for submission of bids.

4.1.6. SOLICITATION DOCUMENTS

Solicitation Documents shall be used to request quotations or proposals from suppliers for goods, works or services required. While the details and complexity of Solicitation Documents will vary according to the nature and value of the requirements, they will contain all information necessary to prepare a suitable Offer. If, for any reason, it becomes necessary to clarify Solicitation Documents, all recipients of the solicitation documents shall be notified simultaneously in writing. At any time before the deadline, the Procurement Section may, for any reason, whether on its own initiative or because of a request for clarification by a supplier, modify the solicitation documents by issuing an addendum. The addendum will be communicated to all suppliers who have been provided with the solicitation documents and will be binding upon them.

a. Types of Solicitation Documents

Solicitation Documents provide for Formal Methods of Solicitation which are either in the form of a formal Invitation To Bid (ITB), or Request For Proposals (RFP), Expression Of interest and for Informal Methods of Solicitations, such as Requests For Quotations (RFQ).

b. Expressions of Interest (EOI)

EOI shall be advertised on the PMU Website, two National Newspapers , one regional Newspaper and UNDP if applicable. This procedure is used for consultancy service

c. Request for Quotations and Invitations to Bid (ITB)

Invitations to Bid (ITB) or Request for Quotations (RFQ) shall be used for the procurement of simple, uncomplicated goods of standard.

ITB shall be published for normal routine procurement.

RFQ shall be sent to minimum three suppliers for procurement .Based on analysis of quotations, the award is given to a supplier that meets specifications, delivery terms and lowest price.

d. Requests for Proposals and Bidding Documents

Requests for Proposals (RFP) should be used in order to obtain proposals to satisfy a requirement of goods and services where the scope of work, technical specifications or characteristics cannot be precisely determined or described, or are of a complex/specialized technical nature which requires significant input from the supplier. The acquisition of goods or services through RFPs procedure requires careful coordination with requisitioners. Clarity, completeness in preparing the RFP is critical to a successful competition. The PMU shall make award to the supplier providing the best overall Value to the PMU in accordance with the evaluation criteria and key deliverable defined in The RFP.

Besides the requirements outlined above RFP shall also include:

- (a) **A TERMS OF REFERENCES (TORs)** describing carefully and in full detail what the PMU requires the consultant to do or to provide, including technical specifications and key deliverable
- (b) The evaluation criteria upon which the PMU will determine which bid best meets the PMU requirements;
- (c) The mandatory terms and conditions which will be included in the contract agreement or purchase order or supply order or award of letter.
- (d) Instructions to bidders.

4.1.7. SUBMISSION AND RECEIPT OF BIDS

Bidders must comply with the specified procedure for submission of bids as well as the technical requirements in the solicitation to allow for the fair and nondiscriminatory evaluation of their bids. When bids are received, they shall be secured by the assigned Procurement personnel and kept until the date and time set for the opening. Bids may be modified or withdrawn, where applicable and mentioned in Bidding Document, by a bidder before the date and time set for the opening, without the PMU approval. Bids may not be modified or withdrawn by a bidder after the opening unless a justifiable and documented reason is approved by the Procurement Section.

4.1.8. Bid Opening

The purpose of the bid opening is to verify that all formalities indicated in the solicitation are met, including the technical proposal and financial proposal and timeliness of the bid receipt and its sealed condition.

At the date and time designated in the solicitation, bids shall be opened and read by a minimum of five members from procurement committee and out of which one is from the Procurement Section.

The Procurement committee personnel, as noted above, shall review the bids for completeness, mathematical accuracy, price and responsiveness. They shall tabulate the results on a bid abstract form which must be certified by those in attendance at the bid opening. Each page of the price proposal shall be initialed by the Procurement committee chairman or procurement specialist

- **Time:** Do not receive bids after the Bid Deadline. If a bid is submitted after the Bid Deadline, do not accept it return the unopened bid to the bidder. Enter the bidder's name, the time of the attempted submittal, and the words "Refused-Not timely submitted" on the bid tabulation form.
- **Place:** Receive bids only at the place designated for the receipt of bids. Make certain the place designated is available and staffed for the receipt of bids.

- ***Sealed Bids:*** Bids must be sealed in an envelope properly addressed and endorsed. Do not accept bids that are not sealed. Note on the bid tabulation form if a bid is improperly addressed or endorsed.
- ***Date and Time Stamp:*** Date and time stamp bids as they are received. If the stamp does not include the time, write the time next to the date stamp. Place the stamp on the outside of the sealed envelope. If envelope is too bulky to accept date and time stamp, stamp a separate slip of paper and staple it to corner of envelope. If time permits, enter the bidder's name and the time the bid is received on the bid tabulation form. Do not open the bids; accumulate them in one pile. Assemble the bids in alphabetical order.
- ***Announcement:*** After the Bid Deadline has passed, announce its passing and that no further bids will be received. Also announce when and where bids will be opened. Make sure all the bidders names and bid receipt times are entered on the bid tabulation form. Gather the accumulated bids, check them with the bid tabulation form, and take them to the place of the bid opening.

4.1.9. Evaluation of Bids

Once bids have been opened, they shall be evaluated to determine which respond best to the requirements of the solicitation. Bids submitted in different currencies, if allowed, will be converted to Rupees at the rate of exchange in effect at the date specified in the solicitation, to enable the Procurement Committee to compare the bid's prices.

The evaluation of bids shall be coordinated by Procurement Section personnel. They may obtain assistance in the evaluation process from experts within the Procurement committee from PMU or from outside consultants, as required.

The commercial evaluation of bids shall be the responsibility of the Procurement Section. When technical evaluation is required, the requisitioning office or his designee shall review the bids to:

- Determine whether each offer meets all principal specifications of the solicitation;

- Prepare and sign a technical evaluation report, solely on the basis of the technical merit of the tender or proposal but excluding any consideration of the cost of the bid. Any such report shall include a listing of the recommended suppliers in order of priority, together with the reasons for such recommendation. Except when negotiations have been authorized by the Procurement Section, bidders will not be allowed to alter any bid after the deadline for bid opening without prior approval from the Procurement Section. The Procurement Section may request clarification of any bid during the evaluation process.

4.1.10. Purchase or supply Orders

Purchase orders are used when contracting for the provision of goods and simple services. Purchase orders constitute the PMU offer to the supplier. As such, they are signed only by authorized PMU or procurement committee representatives before being provided to the supplier. The supplier manifests his acceptance of the offer by his conduct, e.g. delivery of the goods or services.

The purchase order is designed to convey the provisions of the contract to the supplier and to provide maximum uniformity in recording all aspects of the agreement. The PMU terms and conditions are an integral part of the purchase order. Procurement Section personnel in consultation with Legal Section are responsible for ensuring that the terms and conditions included are appropriate, considering the value of the agreement, the nature of the goods or services provided, trade practice, and other factors. Purchase order must be amended whenever the PMU and/or the supplier make changes.

4.1.11. Written Procurement Contracts

Written procurement contracts (hereinafter referred to as ‘Agreements’) are generally used to obtain the services from a specific company for a given task or period of time, or to procure goods and/or services. Fixed price agreements provide a firm pricing arrangement, e.g., lump

sum, unit price, per diem rate, etc., established by the parties at the time of contracting. The price is not subject to adjustment based upon the supplier's actual cost experience in performing the contract. The PMU prefers to use fixed price type agreements. Agreements should be prepared to fit the actual circumstances involved and, accordingly, will not be uniform. However, all agreements are expected to achieve the best overall value for the PMU, taking into consideration quality, timeliness, and minimization of risk to the PMU. The PMU's terms and conditions are an integral part of the agreement. Procurement Section personnel are responsible for ensuring that the terms and conditions included are appropriate, considering the value of the Agreement, the nature of the goods or services provided, trade practice, and other factors. Agreements should be formally amended whenever the PMU and/or the supplier make changes to their Agreement.

Terms and Conditions

Terms and conditions are a key component of agreements and purchase order documents. Together with the Statement of Work or Scope of Work (SOW) and applicable specifications, they form the written intent of the parties to the agreement and purchase order. The Standard Terms and Conditions in PMU Agreements are developed by the Legal and Procurement Sections. However, when necessary, terms and conditions may be changed with the prior approval of the Procurement Section and the Legal Section. Contracts of a complex nature or involving provisions which have not been previously used should be reviewed by the PMU Legal Section prior to contract signing. When, during the course of a negotiation, formal or otherwise, the supplier is represented by an attorney, the PMU must also have a representative of the Legal Section present.

4.2. Methods of Procurement

4.2.1. Procurement of Consultancy Services

This Chapter deals with detailed description of work processes & procedures involved in various modes of procurement of consultancy services in conformity with World Bank Guidelines prescribed under Para 2.1.2

“Consultancy services” refers to services of a professional nature provided by consultants using their skills to study, design, organize, and manage projects; advise and, when required, build capacity of the project. The Consulting services engaged by the PMU encompass multiple activities and disciplines, including project supervision, social and environmental assessments, technical assistance, and program implementation. The selection of consultant based on following principles:

- High quality of services
- Efficiency and economy
- Competition among qualified consultants from all eligible countries
- Opportunity to qualified experts
- Encourage and develop national/ local consultants
- Transparency in selection process

The PMU should first assess the need of the consulting assignment and then prepare the Terms of Reference and estimated cost consistent with objectives of the assignment and support staff on

persons-months basis, reimbursable costs and miscellaneous expenses. The base line study is necessary before start including design services for value chain, Dairy Information System for Milk Producer Companies and External Monitoring and Evaluation (M&E) Agency. Short lists of consultants for services estimated to cost less than USD 500,000 or equivalent per contract may be composed entirely of national consultants in accordance with the provisions of the Consultant Guidelines. The Bank's standard Request for Proposal (RFP) document will be used as a base for all procurement of consultancy services to be procured under the project.

4.2.1.1. **Contract types for procurement of Consultancy Services**

a. Lump-Sum Contracts

Lump-sum contracts are used mainly for assignments in which the content and duration of the services and the expected output of the consultancy are clearly defined. Under a lump-sum contract, the PMU agrees to pay to the consultant a fixed sum of money for services given with up-front specified technical characteristics, such as a study report, project design, and tender document (the quality of which can usually be readily assessed) to be delivered within a specified deadline. So, Lump-sum contracts leave the risk of assignment cost overruns with the consultant. Lump-sum contracts are often used in relatively simple and clearly defined assignments such as planning and feasibility studies, environmental studies, detailed design of infrastructures, preparation of databases, and surveys. The lump-sum contract is easy to administer and requires little technical supervision, because no matching of inputs to payments is required. A lump-sum contract transfers cost risk to the consultants.

b. Time-Based Contracts

- Under this type of contract, the consultant provides its services on a time basis according to the quality specifications, and the consultant's remuneration is based on (a) agreed unit rates for consultant staff multiplied by the actual time spent by the staff and (b) reimbursable expenses using actual expenses or agreed unit prices. Time-based contracts are suitable for long term assignments (one or more years).
- Time-based contracts are recommended in the following cases:

- The nature and scope of the services are such that the TOR cannot be established with sufficient precision;
- The duration and quantity of services (that is, the amount of staff-months) depend on variables that are beyond the control of the consultants, or the services are related to activities undertaken by third parties (for instance, supervision of implementation assignments);
- The output required of the consultants is difficult to assess in advance;
- A capacity building program forms part of the assignment;

c. Percentage contract

Architectural services, engineering services, procurement services etc are suitable to be contracted on percentage basis where payment is agreed upon with the consultants to be paid at certain percentage of the actual cost of the project or goods as per market norm or standard practice of the industry.

4.2.1.2. Steps for Hiring of consultant

Steps taken for hiring of consultants under different methods are explained in the following Para(s). World Bank guidelines for procurement of consultancy services will be referred for details and the Bank's Standard Request for Proposal (RFP) shall be used for hiring of consultancy services.

4.2.1.3. Methods for Selection of Consultants

Followings are the methods that would be adopted for selection of the consultants :

- Quality and Cost - Based Selection (QCBS)
- Quality - Based Selection [QBS]
- Selection Under a Fixed Budget (FBS)
- Least - Cost Selection [LCS]
- Selection Based on the Consultants' Qualification (CQS)
- Single Source Selection (SSS)
- Selection of Individual Consultants (IC)

The choice of the appropriate method will depend on the nature, size, and complexity of the assignment; the likely downstream impact of the assignment; and technical and financial considerations. For quality and risk aversion, QBS over QCBS and QCBS over LCS will be preferred.

World Bank guidelines for procurement of consultancy services will be referred for details and the Bank's standard bidding documents shall be used for hiring of consultancy services.

4.2.2. Procurement Plan and Procedures

Before undertaking procurement, specific budget provision should be available for meeting the expenditure in the financial year in which it is to be incurred.

a. Procurement Plan

- PMU will prepare a tentative procurement plan (PP) for first 18 months based on projected activities in the PIP which shall include the description of goods, works and services to be procured along with their value which is consistent with technically and administratively approved estimate, It will cover all the procurement activity milestones. Subsequently, these PPs shall be updated based on sub project proposal submitted by PMU and duly appraised and approved by PMU. PPs for subsequent years after first 18 months shall be prepared by PMU. All Procurement Plans and their updates or modifications shall be subject to the Bank's prior review and no objection before implementation. Bank shall arrange the publication on its external website of the agreed initial procurement plan and all subsequent updates once it has provided a no objection.
- During preparation of the procurement plans, packaging should be appropriately done. Items of similar nature, which can be supplied by same set of firms, should be packaged together to achieve economies of scale. They should be evaluated on slice cum package

basis after taking into account cross discounts offered. Aggregate value of total package will form the basis for determining the procurement method as well as the review requirement of the World Bank.

➤ Following points should be borne while preparing the Procurement plan

- i. Procurement plan shall be prepared contract wise.
- ii. Method of purchase shall be based on the aggregate value of the package/lots, urgency of the demand, type of goods/services and availability of different sources of supply etc.
- iii. Limit of aggregate value of package/lots applicable to the particular procurement procedure shall be strictly adhered to.
- iv. It shall be ensured that the procurement is based strictly on actual need.

b. Procurement Steps

The procurement procedure for procurement of goods and works broadly consists of the following Steps:

Step1: Assessment of requirements

Step 2: Deciding procurement strategy

Step 3: Mode of procurement

Step 4: Preparation of Bid documents

Step 5: Seeking Bank's 'No Objection' whenever applied

Step 6: Advertisement for inviting bids

Step 7: Issue or sale of Bid document 45

Step 8: Pre Bid meeting

Step 9: Receipt and opening of Bids

Step 10: Evaluation of Bids

Step 11: Seeking Bank's 'No Objection' to evaluation report when applicable

Step 12: Notification of Award

Step 13: Signing of contract

Step 14: Send the signed contract for WBR (# when applicable)

Step 15: Inspection and quality control

Step 16: Completion of works and handing over

4.2.2.1. Assessment of the Requirement

- i. Bulk requirement of each sub project should be assessed prior to the beginning of the financial year. In order to obtain competitive prices, procurement action should be initiated in accordance with the purchase procedures. While forecasting the requirement, following factors should be considered:
 - Average time period required in complete procurement cycle (4 to 5 months). Longer procurement cycle in exceptional circumstances can take place. The trends in usage at the time of requirement have to be documented for record keeping purpose.
 - For receiving the bulk consignment, it would be necessary that the procurement/supply of commodities is phased over time rather than being received as a single consignment.
- ii. Consolidating several program procurement requirements can offer potential savings through price discounts and reduces the purchaser's administrative cost associated with having to process multiple bids and contracts.

4.2.3. Procurement Strategy

It is important to agree on the procurement strategy before initiating tendering. The procurement strategy should cover the following elements:

- Key objectives of the procurement for the project;
 - Chosen procurement option;
 - Chosen procurement route (Open, Restricted, Single Source)
 - Key milestones (check that enough time is allowed)
 - Key documents e.g. requirement specifications.
 - Key factors influencing the procurement strategy relate to the degree of complexity, innovation and uncertainty about the requirement, together with the time needed to achieve a successful outcome.
- i. It should be taken care of while raising indent and preparing tender document, if a project requires items of similar nature which may be supplied by the same suppliers, such items may be bundled together to form a package and rate for slices of items along with the

bundle may be called with the same deadline and opened and evaluated simultaneously considering any discount on the package over slice so as best competitive price may be availed.

- ii. Goods procured under this project would include mainly import of high genetic merit bulls, , calves, IT equipment (computers, printers, PDA, net work infrastructure and servers), office equipment & furniture, milk testing equipment, LN containers, ration balancing programme kits, bulk milk coolers, milk weighing machines, milk cans, semen station lab equipment, semen station farm machinery, QC lab equipment for milk producer companies, procurement and customization of ERP for semen stations, automated milk collection units etc.

4.2.4. Process Description of Modes of Procurement

a. International Competitive Bidding (ICB)

ICB is the most efficient / economic method of procurement to be adopted, where import of goods or likely participation of foreign firm is involved.

Followings are the requirements of ICB:

- Notification and Advertising- For the project that includes ICB, a draft General Procurement Notice (GPN) containing information concerning the project, amount and purpose of the loan, scope of procurement under ICB, and the name, telephone (or fax) number, and address of the project office responsible for procurement and the address of the Website where specific procurement notices will be posted, the scheduled date for availability of prequalification or bidding documents is required to be prepared and submitted to the World Bank. The World Bank will arrange for its publication in UN Development Business online (UNDB online) and in the Development Gateway's Bank's external website. The related prequalification or bidding documents, as the case may be, shall not be released to the public earlier than the date of publication of the General Procurement Notice.
- Bid Invitations- Invitations to prequalify or to bid, as the case may be, shall be advertised as Specific Procurement Notices (SPN) in at least one newspaper of

national circulation in the country (or in the official gazette, or in an official web site). The SPN shall also be published in the UNDB online and Bank's external website. Notification shall be given sufficient time to enable prospective bidders to obtain prequalification or bidding documents, and prepare and submit their responses.

- Bidding Document- Standard bidding documents as prepared by the World Bank should be used.
- Sale or receipt of bidding document- The bidding document should not be sold before the publication of the SPN. Further, 45 to 90 days from the start date of selling of bid documents should be provided to the prospective bidders to submit their bids.

b. Limited International Bidding (LIB)

Essentially LIB by direct invitation to selected bidders of proven capacity cum capability from at least two different countries without any open advertisement.

To be adopted where:

- a) There are only a limited number of suppliers of the particular goods or services needed; or
- b) Other exceptional reasons justifying departure from full ICB procedures

Steps:

- Same as ICB except for advertisement and domestic preference which are inapplicable
- Publication of award as for ICB Bids must be invited from a list of potential suppliers broad enough to ensure receipt of competitive bids (two different countries).

c. National Competitive Bidding (NCB)

This is the most efficient and economical way of procurement followed in the country. This is followed for small works or when the item of procurement is of the nature that will not attract foreign competitors because of the followings:

- The contract value is small, or
- Works are scattered geographically or spread over time, or
- Works are labour intensive, or

- The item of procurement is available locally at a lower price than the international market
- The method to be used in the evaluation of tenders and the award of contracts shall be made known to all bidders and shall not be applied arbitrarily.
- NCB is adopted normally where the contract value is more than US \$ 30,000 for goods and works or up to the threshold value laid down in the Credit/ Financing Agreement.
- Civil works and also goods could be procured under contracts awarded in accordance with the procedure prescribed under NCB.

d. Guidance on Handling Procurement under Shopping Method

- **General:** Shopping is intended to be a simple and rapid procurement method. Shopping is one of the least competitive procurement methods and may be abused unless it is carried out in compliance with the legal agreements, and observing a minimum of formality in the process, and with appropriate record keeping for verification and audit. In fact, the Bank has recently discovered cases of abuse that have culminated in declaration of mis-procurement.

When is Shopping Appropriate?

Shopping may be used:

- a. To procure small amounts of off-the-shelf goods or standard specification commodities for which more competitive methods are not justified on the basis of cost or efficiency.
- b. In emergency projects or for urgent relief-type operations including re-establishment of vital services like utilities, communications, shelter, and vital supplies which stem from disasters or conflict. These emergency contracts may involve one or several activities in supply of goods, installation and commissioning, and very urgent minor civil works. In the case of civil works or supply involving substantial installation, the term shopping is not used but referred commonly as "price comparison".

Because of the risk of abuse in procurement under shopping, the use of this method is restricted to cases when the justification for it is beyond contention may not use shopping only as an expedient to by-pass more competitive methods or fraction large procurements into smaller ones solely to allow the use of shopping. When the nature of the specifications is complex or the type of procurement requires an elaborate, detailed evaluation system (i.e., efficiencies, delivery

times, etc.,) that needs substantial documentation, a formal bidding process instead of shopping is used. Shopping is not appropriate in these cases, because it is a method that should not require complex documentation or all the formalities of a bidding process.

Number and Origin of Quotations to be Compared: Procurement Guidelines requires the PMU to obtain and compare at least three quotations to establish reasonableness of price. Comparison of two quotations is justified only when there is evidence satisfactory to the Bank that there are only two reliable sources of supply (national or foreign as the case may be). It is possible that not all the suppliers invited will respond to the request for quotations. To minimize the risk of getting only one or two quotations, it is required to initially request more than three quotations. At the time of the request, it is necessary to verify whether those being invited will make an offer or not. When there is more than one source for the goods, at competitive prices, in the country, the PMU may use national shopping, but must obtain at least three quotations. If this is not the case, then international shopping is used. Under international shopping, PMU to request quotations from suppliers from at least two different countries, including the own country. Quotation for foreign goods located in own country and offered by a firm located in the own country, are considered as quoted from abroad for purposes of satisfying the "two different countries" rule. This is applicable, for example, to items such as computers, vehicles, etc., that are normally imported by dealers of the foreign manufacturers who are also able to provide after sales services.

4.2.5. Bank Review of Procurement

Thresholds for prior review of contracts under eligible expenditures are given in the table below. All other contracts will be subject to post review by the Bank. The Departments will send to the Bank a list of all contracts for post review on a quarterly basis. Post reviews, as well as the implementation reviews, will be done biannually [or every six months]. Such a review of contracts below threshold will constitute a sample of about 15-20 percent of the contracts.

Table 1: Procurement Actions (Summary of the above identified issues and agreed actions)				
	Issues	Action	Timeline	Responsibility
I	Procurement Efficiency	Training session SOPs to be prepared and adopted	To commence soon after hiring of central procurement resource	Bank / Departments
II	Complaints	Letter from Departments	TBD	Departments

		notifying independent complaint redressal mechanism		
III	Procurement Plan	Procurement Plans to be prepared	Well before negotiations	Departments
IV	Central Procurement Resource	Firm/ Individual to be hired	Well before negotiations	Departments
V	Supply Chain Analysis	Firm to be hired	Two months after effectiveness	Departments
VI	e-marketplace	Firm to be hired	Three months after effectiveness	Departments
VII	Community Procurement	Simplified Guidelines for community procurement as and when the situation arises	Before initiating such procurements	Departments
<i>Other measures (mentioned in Procurement section above) will be added after agreement of Depts.</i>				

Table 2: Thresholds for Procurement Methods and Prior Review
Prior Reviews Identified in Approved Procurement Plan

Expenditure Category	Contract (Threshold) US\$	Procurement Method	Contracts Subject to Prior Review US\$ thousand
1. Civil Works	Regardless of value	NCB	All
2. Goods	>600,000	ICB	All
	<600,000	NCB	First two contracts, thereafter as provided in Proc. Plan
	< 50,000	Shopping	First contract, thereafter as provided in Proc. Plan
	Regardless of value	Direct Contracting	All
3. Consulting Services -3.A Firms			All TORs and Training Programs to be reviewed by Bank's TTL
	>300,000	QCBS	All
	< 300,000	CQS	First contract by any process and thereafter as provided in Procurement Plan
	Regardless of value	Single Source	All
Individual Consultants		Comparison of 3 CVs	First contract and thereafter as provided in Proc. Plan

Types of review cases

i. Prior Review

- Goods: First NCB and first two Framework Agreements and subsequently any contract more than US\$1,000,000 or equivalent. Any contract more than US\$10,000 or more following Direct Contracting procedure.
- Works: First NCB and subsequently any contract more than US\$ 10 million or equivalent. Any contract more than US\$10,000 or more following Direct Contracting procedure.
- Consultancy Services: First consultancy contract and subsequently any contract value more than US\$ 500,000 equivalent for firms; and > US\$ 200,000 equivalent for individuals.
- All Single Source Selections of more than US\$ 10,000. Hiring procurement consultants, PPR Consultant, External Auditor, inspection agents and legal advisors are subject to prior review, irrespective of the contract value.
- In case of contract to individuals, the qualifications, experience, terms of reference and terms of employment shall be subject to prior review.

ii. Post Review

All contracts not covered under prior review will be subject to post award review. The Terms of Reference for the independent PPR consultant, to be engaged by the NDP I, would include procurement review of selected contracts. The Bank on its part will review the reports of the PPR consultant in addition to conducting its own post review on sample basis.

4.2.6. Grievance Redressal Mechanism

In order to deal with the complaints from the contractors / suppliers and public effectively, a complaint handling mechanism shall be set up and immediate action shall be initiated within 2 working days on receipt of complaints to redress the grievances.

All complaints shall be handled at a level higher than that of the level at which the procurement process is being undertaken and the allegation made in the complaints should be thoroughly enquired into, and if found correct, appropriate remedial measures shall be taken by the appropriate authorities. A register of the complaint redressed shall be prepared at each level and shall contain the following information:

- Serial number of the complaints,

- Date on which the complaint was made,
- Particular of the person making the complaint, Nature of the complaint,
- Complaint against whom if a person or against a work,
- Detail of action taken and subsequent follow ups specifying on which date the action and follow ups were taken,
- Whether the complaint has been satisfied, if not why? Action taken against the guilty, general remarks.

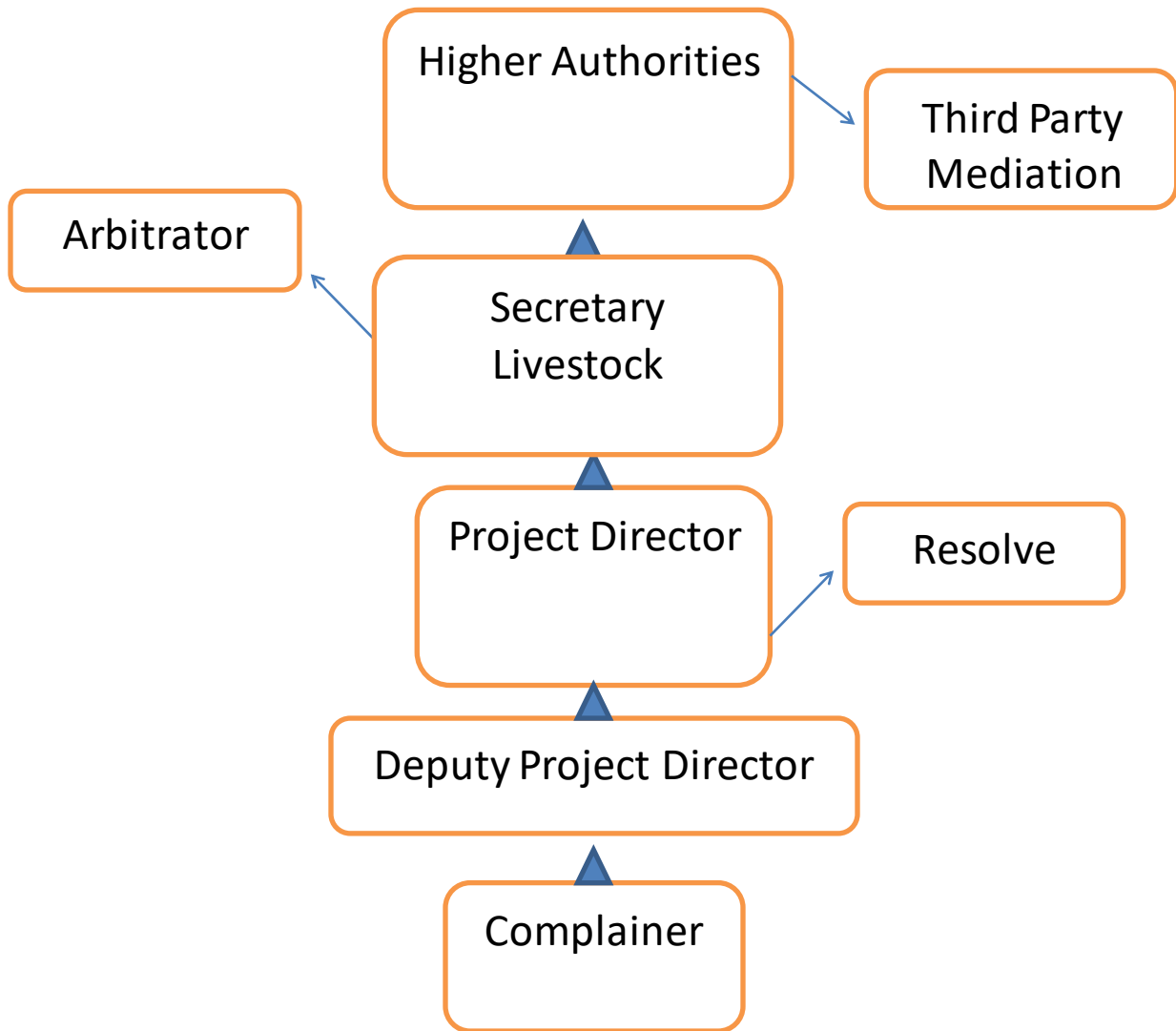
Subsequently an online database will be created which will be regularly updated and which would be capable of creating on line reports for the purpose of the monitoring. The PMU will announce on its web site about having in place a complaint redress mechanism.

In case any individual officer/staff are found responsible, suitable disciplinary proceedings shall be initiated against such officer/ staff. This register shall also be subject to audit. The existing provisions under the Indian law including the instructions of central vigilance commission should be followed in this regard.

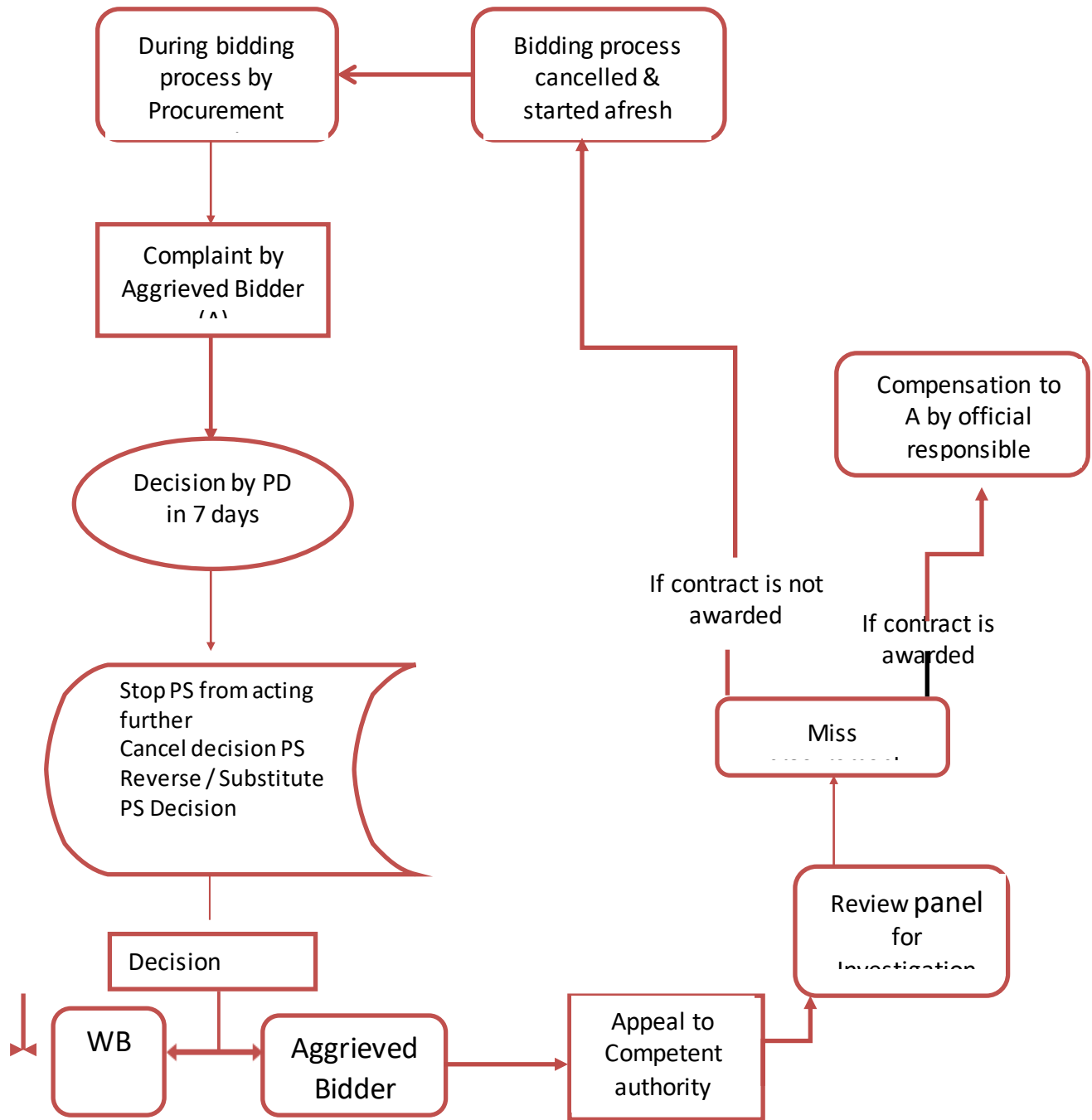
Implementation

(a) For Field Grievance

Grievance Redressal



(b) For Procurement Grievance:



Conditions of Appeal

1. Bidder has not withdrawn bid security.
2. Bidder has deposited complaint registration fees. i-e Rs. 1000/-

4.2.6.1. Grievance Redressal Team

- Project Coordinator (Member)
- Additional Secretary Livestock & Fisheries Technical (Member)
- Project Director (Member)

4.2.6.2. Redressal Mechanism

- In order to deal with the complaints received from contractors/suppliers in respect of procurement activities, the PMU vigilance shall scrutinize the complaints to ensure ethical and process compliances. On receipt of complaints, an acknowledgement will be sent to the complainant within 2 working days by SMS/ document and immediate action is to be initiated to redress grievances.
- However, keeping in view of the extent of procurement activities envisaged under the project, MPU shall enhance the complaint/ grievances handling mechanism for accepting complaints and their redresser processes. This activity shall be handled by a designated officer of the PMU. If found correct, remedial measures are to be taken by the appropriate authorities within 15 days of received complaint.
- In cases where an individual staff is found responsible, suitable disciplinary proceedings need to be initiated against the employee under the relevant provisions of conduct rules. The receipt of any illegal gratification by staff is to be considered as serious misconduct and disciplinary proceedings are to be initiated against the employee in addition to penalties under the existing law of Pakistan (One month of received complain).
- The existing provisions under the law, the discipline and appeal rules and the directives of the Central Vigilance Commission are to be strictly followed in dealing with the complaints of bidders/contractors/suppliers. If a bidder complains to the Bank, the Bank may examine the complaint in consultation with the project authorities (PMU). The Bank shall require a bidder to be debriefed, if the bidder wishes to ascertain the grounds on which its bid was not selected (15 days- One Month of received complaint).

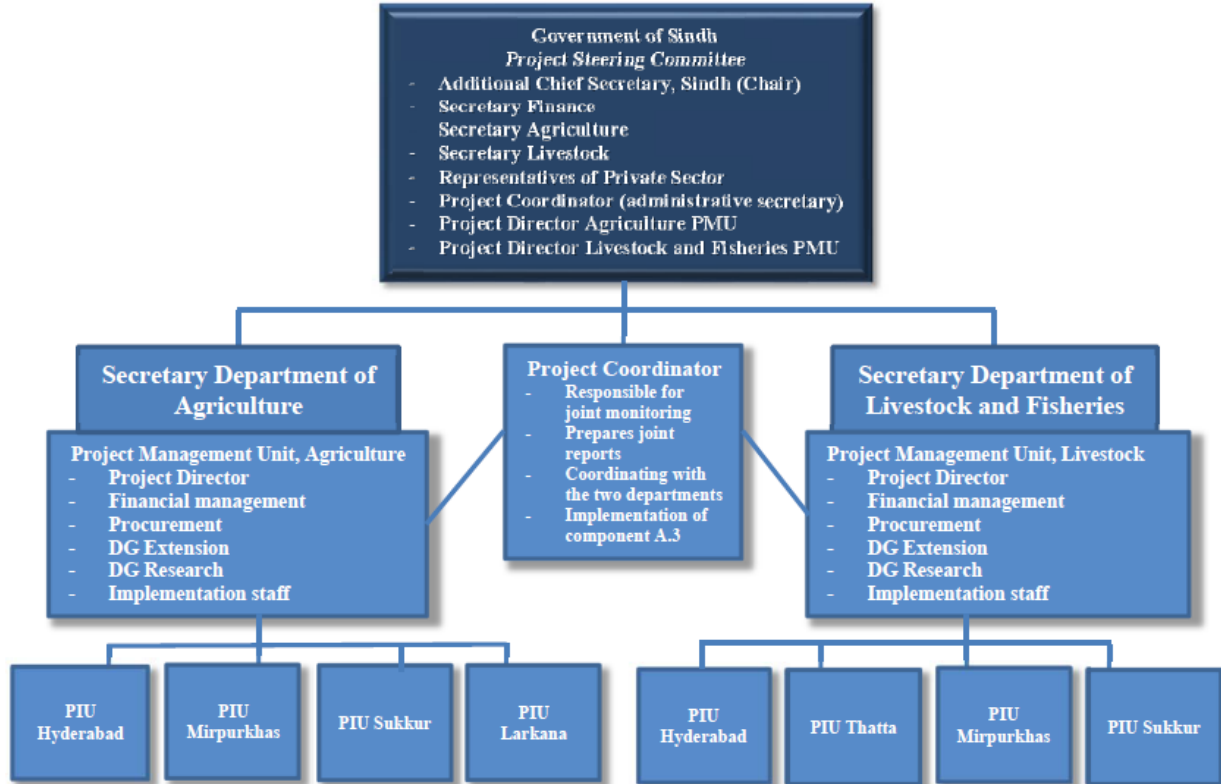
5. Project Management, Monitoring & Evaluation

This component would finance the costs for Project Management Units (PMUs) and the Project Coordinator's office. Financing would be provided for impact evaluation, communications strategy, grievance redressal mechanism (GRM), independent third party monitoring, establishment of a management information system (MIS) and overall monitoring of the implementation of Environment and Social Management Framework (ESMF). The Impact Evaluation, MIS and third party monitoring will be implemented by the Project Coordinator whereas overall monitoring and evaluation, GRM and communication strategy will be implemented by the respective PMUs and the DPIUs.

One Project Management Unit (PMU) and 5 District Project Implementation Units (DPIUs) will be established in nine targeted Districts of Sindh. Each DPIU will comprise two Districts except Tharparkar District which will be a single District in DPIU due to its huge dimension.

5.1. Project Management

The Institutional and implementation arrangements are shown in following flow chart:



5.2. PROJECT STEERING COMMITTEE (PSC)

A Project Steering Committee (PSC) will be constituted under the chairmanship of Additional Chief Secretary (Dev) P&D Department for review and monitoring of the project. The PSC would review progress and will meet every six months or as need to perform tasks including approval of annual work plans and review of project's financial reports and audit reports (internal and external). It would also look into mid-course correction, and issuing guidelines for smooth implementation of the project. The PSC members will include:

- Additional Chief Secretary (Dev) Chair
- Secretary Finance
- Secretary Agriculture
- Secretary Livestock
- Representatives of Private Sector Stakeholders
- Project Coordinator (member secretary)
- Project Director, PMU
- Any other member(s) the Committee may co-opt

5.3. Project Coordination Unit:

A liaison office in the form of Project Coordination Unit (PCU) would be established headed by a Project Coordinator (PC) within the Planning and Development Department, Government of Sindh. The PCU would ensure joint monitoring, reporting and effective coordination amongst the line agencies including Agriculture and Livestock & Fisheries Departments as well as with the World Bank, Project monitoring and impact evaluation studies and supervision of the overall Environmental and Social Monitoring Plan (ESMP). The project coordinators office would house the M&E consultant for overall project monitoring and for tasks including baseline development, joint reporting and for Project Management and Information System (PMIS) establishment and operationalization etc. and the project's activity, development of Sindh Agricultural development strategy will also be implemented by the office of the Project Coordinator.

5.4. Recruitment Committee for Livestock Component

- | | |
|---|------------|
| 1. Secretary Livestock and Fisheries Department GoS | (Chairman) |
| 2. Project coordinator | (Member) |
| 3. Project Director (SAGP-L) | (Member) |
| 4. Director General Livestock Sindh | (Member) |

5.4.1. Method of Recruitment

- A) Seconded Staff (Government Servant)

Following Seconded Staff will be nominated by Competent Authority i.e. Secretary Livestock and Fisheries among regular staff of the department on deputation basis.

1. Project Director (PMU)
 2. Deputy Project Director(s) (PMU)
 3. Deputy Director (AI Training Center)
 4. Training Facilitator (M) (AI Training Center)
- B) Incremental Staff (Contract)

Remaining project staff will be recruited on contract basis by following method

- i. Posts shall be advertised in the Sindhi/Urdu/English/ leading news paper
- ii. Applications received will be scrutinized and short listed
- iii. Test / interview of the eligible candidates
- iv. Names of successful candidates will be submitted to the PSC for approval.

5.5. Constitution of Procurement Committee

The composition of procurement committee would be:

- | | |
|---------------------------------|----------|
| 1. Project Director, PMU | Convener |
| 2. Project Coordinator | Member |
| 3. Procurement Specialist | Member |
| 4. Deputy Project Director | Member |
| 5. Representative of A.G Sindh. | Member |

5.6. Functions and Responsibilities of Procurement Committee

Procurement committee shall be responsible for

1. Preparing bidding documents
2. Carried out technical as well as financial evaluation of the bids
3. Preparing evaluation report as provided in Rule 45
4. Making recommendations for the award of contract to the competent authority
5. Perform any other function ancillary and incidental to the above

5.7. Project Management Unit

Two Project Management Units (PMUs) would be established in the Department of Agriculture, Supply & Prices and Department of Livestock & Fisheries respectively headed by Project Directors who are appointed by the Government. The position of a Project Coordinator will be established to ensure that joint monitoring, reporting and coordination takes place with the help of two Departments.

The PMUs would be responsible for overall project management, monitoring and supervision, as well as fiduciary and safeguards implementation and compliance. The PMUs will have project management and implementation staff with adequate qualification and expertise. The PMUs and where needed, would be provided with additional technical support through consultants.

The PMUs will take the lead role in planning, coordinating and monitoring of project performance in line with the project implementation schedule, and facilitate regular decision making for quality and in time implementation of various components. The PMUs will also be responsible for ensuring that resources are budgeted as per approved Project Implementation Plans. The PMUs will have procurement and financial management responsibilities and will ensure that project accounts are managed and audited on time. Specific responsibilities of the PMUs would be:

- Preparing annual Project Implementation Plans (PIPs). The Agriculture and Livestock PMUs will prepare respective PIPs, which will be consolidated by the Project Coordinator into a single PIP for seeking approval of the PSC and sharing with the Bank task team
- Ensuring timely implementation according to the PIP including budgets, procurement plans and agreed quality controls
- Preparing procurement packages and overseeing technical quality of contracts
- Coordinating and providing technical and project management support to the field implementation teams at the respective Project Implementation Units
- Informing, supporting, coordinating and interacting with the key project partners and ensuring participation from project stakeholders as well as coordination with other development partners
- Reporting on the results of monitoring and evaluating all aspects of the project inputs, outputs and outcomes, as well as facilitating learning and stock taking for course correction during the project implementation
- Implementing and monitoring project risk management measures and accountability and information sharing mechanisms

- Disclosing project implementation information available through websites and other means of communication for enhanced transparency on project implementation and achievement of results
- Maintaining a robust grievance redressal mechanism which is fully communicated to the project stakeholders

The PMUs would be adequately staffed and would also be supported by additional technical assistance and monitoring support. The Project Coordinator's office would house the M&E consultants for the overall project and for tasks including baseline development, joint reporting and monitoring, management and information system (MIS) establishment and operationalization, etc.

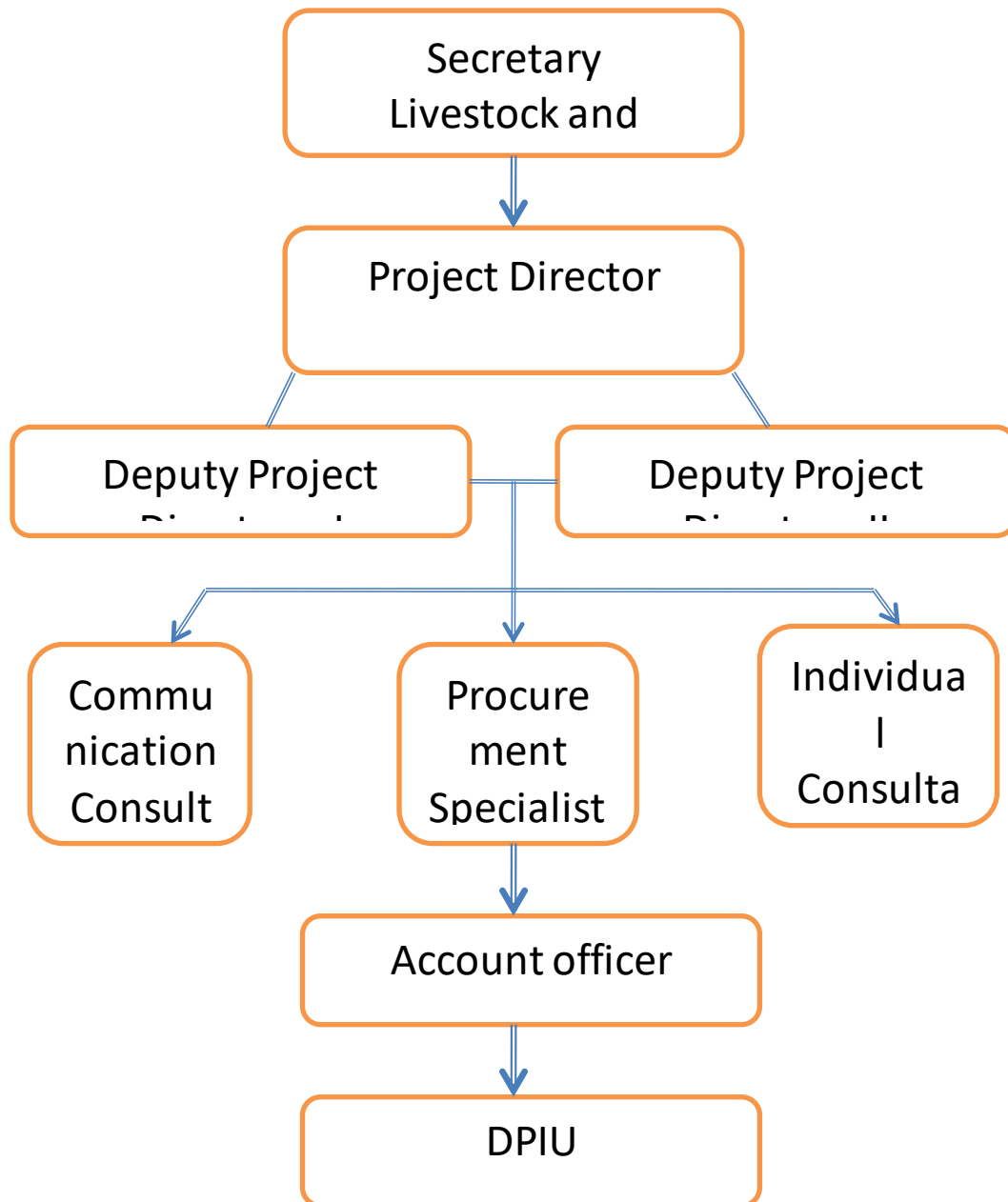
5.8. Project Implementation Units: At the district level, Project Implementation Units (DPIUs) will be established to provide support staff, training and equipment to build capacity and strengthen the arrangements already in place, mainly the existing Research and Extension wings of the Department of Agriculture and Department of Livestock. The DPIUs would be provided with capacity building so that they can access and use a greater range of information products, decision tools, and manage field demonstrations.

A total of nine (9) DPIUs will be established; for Livestock Component including Tharparkar, Mirpurkhas (Mirpurkhas & Shaheed Benazirabad), Hyderabad (Hyderabad & Thatta), Khairpur (Khairpur & Naushehroferoze) and Larkana (Larkana & Sukkur). The DPIUs would have adequate staff to ensure all implementation responsibilities are properly resourced. The DPIUs will be responsible for the operational management and implementation of the specific sub-components. The DPIUs will report to respective PMUs for day-to-day management and implementation of project sub-components and will be supported by implementation as well as fiduciary staff of the PMUs. Specifically the DPIUs would be responsible for:

- Feeding into the preparation of Project Implementation Plans (PIPs) and annual budget projection and planning. The field PIPs will feed into preparation of the single PIP for seeking approval of the PSC and sharing with the Bank task team
- Ensuring timely implementation according to the PIP including budgets, procurement plans and agreed quality controls
- Providing detailed information for preparation of the procurement packages to respective PMUs as well as supervising contract implementation at field level
- Informing, supporting, coordinating and interacting with the farmers and producers at the district and sub-district levels

- Preparing regular, monthly and quarterly progress reports that feed into the overall project implementation reporting on the results of all aspects of the project inputs, outputs and outcomes
- Ensuring information availability to farmers and producers on project implementation and provide timely responses to requests for information from beneficiaries and other stakeholders.
- Implementing the grievance redressal mechanism

The implementation arrangements at Project Management Unit level are shown in following flow chart:



6. Competitive Research Fund

The project will finance a program of competitive research grants supporting research on crop agriculture, livestock, and fisheries. The program would be managed by the Department of Agriculture and the Department of Livestock & Fisheries, in collaboration with Sindh Agriculture University at Tando Jam.

Objectives

- ✓ Identify and finance innovative research from the community of stakeholders related to each of the targeted commodities under the project.
- ✓ Funds will be provided to the scientist, having good research ideas, who will submit good sound and field oriented research proposals.
- ✓ To provide opportunity for healthy competition in field of agricultural research for development of new technologies for enhancing agricultural productivity

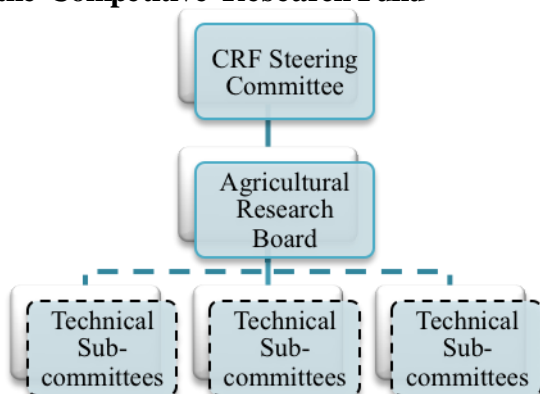
Governance

The competitive research fund (CRF) will be jointly sponsored by the Secretaries of Agriculture and Livestock & Fisheries, Government of Sindh. Building on the successful experience of this CRF, administration of the fund will be done in collaboration with Sindh Agriculture University at Tando Jam. The project funds for the CRF will reside in agriculture budget and will be disbursed against successful research proposals.

The CRF will issue a call for proposals at least twice each year while funds last. The Steering Committee will set the maximum grant award per proposal for each call, but generally, proposals should not exceed PKR 5 million, to ensure maximum opportunity to stimulate research activities across crops and livestock sub-sectors.

The CRF will comprise a Steering Committee, an Agricultural Research Board, and Technical Sub-committees, which will be constituted as needed to review research proposals.

Figure 1 Structure of the Competitive Research Fund



The CRF Steering Committee will be co-chaired by the Secretaries of Agriculture and Livestock & Fisheries. It will be responsible for:

- Establishing priorities for calls for proposals (e.g., general call, focus on post-harvest technology, etc.)
- Setting the maximum grant amount for each call for proposals
- Issuing calls for proposals
- Determining the final grant awards based on feedback from the Agricultural Review Board
- To review the financial and physical progress of project on a quarterly basis.

Table 1 Composition of CRF Steering Committee

S#	Designation	Position
01	Vice Chancellor SAU Tandojam	Chairman
02	Secretary, Agriculture Department, Government of Sindh	Co-chairman
03	Secretary, Livestock & Fisheries Department, Government of Sindh	Co-chairman
04	Director General, Agriculture Research Sindh	Member
05	Director, Nuclear Institute of Agriculture	Member
06	A Representative from the HEJ Institute, University, of Karachi	Member
07	Senior Chief Agriculture Planning & Development Department	Member
08	Chief Agriculture Planning & Development Department, GoSindh	Member
09	A Representative from Pakistan Agricultural Research Council	Member
10	A Representative of Growers	Member
11	Any other member to be co-opted as needed	Member
12	Director, Agriculture Research Institute, Tandojam	Member /Secretary

The Agricultural Research Board will be responsible for:

- Creating calls for proposals and setting technical specifications for calls based on policy priorities;
- Constituting Technical Sub-committees with the necessary expertise to review proposals;
- Short-listing submitted proposals for further review and assigning proposals to the appropriate sub-committees;
- Reviewing and taking final decision on recommendations of the Technical Review Sub-committees
- Preparing recommendations for the Steering Committee to endorse; and
- Monitoring and reviewing the progress of funded research projects.

The composition of Agricultural Research Board is elaborated in the table below.

Table 2: Composition of the Agricultural Research Board

The Vice Chancellor, Sindh Agriculture University	Chairman
Director General, Agriculture Research Sindh	Sr. Member
Director General, Livestock Research, Sindh	Sr. Member
Director, Nuclear Institute of Agriculture	Member
Representative from the HEJ Institute, University of Karachi	Member
Representative from Pakistan Agricultural Research Council (PARC)	Member
Chief Agriculture, Planning & Development Department, Govt. of Sindh	Member
A Representative of Growers	Member
A Representative of Livestock Industry	Member
Director, Agriculture Research Institute, Tandojam	Member/Secretary
Other co-opted member(s) as needed	Members

To ensure detailed review of research proposals, the Agricultural Research Board will constitute Technical Sub-committees as needed, comprising technical experts in the relevant field. The responsibilities of the Technical Sub-committees include:

- Providing detailed evaluation of the technical design and relevance of proposals;
- Recommending amendments or other changes to proposals to improve their technical quality and relevance; and
- Recommending successful proposals to the Agricultural Research Board for consideration.

Activities

- The Project Steering Committee, through the Co-chairs, will invite researchers from universities, private companies, farmers, government agencies, and NGOs through a publicly published request for expressions of interest;
- Interested parties will submit proposals to the Secretary to the Agricultural Review Board (ARB);
- The department / organization in which the scientist is working will sign a guaranty for work and physical assets.
- The ARB will short list proposal against clear criteria and pass successful proposal to the Technical Sub-committees for further review;
- The short listed proposal will be submitted to the project Steering Committee for finalization.
- The Project In-charge (PI) may be called on to defend his or her proposal before the Agricultural Research Board, if it is deemed necessary.
- Successful proposals will be funded on the recommendation and final decision of the CRF Steering Committee.

- The PI of successful proposal will submit a detailed budget and plan of work within 10 days of notification of the award.
- The funds will be provided after final approval of work plan and budget break up from the Steering Committee.
- The grant will be awarded to the lead scientist (Project In-charge or PI) of the project, and if the PI moves from one employer to another, the grant will move with them.
- The PI will carry work as per approved plan of work.
- The PI must submit financial and physical/technical progress to the Steering Committee and Agricultural Research Board every month;
- The PI will submit a report of the final findings from the research within 3 years of the grant award.
- The PI may be asked to present his or her findings to different audiences by the Steering Committee
- The research findings will be the property of Agriculture Department, Government of Sindh.
- The Government of Sindh retains the right to publish the paper on findings.
- All the physical assets procured with grant funds remain the property of Agriculture Research Sindh.
- Those physical assets must be returned to Agriculture Research Sindh, on completion of the project.

Review Criteria

- Research should be able to report results within 3 years of the grant award;
- The project cost should not exceed PKR 5 million;
- Proposals should align to the priority topics specified in the call for proposals;
- Proposals should completely describe the research methodology to be pursued;
- Proposals aligned to the target commodities under SAGP will be given preference;
- Proposals should identify how they will benefit small and medium, poorer producers.

The CRF will determine the focus of calls for proposals. Some ideas for priority research areas are listed below. These could be used to define criteria in the call for proposals:

- **Livestock & Fisheries**

- Diagnosis of viral diseases, their control and precautionary measurement
- Breed improvement
- Breed productivity
- Fodder and feeding

7. RESPONSIBILITY

7.1. Responsibility for Acquisition: The project director and procurement specialist are responsible for all procurement activities in Sindh Agricultural Growth Project Live Stock Component. the over-all responsibility for the Acquisition and the procurement process for goods, civil work and services Are delegated to the Chief of the Procurement Section duly designated by the World Bank. To this end, the Chief Procurement officer or specialist shall ensure that the Relevant Financial Regulations and Rules on Procurement are strictly complied with World Bank guideline.

7.2. Procurement committee: there are five members in procurement committee and they are responsible for all procurements.

7.3. Purchase committee: there are three members in purchase committee and they are responsible for purchasing of goods.

7.4. Technical committee: there are three members in Technical committee and they are responsible for technical specification at the time of receiving of goods.

7.5. Responsibility for Procurement planning: The Procurement planning is essential for the effective and timely solicitation of bids, proposals, award of contracts and delivery of the goods and services required for the project success and bright future. Chiefs of Section are responsible for developing their procurement plans in cooperation with the Procurement Section and the financial manager. The detailed activity, responsibility, review and approval are given as under;

Responsibilities and Approvals (Goods, Works and Services)

ACTIVITY	RESPONSINBLITY	REVIEW	APPROVAL
1.Procurement Plan	Procurement specialist	Project Director	WORLD BANK
2.Initiating activities	Procurement specialist	Project Director	WORLD BANK
3.Procurement method	Procurement specialist	Project Director	WORLD BANK
4.Preparation of bidding Documents	Procurement specialist	Project Director	WORLD BANK
5.Invitation for bid	Procurement specialist	Project Director	WORLD BANK
6. Receipt of proposals	Procurement specialist	Project Director	WORLD BANK
7.Opening of bid	Procurement Committee	Project Director	WORLD BANK
8.Post Qualification Documents(verification) And Receipt of documents During BER	Procurement Committee	Project Director & Procurement Specialist	WORLD BANK
9. Bid Evaluation Report	Procurement committee	Project Director	WORLD BANK
10. Technical Evaluation	Procurement Committee	Project Director	WORLD BANK
11. Award of contract	Procurement Committee	Project Director	WORLD BANK
12. contract agreement	Procurement specialist	Project Director	Project Director
12. Receiving of goods and Its technical and physical verification in terms of quality and quantity as per specification	Technical Committee	Project Director	WORLD BANK
13. payment to bidders Director	Finance Manager	Procurement Specialist	Project

ACTIVITY	RESPONSINBLITY	REVIEW	APPROVAL
1.Procurement Plan	Procurement specialist	Project Director	WORLD BANK
2.Initiating activities	Procurement specialist	Project Director	WORLD BANK
3.Consultancy method	Procurement specialist	Project Director	WORLD BANK
4.Development of RFP	Procurement specialist	Project Director	WORLD BANK
5.Preartion of EOI	Procurement specialist	Project Director	WORLD BANK
6. Receipt of proposals	Procurement specialist	Project Director	WORLD BANK
7.Opening of EOI and Technical proposal	Procurement Committee	Project Director	WORLD BANK
8.Post Qualification Documents(verification) And Receipt of documents During BER	Procurement Committee	Project Director & Procurement Specialist	WORLD BANK
9. Technical Evaluation	Procurement Committee	Project Director	WORLD BANK
10. Bid Evaluation Report	Procurement committee	Project Director	WORLD BANK
11. Award of contract	Procurement Committee	Project Director	WORLD BANK
12.Implementation of consutancy services as per award	Technical Committee	Project Director	WORLD BANK
13. payment to bidders	Finance Manager	Procurement Specialist	Project Director