



Government of Lumbini Province  
Ministry of Forests and Environment  
**Forest Directorate**

Forests for Prosperity Project, Provincial Project Management Unit  
Butwal, Rupandehi

**Request for Expressions of Interest**

(Date of Publication: 13 January 2025)

Country: Nepal  
Project: Forest for Prosperity Project  
Grant No. TF-B2796

  
**Province Forest Director**

Assignment Title: Business development Services for Forest-based Enterprises Improvement and Development Including Business Plans and Loan Proposals Preparation in Project Districts (Package-2)

Reference No.: **NP-MOTIFE-BUTWAL-467580-CS-CQS**

The Government of Nepal has received a financing from The World Bank for Forest for Prosperity Project, and it intends to apply the fund for hiring of qualified consulting firm for business development services to entrepreneurs (existing and new) for forest-based enterprise improvement and development, including business plans and loan proposals preparation in Arghakhanchi, Kapilvastu, Nawalparasi (Bardaghat Susta West), Palpa and Rupandehi districts in Lumbini province.

Forests Directorate now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. **The shortlisting criteria are:**

- core business and years in business,
- relevant experience,
- technical and managerial capability of the firm.

The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank’s “Procurement Regulations for IPF Borrowers” Fifth Edition September 2023 (“Procurement Regulations”), setting forth the World Bank’s policy on conflict of interest.

Consultants may associate with other firms to enhance their qualifications but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

**When applying as a joint venture (JV), each firm must individually meet the requirement of having a minimum of seven years of working experience in related field.**

  
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A Consultant will be selected in accordance with the Consultants Qualification-based Selection Method (CQS) set out in the Procurement Regulations.

**No firm may submit expression of Interest for both the packages. Each firm can only be awarded one contract.**

Further information and details of this notice and ToR can be obtained at the address below during office hours or may visit our official website: <https://pfdir.lumbini.gov.np/>

Expressions of interest must be delivered in written form (in person or by e-mail) to the address below no later than 14.00 hrs on 27 January 2025.

In case last date of submission of EoI happens to be holiday, the next working day will be deemed as the due date at the same time.

**Contact address:**

Forest Directorate

Forests for Prosperity Project, Provincial Project Management Unit


Butwal, Rupandehi

Email: [forestdirectorate5@gmail.com](mailto:forestdirectorate5@gmail.com)

Website: [pfdir.lumbini.gov.np](https://pfdir.lumbini.gov.np)

Telephone: +977-71- 572968

## General Guidelines for EoI

  
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**Cover letter:** Letter expressing interest in providing the required consulting services and Self declaring that the firm is not blacklisted or debarred by Government of Nepal and the World Bank.

**Firm's Profile with Core business:** Name, Address, primary areas of specialization or focus of the firm years of Establishment and business, Legal documents and contact details etc.

**Experience of the Firm:** Information about experience with highlighting relevant assignments.

**Technical Capability of the Firm:** Information about the availability of the Key personnel and their expertise, Description of resources etc.

**Managerial Capability of the Firm:** Include firm's ability to effectively manage the assignment, resources and achieve the desired outcomes, Organizational structure, annual turnover etc.



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## TERMS OF REFERENCE FOR

# **BUSINESS DEVELOPMENT SERVICES FOR FOREST-BASED ENTERPRISES IMPROVEMENT AND DEVELOPMENT INCLUDING BUSINESS PLANS AND LOAN PROPOSALS PREPARATION IN PROJECT DISTRICTS (PACKAGE 2)**

(Contract ID: NP-MOTIFE-BUTWAL-467580-CS-CQS)

### **1. Introduction**

Government statistics show that a large amount of wood products is imported every year from abroad. Besides, the government report states forest and other woodland together cover 6.61 million ha, representing a forest cover of 44.74% of the total area of the country. It is reported that although Nepal is richly endowed with forest resources, the forest sector productivity is low and the country imports wood products. Officially reported harvests of round wood average about 60,000 m<sup>3</sup>/year. Moreover, a study has estimated that 900,000 m<sup>3</sup> of timber could be sustainably harvested annually, generating employment opportunities for 4.8 million people in the country. After decades of effective protection, a significant area of forest under a community-based forest management regime now has the potential for the sustainable production of timber and non-timber forest products to meet rural livelihood needs, sustain local forest-based enterprises and jobs, and substitute imports. The government's forest sector strategy and policy have the goal of increasing forests' contribution to national prosperity and climate change mitigation.

### **Nepal Forests for Prosperity Project**

Forests for Prosperity Project (FPP) is a four-year project effective from July 16, 2021, being implemented jointly by three-tier governing structures, the Federal Ministry of Forests and Environment (MoFE), the Provincial Ministry of Forests and Environment of Lumbini Province Government, the Provincial Ministry of Forests and Environment of Madhesh Province Government and Office of Municipal Executive of fifty Local Governments consistent with their mandates under the federal Constitution in eighteen districts of Lumbini and Madhesh Provinces of Nepal with financial support from the World Bank.

The objective of the project is to improve sustainable forest management, increase benefits from forests and contribute to net greenhouse gas emission reduction in selected municipalities in Lumbini and Madhesh Provinces of Nepal. The Project has four components: 1) policy and capacity building support for new government structures and processes for sustainable forest management, 2) community-based sustainable forest management and smallholder forest plantations, 3) forest enterprise improvement and

development and 4) project management, monitoring and learning. The Federal MoFE leads project implementation and is responsible for the overall management and coordination of the project.

The FPP Project Appraisal Document states the enabling and regulatory environment and access to finance for forest-based enterprises has yet to be favorable. Moreover, lack of financial literacy, entrepreneurial skills, business planning and marketing are other major concerns regarding forest-based enterprise development. FPP intends to impart support to increase the forest area under sustainable community-based productive management and under private plantations, resulting in greater supplies of wood and non-wood forest products. Moreover, investments in forest-based enterprises to stimulate to utilize these products and generate paid employment, by removing regulatory constraints and by providing technical assistance and access to credit and capacity building of the different institutions operating in the forest sector.

The forest-based enterprise improvement and development component intends to support the forest product-based private sector by improving the enabling conditions and providing access to finance. It has two sub-components: a) enabling the environment for the forest-based private sector and b) design and piloting a viable credit line for forest-based enterprises (micro, small and medium) improvement and development. Agricultural Development Bank Limited (ADBL) supports the implementation of the private sector component, and manages the credit line for forest-based enterprises improvement and development in the targeted provinces. Moreover, the list of eligible forest-based enterprises for the FPP loan facility is mentioned in the Annex of the Component Implementation Manual (CIM).

With this background, FPP Provincial Project Management Unit, Butwal intends to engage a firm to provide business development services for forest-based enterprises (micro, small and medium) improvement and development, including business plans and loan proposals preparation in Arghakhanchi, Kapilvastu, Nawalparasi (Bardaghat Susta West), Palpa, Gulmi and Rupandehi districts in Lumbini Province. Additionally, the firm will serve as a bridge between forest-based enterprises and ADBL for financing opportunities, including the promotion of the FPP loan facility provided by ADBL.

## **2. Objective of Assignment**

The main objective of this assignment is to provide business development services to entrepreneurs (existing and new) for forest-based enterprise improvement and development, including preparation of the business plans and loan proposals in Arghakhanchi, Kapilvastu, Nawalparasi (Bardaghat Susta West), Palpa, Gulmi and Rupandehi districts in Lumbini Province.

The specific objectives of the assignment include:

### **A) Forest-Based Enterprise Development (New)**

- To identify and assess potential forest-based entrepreneurs (FBEs) in an inclusive manner in Arghakhanchi, Kapilvastu, Nawalparasi (Bardaghat Susta West), Palpa, Gulmi and Rupandehi districts;
- To improve the entrepreneurship skills and knowledge of potential entrepreneurs;
- To enhance the skills and knowledge of entrepreneurs in business planning, marketing and customer services, environmental and social risk management and occupational and health safety;
- To impart support service to entrepreneurs for business plan preparation;

- To support entrepreneurs for forest-based enterprise/ business/ industry registration;
- To provide loan application support to facilitate access to credit through ADBL as per Credit Manual of ADBL and Guidelines directed by Nepal Rastra Bank.

### **B) Forest-Based Enterprise Improvement (Existing)**

- To identify existing FBEs in an inclusive manner in Arghakhanchi, Kapilvastu, Nawalparasi (Bardaghat Susta West), Palpa and Rupandehi districts;
- To enhance the skills and knowledge of entrepreneurs in business planning, marketing and customer services, environmental and social risk management and occupational and health safety;
- To impart support service to entrepreneurs for business plan preparation;
- To assist existing FBEs for enhanced business plan preparation including environmental and social screening;
- To provide loan application support to facilitate access to credit through ADBL as per Credit Manual of ADBL and Guidelines directed by Nepal Rastra Bank.

### **3. Scope of Assignment**

The scope of business development service assignment are as follows;

#### **Forest-Based Enterprise Development (New)**

- Identify and assess potential FBEs in targeted districts in an inclusive manner;
- Design and deliver trainings on entrepreneurship skills enhancement;
- Guide and support entrepreneurs for business/enterprise registration at concerned authority;
- Design and deliver trainings on a) business planning skills enhancement, b) marketing and consumer service, and c) environmental and social risk management and occupational and health safety;
- Promotion of the FPP Loan Facility
  - Promote the FPP loan product provided by ADBL to forest-based enterprises as per the list of eligible forest-based enterprises provided in the Component Implementation Manual, highlighting the benefits and specific loan terms applicable to these enterprises;
- Loan application facilitation
  - Provide direct support to FBEs in preparing loan application files as per ADBL's loan procedures for FPP loans (following Credit Manual of ADBL and Guidelines directed by Nepal Rastra Bank). This includes, but not limited to, a full set of documents with prescribed format duly filled with required information including loan application form, personal identification document, organization details, collateral related documents, income related documents, credit, assets and liability related documents, business plan, financial analysis and projections and others;
  - Facilitate linkages between forest-based enterprises and ADBL to ensure a smooth loan application process and provide necessary advice to the enterprises throughout the application process
  - Act as an intermediary between ADBL and the enterprises, guiding them through the eligibility requirements, loan terms and ensure a smooth transition from loan application to disbursement
- Environmental and Social Risk Management (ESRM):

- Ensure that forest-based enterprises are aware of and comply with the Environmental and Social Risk Management (ESRM) guidelines as outlined in the approved ESRM manual for the project;
- Support entrepreneurs for environmental and social screening of proposed enterprise as per the ESRM Manual of FPP;
- Conduct capacity-building sessions on Occupational and Health safety for the employees and owners of the forest-based SMEs.

### **Forest-Based Enterprise Improvement (Existing)**

- Identify and assess existing FBEs in targeted districts;
- Design and deliver orientation to existing entrepreneurs on a) business planning skills enhancement, b) marketing and consumer service;
- Review existing business plan;
- Facilitate to examine the business external and internal environment;
- Support to assess market dynamics, products and services, industry operations, marketing and sales dynamics and financial forecasts;
- Promotion of the FPP Loan Facility
  - Promote the FPP loan product provided by ADBL to forest-based enterprises as per the list of eligible forest-based enterprises provided in the Component Implementation Manual, highlighting the benefits and specific loan terms applicable to these enterprises;
- Loan application facilitation
  - Provide direct support to FBEs in preparing loan application files as per ADBL's loan procedures for FPP loans (following Credit Manual of ADBL and Guidelines directed by Nepal Rastra Bank). This includes, but not limited to, a full set of documents with prescribed format duly filled with required information including loan application form, personal identification document, organization details, collateral related documents, income related documents, credit, assets and liability related documents, business plan, financial analysis and projections and others;
  - Facilitate linkages between forest-based enterprises and ADBL to ensure a smooth loan application process and provide necessary advice to the enterprises throughout the application process;
  - Act as an intermediary between ADBL and the enterprises, guiding them through the eligibility requirements, loan terms and ensure a smooth transition from loan application to disbursement.
- Environmental and Social Risk Management (ESRM):
  - Ensure that forest-based SMEs are aware of and comply with the Environmental and Social Risk Management (ESRM) guidelines as outlined in the approved ESRM manual for the project;
  - Support entrepreneurs for environmental and social screening of proposed enterprise as per the ESRM Manual of FPP;
  - Conduct capacity-building sessions on Occupational and Health safety for the employees and owners of the forest-based enterprise.

#### 4. Expected Outputs

The expected outputs of this assignment are as follows:

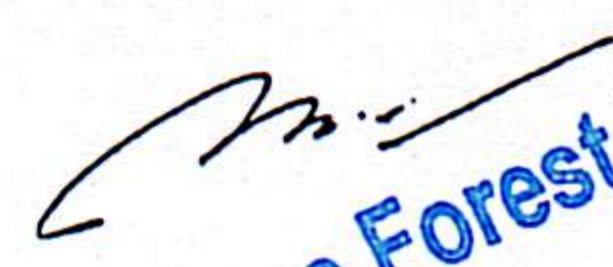
- Identified 140 potential new FBEs in targeted districts in Lumbini province;
- Identified 25 existing FBEs in targeted districts in Lumbini province;
- Trained 120 potential FBEs on entrepreneurship skills;
- Registered business/enterprise of 60 forest-based enterprises at concerned authority;
- Trained 70 forest-based entrepreneurs on business planning, marketing and customer services, environmental and social risk management, and occupational and health safety;
- Submitted 35 bankable business loan proposals including all the required loan application documents to ADBL for loan facility;

#### 5. Methodology

The service provider will propose a detailed methodology, but not limited to, based on the following outline:

- Public notification: Dissemination of notice regarding invitation of applications from the interested existing and new entrepreneurs seeking support for capacity enhancement, business planning, business/enterprise registration and loan proposal preparation through different communication means, including notice dissemination to Division Forest Offices, District Cottage and Small Industry Offices, ADBL Branch Offices, Municipalities and other in targeted districts for displaying notice on the notice boards;
- Application prioritization: Collection and compilation of submitted applications from interested existing and potential entrepreneurs. Prioritizing applications from interested existing and potential entrepreneurs adopting first come first served approach;
- Conduct orientation: Conduct meeting (adopting virtual and/or personal means) to impart orientation to existing and potential entrepreneurs on the project's forest enterprise development approach, including ADBL project specific forest-based enterprises loan product considering prioritization list;
- Conduct meeting: Conduct meeting (adopting virtual and/or personal means) with ADBL (Head Office, Respective Province Office) to impart orientation to potential entrepreneurs on loan products, required documents and information for loan facility and b) to discuss collateral related documents and information and process for collateral valuation;
- Conduct training: Conduct entrepreneurship skills enhancement trainings to potential forest-based entrepreneurs;
- Conduct coaching: Coach potential forest-based entrepreneurs for business/enterprise registration at concerned authority;
- Conduct trainings: Conduct business planning skills enhancement, marketing and customer service, environmental and social risk management and occupational and health safety trainings to forest-based entrepreneurs;
- Coach and assist: Coach and assist to new forest-based entrepreneurs for all the required loan application documents including business plan preparation and financial analysis and projections;



  
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- Conduct interaction: Conduct interaction to gather information on external and internal environment including strengths, weaknesses, opportunity and threats of a business and ways to overcome the shortcomings;
- Conduct interview: Conduct interviews to collect and collate information on market dynamics, products and services, industry operations, marketing and sales dynamics, organizational structure and team and financial forecasts
- Conduct interview: Conduct interview with FBEs to define goals and objectives, a roadmap to achieve;
- Coach and support FBEs for all the required loan application documents including business loan proposals preparation and financial analysis and projections and submission to ADBL (following Credit Manual of ADBL and Guidelines directed by Nepal Rastra Bank).

## 6. Deliverables

The assignment is expected to produce the following deliverables.

- a) Inception Report with a clear methodology and work plan to undertake the assignment;
- b) First Milestone Report with detailed information on a) identified 140 potential FBEs and 25 existing FBEs in targeted districts in Lumbini province, b) trained 120 potential FBEs on entrepreneurship skills, c) accomplished business registration of 36 forest-based enterprises at concerned authority and d) submitted 7 bankable business loan proposals of existing forest-based enterprises including all the required loan application documents to ADBL for loan facility;
- c) Second Milestone Report with detailed information on a) trained 70 FBEs on business planning skills, marketing and customer services, environmental and social risk management and occupational and health safety, b) business/ enterprise registration of 24 forest-based enterprises (micro, small, and medium) at concerned authority and submitted 13 bankable business loan proposals of existing forest-based enterprises including all the required loan application documents to ADBL for loan facility;
- d) Third Milestone Report with detailed information on 15 business loan proposal of forest-based enterprises submitted to ADBL for loan facility;
- e) Final Report (digital & hardcopy) including recommendation, summary of enterprises promoted, training being facilitated and number of SMEs accessing FPP loans incorporating comments and feedbacks;

## 7. Deliverables and Duration of Assignment

The deliverables of this assignment and schedule for submission of each deliverable have illustrated below table.

No	Deliverable	Schedule for submission
1	Inception Report	7 calendar days after signing contract
2	First Milestone Report	45 calendar days after submission of Inception Report
3	Second Milestone Report	30 calendar days after submission of First Milestone Report
4	Third Milestone Report	20 calendar days after submission of Second Milestone Report
5	Final Report	7 calendar days after submission of Third Milestone Report

### 8. Institutional Arrangement/ Reporting Mechanism

The service provider/firm will work under the general guidance and supervision of Province Forest Director/ Provincial Project Coordinator. However, the service provider/firm will work in close coordination and collaboration with Provincial Project Management Unit team. At the District level, service provider/firm will undertake the assignment in close coordination and consultation with the Division Forest Offices, Municipalities/ Rural Municipalities, Agricultural Development Bank Limited (Respective Province Offices and concerned Branch Offices), Sub-Division Forest Offices, potential forest-based entrepreneurs and others.

### 9. Payment and Authority

The service provider/firm will indicate the cost of services for each deliverable under this assignment. The organization will be paid only after the authorized person confirms the successful completion of deliverables as outlined below. The service provider/firm shall receive payment upon certification of the completed tasks satisfactorily with associated documents, as per the following payment schedule:

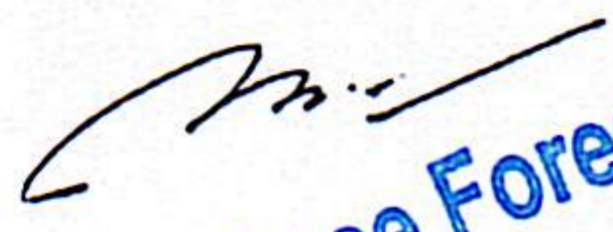
Payment Period	Deliverable	Percentage of Payment
First Instalment	Inception Report	10 %
Second Instalment	First Milestone Report	20%
Third Instalment	Second Milestone Report	20%
Fourth Instalment	Third Milestone Report	30%
Fifth Instalment	Final Report	20%

### 10. Qualification of the Firm and Human Resource Expertise

The firm(s) registered with company or firm registration and renewal, and registered in VAT system are eligible to apply. The firms/company should have tax clearance of the last fiscal year. In case of JV, all the partners/firms should have firm registration and renewal, VAT registration, and tax clearance. The firm/firms should have minimum seven years of work experience in related field. In case of JV, all the partners/firms should have minimum experience required for all the members. The firm/company must meet the following criteria:

- Proven experience in providing Business Development Services (BDS) to small and medium enterprises (SMEs), preferably in the agricultural or forestry sectors
- A team of qualified experts with a strong background in forestry sector, business/enterprise development and financial management as illustrated below

S.N.	Key Expert	Minimum Qualification and Experience Required
1	Enterprise Development Expert cum Team Leader	Master's Degree in Business Administration / Business Studies / Commerce and have 5 years or more experience in relevant field.
2	Access to Finance Expert	Master's Degree in Business Administration / Business Studies/ Commerce or related field or Qualified Chartered Accountant and have 5 years or more experience in preparing business proposals, financial projections and other necessary documents for accessing credit from commercial banks.

  
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3	Environment Officer/Natural Resource Management Officer	Master's Degree or above in Forestry/ Environment Science/ Environment Engineering / Environment Management and have five year or more experience in relevant field.
	Non-key expert	
4	Enterprise Development Facilitator	Diploma course in Enterprise Development Facilitator from CTEVT / Enterprise Development Facilitator skill test Level 2 or Level 3 certificate from CTEVT and have one year or more experience in relevant field.

Note: Non-key expert will not be considered for evaluation.

### 11. Selection Process and Criteria

Selection process of the qualified firm/s will start from advertising for “Expression of Interest (EoI)”. Method of selection will be Consultant Quality Selection (CQS). The top ranked firm based on the evaluation of the submitted EoIs will be requested to submit the full proposal following The World Bank Procurement Regulations for IPF Borrowers, fifth edition September 2023.

### 12. Work Schedule

The assignment is expected to commence from the last week of February 2025 and should be completed by June 2025.