

REQUEST FOR PROPOSALS

Cambodia Australia Partnership for Resilient Economic Development (CAPRED) Program	
RFP Number	RFP24-028
Project Name	Business Plan Analysis for Modern Agriculture Communities (MACs)
Domain Name	Agriculture and SMEs
Application Closing Date	5pm (Phnom Penh Time) 27 May 2024
Assignment Duration	If possible commencing June to October 2024, with possible extension until March 2025

1. Background

1.1 CAPRED

The CAPRED is Australia’s flagship bilateral economic development facility in Cambodia. The Facility supports Cambodia in implementing various economic interventions and reforms to maintain the country’s economic transition. These interventions and reforms encourage more productive and inclusive public and private investment, promoting a resilient, inclusive, and sustainable economy (RISE).

1.2 Modern Agriculture Communities (MACs)

In Cambodia, smallholder farmers dominate the agricultural landscape, facing challenges such as limited access to technology, financial services, market information, infrastructure support, and the impact of climate change. To mitigate these constraints and improve smallholder income, approximately 1,200 agricultural cooperatives have been established, comprising 170,000 members, with women making up 63% of this total. These cooperatives represent a collective effort to address the problems smallholder farmers face by pooling resources, knowledge, and market access, accounting for 5.9% of the nation's farmers. As reported by the Ministry of Agriculture, Forestry, and Fisheries (MAFF) in 2022, the effectiveness of these cooperatives has been limited, with only 17.5% of them performing well. Agricultural cooperatives (ACs) face the following challenges:

- Lack of professional leadership and agronomical knowledge
- Lack of capital investment and operational finance
- High production cost (low competitiveness) and international market mismatch.
- Low trust in AC management.
- Vulnerability to climate change.

In response, the Ministry of Agriculture, Forestry, and Fisheries (MAFF) plans to establish Modern Agriculture Communities (MACs) to transition from traditional family-based farming to more organised and economically robust agricultural enterprises in Cambodia. Each MAC, led by a CEO and a board of directors, will offer farmers two participation options: leasing their land and crops for collective management or contributing them as shares in return for dividends and employment opportunities. MAC would enhance agricultural communities' competitiveness, efficiency, and sustainability through shared resources and expert management.

To begin the Modern Agriculture Communities (MAC) initiative, the Ministry of Agriculture, Forestry, and Fisheries (MAFF) will identify and structure four farmer groups into MACs to do a pilot, consisting of 50-100 farmers each. Creating a business plan would be the first step towards piloting the concept.



1.3 Development of a Business Plan for MACs

a) Value Proposition:

The objective is to determine the benefits the MAC will offer smallholder farmers against the benefits derived from their current individual farming activities. This exploration will address several layered questions:

- **Current Value Assessment:** What are farmers' benefits and earnings from farming and non-farming activities? What specific problems are being addressed through their current operational models, and what are the costs and benefits associated with these models?
- **Cost-Benefit Analysis:** What will be the net benefits to the smallholder farmers from joining MAC, and how do these compare to their current situation? This analysis should detail the tangible and intangible benefits.

b) Market Strategy:

This component is essential for outlining potential market demand and how MAC will respond to the demands in terms of quantity, quality, pricing, and timing. The consultancy will need to answer several key questions:

- **Product:** What specific products or services MAC would be able to offer? How will they differ from or improve upon what is currently available to smallholder farmers in terms of quality, usability, and sustainability?
- **Pricing:** What pricing strategy will MAC adopt to ensure affordability for smallholder farmers while maintaining sustainability and profitability? How will this pricing compare with the current market rates that smallholder farmers face?
- **Selling model:** What is a feasible buy-sell model MAC can use? And identify the risks associated with the model and its mitigation plans.

c) Financial strategy:

This component is focused on creating a detailed financial blueprint for MAC, covering the initial setup costs, financing options, operational costs, and expected profitability. Key financial questions to address include:

- **Cost Estimation:** What are the estimated initial costs to establish MAC, including land, equipment, and initial staffing? Specifically, what capital expenditures (Capex) are needed for the physical assets and the operational expenditures (Opex) expected for the daily running of MAC in the initial setup phase?
- **Revenue Streams:** Outline expected revenue streams, considering product sales, service fees, membership fees, and other potential income sources. Calculate the expected net gains, offering insight into the MAC's profitability and financial sustainability.
- **Financing Options:** Identify potential sources of financing these costs, assessing the suitability of different financing options such as loans, investment, or community funding.
- **Dividend and Profit/Loss Distribution:** How will profits or dividends be distributed among the members? How will losses be managed and distributed among members?
- **Transparency and Accountability:** What measures will ensure transparency and accountability in MAC's financial dealings? Establish protocols for financial reporting to keep all members informed and involved.

d) Management strategy:

This component is designed to establish a robust MAC management framework, detailing the organisational structure and the strategies for sourcing the necessary human resources. The consultancy firm will need to address:

- **Resourcing:** How will MAC recruit and retain the management staff? This includes identifying the skills and expertise needed for each role based on MAC's operational needs and strategic objectives.



e) Risk Mitigation Strategy

This section mandates the consultancy firm to conduct a thorough risk assessment across all aspects of MAC's proposed business plan.

- **Risk Identification:** The consultancy firm will assess each business plan component to identify major risks hindering MAC's operation.
- **Mitigation Strategy:** For each identified risk, the firm will formulate and propose specific actions or strategies to minimise or manage these risks.

2. Purpose

CAPRED is seeking a consultancy firm to develop a practical business plan for the MAC. This plan will detail the benefits of MAC for farmers, including its products and pricing, as well as the costs and funding required to launch and operate the system. It will also outline how MAC will make and manage money and how profits and losses will be distributed among its members. The business plan will focus on straightforward and achievable activities for the farmer groups, ensuring they are not overwhelmed by complexity as they grow.

3. Key Tasks and Activities

The consultancy firm will perform the following tasks and activities, adhering to the key output deliverables within the expected timeframe in the below table.

Tasks	Key activities	Output Deliverables	Completion Timeframe
1. Workplan	Create a work plan that outlines the scope, timelines, key milestones, and resource allocation for the entire project.	Final workplan with scope of work and timeframe on delivery this assignment, approved by CAPRED: <ul style="list-style-type: none"> - Specific milestones with the deadlines for each project phases. - Resource allocation with clearly defined tasks assigned to team members. 	July 2024
2. Initial Report	Compile a report that includes: <ul style="list-style-type: none"> • An assessment of farmer feedback on the proposed MAC model. • A preliminary cost-benefit analysis of the existing versus proposed models. 	An Initial Assessment Report of the farmer feedback on the proposed MAC model and preliminary cost benefit analysis of the existing versus proposed models, approved by CAPRED. <ul style="list-style-type: none"> - The report should detail baseline data collected, the number of farmers interviewed, and initial financial comparisons made. - Gather data from existing sources and direct farmer 	August 2024



Tasks	Key activities	Output Deliverables	Completion Timeframe
		engagements to ensure accurate and comprehensive coverage.	
3. Interim Report	<ul style="list-style-type: none"> Based on the feedback and data gathered in the initial phase, develop a report outlining the value proposition, financial model, management structures, and incentive schemes. Use insights and data from the initial report to build practical and implementable business plan components. 	An Interim Analysis Reports outlining the four analysis for MAC and develop its business plan to be approved by CAPRED, including: <ol style="list-style-type: none"> value proposition, financial model, management structures, and incentive schemes. 	September 2024
4. Final Report	Create a comprehensive final report that integrates all findings and finalised strategies.	A final report of all findings and finalised strategies, approved by CAPRED: <ul style="list-style-type: none"> The report is including the complete value proposition, financial model, operational and management structures, and risk mitigation. The report should finalise all project elements and provide clear guidelines and steps for implementation, including the Key Performance Indicators (KPIs) for ongoing monitoring. Consolidate all previous work into a cohesive and actionable plan. 	October 2024

4. Qualifications

A consultancy firm shall have personnel within the team with the following qualifications.

Education:

- Individuals who will work on this project should possess at least bachelor’s degree in agribusiness, agricultural economic or any related fields. Doctoral and master’s degree are desirable.



Technical competencies and Experience:

- Have a proven track record of at least five years of experience and expertise in providing consultancy services in agribusiness, agricultural economics, or a related field.
- Demonstrate experience in conducting feasibility studies of large-scale agricultural projects, preferably in Cambodia.
- Possess extensive experience in agricultural investment analysis, focusing on commercial production and market alignment of local agricultural products.
- Have excellent understanding on value chain for key marketable commodities in Cambodia and its socio-economic dynamics.
- Demonstrate ability to manage projects effectively, meeting deadlines and adhering to budgets.
- Experience handling multiple stakeholders and coordinating with government bodies, the private sector, and local communities.
- Demonstrate strong commitment to incorporate Gender Equality, Disability, and Social Inclusion (GEDSI) principles into project planning and implementation.
- Demonstrate proven capability to integrate climate resilience and environmental sustainability strategies into agricultural practices.

Other Competencies:

- Demonstrating integrity and high ethical standards.
- Displaying sensitivity and adaptability to cultural, gender, religious, racial, national, and age differences.
- Treating all people fairly without favouritism.
- Fulfilling obligations to GEDSI sensitivity and maintaining a zero-tolerance policy for sexual harassment.
- Strictly comply with DFAT Child Protection Code of Conduct and Policy.
(<https://www.dfat.gov.au/sites/default/files/child-protection-policy.pdf>)

5. Evaluation

CAPRED will use an objective and reliable process to evaluate each proposal. The proposals and responses will be evaluated based on (in no particular order):

- a. Compliance with this Request for Proposal (RFP).
- b. Understanding of and ability to meet the requirements and deadlines as specified.
- c. Proposed comprehensive workplan with specific timeframe
- d. Supplier expertise and experience with delivery of similar projects.
- e. Expertise of individuals and overall team nominated to deliver the services and equipment.
CAPRED reserves the right to reject any individual being proposed and to ask the supplier to provide an alternative.
- f. Past performance relevant to this RFP (as determined by referee checks).
- g. Relevant examples of previous work.
- h. Proposed fee charged for the services.

Note: While price is a factor, it is more important that the applicant can demonstrate value for money. CAPRED reserves the right to contract more than one supplier for these services and may actively seek to



contract more than one supplier to ensure supply of technical services. CAPRED reserves the right to vary the contract terms, and to exercise the option period at its sole discretion.

Due diligence checks will be conducted on the organisation/s and individuals nominated in the RFP prior to awarding contract/s.

6. How to Apply

The proposals including the Response Form must be submitted no later than **5pm (Phnom Penh time), Monday 27th, May 2024**, by email to procurement@capred.org with “MAC Consultancy firm – RFP” in the subject line. Any proposals submitted after this time and date will not be considered.

The applicant is required to submit the Response Form in English language (form provided separately), and with an indication of a daily rate for each task/service as per section C of the Response Form. The rate should include any and all costs to carry out the work in the specified location. In addition to the proposal fee, the applicant should also detail any other relevant assumptions or required terms.

For further information:

Further information about this RFP can be obtained from Mr. SOURN Sophoan, Agriculture and SMEs Lead, at email: sophoan.sourn@capred.org

Attachment:

Response Form

Cowater International is an equal opportunity employer, basing employment on merit and qualifications as they relate to the professional experience and position expectations. Cowater does not discriminate against any employee or applicants on the basis of race, religion, sex, gender identity, disability, age, or any other basis protected by law. CAPRED aims to have a diverse workforce and a workplace that is supportive of gender equality, disability, and social inclusion. Women, people with disabilities and other minorities are highly encouraged to apply.

