

Term of Reference for consulting services

Assignment Title

Consulting assignment to operationalise the Angel Investor's Network in Biratnagar, Koshi Province.

1. Introduction

1.1 Sahaj-NAMDP Phase II

Swisscontact, established in 1959 in Switzerland, is a leading partner organisation for the implementation of international development projects. The organisation promotes inclusive economic, social, and ecological development to make an effective contribution towards sustainable and widespread prosperity in developing and emerging economies. It strengthens the competencies of people, improving their employability, increases the competitiveness of enterprises, growing their business, and fosters social and economic systems, promoting inclusive development.

Swisscontact, registered as an International Non-Governmental Organisation in Nepal, has been operating since 1991 and is currently implementing six development programmes across all seven provinces of Nepal.

On-going initiatives of Swisscontact in Nepal include the Nepal Agricultural Market Development Programme (NAMDP), also known as Sahaj (Nepali for 'facilitate' or 'make easier'), which contributes to a long-term vision of thriving and inclusive agriculture markets that develop comparative advantages for import substitution and export growth, and thereby contribute to poverty reduction.

Sahaj is designed with three successive phases spanning across a 12-year horizon. Sahaj's objectives are based on a vision of a thriving and inclusive agriculture sector, aiming to grow employment and income for Nepal's rural population.

NAMDP is a bilateral project between the Government of Switzerland and the Government of Nepal. It is implemented by a consortium of Swisscontact (as the lead agency) CEAPRED (Center for Environmental and Agricultural Policy Research, Extension and Development) on behalf of the Swiss Agency for Development and Cooperation (SDC). The programme focuses on Koshi province.

NAMDP Phase II builds on the work done in the previous phase, but shifts focus on forward market linkages, strengthening the Commercialisation and export of the country's agricultural produce. The second phase will run from December 2020 until November 2024. Using the MSD approach, the program will provide financial and technical support for new agricultural products, services, and innovation in Province Number 1. This will increase demand for smallholders' produce, including them in value-added supply chains and building resilience in rural communities through higher employment and income.

NAMDP Phase II's slogan "partner for innovations in agriculture markets" will be paramount in Phase II – a strong focus on supporting small agri-businesses with innovative services in the province. This will be done through three pillars supporting i) agriculture services, ii) non-agriculture services, and iii) the overarching business environment. Under these pillars, the program will identify and address constraints to innovative and sustainable agriculture products and services. This includes addressing policy bottlenecks and unlocking the potential for closer collaboration between the government and the private sector. NAMDP Phase II will build a portfolio of interventions (support for Small and Medium Enterprise partners), starting in the maize, dairy, cardamom, and vegetable sectors. Additionally, the program will support the

government's efforts to strengthen the federal structure by working closely with provincial and local government units.

Sahaj-NAMDP Phase II objective is to support market system transformation to achieve the goal: "women and men, including from disadvantaged groups, find employment and increase income." Three interlinked outcomes contribute to this goal:

- **Outcome 1:** Agribusinesses, particularly SMEs increase the trade value of agricultural produce in key value chains.
- **Outcome 2:** Agriculture and Non-Agriculture Service Providers offer innovative services/products.
- **Outcome 3:** Federal, Provincial and Local governments create a more enabling environment for businesses and SME growth in agriculture.

1.2 Context of this assignment

NAMDP Phase II has been doing lots of activities to build and strengthen the entrepreneurial ecosystem at Koshi Province such as supporting the establishment of the incubation centre , organizing boot camps, and acceleration programme. Parallely the Chamber of Industries Morang (CIM) also launched the Start-up and Innovation Programme to transform ideas into thriving, sustainable businesses. CIM has been facilitating connections between ideators, start-ups, entrepreneurs, investors, and industry leaders. CIM has so far run three cohorts of business incubation programme with the support from different stakeholders. And from last cohort (Feb 2024), CIM has been independently running the incubation and start-up support programme at the chamber. Three cohorts have been successfully implemented, nurturing a total of 60 start-ups. This initiative provides a platform for young innovators to transform their ideas into viable businesses.

To further strengthen the entrepreneurial ecosystem in Koshi Province, operationalising the Biratnagar Angel Investment Network is a need of the hour. There is a void in the Koshi entrepreneurial ecosystem where the small ticket sized investments (NPR 5 lakhs to 10 Lakhs) for start-ups seeking to grow their business are difficult to source. As these early-stage entrepreneurs do not have fixed assets for bank collateral, they may not be able to access credit from banks and financial institutions. For a private equity and venture capital (PEVC), firm the small size of investment may not meet the minimum ticket size they are allowed to invest in and may not provide the returns they seek in an investment. Additionally, early-stage start-ups have already used their saved money or have already borrowed from the friends and families too to reach that stage of the business (and hence cannot further on such sources). To fill the void, there is a need to develop and operationalise the Biratnagar Angel Investment Network (BAIN) in Biratnagar. Access to finance i.e. financial challenges remain a significant hurdle for start-ups. Realising this fact, CIM has already initiated and formed an informal loose network of like-minded people, who could provide investment support to the ideators, early-stage start-ups.

However, due to its informal structure, it is very difficult to track the fund from the angel investors and operationalize it. Therefore, CIM aims to institutionalise this network as a legal entity. The Biratnagar Angel Investors Network is envisioned as a dynamic and structured entity that aims to bridge the gap between innovative ideators, early-stage start-ups and the capital they require to flourish.

NAMDP is looking for a qualified national firm to carry the task mentioned in heading 3.

2. Objective of the assignment

The main objective of the assignment is to operationalize Biratnagar Angel Investment Network (BAIN) as a formal Investment Company. The Biratnagar Angel Investment Network company will provide angel investment to the ideators and early-stage start-ups that demonstrates the potential for high growth and innovation. Furthermore, the objective would be to enhance the operational capacity of Biratnagar Angel Investment Network, develop and implement effective angel investment modalities tailored to entrepreneurial landscape of Koshi Province and complete one cycle of angel investment.

3. Scope of the work

The scope of work for the assignment is divided into five sections. This is an eight-month long assignment to carry out the listed below deliverables.

1. Legal Structure and Registration:
Assistance in finalising the legal structure, SPV (Special Purpose Vehicle) and registration of BAIN to ensure compliance with all regulatory requirements.
2. Standard Operating Procedures (SOPs):
Development and implementation of comprehensive SOPs for investment selection to release investments in a transparent and effective process. Formulate a step-by-step guideline to meticulously evaluate and select the start-ups for investment, ensuring a transparent and effective process.
3. Webpage Design and Launch:
Creation of a dedicated webpage for BAIN that will serve as a platform for information dissemination and attract new investment opportunities. A pool of mentors who are part of the Angel Investment Network will provide the demanded and customised business development services with a voucher that will be free of cost in the first pilot. The voucher system would be available in the web portal. The ideators, early-stage start-ups could avail any required BDS and book time and appointments accordingly.
4. Pilot Investment Cohort:
Guidance in conducting the pilot investment cohort to refine investment practices, pitching with a minimum of 8 early-stage start-ups which will set a precedent for CIM to independently conduct future cohorts.
5. Capacity Building of CIM:
Conduct training of trainers' sessions and workshops to enhance the operational capabilities of BAIN's members, management and members of the chamber.

4. Required expertise

- A thorough understanding and work experience related to angel investment in Nepal.
- Experience in the start-up funding landscape and consideration for raising angel investments and its different modalities.
- Prior experience in angel investment, fund raising and operationalizing angel investment is required.

- Exemplary network with angel investors, start-ups, academia, mentors and relevant entrepreneurial ecosystem stakeholders.
- Ability to handle tasks independently.
- Excellent analytical, communication and report writing skills.
- Prior experience working with development partners would be an added advantage.
- Prior work experience and network in Koshi Province will be an advantage.

5. Deliverables

The deliverables for this assignment will be as per the table outlined in the duties and responsibilities (section 4, scope of work). Additionally, the bidders will provide following deliverables to NAMDP Phase II:

S.N.	Deliverables	Timeline for Deliverables
1	Legal registration of Biratnagar Angel Investment Network, (special purpose vehicle) for angel investment in the early-stage start-ups	By the end of January 2025
2	Develop a manual (standard operation producer) on angel investment, pre work, angel investment phase and post investment activities and events	By the end of March 2025
3	Develop and launch a Biratnagar Angel Investment Network's website with complete necessary activities and events on angel investment.	By the end of April 2025
4	Pilot of start-up business pitching and one round of angel investments in selected early-stage start-ups.	By the end of May 2025
5	Capacity building of mentors, members, business development service providers and staff of Chamber of Industries Morang on angel investment and its operationalization.	By the end of May 2025
6	Final completion report	By the end of May 2025

6. Request for Proposal

The potential and interested bidders are requested to submit documents showing their keen interest in undertaking the proposed assignment as listed below. The proposal should include following:

1. Cover letter expressing interest
2. Eligibility criteria documents (mentioned in section 7),
3. Technical proposal along with, CV of proposed consultants and team
4. Financial proposal

7. Selection Method

Both technical proposal and financial proposal must be submitted in two separate PDF files. The cover letter expressing interest and eligibility criteria documents shall be included in the files of technical proposal. The financial proposal will be opened only after the technical proposal is rated. Technical proposals with score less than 50 marks will not be further evaluated.

The bidders are required to submit both the technical and financial proposal within the stipulated deadline. NAMDP Phase II shall employ Quality-Cost-Based-Selection (QCBS) method [Technical Proposal Weightage: 70% and Financial Proposal Weightage: 30%].

Following legal/statutory documents to meet eligibility criteria need to be submitted along with technical and financial proposals within the date stipulated in this RfP:

- Organisation profile
- Registration certificate along with latest renewal/update letter issued by Office of The Company Registrar
- VAT registration certificate
- Tax clearance Certificate 2079/80
- Declaration of Independence (template attached)

8. Structure of Technical Proposal

Cover Page

Table of Content

List of Tables (If required)

List of Figures (If required)

Abbreviations

- A. Organisation Profile
 - Provide an overview of consultancy organisation.
 - Highlight relevant knowledge and work experiences related to operationalizing of angel investment network and a manual development on it, and a training of trainers on angel investment.
 - Highlight your proficiency in relevant activities.
- B. Methodology and detail plan for conducting the relevant events as outlined in the assignment (section 4).
- C. CV/s of the consultant/team who will be in this assignment.
- D. Annexes (If required)

9. Structure of Financial Proposal

The financial proposal should at least include the following: Bidders can submit a separate document/sheet for specific and detailed breakdown or descriptions to support/clarify the proposal.

S.No.	Activities	% of time	Qty	Rate	Amount	Remarks
A	Legal Structure and registration					
1	Experts					
2	Facilitation and Coordination					
3	Others (Please specify) e.g. transport, accommodation, food etc.					
Total (A)						
B	Standard Operating Procedure(s)					
1	Experts					
2	Facilitation and Coordination for buy-in from CIM BAIN members					

S.No.	Activities	% of time	Qty	Rate	Amount	Remarks
3	Venue and Food/Hi-tea					
5	Others (Please specify) e.g. transport, accommodation, food etc.					
Total (B)						
C	Website Design and Launch					
1	Creation, design and operationalization of website					
2	Others (Please specify)					
Total (C)						
D	Pilot Investment Cohort					
1	Investment Material Preparation/Pitch Deck Design					
2	Networking Session					
3	Demo Day					
4	Marketing and Stakeholder Engagement					
Total (D)						
E	Capacity Building					
1	Transportation					
2	Venue					
3	Accommodation					
4	Food & Snacks					
5	Trainer Charge					
6	Facilitation and Coordination					
7	Stationeries					
8	Others (Please specify)					
Total (E)						
Sub Total (F=A+B+C+D+E+F)						
VAT (G)						
GRAND TOTAL (F+G)						

10. Scoring criteria

S.N.	Instructions	Full Marks
1	<ul style="list-style-type: none"> Overall understanding of the assignment by the proposer and alignment of the proposal with the ToR. Overall concord between ToR requirements and proposal 	Overall understanding :4 Concord between ToR: 6
2	The organisation, and relevant skills and past work experience of the bidders:	General: 5

	<ul style="list-style-type: none"> Review of Organisational Profile and General work experience: relevancy, organisational structure incl. engagement and key persons, work experience in angel investments, , angel investment raised, network with entrepreneurial ecosystem. Specific work experience: Relevant work experience in mentioned activities under scope of work, 	Specific: 10
3	<p>Relevant skills and past work experience of the key personnel and the organization</p> <ul style="list-style-type: none"> Qualifications of the proposed team for the assignment Specific work experience: Relevant work experience in operationalizing angel investment network, angel investment raised and deployed. ToTs on angel investment, etc. <p>Relevant experience and qualifications of the proposed team for the assignment.</p>	<p>Qualifications: 7</p> <p>Work experience: 8</p>
4	Proposed Methodology and Approach	25
	<p>Work plan showing detail deliverables, implementation plan in line with the assignment stated under scope of work (section 3)</p> <p>In addition, the proposal should also include the following:</p> <ul style="list-style-type: none"> -Concept plan -Strategies and modality of execution -Activity details, action plan and workplan 	
5	Gender Equality and Social Inclusion (GESI)	5
	<p>Relevant GESI personnel and GESI related work experiences</p> <ul style="list-style-type: none"> Organization structure (Board/Management/Senior level) Internal GESI policies/strategies GESI related work experiences in the past Team composition for this assignment from GESI perspective 	
	Total	70

For financial proposal

SN	Basis for Scoring/Criteria	Marks	Remarks
1	Total budget	10	Lowest will get highest score.
2	Consistency with technical proposal: Is the budget in line with the technical proposal? Are there enough experienced teams to be able to implement the proposed activity?	20	Highest consistency will get higher scores.
	Total	30	

In terms of scoring the total budget criteria (SN 1), the lowest bidders of the total budget will get 10 marks. Financial proposals from the other bidders will receive pro-rated points on the relationship of the bidder's prices to that of the lowest evaluated cost. In case of scoring the consistency of the proposed budget with the technical proposal criteria (SN 2), assessment panel members shall use their judgement to provide scores. The members will ensure that activities are allocated a reasonable and qualitative budget and align with the technical proposal.

11. Selection Process and Negotiation

The bidders that do not/fail to submit technical and financial proposals within the mentioned period will be outrightly disqualified.

Before awarding and signing the contract with the selected bidder, NAMDP Phase II may undertake an assessment of the bidder's financial and management capacity and the relevant practices, through one or more meetings and visits.

NAMDP Phase II reserves the right to negotiate budget with the bidders prior to awarding the contract. In case of unsuccessful negotiation with the first placed bidder, the bidder with the next highest scored bidder will be invited for negotiation.

12. Time Duration of Services

Cover letter, eligibility criteria along with technical and financial proposals along with other details and documents must be submitted in PDF format addressed to info.namdp@swisscontact.org by **28th October 2024**.

This Agreement shall be valid for the period from **14th November 2024 to 30th November 2024**, **the duration can be extended till 30th June 2025** once the formal agreement is signed between Swisscontact and SDC. NAMDP Phase II will notify through a letter to the selected bidder before the extension period starts.

13. Terms of Payment

The payments will be made as per NAMDP Phase II's rules and regulations and will be discussed with the winning bidder before signing the contract. There will be a formal contract for the service. The payments will be made on a milestone and or deliverable basis as mentioned in section 5 and the total value of the service will be paid by a bank transfer to the firm's bank account.

14. Payment Modality

The project will release payment to the bidders after the satisfactory completion of the assignment as mentioned in the timeline (section 5 by the NAMDP Phase II). Applicable taxes will be deducted before making payment to the bidder.

15. Rejection of proposals, tender cancellation

Should any proposal fail to comply with terms and conditions stipulated in this RfP, or be incomplete, conditional or obscure, or contain additions not called for or irregularities of any kind or does not respond to important aspects of the RfP, or if the bidder does not meet the eligible criteria, or if it fails to achieve the minimum technical score, it may be rejected as non-responsive.

Sahaj reserves the right to accept or reject any proposal, and to annul the bidding process and reject all proposals at any time prior to contract award, without thereby incurring any liability to the participating bidder(s).

16. Reporting and Communication

The bidders shall prepare and submit the deliverables as within the stipulated deadline and a project completion report after the completion of the assignment. The project team will review and provide feedback and comments if any to incorporate in the deliverables and report.

Annex 1

Re: Declaration of Independence

We hereby declare that we as an organization and our staff do not have **any conflict of interest**¹ with Swisscontact / (NAMDP Phase II project), its key management team or its staff directly related to the execution of the proposed Partnership/Consultancy Assignment /Project implementation/Supply of Goods /Others.....

We further declare that we do not have any business, professional, personal, or other interest, including, but not limited to, the representation of other clients, that would conflict in any manner or degree with the performance of its obligations under the proposed assignment. (In case of any conflict of interest, please specify)

In addition, we further declare that we have not been punished for an offense relating to the concerned profession or business and that our Company/Firm has not been declared ineligible by any law of the land. (In case of any offense, please specify)

We ensure that if any such actual or potential conflict of interest arises during this assignment, we shall immediately inform Swisscontact/(NAMDP Phase II) in writing.

We are aware and accept that if we fail to declare any information mentioned above or if, in the reasonable judgment of Swisscontact/(NAMDP Phase II), such conflict poses a material risk to the performance and obligations under this Agreement, then Swisscontact/NAMDP Phase II may terminate the Agreement immediately upon written notice to Contractor.

Authorized Signature:

Name and Title of Signatory:

Name of Firm/Company/Institute:

Address:

Telephone:

Email:

Date:

¹ “Conflict of Interest” refers to a situation in which an organization or individual or close relative of such individual has competing personal or financial interests that could potentially compromise their ability to make impartial decisions or act in the best interests of others.

“Close relative” means a partition shareholder in a joint family or husband, wife, father, mother, mother-in-law, father-in-law, elder brother, younger brother, elder sister, younger sister, sister-in-law,(elder or younger brother’s wife), brother-in-law, sister-in-law, brother-in-law, (husband of elder sister), uncle, aunt, maternal uncle, maternal aunt, son, daughter, daughter-in-law, grandson, grand-daughter, grand-daughter in-law or son-in-law