

## REQUEST FOR PROPOSALS

| Cambodia Australia Partnership for Resilient Economic Development (CAPRED) Program |   |
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| <b>RFP Number</b>  | RFP24-034   |
| <b>Project Name</b>  | Conduct feasibility study on cashew processing for Cambodia |
| <b>Domain Name</b>   | Trade, Investment and Agri-food innovation                  |
| <b>Application Closing Date</b>  | 5pm (Phnom Penh Time) 28 October 2024                       |
| <b>Assignment Duration</b>   | December 2024- May 2025                                     |

### 1. Background

The CAPRED Facility is Australia’s flagship bilateral economic development program in Cambodia, focusing on economic recovery and resilience over the next five years, with a possible three-year extension. The Facility supports Cambodia in implementing a range of necessary economic interventions and reforms to maintain the country’s economic transition. These interventions and reforms are primarily aimed at encouraging more productive and inclusive public and private investment, which promotes a resilient, inclusive, and sustainable economy (RISE).

CAPRED interventions fall under three technical components including: Agriculture and Agro-processing; Trade, Investment and Enterprise Development and Infrastructure Development; and one Cross-Cutting component comprising: Gender Equality, Disability and Social Inclusion (GEDSI); Climate Resilient initiatives, and policy support.

Olam Outspan (Cambodia) Co., Ltd (“OLAM”) was established in 2017 and is 100% owned by Olam International Ltd.-which is a leading agri-business operating from seed to shelf in more than 60 countries, supplying food and industrial raw materials to over 20,000 customers worldwide.

Investment and business costs are key factors determining competitiveness in any industry, including the globalised cashew-processing sector. A supportive business environment, alongside efficient physical and financial infrastructure, is crucial for sustainable growth in this industry.

Olam Outspan Cambodia is interested in expanding its cashew processing factory to Cambodia. However, competitive challenges persist, particularly uncertainties surrounding business and investment cost structures, and government policies supporting sustainable industry growth.

To address these concerns, CAPRED, in partnership with OLAM, aims to conduct a comprehensive feasibility study on cashew processing in Cambodia. This study will examine 2-3 potential business models, including an analysis of the cost structures of cashew processing and existing enabling policies or support packages for cashew processing businesses. It will also benchmark Cambodia against other countries, including Vietnam, India, and the Ivory Coast.



## 2. Purpose

CAPRED seeks to engage a consulting firm conduct a feasibility study on cashew processing in Cambodia. The primary objectives of the feasibility study are as follows:

- **Cost structure Analysis in the region:** Evaluate the cost components involved in setting up and operating a cashew processing factory in Cambodia and compare these costs with Vietnam, India and Ivory Coast. Provide practical recommendation on potential areas to optimize business and investment costs for cashew processing especially in Cambodia, to enhance its competitiveness.
- **Assessment of incentive and support from government.** Mapping incentive and support from government in Cambodia to identify the best practice and comparative advantage that Cambodia should provide to attract investors in cashew nut processing industry, especially OLAM. This task include:
  - Investigate incentive packages, grants, and support offered by the Vietnamese, Indian, and Ivorian governments to attract and promote the cashew nut processing industry, including the effectiveness and drawbacks of those incentive packages.
  - Provide practical recommendations to the Cambodian government to attract cashew nut processing investors, incorporating OLAM's interest and request for expansion in order to enhance Cambodia's cashew nut processing sector.

## 3. Requirements

### 3.1 Key Tasks and Activities

The selected consulting company will perform the following key tasks as part of the feasibility study.

| Key Tasks   | Key Activities  | Key Outputs   |
|---|---|---|
| <b>Task 1:</b> <i>Conduct desk research and field visits</i>                                    | <ul style="list-style-type: none"> <li>• Collect relevant data on cashew processing industry trends, costs, and incentive package.</li> <li>• Gather and review case studies of successful cashew processing industries in Cambodia, Vietnam, Ivory Coast and India for insights and best practices.</li> </ul>   | <ul style="list-style-type: none"> <li>• Inception report, including detailed research/workplan</li> <li>• A written report (draft and final versions) detailing key activities and findings</li> </ul>   |
| <b>Task 2:</b><br><i>Conduct a cost structure analysis of cashew nut processing in Cambodia</i> | <ul style="list-style-type: none"> <li>• Conduct surveys with key existing cashew processing factories in Cambodia to identify cost structure including break down the costs associated with land acquisition, business model, infrastructure, machinery, labor, utilities, and logistics.</li> <li>• Conduct a comprehensive analysis of the cost structure involved in establishing and operating a cashew processing factory in Cambodia, including land, labor, utilities, and other relevant expenses.</li> <li>• Consult with relevant stakeholders, including government officials, industry experts, and potential partners, to gather insights and recommendations.</li> </ul> | <ul style="list-style-type: none"> <li>• A written report (draft and final versions) include:                             <ul style="list-style-type: none"> <li>• - detailing the findings in Cambodia</li> <li>• - detailing the comparative analysis between Cambodia, Vietnam, India and Ivory Coast.</li> </ul> </li> <li>• Presentation of the findings to CAPRED and OLAM</li> </ul> |



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|   | <ul style="list-style-type: none"> <li>• Conduct a SWOT analysis for Cambodia’s cashew processing industry and identify potential areas for leveraging and improvement.</li> </ul>   |  |
| <p><i>Cost analysis of cashew nut processing in Vietnam, India and Ivory Coast</i></p>  | <ul style="list-style-type: none"> <li>• Conduct cost analysis of cashew nut processing factories in India, Vietnam, Ivory Coast base on desk review, consultation with OLAM, and relevant stakeholders, including government officials, industry experts, and potential partners, to gather data and insights.</li> <li>• Perform a comparative analysis of Cambodia's cashew processing industry with Vietnam, India and Ivory Coast. Especially to answer, how much does it cost on average to produce a 1 kg of cashew kernel in Cambodia (including EXW and FOB costs), compared to producing it in Vietnam, India, and Ivory Coast? What are the potential areas and business models where Cambodia can optimize its cost structure to be more competitive in response to global market demand?</li> </ul> |  |
| <p><b>Task 3:<br/>Assessment of incentive and support from government</b></p> <p><i>Mapping incentive and support by the government in Vietnam, India, Ivory Coast and Cambodia</i></p> <p><i>Provide practical recommendation to Cambodian government to attract and promote investors in cashew nut industry especially OLAM.</i></p> | <ul style="list-style-type: none"> <li>• Identify and evaluate existing government incentives and support packages available to investors, (producers, processors and exporters if applicable) in the cashew processing sector including their effectiveness and drawbacks in consideration of global market demand and supply driven factors, climate change impacts.</li> <li>• Provide actionable recommendations to the Cambodian government on policies and regulations that could foster the cashew processing industry and highlight propose key policy adjustments to facilitate OLAM’s investment.</li> <li>• Evaluate their relevance to OLAM’s expansion plans.</li> </ul>  | <ul style="list-style-type: none"> <li>• A written report (draft and final versions) detailing the findings and recommendations</li> <li>• Presentation of the findings to CAPRED, OLAM and other relevant stakeholders</li> </ul> |



### 3.2 Key Deliverables

| No | Key Deliverables   | Expected Dates       |
|----|--|----------------------|
| 1  | Conduct desk research and field visits   | December 2024        |
| 2  | Conduct a cost structure analysis in Cambodia and region                               | Jan 2024– April 2025 |
| 3  | Mapping incentive and support in the region and recommendation to Cambodian government | Jan 2024– May 2025   |

### 4. Qualifications

This assignment requires multidisciplinary skillsets, expertise, and experience. The consulting firm shall have personnel as a team with the following qualifications:

#### Technical Competencies and experiences

- Demonstrated strong knowledge and experiences with the cashew processing industry and experience working in Southeast Asia, particularly Cambodia and neighboring countries.
- Experience in conducting feasibility studies and market research in the agricultural or agribusiness sector, preferably in the cashew nut industry.
- Expertise in analyzing cost structures, competitiveness, and government policies related to the establishment of manufacturing facilities.
- Strong communication skills and the ability to engage with diverse stakeholders, including government officials, industry experts, and investors.
- Strong reporting and presentation skills.
- Demonstrated understanding of GEDSI issues in relation to agro-processing industry.
- Demonstrated understanding of Climate Resilience in relation to the agro-processing industry.

#### Other competencies:

- Demonstrate integrity and high ethical standards.
- Display cultural, gender, religion, race, nationality and age sensitivity and adaptability.
- Treat all people fairly without favoritism.
- Fulfil obligations to GEDSI sensitivity and zero tolerance 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):

- Compliance with this Request for Proposal (RFP).
- Understanding of and ability to meet the requirements and deadlines as specified.



- Supplier expertise and experience with delivery of similar projects.
- 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.
- Past performance relevant to this RFP (as determined by referee checks)
- Relevant examples of previous work.
- 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 proposal including technical and Financial Response Form must be submitted no later than 5 p, **(Phnom Penh Time), Monday 28 October 2024** by email to [procurement@capred.org](mailto:procurement@capred.org) with “Feasibility Study with OLAM – RFP” in the subject line. The proposal should respond well to the scope of service described in the RFP with a demonstration of the firm’s capacity. Any proposals submitted after this time and date will not be considered.

CAPRED is available to answer questions or provide more detail on the scope of work. Please email [procurement@capred.org](mailto:procurement@capred.org) with “Feasibility Study with OLAM Enquiry” in the subject line.

### Attachment:

- Technical Response Form
- Financial 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.*

