

Critical Structure and Grant Modalities

Deliverable # 6

Consultancy Services for Agro Business Planning, Technologies and Marketing advice and Implementation Support under Livestock and Dairy Development Project (LDDP)

Package: SD-67

Department of Livestock Services, Ministry of Fisheries and Livestock

Government of Bangladesh

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Prepared By



in joint venture with



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Abbreviations

BDT	Bangladeshi Taka
BMC	Bulk Milk Cooling
BP	Business Proposals
CPTU	Central Procurement Technical Unit
CSA	Climate Smart Agriculture
DLS	Department of Livestock Services
DEO	DLS Extension Offices (DLS Field Offices)
ESIA	Environmental and Social Impact Assessment
EOI	Expressions of Interest
FMgtU	Fund Management Unit
FO	Farmers Organisation
GDP	Gross Domestic Product
GOB	Government of Bangladesh
GRC	Grant Review Committee
HACCP	Hazard Analysis and Critical Central Point
ISO	International Organization for Standardization
IRR	Internal Rate of Return
LDDP	Livestock and Dairy Development Project
LSPs	Livestock Service Providers
M&E	Monitoring and Evaluation
MOFL	Ministry of Fisheries and Livestock
MG	Matching Grant
MGP	Matching Grant Package
MGS	Matching Grant Scheme
MSME	Micro, Small and Mid-Sized Enterprises
NGO	Non-Government Organization
NPV	Net Present Value
PIU	Project Implementation Unit (Divisional, District and Upazila)
PMU	Project Management Unit
PPP	Public Private Partnership
PO	Producer Organization
RF	Results Framework
RFQM	Request for Quotation Method
SG	Sub-Grant SGS Sub-Grant Scheme
SMSG	Sub- and Matching Grant Schemes
SOV	Source of Verification
TMR	Total Mixed Ration
TOR	Terms of Reference
VMCC	Village Milk Collection Centre

Definitions

In this document, the following terms shall be interpreted as defined below:

Categories of enterprise as per the National Industrial Policy Order 2010.	Cottage industry/enterprise: In manufacturing, cottage industry/enterprise would be those with assets worth Tk 500,000 to 5 million and/or 10 to 24 workers or less. In service industry and in business, cottage enterprises will be those which employ 10 or less people and have assets worth Tk 500,000 or less. Micro industry/enterprise: In manufacturing, micro industry/enterprise would be those with assets worth Tk 500,000 to 5 million and/or 10 to 24 workers or less. In service industry and in business, micro enterprises will be those which employ 10 or less people and have assets worth Tk 500,000 or less. Small industry/enterprise: In manufacturing, small industry/enterprise would be those with assets worth Tk 5 to 100 million and/or 25 to 99 workers. In service industry and in business, small enterprises will be those which employ 10 to 25 and have assets worth Tk 500,000 to 10 million. Medium industry/enterprise: In manufacturing, medium industry/enterprise would be those with assets worth Tk 100 to 300 million (minus land and factory building and including replacement value) and/or 100 to 250 workers. In service industry and in business, medium enterprises will be those which employ 50 to 100 and have assets (defined as above) worth Tk 10 to 150 million. Large industry/enterprise: Any industry with assets over Tk 300 million and/or more than 250 workers. In service industry and in business, large enterprise will be those which employ more than 100 workers and have asset above 150 million Taka. Women entrepreneurs: If a woman is the proprietor of a proprietary business or the owner of at least 51 percent of a partnership or a private company registered under joint stock companies, then she would be considered a woman entrepreneur.
Due Date	The date mentioned in the advertisement as deadline for submission of EOI.
Grant Agreement	Agreement entered between the DLS and the beneficiary for the purposes of providing Matching Grant.
Grant Review Committee	The Committee formed to take matching grants approval or rejection decisions on the applications received against this

(GRC)	EOI.
Grants Manual	Approved and notified document; 'Operations Manual for the Sub-Grant and Matching Grant Schemes,' March 2020 that provides key features and guidelines about the matching grants being offered under this EOI.
HACCP	Hazard Analysis and Critical Control Point (HACCP) certification includes steps designed to prevent problems before they occur and to correct deviations in a systematic way as soon as they are detected. Such preventive control systems with documentation and verification are widely recognized by scientific authorities and international organizations as HACCP Certification enables the producers, processors, distributors, exporters of food products to utilize technical resources efficiently and in a cost-effective manner in assuring food safety. The applicant with ISO certification will have extra score
Internal Rate of Return (IRR)	Measurement used by companies to determine the profitability of a potential investment or project based on predicted cash flow.
ISO	International Organization for Standardization certification can be a useful tool to add credibility, by demonstrating that your product or service meets the expectations of your customers. It certifies that a management system, manufacturing process, services, or documentation procedure has all the requirement for standardization and quality assurance. The applicant who has ISO certification will have extra score.
Payback Period	The Payback Period shows how long it takes for a business to recoup an investment or to reach the break-even point.
Producer Organization (PO)	Group of individuals organized around for the purpose of enhancing livestock business and access to services and markets.
Project Cost	The cost of the existing land and building of the applicant's project for which the grant money will be used and the cost of machinery & equipment that will be procured under this grant program
Source Verification (SOV)	SOV is a process of ensuring that required data accurately represent the source documents or data. In this EOI, it specifically means that the evidence(s) for required data must be submitted. So, please submit/attach all the relevant documents/certificates for source of verification.

Executive Summary

The AFC/SSIL consortium is responsible for advisory and implementation support to realise the objectives of Sub-Component B1: Market linkages and Investments. The consortium will provide support in the form of operational guidance, setting benchmarks for equipment, vetting sample of applications, imparting training on business plan preparation, undertaking formative monitoring visits, promoting Matching Grant Scheme (MGS) in appropriate forums, and contribute resource persons to national and divisional workshops.

Under project subcomponent B1 Market linkage and investments in the value chain, a matching grant facility will be managed by the Fund Management Unit (FMgtU) under the overall supervision of Project Management Unit (PMU). Matching Grants amounting to US\$ 30 million will be awarded by the Grant Review Committee (GRC) once the sustainability of the scheme has been assured. The purpose of this report is to facilitate the operationalization of the matching grant facility.

Under the sub-component B1: Market linkages and investments, Matching Grants (MG) to agribusiness is being offered under nine packages, namely:

- MGS#1: Demonstration for feeds and fodder storage options (Roughage baler)
- MGS#2: Feeds – Support to small scale feed mills to improve processing technology and quality (Feed mill)
- MGS#3: Feeds – Assistance in Total Mixed Ration (TMR) including roughage, silage, concentrate, minerals/vitamins (Feed production centres)
- MGS#4: Dairy cattle – Support to market-oriented feed and fodder production (farms)
- MGS#5: Milk collection – Dairy Hub collection from Village Milk Collection Centre (VMCC) (including the VMCC) (Dairy hub)
- MGS#6: Milk processing – Small scale milk processing technology at the premises of large dairy farmers and Hubs/ Producer Organizations (PO) and sweet meat shops (Mini processing unit)
- MGS#7: Milk processing – Large processors to adopt technologies for product diversification (cheese, yogurts, etc.) (Processor)
- MGS#8: Milk processing – Mobile milking machine for leasing by processors to farms (Milking machine)
- MGS#9: Climate resilience manure enterprise development (Bio digestors)

The target applicants are agribusinesses, producer organisations, farmer organisations, individual entrepreneurs and private enterprises (cottage, micro, small and medium) operating in livestock system or livestock value and supply chains in Bangladesh.

As per the Grants Manual 2020, a two stage process for applicant selection is proposed. First, the applicants will respond to public advertisements for EOI; those applicants shortlisted for further screening will be subject to due diligence. Those applicants found satisfactory will submit detailed technical and financial business proposal for grant funding. The GRC will scrutinise all business proposals and approve those deemed proper and fit.

1.0 Purpose

The AFC/SSIL consortium was contracted in November 2021 to provide technical assistance in agro business planning, technologies, and marketing advice and implementation support to LDDP, particularly to PMU. Its role is to support and strengthen the capacity of LDDP team, particularly PMU/ Project Implementation Unit (PIU), to enhance performance and achievement of results while maintaining an external viewpoint for analysing challenges and proposing alternative solutions in collaboration with the PMU/PIU team.

The consortium is required to submit a report on Critical Structure and Grant Modalities (Deliverable #6). Though Deliverable #6 is scheduled for submission in June 2023, given the urgency expressed by PMU, this report has been prepared well in advance and being submitted.

The total LDDP budget is US\$ 500 million (World bank 2018) which is allocated among the three grand streams of LDDP as below:

- Grants to Department of Livestock Services (DLS) (US\$ 211 million) for supporting Components A (Productivity Improvement and Innovation), B (Market Linkages and Value Chain Development), C (Improving Risk Management & Resilience of Livestock Production) and D (Project Management, Coordination, Monitoring and Evaluation).
- Sub-grant (100% grant) (US\$ 248 million) to city corporations, POs, and others for supporting A2-Support to Improving Production Practices; B2-Critical Public Infrastructure for Livestock Development; B3-Consumer Awareness; and C3-Livestock Risk Mitigation.
- Matching grants (US\$ 30.42 million) for supporting B1 (Market linkages through Productive Partnerships¹).

The critical structure within the MGS refer to improving production facilities (viz technical support to feed mills, market oriented feed production and feed formulation), developing physical infrastructure (like VMCC and Milk Hub, Bio-gas plant) and creation of fodder storage facilities (viz roughage baler) through partnerships between LDDP and concerned farmers, POs, Farmer Organisations (FOs), Micro, Small and Mid-Sized Enterprises (MSME) and entrepreneurs.

Under project subcomponent B1 Market linkage and investments in the value chain, a matching grant facility will be managed by the Fund Management Unit (FMgtU) under the overall supervision of PMU. MGs will be awarded by the GRC once the sustainability of the scheme has been assured. The purpose of this report is to facilitate the operationalization of the matching grant facility.

The major aim of this Matching Grant Scheme is to encourage or create awareness among the interested persons/organisations to start small/medium scale livestock business/entrepreneuship or strengthen the existing ones at the private level so they contribute to productivity growth, get market access and most importantly to

¹ An additional US\$ 6 million is awarded for to AFC.SSIL for technical assistance related to agribusiness planning, technology, and marketing advice and implementation support.

the process of commercialisation of the livestock sector development. The other important purpose of the MGS is to create market linkage, value chain development, partnership development, capacity development of the related stakeholders for the sustainability of the overall programme. The consortium will provide implementation support in the form of operational guidance, setting benchmarks for equipment and their costing, vetting sample of applications, imparting training on business plan preparation, undertaking formative monitoring visits, promoting MGS in appropriate forums, and contribute resource persons to national and divisional workshops.

The structure of this report is as follows: Section 2 introduces the project background and design including operational aspect of MGS. Section 3 explains the conditions governing grant offering. Section 4 provides tools for screening and evaluating EOIs. Section 5 lays out implementation of grant contract and fund disbursement. Section 6 identifies capacity development needs of DLS staff, and applicants. Section 7 proposes milestones for smooth functioning of MGS. Section 8 suggests indicators for monitoring and evaluation of MGS.

2.0 Introduction

2.1 Project Background

Livestock sector holds considerable potential to contribute to the economy of the country and to enhance the livelihood of rural household's dependent on farming. It is estimated that the demand for livestock products will more than double over the next twenty years, due to increased rate of urbanization, economic growth and the change in consumption patterns of people of the country. Livestock is one of the fastest growing agricultural subsectors in Bangladesh accounting for 2.5 percent of national Gross Domestic Product (GDP). Small holder farmers will need to become more productive, efficient and environmentally sustainable to meet the growing market demand, largely from urban areas. These requirements mostly relate to safe and quality products and consistency of supply, which may be ensured through financial support to the livestock entrepreneurs from the government. In this regard MGs are a very popular instrument for promoting private sector investment. The instrument has been used extensively to support a large number of policies on issues ranging from innovation and entrepreneurship to livestock. It will support sustainable farming, food security and better livelihood.

LDDP seeks to promote climate resilient productivity growth, enhance market access, and improve risk management among smallholder farmers and agro-entrepreneurs, by providing support for climate smart production systems, farmer empowerment and commercialization. The project will foster a market-led transformation of livestock production, while ensuring that the supply response to growing demand is sustainable, inclusive, safe, and environmentally conscious. To this end, the project will improve the ecosystem for value chain development, financing key infrastructures including markets, and access to market, insurance and financial products and services, capacity building and knowledge. Climate resilient livestock production systems will be developed through the promotion of appropriate Climate Smart Agriculture (CSA) practices addressing feeding strategies, animal health and welfare, animal husbandry and breeding, as well as manure and waste management (including production of energy), improved storage and processing. The project will also build on existing experience to foster the generation of renewable energy from livestock manure sources. The project is designed and will be

implemented taking into consideration the different gender roles. The project will actively pursue the participation of women across all project components.

The Project is managed by a PMU based in Dhaka, PIUs in 61 districts, and field offices in 465 Upazilas.

2.2 Matching Grants Packages

As per the Grant Manual, 2020, the matching grant under the sub-Component B1: Market linkages and Investments, MGs to Agribusiness was envisaged under the following heads:

Table 1: Matching Grants Packages as per Grants Manual

Sl. No.	Particulars	Unit	Number	Amount in million US\$
1*	Feeds -support to small scale feed mills to improve processing technology and quality	Feed mill	100	2.50
2*	Feeds – Assistance in TMR including roughage, silage, concentrate, minerals/vitamins	Feed production centres	760	3.80
3	Milk collection – Dairy Hub collection from VMCC (including the VMCC)	Dairy hub	20	6.30
4	Milk processing -small scale milk processing technology at the premises of large dairy farmers and Hubs/POs and sweet meat shops	Mini processing unit	465	13.95
5*	Milk processing -large processors to adopt technologies for product diversification (cheese, yogurts, etc.)	Processor	10	1.00
6*	Milk processing – mobile milking machine for leasing by processors to farms	Milking machine	1,000	1.00
7*	Climate resilience manure enterprise development	3-20 T/day Digester	10	1.88
	Total		2,365	30.43

Source: Grant Manual, 2020, pp 19.

*Indicates that these activities are geared towards enterprises

In subsequent internal revisions, PMU has modified the matching grants packages as under:

Table 2: Matching Grants Packages Revised as of May 2022

Sl. No.	Particulars	Unit	Number	Individual Amount		Total MG Amount in million US\$
				in BDT	in US\$	
1	Demonstration for feeds and fodder storage options	Roughage baler	16	365,000	4,195	0.067
2*	Feeds -support to small scale feed mills to improve processing technology and quality	Feed mill	100	2,075,000	23,848	2.38
3*	Feeds – Assistance in TMR including roughage, silage, concentrate, minerals/vitamins	Feed production centres	760	415,000	4,770	3.62
4	Dairy cattle – support to market-oriented feed and fodder production	Farm	32	2,075,000	23,848	0.76
5	Milk collection – Dairy Hub collection from VMCC (including the VMCC)	Dairy hub	20	26,100,000	299,966	6.00
6	Milk processing -small scale milk processing technology at the premises of large dairy farmers and Hubs/POs and sweet meat shops	Mini processing unit	465	2,490,000	28,617	13.31
7*	Milk processing -large processors to adopt technologies for product diversification (cheese, yogurts, etc.)	Processor	10	8,300,000	95,391	0.95
8	Milk processing – mobile milking machine for leasing by processors to farms	Milking machine	1,000	83,000	954	0.95
9*	Climate resilience manure enterprise development	3-20 T/day Digester	10	15,500,000	178,140	1.78
	Total		2,413			29.84
Exchange rates as on 4/10/2022 US\$ 1 = BDT 87.01						
*Indicates that these activities are geared towards enterprises						

Source: Communication from PMU, LDDP.

It is observed that packages 1 and 4 indicated in Table 2 were added during revision by PMU. Post revision, the targeted number of MGs have gone up from 2365 in 2020 to 2413 in 2022, while overall allocation has reduced from US\$ 30.42 million to 29.84 million during the same period. The average allocation per matching grant has come down slightly from US\$ 12,865 in 2020 to US\$ 12,364 in 2022. The matching grant ratio between applicant and LDDP is set at uniform 60:40% for all packages.

The target applicants are agribusinesses, producer organisations, farmer organisations, individual entrepreneurs and private enterprises (cottage, micro, small and medium) operating in livestock system or livestock value and supply chains in Bangladesh.

2.3 Operational Process

Matching Grants are offered in a series of bidding rounds through the implementation of a two-stage process, comprising EOIs at the first stage, and a Business Plan at the second stage. The two-stage process has been designed specifically to minimize the amount of time that applicants need to devote to proposals that will not be competitive, so that only those with genuine chances would be further elaborated to be successful. EOIs should be brief and used as a way of screening out less competitive ideas. The FMGtU, DLS Extension Offices (DEO) and Livestock Service Providers (LSPs) will provide all necessary support to applicants during formulation of their EOIs. Bidding rounds shall be offered at six monthly intervals and are expected to be completed over the total duration of the project. Bidding rounds (from the invitation to submit EOIs through to the award of grants) will be held sequentially, with one round competing before another begins. Bidders can submit only one EOI per tender round.

Following the call for EOIs, interested applicants may submit a brief application for matching grant. Applicants whose EOIs are unlikely to lead to an acceptable sub project will be informed as soon as possible. FMGtU must receive all EOIs by the time specified for each bidding round, and in accordance with specific policies and procedures.

2.4 Businesses Eligible to Apply for MGS

Matching grant application eligibility criteria is provided below:

- a) The applicant must be a citizen of Bangladesh.
- b) The applicant's manufacturing facility/services provision facility (existing or proposed) must be located in Bangladesh.
- c) The applicant is a private enterprise (cottage, micro, small, medium) and operating livestock system or livestock value and supply chain.
- d) The applicant is willing to contribute his/her share; at least equal to the amount of grant requested by him/her.
- e) Public limited companies and companies listed on stock exchanges are not eligible to apply. Government controlled entities are not eligible to apply.
- f) The applicant's business should be connected to livestock and dairy produce of Bangladesh.

3.0 The Grant Offering

3.1 Promotion of Matching Grants Facility

Typical activities for promotion of MGS facility will include:

- Organising awareness workshops one at the national level and one each in eight divisions. These divisions are Barishal, Chattogram, Dhaka, Khulna, Rajshahi, Rangpur, Mymensingh and Sylhet.
- Public announcement of EOI on national print dailies.
- Posting information about MGS on LDDP website, Facebook, and other social media sites.
- Encourage TV channels to highlight MGS. Currently, Bangladesh has 31 TV channels broadcasting either agricultural reports or dedicated programmes; two are from the government and rest are from the private sector. Channel 1 and Ekattor broadcast separate agriculture bulletins. Some of the popular Bengali TV programmes that could be tapped to promote MGS are *Mati o Manush*, *Banglar Krishi*, *Krishi Dibanishi*, *Hridoye Mati o Manush*, *Hridoye Mati o Manusher Dak*, *Fire Cholo Matir Tane*, *Shamol Bangla*, *Shabuj Bangla*, *Deepto Krishi*, *Matir Shubash*, *Shonali Din*, *Krishi Jog*, *Khamarbari*, etc.
- Involve field level livestock extension officers (DEO) to encourage eligible person/organisations to apply for the grant

3.2 Invitation to Apply for Matching Grants

An Expression of Interest (EOI) will be issued to invited applications for matching grants to promote high potential livestock businesses. Grant applications will be completed by the applicant using the guidelines given on the application form; attached as Annex I. The applicant will be required to submit the application form along with required support documents to Project Director, LDDP latest by the last date of submission mentioned in the EOI advertisement.

3.3 Grant Size and Matching Share

- **The grant size for each package will be determined by PMU, LDDP on case to case basis. Approval of the grant amount will be on the basis of an independent assessment of the applicant's business's investment requirements, and it may differ from the amount requested by the applicant.**
- The Government's share shall be matched by the private investment to value no lesser than grant being given by the Government. The Government contribution will be as technology transfer (machinery & equipment, tools, software) and technical assistance for business development services. The private contribution in the project can be in cash and/or in-kind, subject to appropriate limits, which can include existing land and building owned by the private investor being assigned for use in investment project.
- For calculating the in-kind contribution of the potential beneficiary, the value of the available land will be determined as per the Government's approved rates. Value of the available building will be determined through an assessment by an evaluator.

3.4 Uses of Grant Money

- The grant money can be used to support an existing or a new business.
- The grant money can be used to acquire:
 - i. Machinery, equipment, product testing lab equipment and tools. The machinery, equipment and tools procured through grant money may be of local or imported

origin, depending upon the business requirements of participating agribusinesses and the availability of technology.

- ii. In addition to processing machinery and equipment, the grant money may also be used to procure quality testing/control equipment or software for improved production/process management.
 - iii. **A part of the grant money may be utilized for business development services; that will be provided by the consultants/specialist. These services may include support for improving production planning and operations management, product development, product certification, quality certification, sales and marketing development, overall business management, strategy development, procurement planning, layout and installation of machinery, HR management/development, or any other areas that may be identified by the beneficiary to help manage her/his business in an improved manner.**
- Rationale and need for the machinery, equipment and tools will have to be justified by the expected improvement in business operations. This improvement may be in terms of increased production capacity, improved manufacturing process, improved product quality, reduced product cost, new product development, etc.

3.5 Non-Permissible Uses

The grant money cannot be used for the following purposes:

- Purchase or rental of land
- Purchase of vehicles
- Purchase of office equipment
- Building and civil works
- Operating expenses
- Debt retirement
- Interest on debt
- Working Capital
- Unlawful business activities

The grant money cannot be used for buying used or second hand machinery. Only new machinery can be financed by it.

3.6 Fraud & Corruption

The Department requires that the Applicant observes the highest standard of ethics in relation to submission of EOI for shortlisting and documentation required for shortlisting and thereafter. The Department will reject a proposal for shortlisting if it determines that the Applicant has directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the grant in question and will declare the applicant ineligible, either indefinitely or for a minimum period of three year or above three years. Any misinformation, forged/fake documents/statements etc. will lead to disqualification at shortlisting stage in addition to any other action as per law. The grant shall stand cancelled, during the execution of the same, if it is proved that the grantee has submitted forged information/documents /indulged in fraudulent activities.

3.7 Clarifications in Relation to EOI Documents

- i. The applicants will be provided the opportunity to clarify any queries and confusions faced by them in understanding the contents of EOI document and filling of Application Form. This will be done by inviting the applicants to attend an interactive session with the Department. Relevant officials from the Department will provide the required clarifications for the benefit of all the applicants. For

- clarification purposes, the applicant may contact through email: info@dls.gov.bd .
- ii. Any application received by the department after the deadline/due date and time for submission of applications, as mentioned in the EOI advertisement, shall not be entertained.

3.8 Amendments in EOI Documents and Final Interpretation

- i. At any time prior to the deadline for submission of EOI, the department may amend the EOI document by issuing an addendum.
- ii. Any addendum issued shall be part of EOI document.
- iii. To give applicants reasonable time to take an addendum into account in preparing their applications, the department may, at its discretion, extend the deadline for the submission of applications.
- iv. No objection shall be entertained regarding the terms & conditions of this EOI document after deadline for submission of EOI.
- v. The interpretation and final determination of any matter relating to the EOI document, all enclosed documents, sections, compliance documents, etc. as well as any additional or supplementary information required by the department will be at department's sole discretion which shall be final and binding on the applicants.

3.9 Cost of Application

- i. The applicant shall bear all costs associated with the preparation and those costs, regardless of the conduct or outcome of the shortlisting process.
- ii. The department will not be responsible for any costs or expenses incurred by the applicant in connection with the preparation or delivery of proposals or visits to any office or site.

3.10 Confidentiality

Information relating to the evaluation of applications, and recommendation for shortlisting, shall not be disclosed to the applicants or any other persons not officially concerned with such process until the notification of shortlisting is made to all applicants.

The department reserve the right to disclose information submitted by the applicant to its governing bodies/department, its consultants, advisors, and personnel for the purpose of evaluation of application and shortlisting.

3.11 Responsiveness of Applications

- i. All applications not responsive to the requirements of the EOI documents shall be rejected.
- ii. To assist in the evaluation of applications, the department may, at its discretion, ask any applicant for a written clarification of its application which shall be submitted within a stated reasonable period of time. The department may also ask the applicant to submit any missing documents/information that may be required for verification and evaluation of the application. The department reserves the rights to get clarification about any information provided in the application.
- iii. If an applicant does not provide written clarifications of the information or the documents requested by the deadline, the application shall be evaluated based on the information and documents available at the time of evaluation of the application. Failing to provide requisite information may lead to rejection/disqualification of application.

3.12 Notification to Successful Applicants

The PMU/PIU will shortlist all successful EOI and business plan applicants.

3.13 Governing Law

The governing laws for shortlisting of the grantee and the contract thereto shall be laws of Bangladesh. The selection of applicants and Request for Quotation Method (RFQM) shall follow the provisions pursuant to rules 69 to 73 of the public procurement rules, 2008 in accordance with Section 32 of the public procurement act, 2006. RFQM is based upon best national practices that have been adapted to suit the particular needs of procurement. The rules may be downloaded from the Central Procurement Technical Unit (CPTU) website

<https://cptu.gov.bd/procurement-policy-and-procedure-documents/procurement-act.html>.

Moreover, the entire EOI document shall be construed in the light of these rules.

4.0 EOI Application Process

4.1 EOI Advertisement and Application

Advertisement for each MGS will be placed in leading dailies and social media. Samples of Advertisement, Application format, and Terms of Reference for all the 9 MGS are similar. The 9 applicant pack has been prepared by AFC/SSIL consortium in consultation with PMU staff. A sample application pack for MGS#1 Roughage baler containing EOI advertisement, instructions to applicants and Terms of Reference (TOR) is available in Annex 1.

The applicant shall complete all eligibility requirements as set out in the EOI supported by verifiable documentary evidence. Applications without complete supporting documentary evidence, as required under this EOI, shall be considered nonresponsive and may be rejected. The applicant(s) may only apply for one package (described on table 1) of this document. The department shall be under no obligation to return any EOI or supporting materials submitted by the applicant.

4.2 Screening of EOIs

On receipt of EOIs, the FMgtU will:

- Acknowledge receipt of application
- Send application form to PIUs for evaluation and scoring
- PIU will
 - Review EOIs against the eligibility criteria and filter out ineligible EOIs.
 - Seek any missing documents and/or information that is necessary to compete an EOI.
 - Seek clarification from the applicant on any issues if necessary.
 - Assess and evaluate EOI and record results on an assessment and evaluation checklist for internal discussion in fair and consistent manner.
 - The PIU will recommend applications for either acceptance, or rejection
- FMgtU team may also collect information from independent sources to verify the information provided by the applicant. Specific activity in this regard may include getting quotations for machinery, equipment, tools, software etc. that has been requested to be financed through the grant.
- The final decision by the GRC will be communicated to successful applicants at the

earliest. Following the decision, the FMgtU/DEO will invite successful bidders to submit a business plan.

4.3 Key Evaluation Considerations

Grant applications will be evaluated in the light of the following key considerations.

- i. Actual needs of the applicant will be assessed in the context of the overall business proposition, the potential value addition of the grant and an evaluation of the actual developmental needs of the business. This will include verification of the actual need of the business and the cost of the requested machinery and equipment.
- ii. The applications will be processed keeping in view the sector opportunities and challenges. Sector and business development experts will review and evaluate the applications in the light of clearly defined evaluation criteria.
- iii. It will also be assessed if the applicant possesses all other machines/systems that are required to make the requested machine operational and useful for the business. The presented need for the requested machine will not be evaluated in isolation but in the context of overall production system of the applicant.
- iv. Women applicants will be assigned a higher priority in application evaluation by giving higher marks. Women owned agribusiness means that a woman is either a sole owner or partner in the business and takes active part in management of business operations as chief executive or in a senior management role.
- v. Youth will be assigned a higher priority in application evaluation by giving higher marks. For the scope of grants program, a young entrepreneur is defined as a business owner who has age between 20 and 35 years. In case of partnerships, all owners must be between the age of 20 and 35 years to categorize as young entrepreneur owned agribusiness.

4.4 Scoring of EOIs

Evaluation of the grant applications received against this EOI will be conducted as per clearly defined criteria. Each applicant will be assigned marks against all the evaluation factors described in Annex 2. Total marks of each applicant will be calculated by adding the marks scored against all the individual factors. Highest scoring applications will be approved for grants, in accordance with the number of grants available for each MGS package.

The workflow process for EOIs is given in Figure 1. The qualifying mark is set at 50%. Applications seeking US\$ 5000 (approx. 4.35 lakh Taka) or lower would not be required to submit business proposal. Applications scoring 50% or above marks and seeking matching grant would automatically qualify for grant, subject to formal approval of the GRC.

For those applicants receiving more than 50% marks and seeking amount higher than US\$ 5000 have to prepare a full business proposal as indicated below.

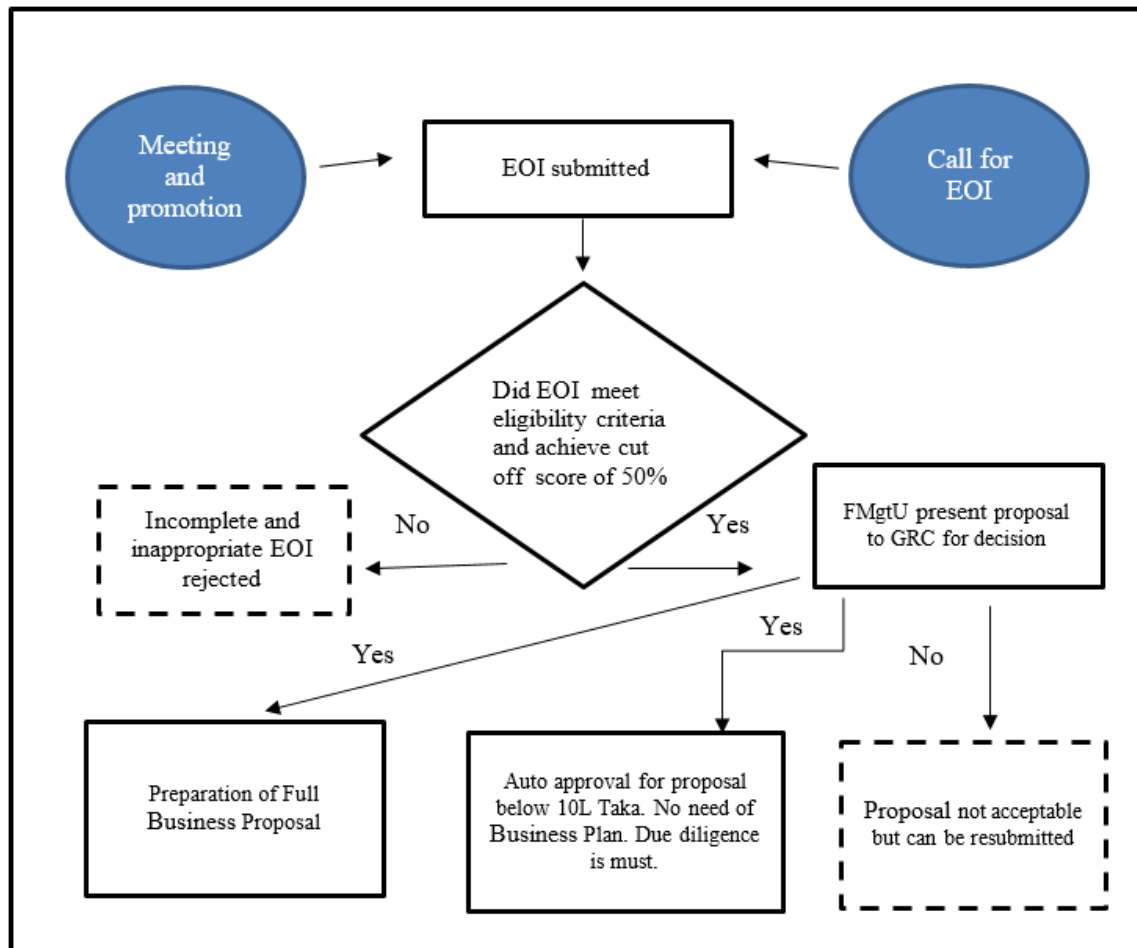


Figure 1: EOI process

4.5 Operational Procedures for Business Proposal Stage

All applicants passing EOI eligibility will be visited by FMgtU, LSPs or DEO in order to verify the information submitted in the EOI and appraise applicant's capacity to implement and monitor their project. Due diligence checks during the verification visit will be conducted, in order to ensure sufficient levels of governance, financial management, and implementation capacity of the applicant. Those applicants who are found fit and proper during diligence will be invited to submit detailed Business Plan as shown in Annex 3A. Most applicants are expected to develop Business Plans using their own resources. In limited number of cases, external technical assistance would be available to applicants who are developing complex or financially expensive proposals.

4.6 Evaluation and Scoring of Business Proposals

All successful EOI applicants will be duly informed by email and invited to prepare a business proposal in the format given in

- Annex 3A Business Proposal
- Annex 3B Social and Environmental Checklist
- Annex 3C Template for Undertaking by the Applicant on Non-Judicial Paper that the firm is not insolvent, not blacklisted and not involved in litigation that may affect or compromise its ability to perform the Contract (except as disclosed).
- Annex 3D Financial Projections Sheets (Balance Sheet, Income Expense, Cash Flow, and financial ratios).

Annex 3A, 3B, 3C, and 3D along with required documents must be submitted before due date to FMgtU.

Successful EOI applicants will be visited by FMgtU, or LSP or DEO for an onsite due diligence. The LDDP team will prepare a visit report in the format given in Annex 3E. Further, the PIU will accept the proposal for further scrutiny and score the proposal as per Annex 3F. The PMU may seek help of independent experts to evaluate technical and financial experts of business proposals.

FMgtU will prepare a master list of all business plans along with respective scores. The same shall be presented to GRC for allocation of grants. The decision-making process for business proposals is explained in Figure 2.

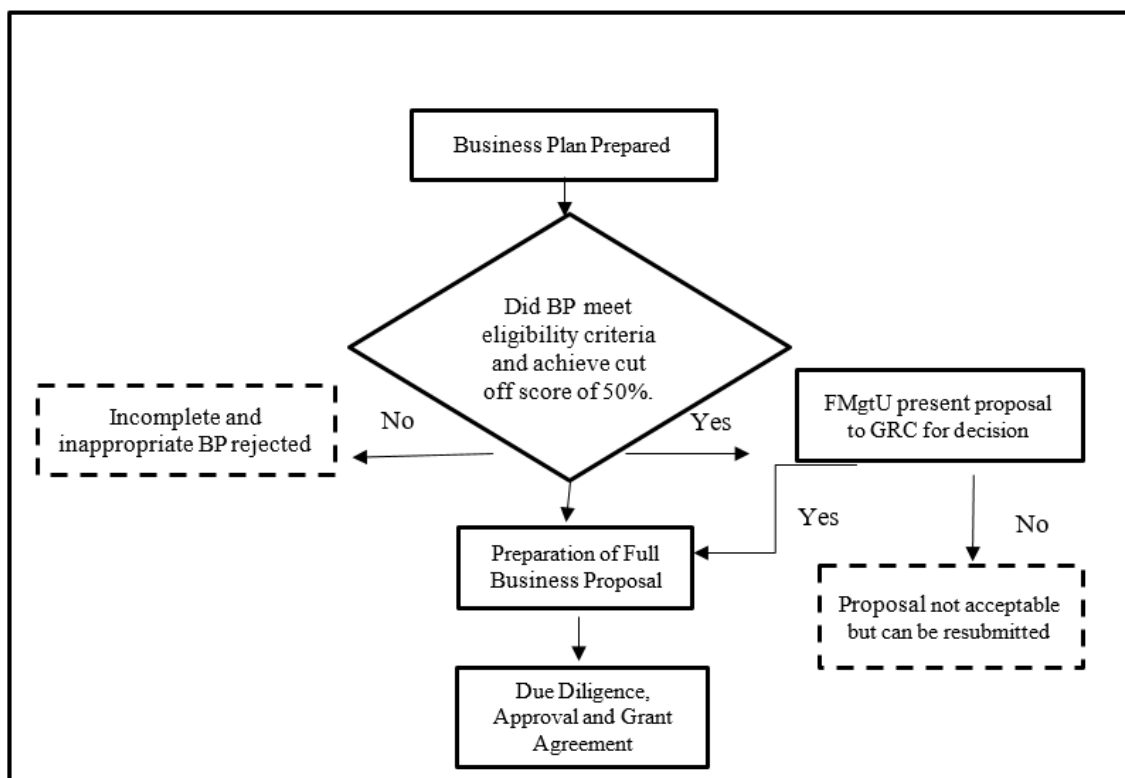


Figure 2: Key business proposal process

4.7 Sample Business Plan

For illustrative purposes, a sample business plan has been prepared for the benefit of applicants (See Annex 4). The sample plan under MGS#5 aims to establish village milk collection centre and bulk milk cooling facility.

5.0 Grant Contract

5.1 Signing Authority

Project Director, LDDP will arrange for the contract to be signed on behalf of the Government of Bangladesh with the recipient agribusiness in accordance with the Laws of Bangladesh. Project Director, Livestock Development and Dairy Project will conduct and complete contract negotiations with successful applicants and finalize the scope of grant assistance. The application, setting out the objectives, indicators, work plan,

activities, milestones, funding arrangements and reporting schedules, will form an integral part of the contract.

5.2 Grant Disbursements

A Technical Officer will explain the grant agreement to successful applicants ('the beneficiary'), working through the agreement clause by clause, in order to ensure that the beneficiary is fully aware and understands the requirements of the grant agreement. Similarly, the Technical Officer should carefully include explanation of the grant budget taking care to ensure that the beneficiary fully understands the documents. At the conclusion of this explanation, the beneficiary will sign the grant agreement. **The Grant Agreement will follow the pattern set out in the Grants Manual (2020) separate for Producer Organisations (LDDP 2020, pp. 43) and Enterprises (LDDP 2020, pp 44-56).**

For large investments (US\$ 50,000 or above), funds will be disbursed in tranches as specified in the grant agreement, following the achievement of agreed milestones (progress indicators) and occurrence of expenditures.

Technical consultant will be engaged by the beneficiary and provide the following services as prioritized by the applicant in the EOI

- Worker's skills upgradation
- Product design/development/improvement
- Facility layout
- Machinery selection/installation/commissioning
- Technology/machines/Tools-upgradation
- Wastage control & product yield improvement
- Quality assurance certification
- Local marketing
- Export marketing
- Training of supervisory staff/managerial staff
- Accounting & financial controls
- Any other relevant area

6.0 Capacity Development Needs

To execute the MGS, LDDP will require to development capacity of its staff, beneficiary organizations, and enabling external environment. Capacity development must be broad based to address improvements in systems for livestock business to improve performance and ensure sustainability. Capacity development and effective project implementation are closely intertwined. Capacity development serves a development purpose but leads to change that is implemented and achieved by staff, consultant, vendors, and livestock businesses it is meant to benefit, which ensures ownership and sustainability.

At individual level, the focus for capacity development is LSP, and DEOs. Improving individual skills, knowledge and performance through training, experiences, motivation, and incentives is needed for them to assess EOIs, and business plans.

At organizational level, PMU and PIU may require improving organizational performance through strategies, plans, rules and regulations, partnerships, leadership, and strengthening organizational systems, processes, and roles and responsibilities to support GRC in making sound decisions. An effective system to receive applications by email and transmit them to concerned PIUs, store scores of individual applicants, and communicate with the applicants is critical.

LDDP may periodically assess how the system of MGS is currently working, and what areas need support; for example: developing and implementing beneficiary information storage and retrieval systems, training staff in analysing data, and developing business plans with strong financial focus.

7.0 Proposed Calendar

The proposed timeline for the first tranche of grants is illustrated in Table 3.

Table 3: Proposed timeline for MGS

Sl.	Activity	Timeline 2022	Responsibility
1	Stakeholder's consultations – national and 8 divisions	Oct.	PMU LDDP
2	Advertisement for EOI & submission of EOI by applicants	July	PMU LDDP
3	Training of DLS staff for EOI & BP evaluation	June	AFC/SSIL & PMU
4	Evaluation of EOI	Sept	PIU & PMU
5	Approval of EOI for preparing BPs	Sept	FMgtU & GRC
6	Verification visits of BP proponents	June – Dec.	PIU LDDP
7	Submission of BPs by selected applicant	June – Dec.	Applicants
8	Capacity building of applicants on BPs	June – Dec.	AFC/SSIL, PMU & PIU
9	Scoring of BPs & diligence check	June – Dec.	PMU & PIU
10	Review the BPs and ranking	June – Dec.	FMgtU
11	Approval of BPs for matching grant	Continuous	GRC
12	Signing of grant agreement	Continuous	PMU
13	Disbursement of MGS	Continuous	PMU

Based on the experience of future activities under MGS can be fine-tuned.

8.0 Monitoring and Evaluation of MGS

The monitoring of outcomes/results will be based on the results framework and monitoring arrangements that are described in detail in Table 4. The project's M&E function will be ICT driven and track progress in activities, outputs, and intermediate outcomes using indicators from the results framework.

Table 4: Monitoring arrangements

Sl.	Indicator	Frequency	Methodology and Data source	Responsibility for data collection
1	MG amount and number approved, disbursed	Six monthly	MIS and Progress report; compilation	PMU/PIU
2	Amount of MG amount invested by applicants	do	do	do
3	POs and enterprises have received business development skills training, marketing support, and financial services (number)	do	do	do
4	Systems and devices for renewable energy production and energy gains established (number)	Annually	do	do

9.0 Recommendations

- MG share be increased from 40% to 60% or higher. If possible, MG amount may also be suitably increased.
- DLS staff at District/Upazila level, business associations, and Non-Governmental Organization (NGO) associations are mobilised, sensitised, and encouraged to promote MG outreach.
- Wherever possible, MG procedures are further simplified to make them friendly to farmers, women and small enterprises.
- Start-ups will benefit from handholding, coaching and mentoring from enterprise incubation centres. Business incubation as a process designed at nurturing and scaling of growth-oriented early-stage enterprises reduce the cost of failures, increase the confidence of entrepreneur and provide resources required on a sustainable basis.

10.0 Reference

LDDP (2020). GRANT MANUAL Operations Manual for the Sub-Grant and Matching Grant Schemes Final Version, March 2020. Livestock and Dairy Development Project, Dhaka.

Uddin, Mohammad & Sultana, M.N. & Ndambi, Oghaiki & Alqaisi Shawabkeh, Othman & Hemme, Torsten & Peters, Kurt. (2011). Milk Production Trends and Dairy Development in Bangladesh. Outlook on Agriculture. 40. 10.5367/oa.2011.0056.

World Bank (2018). Project Appraisal Document on a Proposed Credit in the Amount of SDR 356.8 million (US\$ 500 Million Equivalent) to the People's Republic of Bangladesh for a Livestock and Dairy Development Project, South Asia Region, World Bank, Washington DC. November 9, 2018.

ANNEX 1: APPLICANT PACK EOI MGS #1 “ROUGHAGE BALER”

Government of the People's Republic of Bangladesh
Livestock and Dairy Development Project (LDDP)
Department of Livestock Services
Krishi Khamar Sarak, Farmgate, Dhaka-1215, Bangladesh.
<http://lddp.portal.gov.bd>



Memo No. 33.01.0000.828.07.058.22.

Dated: March 31, 2022

Request for Expression of Interest (REoi) for Partnership with Feeds and Fodder Producers

The Government of the People's Republic of Bangladesh has received financing from the World Bank for implementation of “Livestock and Dairy Development Project (LDDP)” with the objective of improving productivity, market access, resilience of small holder farmers and agro-entrepreneurs operating in selected livestock value chain in target areas. As part of this overall goals of the project, LDDP under DLS will develop partnership with the **Feeds and Fodder Producers** to demonstrate Feeds and Fodder storage options i.e., Roughage Bailing. The partnership will be developed with the interested **Feeds and Fodder Producers** of the country under the matching grant support of the project. The matching grant will be provided by the project depending on the size and technological improvement of the Feed and Fodder Producers up to **40%** of the business proposal to be submitted.

The matching grant support will be provided to 16 Feeds and Fodder Producers across the country except three hill districts. The selection will be done in two stages – in the first stage the Eoi will be assessed and the short-listed will be requested for submission of full business proposal on Roughage Bailing in the second stage. The matching grant portion for a business proposal should be maximum **Tk. 3.65** lakh.

Key eligibility criteria:

- g) The applicant must be a Bangladeshi citizen preferably with valid trade license and TIN Certificate.
- h) The applicant's production facility must be located in the project area.
- i) The producers/entrepreneurs have at least one years' experience in the area of Feeds and Fodder Production.
- j) The applicant is a private - small and medium enterprise.
- k) The applicant is willing to contribute his/her share; at least **60%** of the total amount of grant requested by him/her.
- l) Public limited companies and companies listed on stock exchanges are not eligible to apply.
- m) Government controlled entities are not eligible to apply.
- n) The applicant's business should be connected to livestock and dairy feeds and fodder produce of Bangladesh.
- o) Women entrepreneurs are encouraged to submit Eoi.

LDDP is now requesting for submission of Eoi in prescribed application form. The Eoi form and detailed Terms of Reference (ToR) for the selection and partnership development can be found

in the web portal of the project, <https://lddp.portal.gov.bd> or www.dls.gov.bd or can be obtained at the address of the undersigned.

Expressions of interest must be submitted in a written form, one (1) hard copy, one (1) soft copy (MS word/PDF format in CD or DVD or Flash Drive) by April 21, 2022 up to 05.00 p.m. to the address - Md. Abdur Rahim, Project Director, Livestock and Dairy Development Project, Pranisampad Bhaban-2, 6th Floor, Department of Livestock Services, Krishi Khamar Sarak, Farmgate, Dhaka-1215, Bangladesh.

(Md. Abdur Rahim)
Project Director (Joint Secretary)
Phone: 02-58154913
Email: lddp@dls.gov.bd

EOI Application Form

Instructions to Applicants:

1. This form is free of cost and can be downloaded from the website of LDDP, DLS.
2. The form should be filled by the owner of the feeds and fodder producers/a person who holds a key position in the management of the applicant's business.
3. Please apply only if you meet all the eligible criteria as mentioned below.
4. Please go through the EOI format before applying.
5. Please answer all the questions. If some question does not seem relevant to you, please write 'Not Applicable' in response.
6. Kindly provide correct and easily verifiable information to ensure quick processing.
7. Providing false information or using unfair means/references may lead to rejection of application;
8. Please attach all supporting documents mentioned with each question and at the last page of the form.
9. Kindly sign the application form; with an official stamp of the business enterprise on all the pages of EOI format;
10. Submission of application does not mean that Department of Livestock Services (DLS) is liable to award the grant.
11. Grant decision will be based on fair and transparent evaluation of the application.
12. Any information which is not clear or overwriting or correction made without duly initialled will be rejected.
13. Any persuasion will be treated as disqualification.
14. LDDP possess all rights to accept or reject any proposal / application.

SECTION I: APPLICANT'S ELIGIBILITY CRITERIA (MANDATORY REQUIREMENT)

Sl.	Criteria	Source of Verification (SOV)	Result
1	The applicant must be a Bangladeshi citizen	National Identity Card	☐ Yes ☐ No
2	The applicant's Feeds and Fodders producing facilities must be located in Bangladesh.	Ownership Documents/ Rent Agreement/Contract Agreement	☐ Yes ☐ No
3	The producers are willing to contribute 60% of his/her share of the total cost propose.	A Self-declaration on court stamp paper would be required at the time of Grant Agreement.	☐ Yes ☐ No
4	Applicant is not a public limited company, not listed on stock exchanges, and not a government-controlled entity.		☐ Yes ☐ No
5	The applicant is a private enterprise (small and medium) operating in animal feeds and fodder production in Bangladesh.		☐ Yes ☐ No

*Please submit/attach all the relevant documents/certificates for source of verification.
If answer to any of the questions above is 'No,' then the applicant is not eligible to apply.

SECTION II: INFORMATION ABOUT APPLICANT AND ORGANISATION

1. Name of the applicant:
 2. Description of the applicant (profile):
- A. Organisation Type (please tick ✓ only one): ☐ MSME ☐ CSO ☐ Individual ☐ PO ☐ Company
- B. Nature of Ownership (please tick ✓ only one): ☐ Sole Proprietor ☐ Partnership
- C. Main Activity (please tick ✓ only one): ☐ Production ☐ Processing ☐ sale
- D. Relevant experience (year) :
- E. Name and qualifications of 2 key personnel of the producers (starting with the main applicant)

Sr. No.	Name	Designation	Year of Experience	Proof (Verifiable Experience Certificate)
1				
2				

F. VAT Registration

Sl. No.	Name	Registration		Source of verification
		No.	Valid until	
1				Registration certificate from National Board of Revenue

G. Annual Turnover of last 3 years (in lakh Tk)

Year	Amount in Tk
2021-22	
2020-21	
2019-20	

H. Please tick (✓) if the business premise is self-owned/leased/rented?

Unit	Owned	Leased	Rented	Source of verification
Processing unit				Ownership / Rental / Lease Agreement (Detail of each unit if separate)
Production Point				
Office				

I. Please provide information about the key raw materials being used.

Sr. No.	Raw material	Source		Availability		
		Imported	local	Abundant	Adequate	Insufficient

J. Does the feeds and fodder producers have any following certifications/registrations?

Sr. No.	Certification/Registration	Valid Status	SOV
1	ISO registration or equivalent	☐ Yes ☐ No	Certificate from the concerned Agency
2	HACCP	☐ Yes ☐ No	
3	ISO 2020	☐ Yes ☐ No	

Sr. No.	Certification/Registration	Valid Status	SOV
4	BSTI	☐ Yes ☐ No	
5	Bangladesh Food Safety Authority	☐ Yes ☐ No	
6	DLS registration	☐ Yes ☐ No	

K. Contact person and address

Name of main applicant		
National Identity Card No.		
Date of Birth		
Mailing Address	Upazila	Zila
Mobile Number	+880	
WhatsApp Number	+880	
Email address		
Gender (please tick ✓):	☐ Male	☐ Female

SECTION III – INFORMATION ABOUT THE PROJECT

a) Briefly state the project title:

--

b) Location of project: Site of major investment by the applicant organization with a description of the land for ownership, use right, site clearances (as appropriate) supported with legal title documents.

--

c) Objective: Provide brief objective of the project.

--

d) Project description and rationale:

- Rationale of the sub project and its activity
- Main activities to be carried out
- Key actors and their respective roles
- Market for the proposed products and services
- Socio-economic impact of the proposed project

--

e) Social and environmental impact (SEIA):

Describe in brief which social impact the project will generate, e.g., direct, and indirect employment and women empowerment. Also, environmental impact such as reduction of GHG emission, reduction of fertilizers and chemicals, manure procession as organic fertilizer or biogas production

--

- f) Target beneficiaries. Who are the beneficiaries? How many are they?

- g) Targeted area: Location of the project implementation (e.g., where beneficiary growers are located numbers of existing suppliers and new suppliers; area of expansion; etc.)

- h) Inputs: What are your expected inputs in relation to the objectives and its key activities?

15. Expected outputs and impact: Briefly state what are the specific outputs and the expected impact of the proposed project. Provide information on the current and target numbers of smallholders and the benefits to the smallholders (if applicable).

- i) Market analysis: Analysis of the market potential and linkages of the project. Evidence of market tie up, or advance purchase will strengthen the EOI.

Sr. No.	Product	Main Local Markets	Main Export Markets	Export Sales Share (%)

13. Projected timeframe: Start date:/...../202....

End date:/...../202....

14. Estimated budget: Provide information on the key inputs required to implement the proposed activities, timeframe, and the budget requirements. The budget should list all the inputs required to implement the project.

15. Summary cash flow: Give a brief indication of the cash flow of your organization's projections including an indicative financial analysis and returns from the investment. And how will the investment change the profitability of the company

	Yr0	Yr1	Yr2	Yr3	Yr4	Yr5	Total
Sales							
Investment Income							
Others							
Total Revenue							
Raw material costs							
Wages							
Rent							
Interest paid							
Transportation							
Utilities							
Other exp							
Total Expenses							
Net Inflow (Total Revenue -Total Expenses)							

16. Matching grant: Provide information and evidence on the applicant's contribution toward the matching grant. Please note that the applicant's contribution must come from internally generated Funds (including loans), or equity does not support investment projects that are co-Funded by other donors or Government

- a) For the matching grant scheme, please specify your needs for machinery and equipment/Plant and business development services.

Sr. No.	Type of the Plant, equipment, tools, software Name	Price (BDT)	Source of verification
1	Machinery		Specification of the proposed equipment/plant, and rate quotation.
2	Equipment		Do
3	Tools		Do
4	Software		Do
5	Business Development Services		One quotation
	Total Project Cost		

- b) Please provide the Operational Capacity and end product detail of Proposed Plant/Unit/Factory:

Sl.	Type of Plant/ Plant Name	End Product	Operational Production (Ton/day)	Operational Expenses /ton of end product (including Raw material of the Product)	Source of Verification
					Brochure/Specification of the proposed machine/plant

c) Matching Grant Requested

Total Project cost	
Less own contribution	
Matching grant requested	
Matching grant requested as % of total project cost	

NB: Matching grant requested cannot exceed **40%** of total project cost or own contribution.

- d) Please identify your Business Development needs by writing '1' for the most important, '2' for the second important and '3' for the third important and so on to rate all the listed needs.

Area	Importance
Workers Skills up-gradation	
Product Design / Development / Improvement	
Facility Layout	
Machinery Selection/Installation/Commissioning	
Technology/Machines / Tools Up-gradation	
Wastage Control & Production Yield Improvement	
Quality Assurance/Certifications	
Local Marketing	
Export Marketing	
Training of Supervisory Staff / Managerial Staff	
Accounting & Financial Controls	
Other (mention here)	

DECLARATION BY THE APPLICANT:

By affixing my signature below, I certify that the information provided in this application form is correct to the best of my knowledge and nothing has been withheld. I agree to all the terms and conditions as outlined in the instructions to Applicants. I understand that all information contained in my application will be treated confidentially by the Department of Livestock Services (only for internal use). I also agree that the Department can have access to the original documentation referenced in this application, as and when required. I understand and agree that provision of false information can lead to rejection of my application.

Name	Designation
Signature	Business Seal
Date	

(This form should be signed and submitted either by owner or partner or manager or any other responsible person)

LIST OF DOCUMENTS TO BE ATTACHED WITH EOI APPLICATION

(Only plain copies required)

Sr. No.	Documents	Check (✓)
1	National Identification Card of the main applicant	☐ Yes ☐ No
2	Educational Degree/Certificate (Highest)	☐ Yes ☐ No
3	Organisation incorporation certificate issued by the relevant authority	☐ Yes ☐ No
4	Land ownership/rent/lease documents (Registry, Fard, lease/rent agreement)	☐ Yes ☐ No
5	Brochure/Specification/quotations of the proposed machine/plant/ equipment/tool/business development services	☐ Yes ☐ No

Terms of Reference (ToR) for Selection of Feeds and Fodder Producers to demonstrate storage options under Matching Grants Scheme (MGS)

1. Purpose:

The Government of the People's Republic of Bangladesh has received financing from the World Bank for implementation of "Livestock and Dairy Development Project (LDDP)" with the objective of improving productivity, market access, resilience of small holder farmers and agro-entrepreneurs operating in selected livestock value chain in target areas. As part of this overall goals of the project, LDDP will develop partnership with **Feeds and Fodder Producers** to demonstrate Feeds and Fodder storage options (Roughage Bailing). The partnership will be developed with the interested **Feeds and Fodder Producers** of the country under the matching grant support of the project. The matching grant will be provided by the project depending on the size and technological improvement of the Feeds and Fodder Producers up to **40%** of the business proposal to be submitted.

2. Key eligible criteria for EOI submission:

- p) The applicant must be a Bangladeshi citizen with valid trade license and TIN Certificate.
- q) The applicant's production facility must be located in the project area.
- r) The producers shall have at least one years' experience in the area of production and marketing of animal feeds and fodder.
- s) The applicant is a private - small and medium enterprise.
- t) The applicant is willing to contribute his/her share of 60% of the total project cost.
- u) Public limited companies and companies listed on stock exchanges are not eligible to apply.
- v) Government controlled entities are not eligible to apply.
- w) The applicant's business should be connected to livestock and dairy produce of Bangladesh.
- x) Women entrepreneurs are encouraged to submit Eol.

3. The grant money can't be used for the following purposes:

- a. Purchase or rental of land;
- b. Purchase of vehicles;
- c. Purchase of office equipment;
- d. Building and civil works;
- e. Operating expenses;
- f. Debt retirement;
- g. Interest on debt;
- h. Working Capital;
- i. Unlawful business activities.

4. Grant size:

The grant size will not exceed **Tk. 3.65 lakh**. Approval of the grant will be given based on an independent assessment of the applicant's business's investment requirements, and it may differ from the amount requested by the applicant.

5. Process for submission of application (Eol):

- The applicant shall fulfil all requirements as set out in the Eol supported by verifiable documents as the evidence.
- Incomplete application shall be considered nonresponsive and will be rejected.
- Application must be submitted following EOI format;
- The applicant(s) is required to submit application for one package only;
- The Client (LDDP) shall be under no obligation to return any Eol or supporting materials submitted by the Applicant.

6. Verification of EOI & Grant approval process

- a. Acknowledge receipt of application;
- b. Send application form to PIUs for evaluation and scoring;
- c. PIU will:
 - o Review EOIs against the eligible criteria;
 - o Seek clarification from the applicant on any issues if necessary;
 - o Assess and evaluate EOI and record results on an EOI Evaluation Sheet in a fair and consistent manner;
 - o Conduct due diligence visit and record observation.
- d. The PIU will recommend applications for either acceptance, or rejection
- e. FMgtU may also collect information from independent sources to verify the information provided by the applicant.
- f. The final decision by the Grant Review Committee will be communicated to the successful applicants.
- g. Only the selected applicant will be invited for submission of business plan.

7. Grants agreements & disbursement

Project Director, LDDP will arrange for the contract to be signed on behalf of the Government of Bangladesh with the selected applicants in accordance with the existing Government rules. The Project Director, Livestock and Dairy Development Project (LDDP) will conduct and complete contract negotiations with successful applicants and finalize the scope of grant assistance. The application, setting out the objectives, indicators, work plan, activities, milestones, funding arrangements and reporting schedules, will form an integral part of the contract.

A Technical Officer will explain the grant agreement to the selected applicant's clause by clause. Finally, the selected applicants will sign the grant agreement with the client.

8. Uses of Grant Money

- a. The grant money will be used to support the existing or new feed and fodder producers to create fodder storage options.
- b. The grant money can be used to procure & install quality Roughage Baler.
- c. Expert team members will oversee the proper use of grant money as per approved plan.

9. Dispute resolution

An effective grievance redress mechanism (GRM) will be available to receive, process and disposal of grievance (s) if any. Redress Mechanism (GRM) for LDDP is available in the following link.

http://lddp.portal.gov.bd/sites/default/files/files/lddp.portal.gov.bd/page/67e7da77_187a_4e76_9980_053c7b733b6a/2021-01-19-17-15-9fd4c3e34863595b2d92d6f6cadef2c6.pdf

Officials to be contacted are mentioned below with their address:

Official	Contact address
Director General, DLS	Department of Livestock Service, Ministry of Fisheries and Livestock, Government of Bangladesh dg@dls.gov.bd Tel: +88029101932 Postal Address: Pranisampad Bhaban-2 (6th Floor), DLS, Khamar Bari Sarak, Farmgate, Dhaka 1215. Bangladesh.

If grievance is not resolved, it may be escalated to:

External Affairs Officer

Grievance Redress Service, World Bank

grievances@worldbank.org; mmahbub@worldbank.org

+1 202 614 7303; +8802 8159001

ANNEX 2: EOI SCORING SHEET MGS #1 “ROUGHAGE BALER”

Name of the Applicant:

Application Number:

Sl.	Factors	Marks	Marks Scored	Remarks
1	Applicant	5		Female -5, Male-0
2	Age of applicant	5		20-35 years – 5; 34-45 years -4; above 45 years – 3
3	Education	10		Graduate and above -10; vocational diploma -7; HSC level- 5,SSC level-4
4	Experience	10		2 point per year of experience up to 5 years.
5	Ownership	10		Complete ownership of land, building, equipment – 10; Own land and building – 6; Land or building on lease – 4.
6	Annual turnover	10		Tk 10 lakh or above – 10; Tk 5 to less than 10 lakh – 5; Less than Tk 5 lakh – 3.
7	Employment generation	10		3 for one full time employment; 6 for 2 full time employment and 10 for 3 or more full time employment generated.
8	Environmental impact	10		Positive- 10; Moderate- 7; Neutral -5, Negative- 0
9	Production capacity	10		More than 5 tons/day-10,3 to 5 tons-7,less than 3 tons-4
10	Risk identification and mitigation plan	5		Strong mitigation plan - 5; Moderate - 4; Weak - 3, Risks identified but no mitigation plan - 2
11	Marketing plan	15		Full buy back arrangement -15; Partial buy back arrangement -10; Multiple buyers -5; Only for self-consumption-3
	Total	100		

Missing Documents (if any)

Recommendation: ☐ Rejected. ☐ Resubmission ☐ Prepare Business Plan

Signature of Evaluator	Name of Signatory	Date

ANNEX 3A: APPLICATION FORM FOR BUSINESS PROPOSAL

1. Matching grant package applied for **Tick** ✓ one

Tick	Particulars	Unit
☐	Demonstration for feeds and fodder storage options	Roughage baler
☐	Feeds -support to small scale feed mills to improve processing technology and quality	Feed mill
☐	Feeds – Assistance in TMR including roughage, silage, concentrate, minerals/vitamins	Feed production centres
☐	Dairy cattle – support to market-oriented feed and fodder production	Farm
☐	Milk collection – Dairy Hub collection from VMCC (including the VMCC)	Dairy hub
☐	Milk processing -small scale milk processing technology at the premises of large dairy farmers and Hubs/POs and sweet meat shops	Mini processing unit
☐	Milk processing -large processors to adopt technologies for product diversification (cheese, yogurts etc)	Processor
☐	Milk processing – mobile milking machine for leasing by processors to farms	Milking machine
☐	Climate resilience manure enterprise development	3-20 T/day Digester

2. Introduction: Why, how, and what is the Business Proposal for?

3. Project title: Provide a title.

4. Contact person and details: Name of the main contact person, including the role of the person and the contact details of the applicant (full address, phone number, email address). If this is a consortium, then this person will be the conduit for discussions and, if successful, signature on the contract with the Government of Bangladesh.

5. Applicant's profile: Provide a description of the Applicant's current business and its main activities, ownership status (with evidence), financial status (evidence), experience to date, and operational structure. Provide evidence of the legal and ownership status of the applicant. Details need to be provided for all Organizations included in any consortium bids.

6. Project objective: Clearly state the project's objective and indicators of performance during implementation of the project.

7. Project description: Describe the rationale for the proposed project, the implementation strategy, including activities, actors, and their roles (lead and collaborators); partnership arrangements; the location and land with ownership description with documentary evidence; and project duration. Submit supporting evidence (Dairy hubs should indicate geographic layout and location of hub, and village milk collection centres).

8. Business proposal: Describe the business proposal, including a brief description of the business idea, market analysis (current market, demand analysis, competition analysis, customer base, and agreements), the estimated cash flow (five years), and action taken to address the risks. Provide rationale for and description of the activities of the project. Submit any supporting evidence on the above agreements, market, and cash flow. Include your financial analysis which backs your decision on why this project shows financial viability and should be Funded. This should include such analysis as the break-even analysis, project/ beneficiaries cost ratio, etc. Also indicate whether the Applicant is borrowing from a financial institution or other Funding source and the size of the loan, repayment rates etc. Include a statement on the environment in relation to the project, i.e., environmental, and social risks and impacts, mitigation strategies, etc. (This is mandatory for large-scale projects and any Business Proposal dealing with agrochemicals).

9. Expected Social and Environmental Impact: Please fill in the checklist in Annex 3B.

10. Expected impact: Describe the expected impact of the project. Provide information on the current and target numbers of beneficiaries (e.g., semi-intensive growers), the actual benefits to the beneficiaries, and

costs per beneficiary. Also, describe the Applicant's support to growers who will supply or buy produce from the business and the ongoing costs on a timeline.

11. Budget and the proposed matching grant: Provide information on the size and allocation of the proposed matching grant activity, with emphasis on eligible activities. The below format is a guide only to show each activity's expenditure, and Applicants can use their own formats to describe their budget expenditure. The Budget shall be quoted in Taka. If converting costs from foreign currency, then indicate the exchange rate utilized for all calculations in the budget. It is important to submit information and evidence on the Applicant's own contribution toward the FUND grant. For POs, the budget needs to clearly indicate expenditures for PO-level costs and individual grower costs.

Item	Cost (Tk)	Budget contribution		Comments
		Grant	Applicant	
Total				

Phasing of expenditure over the duration of the project (e.g., years, months, quarters) needs to be also included in the budget and clearly indicating the expenditure of the grant and Applicant's own contribution to the project.

Line item (Taka)	Year 1		Year 2		Year 3		Year 4		Year 5	
	Grt	Self	Grt	Self	Grt	Self	Grt	Self	Grt	Self

12. Supervision and monitoring arrangements: The Applicant must indicate in the proposal how the Applicant plans on supervising and monitoring their proposed activities. In order to facilitate project monitoring, the activities, the expected outputs, milestones, and the associated indicators of success (i.e., how to know that activity has been successfully implemented) should be stated, using the format below. The indicators are expected to be linked to the original project activities and how many beneficiaries the activity expects to impact over time. Approved projects will develop monitoring and evaluation arrangements with the help of the FUND Management team, which will enable these indicators and outputs to be regularly monitored.

Activity Description	Start Date	End Date	Indicator

Attach copies of legal Registration, Title, Ownership, where applicable, drawings, maps, evidence of your Funding contribution (e.g., bank deposit, loan agreement), etc., to support the Business Proposal.

NB: The fund Manager shall, where necessary, provide Technical Assistance to POs and MSMEs that may require further development to become bankable Business Proposals. Information on progress and processes shall be communicated regularly to the Applicant. All Applicants should be ready for a field appraisal when requested.

Signature, name, and date

if a consortium of Organizations, then representatives from each consortium partner need to sign the proposal).

ANNEX 3B: SOCIAL AND ENVIRONMENTAL CHECKLIST

Question	Check (✓)
Does this project intend to use or depend on any resources of national parks and protected areas or any critical aquatic and terrestrial habitat area?	☐ Yes ☐ No
Is the project area in this proposal located in a high-risk zone such as landslide prone area, steep slopes, highly degraded land in hills, riverine area susceptible to annual flooding, and in areas causing large-scale soil erosion?	☐ Yes ☐ No
Will this project involve land clearance on slopes greater than 45 degrees?	☐ Yes ☐ No

Question	Check (✓)
Will this project affect a heritage site?	☐ Yes ☐ No
Will this project involve logging or causing any other major environmental harm?	☐ Yes ☐ No
Is this project likely to eliminate indigenous plant species of ecological significance?	☐ Yes ☐ No
Does this proposal involve any activity that is likely to make irreversible adverse impacts on indigenous communities, women, and other vulnerable groups?	☐ Yes ☐ No
Does this proposal include any activity that promotes or involves the incidence of child labour?	☐ Yes ☐ No
Does this proposal address Gender Based Violence and risks associated with influx of labour from outside the community?	☐ Yes ☐ No
Does this proposal require any families losing their farmland and assets on the land or displacement of families due to construction of infrastructure?	☐ Yes ☐ No
Does the proposal address any specific environmental performance in the production/processing site? If~?· which ones and how?	☐ Yes ☐ No
Key environmental and social constraints on this Business Proposal (describe below)	

For Use by LDDP team

- Is it necessary for the PO or MSME to prepare an Environmental Management Plan? · Check- ☐ Yes ☐ No.
- Is it necessary for the PO or MSME to prepare a Social Management Plan? Check- ☐ Yes ☐ No.
- If yes, provide recommendations and guidance to the PO or MSME for the preparation of those plans
- If yes, the PO or MSME needs to prepare and include the plan/s in the Business Proposal before approval.

ANNEX 3C: TEMPLATE FOR UNDERTAKING BY THE APPLICANT

(On 300 Taka Non-Judicial Stamp Paper)

I/We, [Name and Address of Applicant], do hereby declare on solemn affirmation that:

I/We have not been blacklisted from any Government Department/Agency.

I/We have not been involved in litigation with any party during the last 3 years except as disclosed or annexed herewith.

I/We acknowledge that we have read, understood, and accepted the EOI along with all terms and conditions specified above in the document.

I/We understand that Department of Livestock Services shall have right, at its exclusive discretion, to change the dimensions of the Project, accept/reject any or all application(s), cancel/annul the selection process at any time prior to award of Contract, without assigning any reason or any obligation to inform the Applicants of the grounds for the Department's action, and without thereby incurring any liability to the Applicant and the decision of the Department of Livestock Services shall be final.

Dated:	
Applicant's Name:	
Signature:	

NID Card No.:	
Designation:	
Address:	

Witness 1	Witness 2
Signature:	Signature:
NID Card No.:	NID Card No.:
Designation:	Designation:
Address:	Address:
Mobile no.	Mobile No.

ANNEX 3D: FINANCIAL PROJECTIONS SHEET

Financial Statement in Excel containing Cash Flow, Income Expense, and Balance Sheet for five year period is required. Key financial ratios viz Internal Rate of Return, Net Present Worth, Cost Benefit Ratio and Pay-back period (in months) is required.

LIST OF DOCUMENTS TO BE ATTACHED WITH BUSINESS PROPOSAL

(Only Self certified copies required)

Sr. No.	Documents	Check (✓)
1	National Identification Card of the main applicant	☐ Yes ☐ No
2	Educational Degree/Certificate (Highest)	☐ Yes ☐ No
3	Organisation incorporation certificate issued by the relevant authority	☐ Yes ☐ No
4	Land ownership/rent/lease documents (Registry, Fard, lease/rent agreement)	☐ Yes ☐ No
5	VAT registration certificate	☐ Yes ☐ No
6	Bank account statement (last one year)	☐ Yes ☐ No
7	Brochure/Specification of the proposed machine/ plant/ equipment/tool	☐ Yes ☐ No
8	Orders from purchaser	☐ Yes ☐ No
9	Quality assurance certificate e.g., ISO registration, HACCP, Bangladesh Food Authority	☐ Yes ☐ No
10	CV of 3 key personnel (not more than 1 page each)	☐ Yes ☐ No
11	Template for Undertaking by the Applicant	☐ Yes ☐ No
12	Business Proposal (3A)	☐ Yes ☐ No
13	Social and Environmental Checklist for projects (3B)	☐ Yes ☐ No
14	Template for Undertaking by the Applicant (3C)	☐ Yes ☐ No
15	Financial Projections for 5 years (3D)	☐ Yes ☐ No
16	Loan sanction letter from reputed financial institution (if applicable)	☐ Yes ☐ No
17	Audited financial statements for last 3 years, if applicable	☐ Yes ☐ No
18	Physical layout of project facility if any	☐ Yes ☐ No
19	Partnership agreement if any	☐ Yes ☐ No

ANNEX 3E: VERIFICATION VISIT CHECKLIST

To be Prepared by FMgtU, LSP, DEO

Applicant registration No.	
Prepared by (name and designation of person)	
Location	
Dates	
Objectives	

INSTRUCTIONS: Answer the following questions based on your observations and feedback from persons you meet during the verification visit to the PO/Enterprise location - DO NOT try to interpret or guess what may be included in any future business proposal. DO NOT propose any advice, recommendations or remarks that could be interpreted as advice to the PO/Enterprise during the visit. DO NOT share the results of this verification visit with the PO/Enterprise - you must be viewed as a neutral person.

Questions	Check (✓)
Experience	☐ Yes ☐ No ☐ Need more info
Is this a new venture for the PO/Enterprise?	☐ Yes ☐ No ☐ Need more info
Is the PO/ Enterprise supported by an external agency (e.g., NGO)?	☐ Yes ☐ No ☐ Need more info
Does the PO/Enterprise have competent and/or experienced employees/members capable of implementing all the activities listed in their EOI?	☐ Yes ☐ No ☐ Need more info
Does the PO/Enterprise have sufficient experience (i.e., 1-2 years) in the selected field of investment to effectively implement the project?	☐ Yes ☐ No ☐ Need more info
Technical Capacity	
Is the PO/ Enterprise technically competent to implement this project?	☐ Yes ☐ No ☐ Need more info
Does the EOI from this PO/Enterprise include sufficient technical support to deliver the expected results from the investment? (If not, then should additional technical assistance be included in their Business Proposal?)	☐ Yes ☐ No ☐ Needs more info
Does the PO/Enterprise have sufficient capacity to absorb more equipment/ machinery/ technical capacity as described in their EOI into their premises and staffing structure (i.e., will the PO/ Enterprise need to expand their current location and/ or hire more employees to implement the investment activities?)	☐ Yes ☐ No ☐ Need more info
Financial and Managerial Capacity	
Does the PO/Enterprise have financial records for the past few years of its operations?	☐ Yes ☐ No ☐ Need more info
If so, how are their finances recorded- what financial recording software etc.?	☐ Yes ☐ No ☐ Need more info
Do the financial records accurately reflect the ongoing operations of the PO/Enterprise as observed during the visit?	☐ Yes ☐ No ☐ Need more info
Do you have proof that your company has the financial capacity to contribute a minimum of 50% of the total investment and can make a down payment prior to grant funds coming in?	☐ Yes ☐ No ☐ Need more info
Do you assess the manager and/or managerial team as operating effectively and able to manage the project?	☐ Yes ☐ No ☐ Need more info
Did you obtain any managerial insights during your discussions with staff/members of the PO/ Enterprise (include any relevant remarks below- General Observations)	☐ Yes ☐ No ☐ Need more info
Existing Linkages to Smallholder Farmers	
Does the PO/Enterprise have existing linkages with smallholders (Number)	☐ Yes ☐ No ☐ Need more info
Is the PO/ Enterprise providing smallholders continuous services through the year- i.e., is this an active partnership?	☐ Yes ☐ No ☐ Need more info

Questions	Check (✓)
Social and Environmental Aspects	☐ Yes ☐ No ☐ Need more info
Do the proposed activities for grant financing involve any land with contested ownership claims?	☐ Yes ☐ No ☐ Need more info
Do the activities of the PO/ Enterprise involve any adverse impact on neighbouring communities including Indigenous peoples, youth, women, or other vulnerable groups?	☐ Yes ☐ No ☐ Need more info
Do the activities of the PO/ Enterprise involve any adverse impact on natural resources (e.g., water, land, forests)?	☐ Yes ☐ No ☐ Need more info
Does the PO/Enterprise implement any actions to ameliorate any adverse impact on the natural environment and resources?	☐ Yes ☐ No ☐ Need more info
Decision following conclusion of verification visit	☐ Approve ☐ Reject ☐ Need more info
Comments	

Specific Issues and Actions

List the specific issues and problems that were identified during the visit. Then identify the actions that need to be taken and the specific individual responsible for taking the action, and when it should be completed.

Issue Identified	Actions to be taken

ANNEX 3F: BUSINESS PLAN EVALUATION SCORING SHEET

Sr. No.	Factors	Max Marks	Marks Scored	Remarks
1	Market Potential			
a	Target markets identified	4		
b	Sales estimates provided	4		
c	Support letters from potential buyers	4		
2	Feasibility			
a	Business proposal covers all aspects described in guidelines in sufficient detail	5		
b	Financial projections (revenue and expenses) provided	5		
c	Business financially and technically competent to complete investment	5		
d	NPV Benefit/Cost ratio of 5 years	8		2 or more - 8; 1.5 to 1.9 - 6; 1.3-1.4 - 4; 1.1 to 1.2 - 3; less than 1 to 1 - 0
e	Payback period (total initial investment/net annual cash flow)	8		1-2 years - 8; 2-3 years -6; 3-4 years -4; 4-5 years - 3; above 5 years -0.
f	Internal Rate of Return (IRR)	8		20.1% and Above - 8; 16.1% to 20% - 6; 12.1% to 16% - 4; 10% to 12% -3; Below 10% but not less than 8% - 1.
3	Financial Capacity of applicant			
a	PO/MSME contribution	5		Self-funded -5; partial loan -4; full loan – 1
b	Beneficiary support	5		Full package described and costed - 5; Partially described and costed -3; Noted but lacking sufficient details -1.
4	Risk Management			
a	Risk analysis and mitigation	5		Described with management plan -5; Partial description - 2
5	Potential Social Impact			
a	Number of beneficiaries	8		500-1000 - 8; 300-500 -; 100-300 -5; 20-100 - 3; 5-20 - 1, <5 -0.
b	Number of jobs created	8		>20 jobs-8; 5-20 jobs - 6; <5 jobs-3; 0 jobs -0
6	Environmental impacts			

Sr. No.	Factors	Max Marks	Marks Scored	Remarks
a	Impacts are identified	5		Positive - 5; Neutral -3; Negative -0
b	Viable mitigation strategies identified for adverse impact	5		Yes -5; No - 0.
7	Organisational Capacity			
a	Legal status of applicant	4		Registered -4; Registration in advanced stage - 3; Not registered -0.
b	Level of experience of applicant in selected industry	4		Established >3 years -4; established <3 years -3; Start-up - 1.
	Total	100		

*Cut off mark for qualification is 50%.

Missing Documents (if any)

Recommendation: ☐ Rejected. ☐ Resubmission ☐ Prepare Business Plan

Signature of Evaluator	Name of Signatory	Date

ANNEX 4: SAMPLE BUSINESS PLAN MGS#5

SAMPLE BUSINESS PLAN FOR SETTING UP OF VILLAGE MILK COLLECTION CENTRE (VMCC) & BULK STORAGE OF MILK FOR PRODUCER GROUP IN BANGLADESH



June 2022

XYZ VMCC Society

Habikhola, Jalalabad 3107,
Sylhet Sadar Upazila, Bangladesh
Mobile/WhatsApp: +880 17555 28500
Email: sitara.syl@gmail.com.
Skype: Sitarabegum786@gmail.com

1.0 INTRODUCTION

This proposal is being submitted for MGS Package #5 Small Scale Milk Processing technology at the premises of large dairy farmers and Hubs/POs and sweet meat shops. The XYZ VMCC Society is a producer organisation which wishes to support LDDP in promoting collection of milk from the small, rural, scattered dairy farmers and aggregating their produce for getting remunerative price for their milk. The XYZ VMCC is focused on supporting its member-farmers in their dairy farming activity with the needed inputs, technical and advisory services and in the processing and marketing of their surplus Milk. It is also selling some through direct sales to residents and institutional buyers like retailers, food service entities, hospitals, schools etc., in the village from its collection centre.

The XYZ VMCC Society is collecting about 3000 litres of milk per day and after meeting the local needs during the morning and evening hours sends the milk to ABC Dairy Hub Private Limited which is located 50 kms away in the District HQ for processing and value addition. At times some of the milk becomes sour due to the hot climate and delay in the time taken for the milk to be collected in the centre and it to, reach the chilling unit. This is a huge drain on the Society, as the District Hub does the quality check at its receiving point and rejects the entire lot if found to be of low quality.

Since the ambient temperature in Bangladesh is as high as 43o C along with high humidity, milk is likely to sour easily. Improvement of raw milk quality can be ensured only by following stringent hygienic practices from the udder of the milk animal to the chilling centre and its prompt cooling to 4oC or below within a time span of 2 hours. The best alternative to the present system of milk collection is cooling it at the collection centre itself using Bulk Cooling Tanks. The usages of such tanks have become popular in the recent past because, it not only helps in increasing the shelf-life of milk but also provides systematic and economic way of the procurement of milk. It also ensures procurement of more milk by covering untapped milk sheds and still has it chilled within 2 hours of milking as required by Draft Codex International standards.

VMCC is the beginning of cold chain so essential for maintaining quality of milk. The initial capital investment will pay back in the medium run, as the system will eliminate the spoilage of milk due to souring, and reduction in cost of aggregation.

CONTACT PERSON AND DETAILS

Ms. Sitara Begum, Chair, XYZ VMCC Society, Habikhola, Jalalabad 3107, Sylhet Sadar Upazila, Bangladesh. Mobile/WhatsApp: +880 17555 28500. Email: sitara.syl@gmail.com. Skype: Sitarabegum786.

The Society was incorporated on Tuesday 1st January 2019. XYZ VMCC is a society duly registered with NGO Affairs Bureau at Department of Social Services under Ministry of Social Welfare, Government of Bangladesh. It has been allotted an Electronic Business Identification Number (e-BIN) by the National Board of Revenue (NBR).

At present, the Society has 400 members, 90% of whom are women. The members of the Society are mainly women having high yielding variety of animals yielding about 5 to 15 litres of milk per day.

The VMCCC Board (5 women, 2 men) is democratically elected and running in profit for the last 2 years with an accumulated profit of Tk 5 lakhs. The Society is collecting about 3000 litres of milk per day and after meeting the local needs during the morning and evening hours sends the milk to ABC Dairy Hub Private Limited which is located 45 kms away in the District HQ for processing and value addition.

The management team comprise of

- Ms. Sitara Begum, Chair, Occupation: dairy farmer, Qualification: 12th pass
- Mr. Munir Khan, Coordinator, Occupation: dairy farmer, Qualification: BSc Dairy Science (BAU)

At the VMCC level:

- Mr. Akram Talukder, Dy. Coordinator, Occupation: dairy farmer. Qualification: BBA (Marketing), Sylhet University
- Mr. Afzal Kareem, Occupation: milk collector, Qualification: Intermediate

OBJECTIVES OF THE PROJECT

The VMCC aims at reducing its loss of revenue through sour age/spoilage of milk due to the time taken for milking, collection and transportation to the Hub for further processing. They would also like to take advantage of the bonus price offered for supply of chilled milk by the Hub and the option for local sale of milk thought out the day and saving on transportation cost. The specific objectives of the project are:

- a) To enhance the preservation quality of milk and also to avoid economic losses to farmers due to spillage/sour age of milk.
- b) To introduce quality check at the time of collection.
- c) To reduce the transportation cost by regulating transportation of the milk on alternative days and also through reduction in expenditure on purchase and maintenance of cans.
- d) Impart skills to youth to become milk collectors
- e) To ensure availability of raw milk for local sales in the collection centre for a longer period and maximize profits for the primary.

PROJECT DESCRIPTION

Rationale

The members of the Society are facing the problem of hygienic and timely supply of milk to the Society and the Society in turn to the ABC Dairy Hub Private Limited. It was also observed that the transportation cost of the collected milk and the cans used and its maintenance is a drain on the profits of the Society. These factors are hampering the growth of the Society and its capacity to produce more milk and reach the target of 4000 litre per day capacity.

The Society in its last annual General Body meeting was informed that LDDP is

providing matching grants to Societies having adequate potential and security to purchase necessary equipment to modernize their milk collection and cooling operations. The Society through loan from members, and matching grant from LDDP is proposing to create assets for its milk Collection Centre. The major asset proposed to be acquired are two BMC with a capacity for cooling 4000 litres of milk, set up a mini lab to check milk quality (SNF, FAT, toxicity, acidity etc), and procure 10 mobile milking machine. The Society is also proposing to skill their unemployed youth to enter the dairy business as operators of the Mechanical milking machines and act as door to door collection agents.

Implementation Strategy

The five steps in VMCC strategy implementation process will ensure that strategy evolves from a static, inactive plan into a living, evolving implementation:

1. Strategy framework: The goal is to establish and operate the BMCs within 4 months of receipt of Matching Grants.
2. Strategic Plan Articulation: all members and stakeholders would be informed through special meetings every month.
3. Defined Key Performance Indicators (KPIs): A team comprising of a Board member and two staff will be responsible for implementation. They will be suitably incentivised on achieving KPIs within specified time and cost.
4. Board supervision: The Chair will supervise overall implementation of the project.
5. Performance is linked to strategy execution: physical and financial benchmarks will be closely monitored and reported.

Partnership Arrangements

XYZ VMCC has long standing relationship ABC Dairy Hub Private Limited. Both sides have agreed to a written contract, the highlights of which are as follows:

- Buy up to 5000 LPD of milk supplied by VMCC at a pre-agreed price
- Release all dues within 3 days of raising invoice
- Pay a fees for chilling milk to a specified level
- ABC Dairy Hub Private Limited would be providing guidance to XYZ VMCC in purchase and installation of Milking machines, Bulk Milk Coolers, and also training of manpower in operations and maintenance.

Location of and land ownership

The proposal is to set up a Bulk Milk Cooling (4000 LPD) facility under XYZ VMCC at Sitargunj, Jalalabad, Sylhet Sadar Upazila, Sylhet District.

The land (500 metres) and the building (40 ft x 40 ft hall) are leased to XYZ VMCC for the period 2020-2030. The land is located next to an all-weather pucca road on a higher plain.

Project Duration

Generally, it takes about 3 to 4 months period for preparing a DPR, arranging loans, approval of plans, finalising the suppliers, and installation of plant and machinery. Hence, during the first year of operations, only 8 months of milk procurement is assumed. The loan from members would be repaid over 8 years period.

BUSINESS PROPOSAL

Description of business idea

The business idea is twofold:

- a) create a cadre of 10 milk collectors who will carry mobile milking machine for door step service to members. This will reduce drudgery of milking animals and carrying milk to the collection point.
- b) Chill milk to 4°C for transportation to milk hub on alternate days thus reducing transportation cost and allowing higher aggregation.

Market Analysis

According to the Department of Livestock Services, in 2021, the total demand for milk was around 154.94 lakh tons compared to production of 119.85 lakh tons leaving a gap of 35.09 lakh tons. The country's milk demand has increased over the last decade and is growing at a faster rate than supply due to increase in population, rising disposal income, and awareness about nutritional properties of milk and dairy products (Uddin et al 2011). The country's milk production has increased by three times over the past decade and now has the capacity to fulfil two-thirds of the total demand. Bangladesh hopes to be self-sufficient in milk production within five years. There will be strong demand for hygienic milk for the short to midterm.

Customer base

XYZ VMCC is a bulk supplier of milk. It has just enough supply to meet the needs of its sole customer ABC Dairy Hub. Several other dairy companies are interested to enter into long term supply contract with XYZ VMCC. If the supply in future exceeds the order of ABC, the management will look for additional institutional purchasers.

Payment Flow

At 2 pm every day, VMCC will provide a list of all farmers along with quantum of milk contributed, FAT/SNF, amount due and mobile number for e-payment through Bkash, Nagad or another bank-led financial platforms. The e-payment will be made by ABC Dairy Hub to individual members before 6 pm same day.

The operations involved in cooling and storage process is furnished in the figure below.

Manufacturing Process

The operations involved in cooling and storage process is furnished in the figure below.

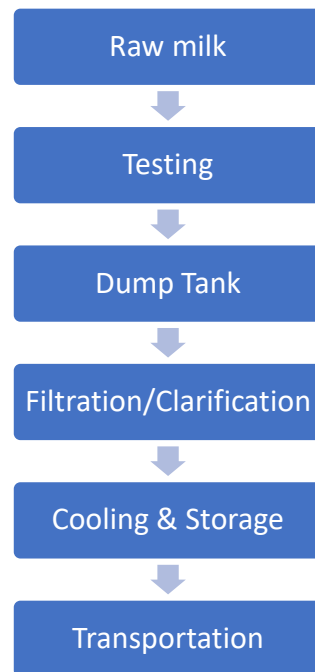


Figure 1 Flow Chart of Milk in VMCC

Infrastructural Facilities for Raw Material and Utilities

Site location:

The location of the VMCC is in close proximity to all weather road (10 metres from the site), rail facilities (15 kms), and services such as water, electricity and Internet. The subsoil of the site is firm with proper drainage.

Raw material:

The principal raw material is milk. The members will bring their produce to VMCC. In addition, the milk collectors will collect and bring milk to the VMCC.

Power:

Normally a three phase electric supply is required for milk cooling. Necessary approval from Bangladesh Power Development Board (BPDB) is required for obtaining new connection. Since the power supply is erratic, standby diesel generator is considered for connecting the critical sections.

Water:

A BMC requires water in the ratio of 2:1 (2 litres of water for 1 litre of milk stored) for cleaning of equipment, cold storage and drinking purposes. Assured water availability is essential for smooth functioning of VMCC. An electric energised hand pump connected to a borehole is already available at the leased building. The approx. discharge of the pump at about 75 watt input m³/h at 10 m head is 1.8 cusec.

Compressed Air:

It is required for various pneumatic flow control operations as well as for cleaning purposes.

Transportation:

ABC Dairy Hub will transport milk by the truckload in tanker trucks. These insulated, sealed trucks are an essential part of the dairy logistics process.

Manpower:

The manpower required for a 4000 litre BMC is 2 plant operators, supported occasionally by daily labourers. The plant operators will have an enclosure for their lodging.

Annual maintenance contract/Insurance:

The Society may take adequate insurance cover for the asset or enter into annual maintenance contract with the supplier.

FINANCIAL ANALYSISProject Cost and Financing

The project cost and financing sources given in **Appendix I**. Broadly the capital cost includes milking machines, BMC Unit comprising of bulk coolers, DG set, accessories such as water heater, water storage tanks etc, and lab equipment. The costs and the plant details given are indicative, and the actuals have to be arrived based on the location specific designs, estimates, and quotations.

Of the total project cost, 40% is financed by MGS, 60% from loans raised from Society members.

Economics of the Project

The assumptions of the project are given in **Appendix II**. The capacity utilisation of the 4000 LPD plant is taken as 75% in the first year, 80% in the second year, and 90% from third year onwards. Depreciation rate is taken as 10% per year, interest rate as 10%, and repayment period of loan as 8 years.

Financial Indicators

Based on the assumption on input and output parameter, a Balance Sheet (**Appendix III**), Cash Flow Statement (**Appendix IV**), and an Income Expenditure Statement (**Appendix V**) are presented. The financial indicators like Net Present Worth (NPW), Benefit Cost Ratio (BCR) Internal Rate of Return (IRR) etc analysed by discounting cash flow @15% given in Appendix E. A summary is presented in the table below:

Sl.	Financial Indicators	Estimated	Norms
1	Net Present Worth (Tk)	Tk 3.64 lakh	Positive
2	Benefit Cost Ratio	1.73	➤ 1.0
3	Internal Rate of Return	20%	➤ 15%
4	Debt service coverage ratio	3.57	➤ 1.5

Repayment Period

The repayment period has been drawn by considering net surplus available for repayment. The loan with interest is repayable within 8 years. The details are presented in **Appendix VI**.

Depreciation Schedule

Straight Line Method (SLM) method for computation of depreciation has been used in the present model. A uniform 10% depreciation rate has been used for entire project cost.

Technical Specifications of BMC

The technical specifications of a generic model of BMC are given in **Appendix VII**. The machinery should be as per Bangladesh Standard Testing institute (BSTI) standards and are presently manufactured by several companies in Bangladesh or imported from abroad.

APPROVALS AND PERMISSIONS

The unit based on its location has to obtain various approvals and permissions from statutory bodies. VMCC will require trade license from the local Union Parishad. It already has

- Tax Identification Number (TIN) – National Board of Revenue (NBR).
- VAT Registration – National Board of Revenue (NBR).

EXPECTED SOCIAL AND ENVIRONMENTAL IMPACT

Question	Yes	No
Does this project intend to use or depend on any resources of national parks and protected areas or any critical aquatic and terrestrial habitat area?		No
Is the project area in this proposal located in a high-risk zone such as landslide prone area, steep slopes, highly degraded land in hills, riverine area susceptible to annual flooding, and in areas causing large-scale soil erosion?		No
Will this project involve land clearance on slopes greater than 45 degrees?		No
Will this project affect a heritage site?		No
Will this project involve logging or causing any other major environmental harm?		No
Is this project likely to eliminate indigenous plant species of ecological significance?		No
Does this proposal involve any activity that is likely to make irreversible adverse impacts on indigenous communities, women, and other vulnerable groups?		No
Does this proposal include any activity that promotes or involves the incidence of child labour?		No
Does this proposal address Gender Based Violence and risks associate with influx of labour from outside the community?		No
Does this proposal require any families losing their farmland and assets on the land or displacement of families due to construction of infrastructure?		No
Does the proposal address any specific environmental performance in the production/processing site? If~?· which ones and how?		No

Key environmental and social constraints on this Business Proposal (describe below)

There are no adverse social and environmental impact anticipated.

EXPECTED IMPACT

- Number of beneficiaries: 400 small and marginal farmers supply milk to VMCC.
- Number of consumers: 30000 consumers per day (production 3000 LPD/ 100 mg consumed per consumer)
- Employment created:
 - Direct Full time 2 at the plant, and 10 milk collectors
 - Direct beneficiary: part time occupation for 400 dairy farmers, 90% of whom are women.
 - Indirect 4 transporter, and at processing plant
- Income Effect: 20% Income effect: more per litre of milk compared to village buyer. This translates into 3000 LPD milk procured per day at Tk 42 over 365 days = BDT 45 9 lakhs. Additional earning of Tk 25294 for each of the 400 farmers over what they received before VMCC.

BUDGET AND PROPOSED MATCHING GRANT

The total funding requirement as presented in **Appendix I** is Tk 1,885,000, 40% of which comes from matching grant. The grant would be used for purchase of partial cost of 2 BMC with DG set. Of the entire project costs, 5% is allocated to civil works, and 95% to plant, machinery and equipment. Broadly the capital cost includes milking machines, BMC Unit comprising of bulk coolers, DG set, accessories such as water heater, water storage tanks etc. and lab equipment. The costs and the plant details given are indicative, and the actual have to be arrived based on the location specific designs, estimates, and quotations.

The funding sources are

1	Matching grant (40% of project cost, or Tk 12.45 lakh, whichever is lower)	754,000	40%
2	Loan from Society members	1,131,000	60%
	Total funding	1,885,000	100%

SUPERVISION AND MONITORING ARRANGEMENTS

The Project will be supervised by the Chair of the Society, and reported to stakeholders in monthly meetings.

Activity Description	Start Date	End Date	Indicator
New jobs created	1/10/2022	30/9/2024	No. of units purchased and allotted to youth.
Income effect	-do	-do	Amount of milk collected, and paid
Training of farmers	-do	-do	No. of farmers trained in business development skills training, marketing support, and financial services (number)

APPENDIX I: VMCC PROJECT AT A GLANCE

Sl.	Component	Cost (Tk)	% allocated
1	Land	0	
2	Site development (fencing, solar lighting)	50,000	
3	Building works (flooring, electric wiring, piping)	50,000	
	Civil works	100,000	5%
4	Mobile milking machines @Tk 60000 - 10 Nos	600,000	
5	Cost of 2 Bulk Milk Cooler with DG set	1,100,000	
6	Installation and commissioning (5%)	55,000	
7	Milk testing lab equipment, scale etc	30,000	
	Plant, machinery and equipment	1,785,000	95%
	Total cost	1,885,000	100%
	Fund Sources		
1	Matching grant (40% of project cost, or Tk 12.45 lakh, whichever is lower)	754,000	40%
2	Loan from Society members	1,131,000	60%
	Total funding	1,885,000	100%

APPENDIX II: ASSUMPTIONS

Sl.	Parameter	Estimate
A	Income	
1	Installed capacity (LPD)	4000
2	Capacity Utilisation (%)	
	First year	75%
	Second year	80%
	Third year onwards	90%
3	Reduction in souring and curdling of milk as % of milk procured	1%
4	Saving of income due to reduction in souring /curding (Tk/lit of sour milk)	4
5	Reduction in spillage and pilferage in cans during transportation as % of milk procured	1%
6	Cost of raw material - Milk (Tk/lit)	42
7	Payment received from Hubs for chilling of milk (Tk/lit)	0.1
8	Saving in investment and repair of cans (Tk/lit)	0.1
9	Saving in transporation cost of milk (Tk/lit)	0.15
10	Income from hiring mobile milking machines (Tk/lit)	0.04
B	Expenditure	
1	Power and fuel consumption (Tk)	0.07
2	Repairs and maintenance (Tk)	0.02
3	Manpower - two person (Tk per month)	10000
4	Cost of building lease (Tk per month)	1500
C	Others	
1	Depreciation (%)	10%
2	Interest rate (%)	10%
3	Repayment period (years)	8

APPENDIX III: BALANCE SHEET

	YR1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8
Asset								
Current Assets								
Cash inflow	930,750	992,800	1,116,900	1,116,900	1,116,900	1,116,900	1,116,900	1,116,900
Accounts Receivable								
Prepaid Expenses								
Investments								
Total Current Assets	930,750	992,800	1,116,900	1,116,900	1,116,900	1,116,900	1,116,900	1,116,900
Property & Equipment								
Land	-	-						
Civil Works	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Plant, machinery & equipment	1,785,000	1,785,000	1,785,000	1,785,000	1,785,000	1,785,000	1,785,000	1,785,000
Less accumulated depreciation	(188,500)	(377,000)	(565,500)	(754,000)	(942,500)	(1,131,000)	(1,319,500)	(1,508,000)
Other assets								
Intangible assets								
Less accumulated amortisement								
Total Asset	2,627,250	2,500,800	2,436,400	2,247,900	2,059,400	1,870,900	1,682,400	1,493,900
LIABILITIES AND SHAREHOLDER'S EQUITY								
Current Liabilities								
Accounts Payable	-	-						
Notes payable								
Cash outflow	658,150	650,583	649,585	635,448	621,310	607,173	593,035	578,898
Depreciation (accumulated)	(188,500)	(377,000)	(565,500)	(754,000)	(942,500)	(1,131,000)	(1,319,500)	(1,508,000)
Repayment (accumulated)	141,375	282,750	424,125	565,500	706,875	848,250	989,625	1,131,000
Deferred revenue								
Total current liabilities	611,025	556,333	508,210	446,948	385,685	324,423	263,160	201,898
Long term debt	989,625	848,250	706,875	565,500	424,125	282,750	141,375	-
Total liabilities	1,600,650	1,404,583	1,215,085	1,012,448	809,810	607,173	404,535	201,898
Shareholders' equity								
Common stock - Matching grant	754,000	754,000	754,000	754,000	754,000	754,000	754,000	754,000
Net inflow	272,600	342,218	467,315	481,453	495,590	509,728	523,865	538,003
Total Liabilities and shareholders' equity	2,627,250	2,500,800	2,436,400	2,247,900	2,059,400	1,870,900	1,682,400	1,493,900
Check	-	-	-	-	-	-	-	-

APPENDIX IV: CASH FLOW STATEMENT

Sl.	Particular	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8
	Milk procurement	3,000	3,200	3,600	3,600	3,600	3,600	3,600	3,600
A	INFLOW								
1	Payment received from Milk Hub for Chilling	109,500	116,800	131,400	131,400	131,400	131,400	131,400	131,400
2	Saving due to reduction in souring and curding of milk	43,800	46,720	52,560	52,560	52,560	52,560	52,560	52,560
3	Saving due to non spillage	459,900	490,560	551,880	551,880	551,880	551,880	551,880	551,880
4	Saving in repair and replacement of cans	109,500	116,800	131,400	131,400	131,400	131,400	131,400	131,400
5	Net saving on transportation cost of milk	164,250	175,200	197,100	197,100	197,100	197,100	197,100	197,100
6	Income from milking machines	43,800	46,720	52,560	52,560	52,560	52,560	52,560	52,560
	TOTAL INFLOW	930,750	992,800	1,116,900	1,116,900	1,116,900	1,116,900	1,116,900	1,116,900
B.	OUTFLOW								
1	Electricity and fuel	76,650	81,760	91,980	91,980	91,980	91,980	91,980	91,980
2	Repair and maintenance	21,900	23,360	26,280	26,280	26,280	26,280	26,280	26,280
3	Manpower cost	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
4	Building lease	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
5	Interest	113,100	98,963	84,825	70,688	56,550	42,413	28,275	14,138
6	Depreciation	188,500	188,500	188,500	188,500	188,500	188,500	188,500	188,500
7	Repayment	141,375	141,375	141,375	141,375	141,375	141,375	141,375	141,375
	TOTAL OUTFLOW	799,525	791,958	790,960	776,823	762,685	748,548	734,410	720,273
	NET INFLOW	131,225	200,843	325,940	340,078	354,215	368,353	382,490	396,628
	CASH ACCRUALS								
	Net profit	272,600	342,218	467,315	481,453	495,590	509,728	523,865	538,003
	Depreciation	188,500	188,500	188,500	188,500	188,500	188,500	188,500	188,500
	Interest	113,100	98,963	84,825	70,688	56,550	42,413	28,275	14,138
	Total Accrual	574,200	629,680	740,640	740,640	740,640	740,640	740,640	740,640
	Less								
	Repayment	141,375	141,375	141,375	141,375	141,375	141,375	141,375	141,375
	Interest	113,100	98,963	84,825	70,688	56,550	42,413	28,275	14,138
	Repayment +Interest	254,475	240,338	226,200	212,063	197,925	183,788	169,650	155,513
	Net available	319,725	389,343	514,440	528,578	542,715	556,853	570,990	585,128
	DSCR	2.26	2.62	3.27	3.49	3.74	4.03	4.37	4.76
	ADSCR								3.57

APPENDIX V: INCOME EXPENDITURE STATEMENT

Sl.	Particular	Year							
		Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8
	Milk procurement	3,000	3,200	3,600	3,600	3,600	3,600	3,600	3,600
A	INCOME								
1	Payment received from Milk Hub for Chilling	109,500	116,800	131,400	131,400	131,400	131,400	131,400	131,400
2	Saving due to reduction in souring and curding of milk	43,800	46,720	52,560	52,560	52,560	52,560	52,560	52,560
3	Saving due to non spillage	459,900	490,560	551,880	551,880	551,880	551,880	551,880	551,880
4	Saving in repair and replacement of cans	109,500	116,800	131,400	131,400	131,400	131,400	131,400	131,400
5	Net saving on transportation cost of milk	164,250	175,200	197,100	197,100	197,100	197,100	197,100	197,100
6	Income from milking machines	43,800	46,720	52,560	52,560	52,560	52,560	52,560	52,560
	TOTAL INCOME	930,750	992,800	1,116,900	1,116,900	1,116,900	1,116,900	1,116,900	1,116,900
B.	EXPENDITURE								
1	Electricity and fuel	76,650	81,760	91,980	91,980	91,980	91,980	91,980	91,980
2	Repair and maintenance	21,900	23,360	26,280	26,280	26,280	26,280	26,280	26,280
3	Manpower cost	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
4	Building lease	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
5	Interest	113,100	98,963	84,825	70,688	56,550	42,413	28,275	14,138
6	Depreciation	188,500	188,500	188,500	188,500	188,500	188,500	188,500	188,500
	TOTAL EXPENDITURE	658,150	650,583	649,585	635,448	621,310	607,173	593,035	578,898
	NET PROFIT	272,600	342,218	467,315	481,453	495,590	509,728	523,865	538,003
	CASH PROFIT (net profit + depreciation)	461,100	530,718	655,815	669,953	684,090	698,228	712,365	726,503
	NET PROFIT BEFORE INTEREST	385,700	441,180	552,140	552,140	552,140	552,140	552,140	552,140

IRR Calculation			Net Present Worth		
	Year	Amount		0	(1,885,000)
Investment/project cost	0	(1,885,000)		1	385,700
Cash in flow	1	385,700		2	441,180
	2	441,180		3	552,140
	3	552,140		4	552,140
	4	552,140		5	552,140
	5	552,140		6	552,140
	6	552,140		7	552,140
	7	552,140		8	552,140
	8	552,140	Total		4,139,720
IRR		20%	NPV @15%		2,248,998
Rate of Interest		10.00%	Initial Outlay		(1,885,000)
			NPV Value (NPV+Initial Outlay)		363,998

APPENDIX VI: REPAYMENT SCHEDULE OF TERM LOAN in BDT

Year	Loan amount	Principal	Interest	Total outgo
1	1,131,000	141,375	113,100	254,475
2	989,625	141,375	98,963	240,338
3	848,250	141,375	84,825	226,200
4	706,875	141,375	70,688	212,063
5	565,500	141,375	56,550	197,925
6	424,125	141,375	42,413	183,788
7	282,750	141,375	28,275	169,650
8	141,375	141,375	14,138	155,513

APPENDIX VII: TECHNICAL SPECIFICATION OF BMC

Sl.	Particulars	Model
1	Tank Capacity	2000 liquid per day (LPD)
2	Basis of Design	ISO 5708
3	Types of cooling system	Direct
4	Shape of Tank	Open type, Semi-cylindrical
5	Compressor type	Hermetic
6	No. of compressors	One
7	No. of fans	Two
8	Power supply	3 phase, 415V, 50Hz
9	Connected load	6.92kw
10	Voltage stabiliser	10KVA
11	Temp range	35°C - 4°C
12	Cooling time	3 hours
13	Diesel generator	10 KVA
14	Refrigerator unit capacity	3 TR (02 number)
15	Tank Outer Body (Common)	Stainless Steel 202 Grade & 1.5 mm thickness
16	Tank Inner Body (Common)	Stainless Steel 304 Grade & 2.0 mm thickness
17	Thermal Insulation (Common)	Glass wool & thermo cool combination
18	Agitator (Common)	0.5 HP Agitator
19	Control Panel (Common)	Electrical Control Panel for Equipment
20	Temperature digital indicator	Sub-zero digital indicator
21	Facility of measure the milk volume	SS calibrated dip stick along with value table
22	Type of refrigerant	R22/R-404