

**REQUEST FOR EXPRESSION OF INTEREST
(CONSULTING SERVICES – SELECTION OF COMPANIES)**

UKRAINE

Ministry for Reintegration of the Temporarily Occupied Territories of Ukraine
Eastern Ukraine: Reconnect, Recover, Revitalize (3R) Project
World Bank Loan No. 9175–UA

Assignment name: Substantiation of creation and activity of Agri-Hub and development of terms of reference for carrying out competitive selection for development of design and estimate documentation of objects of Agri-Hub (the following stages of designing: FS, TEC, SP, P, WP, W according to BC A.2.2-3-2014).

Assignment number (insert reference number as per procurement plan): CQS – 2.1.1.
Contract № 3R-MRTOT-CS-01

Ukraine and the International Bank for Reconstruction and Development (the World Bank) have signed the Loan Agreement 9175–UA in the amount of US \$100 million for the Eastern Ukraine: Reconnect, Recover, Revitalize (3R) Project (the Project).

Consulting services (hereinafter Services) shall include, but not be limited to:

(i) prepare a justification that will form the basis for decisions on the design, construction and operation of an Agri-Hub to be built in or near Starobilsk City and funded by 3R Project and (ii) to provide support and advice to the MRTOT on preparation and development terms of reference to be used by the MRTOT for the procurement of services of the business entity for competitive selection for the development of design and estimate documentation of Agri-Hub objects (the following design stages: FS, TEC, SP, P, WP, W according to BC A.2.2 -3-2014) for the new construction of the proposed agro-hub according to the stages of design, which is provided for such real estate (Terms of reference attached).

Approximate services provision term is 2 (two) months following the Contract Signing date.

Ministry for Reintegration of the Temporarily Occupied Territories of Ukraine 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:

Consultant’s qualification must be compliant with the following minimum requirements:

- Experience in preparing justifications for investments in agriculture - at least 1 implemented justification (list of deliverables for the last 5 years should be provided). Experience of implementing more than 1 justification would be rated more highly during evaluation;
- Experience in the World Bank projects, other multilateral or international development agencies is desirable;
- Experience of contract work in Eastern Ukraine, in particular in Luhansk oblast, will be considered as an advantage;
- Experience of qualified key personnel (other personnel may be engaged in the assignment beyond the key personnel):

- **Key expert 1. Head of the expert group - overall management**
 - Masters' degree in a relevant science (agriculture, project management or economy);
 - At least 10 years of experience in conducting agri / food business analysis and / or performing similar tasks;
 - At least 7 years of experience in drafting of analytic report/papers;
 - Project managements experience;
 - Working level in spoken and written Ukrainian and English.

- **Key expert 2. Agricultural sector development expert**
 - Masters' degree in a relevant science (agriculture or economy);
 - At least 7 years of experience in agriculture/food business;
 - At least 5 years of experience in drafting of analytic report/papers;
 - Working level in spoken and written Ukrainian and English.

- **Key expert 3. Agricultural economy expert**
 - Masters' degree in a relevant science (agriculture or economy);
 - Experience in agriculture / of the economy and experience in performing similar tasks for at least 7 years;
 - At least 5 years of experience in drafting of analytic report/papers;
 - Working level in spoken and written Ukrainian and English.

- **Key expert 4. Construction and/or Engineering expert**
 - higher education (in the field of construction, engineering, architecture, design or other specialized education) to provide a copy of the diploma;
 - confirmed experience in the construction industry for at least 7 years (provide a copy of the employment history, employment contracts);
 - not less than five (5) years of confirmed work experience in the specialty in the field of design and engineering (provide a copy of the employment history, employment contracts);
 - knowledge of Ukrainian laws and regulations, building codes in the field of construction and design;
 - Working level in spoken and written Ukrainian and English including knowledge of technical terminology;

- **Key expert 5. Expert on social and environmental protection**
 - Master's degree in ecology and environment and / or social sciences;
 - At least 5 years of experience in environmental management and / or social impact (including gender policy, citizen involvement / beneficiary feedback);
 - Experience working with environmental management and / or social participation in infrastructure projects funded by international financial and donor organizations is an advantage;
 - Experience in preparing environmental impact assessment documents (EIAs) in construction projects is an advantage;
 - Working level in spoken and written Ukrainian and English, including knowledge of technical, environmental and social terminology related to the Project;

A consultant will be selected under CQS (Selection Based on Consultant Qualifications) selection method as set out in the World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017, August 2018 and November 2020 (Procurement Regulations).

The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the 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.

Additional information can be obtained during business hours from the address below from 10:00 to 17:00 local time.

Please, send your expression of interest in writing to the address below (per mail, e-mail or delivered personally) before 16:00 local time till **February 15, 2022**.

Ministry for Reintegration of the Temporarily Occupied Territories of Ukraine
room 315, Chokolivsky Boulevard, 13, Kyiv, 03186, Ukraine.

Contact person: **Roman Voloskovets**

Tel./ +38 (068) 115-50-89

E-mail: bukhtiyarovams@minre.gov.ua; copy: voloskovets@minre.gov.ua,
vrv07@ukr.net.

Please, indicate the subject: « CQS – 2.1.1 – expression of interest».

**State Secretary of the Ministry
for Reintegration of the Temporarily
Occupied Territories of Ukraine**

K. VASHCHENKO

TERMS OF REFERENCE

for Consulting Services (Consulting company)

«Substantiation of creation and activity of Agri-Hub and development of terms of reference for carrying out competitive selection for development of design and estimate-documentation of objects of Agri-Hub (the following stages of designing: FS, TEC, SP, P, WP, W according to BC A.2.2-3-2014)»

(Contract No. 3R-MRTOT-CS-01)

(Procurement code No. 2.1.1)

Country: Ukraine

Project: Eastern Ukraine: Reconnect, Recover, Revitalize (3R) Project

Sectors: social development, transport and agricultural

World Bank Loan No. 9175–UA

Project ID No.: P172348

The following terms of reference outline the approach and scope for the preparation of a feasibility study for development of an Agricultural logistics and service hub in or around Starobilsk City, Luhansk oblast and development of the terms of reference for carrying out competitive selection for development of design and estimate documentation of the corresponding objects. This contract will be financed by the IBRD funds (World Bank).

I. BACKGROUND AND RATIONALE:

1. The conflict in Eastern Ukraine continues to impact the lives and livelihoods of millions of Ukrainians. Since the outbreak of conflict in Eastern Ukraine in 2014, over 13,200 people have been killed and 2.7 million persons displaced. The outbreak of conflict in 2014 severely impacted socio-economic activity in Ukraine’s eastern industrial heartland—pre-conflict the Donetsk and Luhansk regions accounted for almost one-quarter of Ukraine’s industrial activity and an equal share of its exports. Over five million eastern Ukrainians have been affected by the conflict, including damage to infrastructure, interruption of services, restrictions of movement, loss of employment and psychosocial impacts.¹ While humanitarian impacts continue to be felt, particularly in NGCAs and along the Contact Line, seven years into the conflict there are increasing calls for mid- to longer-term development interventions to promote economic revitalization and integration of the region as part of Ukraine’s broader efforts toward growth and reform.

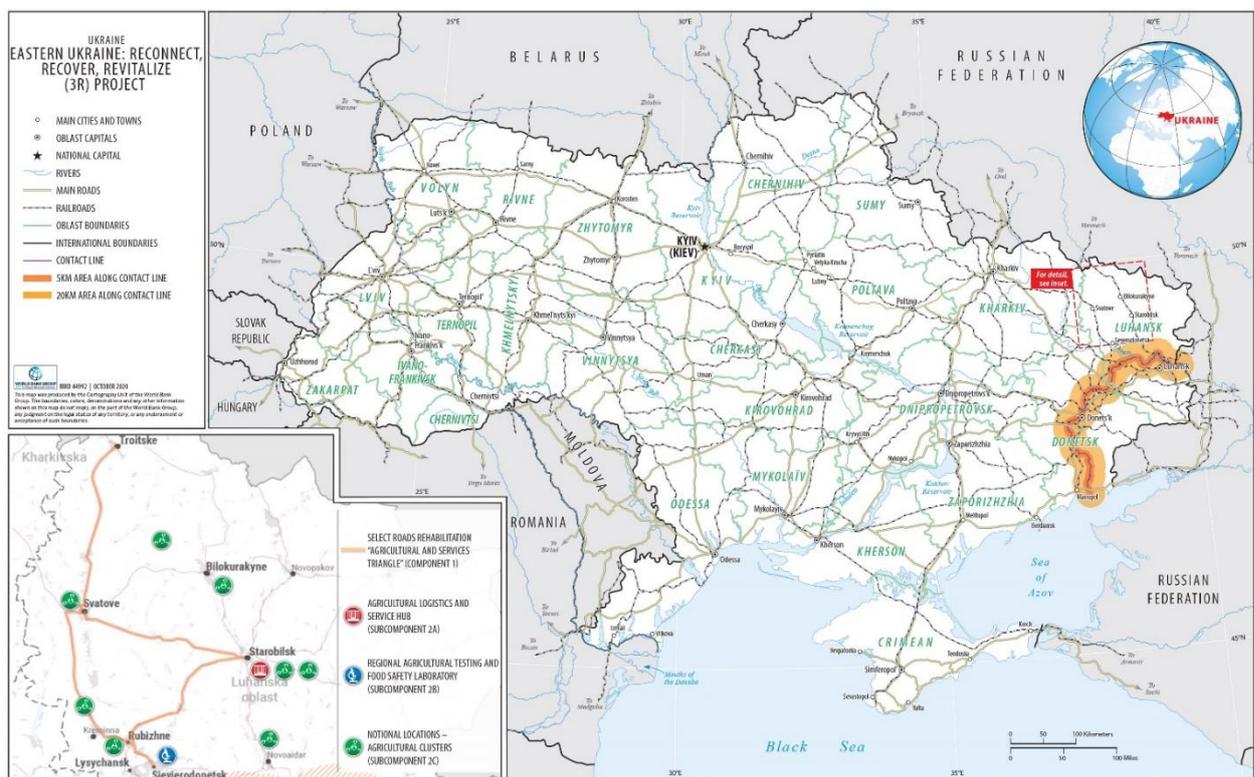
2. In response to a request from the Government of Ukraine (GoU) the World Bank has provided US\$100 million to finance the *Eastern Ukraine: Reconnect, Recover, Revitalize (3R) Project*. Luhansk Oblast GCAs are the geographic focus of the project given the region’s acute lack of connectivity and economic opportunity compared to other areas of Eastern Ukraine, and to promote economic recovery of the region through a focus on agricultural development in line with the World Bank’s broader support for Ukraine’s land and agricultural reform agenda.

¹ European Union, United Nations and World Bank, 2015, *Recovery and Peacebuilding Assessment for Eastern Ukraine*. World Bank 2017, *Ukraine: Socio-Economic Impacts of Internal Displacement and Veteran Return*.

3. The objective of the 3R Project is to improve transport connectivity and promote agricultural sector recovery in project areas with the active engagement of conflict-affected communities. The project seeks to reinforce national commitment to recovery and development of Eastern Ukraine and highlights the benefits of socio-economic connectivity in support of a future settlement. The 3R Project has four components: 1) RECONNECT - Roads investments to link rural communities to processing, markets, and services; 2) RECOVER - Agriculture investments to support sector recovery and modernization; 3) REVITALIZE: Implementation support, community engagement and communications; and 4) Contingent emergency response component. The project became legally effective in March 2021 and will be under implementation for a 5-year period.

4. The Project is focusing on the so called “agricultural and services triangle”(see map 1) which includes Starobilsk, as the agricultural center of Luhansk GCA and intersection of agrarian producers from north and south Luhansk Oblast as well as home to the largest grain storage center in Luhansk GCAs; Svatove which serves as a railway hub for agricultural goods and a gateway to markets in the rest of Ukraine and for export; and Severodonetsk and surrounding population centers as the service hub and defacto capital of Luhansk GCA, with the potential for agro-industrial growth, and where the majority of IDPs in Luhansk GCAs (274,000) are registered. Agriculture sector development considered to be extended to the northern rayon such as Troitskiy, Bilokurakinskiy as the key agricultural area in northern Luhansk Oblast GCAs.

Map 1: Project sites



5. For the implementation of Component 2 of the 3R Project, “Recover,” the World Bank team and GoU has identified agricultural areas of Luhansk GCAs as a potential target area for investment due to: 1) the relative lack of connectivity and isolation of Luhansk oblast; 2) disruptions of markets and service networks in the region due to conflict with significant socio-economic impacts; 3) the linkages of the opening of Ukraine’s land market/land reform (also supported by the WB) and agricultural potential of the area; and 4) more limited investment by

other international partners in medium-size socio-economic infrastructure in the area compared to Donetsk GCAs. Component 2 has three subcomponents:

- a. **Agricultural logistics and service hub (agri-hub):** The agri-hub will be built in or around Starobilsk City, a key agricultural center of the Luhansk Oblast GCAs and a key link in the agricultural and services triangle;
- b. **Regional agricultural testing and food safety laboratory.** The laboratory will establish a regional agricultural testing and food safety laboratory in the Luhansk Oblast GCAs. The regional facility will fill a critical gap following the loss of the agricultural product testing;
- c. **Agriculture Cluster Development:** The 3R project will support rural development in the Luhansk Oblast GCAs through piloting productive smallholder farming and value chain development in order to increase the income of small and household-level producers through a small number of innovative community-based agricultural development clusters.

II. OBJECTIVE OF THE ASSIGNMENT

The objective of the task is to (i) prepare a justification that will form the basis for decisions on the design, construction and operation of an Agri-Hub to be built in or near Starobilsk City and funded by 3R Project and (ii) to provide support and advice to the MRTOT on preparation and development terms of reference to be used by the MRTOT for the procurement of services of the business entity for competitive selection for the development of design and estimate documentation of Agri-Hub objects (the following design stages: FS, TEC, SP, P, WP, W according to BC A.2.2 -3-2014) for the new construction of the proposed agro-hub according to the stages of design, which is provided for such real estate.

The consulting firm will provide services under the supervision of the Ministry for Reintegration and Temporarily Occupied Territories of Ukraine (MRTOT) as the implementing agency for the 3R Project and in close collaboration with the World Bank as well as Ministry of Agricultural Policy and Food (MAPF), Luhansk Regional State Administration and Starobilsk city territorial community of Luhansk Region.

III. SCOPE OF THE STUDY

This feasibility study will focus primarily on understanding the production and economic structure of the current including, but not limited to domestic fresh produce/meat/dairy/ cereals and oilseeds supply chains and wholesale markets operations across the government-controlled territory of the Luhansk region and development of terms of reference for carrying out competitive selection for development of design and estimate documentation of objects of Agri-Hub (the following stages of designing: FS, TEC, SP, P, WP, W according to BC A.2.2-3-2014). The other initial elements that the study would focus on relate to the following:

- Gaps and limitations of the current domestic food supply chain system and current food-supply logistics;
- Current food transport and logistics systems and attributable costs;
- Size/capacity and cost of the proposed agri-business hub;
- Sites and/or locations and basic appraisal criteria;
- Revenue and cost of the agri-business hub and suggested sources of capital;
- Operational characteristics of the agri-business hub facilities (ex. cold storage, packing houses, washing, grading, palletizing, business meeting spaces an office building for administration and business development support; an innovative online trading platform to link producers and traders; and required ancillary infrastructure, including the

rehabilitation and upgrading of the local access road, connections to electricity, water and waste water, alternative energy sources, fire safety measures, and communication etc.) and services (ex. price and market information platforms, advisory services, veterinary services, food safety certification, an agricultural services support area to attract and house a wide range of private service providers, such as for machinery repair, agricultural inputs, technical or advisory services, and technology demonstrations etc.);

- Assessment of compliance with current legislation and requirements for new legislation/regulations;
- The development context in terms of the Starobilsk city/Starobilsk city territorial community plans and integration with sustainability/livability considerations;
- Project risk assessment (including elite capture risks) and hub development phasing options;
- Preliminary assessment of costs and financial operation models, assessment of optimal management and operational arrangements, including based on consultation with target small- and mid-sized agricultural producers in the region on their needs and preferences, and the potential of a cooperative management model;
- Investor/Operator Business Model;
- Business plan of commercial activity of Agri-Hub;
- Marketing plan of the Agri-Hub;
- Preliminary drawings and maps²;
- Future Strategies for agri-business that would integrate expanded fresh food product (meat, fish and seafood, dairy, poultry, and flowers), rail and trans-shipment facilities, renewable energy developments, added-value business (warehousing, processing);
- Job creation potential and other socio-economic externalities;
- Preparation of a terms of reference that the MRTOT can use to purchase the services of an economic entity for competitive selection for the development of design and estimate documentation of Agri-Hub objects (the following design stages: FS, TEC, SP, P, WP, W according to BC A .2.2-3-2014).

LOCATION: The study would focus on identifying options for the location of the agri-business hub for the following criteria:

- Consolidation and/or assembly points within the government-controlled region of Luhansk for including, but not limited to fruit and vegetable/meat/dairy production, distribution, and sales. In the form of existing wholesale and retail market locations, courier and transport company locations, routes/destinations when transporting food product, and population and consumption levels within the region and outside;
- Availability of suitable sites that meet key benchmark criteria for produce wholesale market development and food supply chain logistics efficiency (ex. access to labor and access to utilities);
- Integration with city/territorial community -wide development plans and added-value business investment;
- Sustainable choice of place that based on the environmental and social screening, applying the approaches identified in 3R project documents applying the World Bank's Environment and Social Framework.

SIZE/CAPACITY OF FACILITY: The feasibility study will assess the size of the proposed agri-business hub based on the following data analysis and elements:

² Detailed technical and architectural designs with costing and bill of quantities are not subject to this assignment.

- Production / logistics facilities and flows of including, but not limited to grain and oilseeds, for the needs of fruits, vegetables, meat, dairy products;
- Existing points of consolidation;
- Population and consumption trends on the region's and adjacent markets;
- Approximate indicators of capacity and storage size of the granary, approximate capacity of the grain dryer, etc.;
- Approximations of throughput capacity and size (area) based on a standard euro pallet size (600kg) and a warehouse rotation/turnover of pallet places; approximation of circulation area; approximation of total site area in hectares;
- Supply chain input systems based on the number of farmers bringing produce to the facility;
- Supply chain input systems based on the number of farmers acting as agents for other farmers and bringing a consolidated load to the facility;
- The number of buyers and/or customers visiting the facility to purchase and/or collect produce for retail or food service outlets;
- The supply chain input and output system for larger wholesalers and importers/exporters.

SUSTAINABILITY: The feasibility study will focus on the environmental impact of the waste produced by the facility allowing the following elements:

- Volume of additional organic waste;
- Volume of additional inorganic waste;
- Impact of industrial waste on the local waste management system (landfill);
- Reuse of industrial waste (for example, use of industrial waste as biomass for the production of electricity and / or heat);
- Efficient water use and wastewater treatment during production;;
- Sustainability of constructed structures;
- Use of renewable energy (ex. photovoltaic, anaerobic digestion, etc.) to reduce energy requirements.

IV. ACTIVITIES

4.1. The following activities would be undertaken in preparation of the feasibility study:

- Prepare work plan and timeline for approval by the MRTOT;
- Conduct meetings with key government stakeholders to understand their needs and expectations, including but not limited to MRTOT, MAPF and Luhansk Regional State Administration and Starobilsk city territorial community of Luhansk Region;
- Conduct focus-group discussions with small and medium-sized farmers in the likely coverage area around Starobilsk city/territorial community;
- Visit 2-3 sites for possible Agri-hub locations to assess the various considerations for site selection;
- Submit the draft feasibility study to the MRTOT and key government stakeholders for review and feedback;
- Present draft feasibility study to the MRTOT and key government stakeholders;
- Present the final study to MRTOT and key government stakeholders;
- Submit the final feasibility study.

4.2. During the development of the terms of reference, which will be used by the MRTOT for the procuring of services of the business entity for competitive selection for the development of design estimates of agro-hubs (the following stages of design: FS, TEC, SP, P, WP, W according to BC A.2.2-3-2014) the following measures will be taken:

- Formation and development of the draft of the terms of reference according to the accepted substantiation of creation and activity of an Agri-hub taking into account consultations, comments and requirements of the MRTOT and the World Bank in Ukrainian and English. The outline of the terms of reference to be developed should be considered and acceptable to the MRTOT and the World Bank.
- Sending the draft terms of reference for consideration and approval to the MRTOT and the World Bank in English and Ukrainian.
- Finalization of the terms of reference based on the comments of the World Bank and the MRTOT, inclusion in the developed terms of reference, if necessary, changes and additions and sending the revised draft terms of reference for consideration and approval to the World Bank in English and Ukrainian.
- Provision of agreed terms of reference in English and Ukrainian in paper and electronic form in *.docx format.

The terms of reference should determine all the necessary stages of development of design and estimate documentation in accordance with the legislation of Ukraine, in particular the State building codes A.2.2-3-2014 (the following stages of design: FS, TEC, SP, P, WP, W) with changes and additions, if such were or will be.

V. DELIVERABLES

In carrying out this task, the following measures should be taken and appropriate materials prepared:

- Work Plan and timeline;
- Draft of substantiation of creation and activity of Agri-Hub;
- Draft presentation of substantiation of creation and activity of Agri-Hub;
- Final presentation of substantiation of creation and activity of Agri-Hub;
- Terms of reference for competitive selection for the development of design and estimate documentation of Agri-Hub objects (the following stages of design: FS, TEC, SP, P, WP, W according to BC A.2.2-3-2014);

All documents prepared and approved by MRTOT shall be provided in Ukrainian and English in hard (in 2 counterparts) and in electronic form in the format and number of copies acceptable to the MRTOT. The consultant must provide translation / interpretation of materials from Ukrainian into English and / or from English into Ukrainian, in the framework of the contract (if necessary). In case of receiving the documents of unsatisfactory quality and which are not compliant with the agreed terms and conditions of the Contract, MRTOT shall submit to Consultant substantiated comments to the document (laid out in *.doc (*.docx) format) within 7 business days following the moment of receiving the appropriate document from Consultant. In this case, Consultant shall pay attention to the comments in the document, make necessary corrections and submit the updated document to MRTOT within one-week term (5 business days) following the moment of receiving the appropriate document from MRTOT.

VI. SELECTION CRITERIA

The MRTOT invites relevant consulting firms (“Consultants”) to express their interest in providing services. Interested consulting firms should provide information demonstrating that they

have the necessary qualifications and relevant experience to provide the services. Selection criteria:

- Experience in preparing justifications for investments in agriculture - at least 1 implemented justification (list of deliverables for the last 5 years should be provided). Experience of implementing more than 1 justification would be rated more highly during evaluation;
- Experience in the World Bank projects, other multilateral or international development agencies is desirable;
- Experience of contract work in Eastern Ukraine, in particular in Luhansk oblast, will be considered as an advantage;
- Experience of qualified key personnel (other personnel may be engaged in the assignment beyond the key personnel):
 - **Key expert 1. Head of the expert group - overall management**
 - Masters' degree in a relevant science (agriculture, project management or economy);
 - At least 10 years of experience in conducting agri / food business analysis and / or performing similar tasks;
 - At least 7 years of experience in drafting of analytic report/papers;
 - Project managements experience;
 - Working level in spoken and written Ukrainian and English.
 - **Key expert 2. Agricultural sector development expert**
 - Masters' degree in a relevant science (agriculture or economy);
 - At least 7 years of experience in agriculture/food business;
 - At least 5 years of experience in drafting of analytic report/papers;
 - Working level in spoken and written Ukrainian and English.
 - **Key expert 3. Agricultural economy expert**
 - Masters' degree in a relevant science (agriculture or economy);
 - Experience in agriculture / of the economy and experience in performing similar tasks for at least 7 years;
 - At least 5 years of experience in drafting of analytic report/papers;
 - Working level in spoken and written Ukrainian and English.
 - **Key expert 4. Construction and/or Engineering expert**
 - higher education (in the field of construction, engineering, architecture, design or other specialized education) to provide a copy of the diploma;
 - confirmed experience in the construction industry for at least 7 years (provide a copy of the employment history, employment contracts);
 - not less than five (5) years of confirmed work experience in the specialty in the field of design and engineering (provide a copy of the employment history, employment contracts);
 - knowledge of Ukrainian laws and regulations, building codes in the field of construction and design;
 - Working level in spoken and written Ukrainian and English including knowledge of technical terminology;
 - **Key expert 5. Expert on social and environmental protection**
 - Master's degree in ecology and environment and / or social sciences;

- At least 5 years of experience in environmental management and / or social impact (including gender policy, citizen involvement / beneficiary feedback);
- Experience working with environmental management and / or social participation in infrastructure projects funded by international financial and donor organizations is an advantage;
- Experience in preparing environmental impact assessment documents (EIAs) in construction projects is an advantage;
- Working level in spoken and written Ukrainian and English, including knowledge of technical, environmental and social terminology related to the Project;

VII. SCHEDULE OF PAYMENT

The entire task will be required to be completed by no later than April 30, 2022. Payments will be made upon submission of relevant deliverables under each separate task as per the following allocation:

- 5% of the contract value upon submission of work plan and timeline acceptable to MRTOT;
- 35% of the contract value after submission of the draft substantiation for the Agri-Hub and its presentation, approved by the MRTOT;
- 30% of the contract value upon submission of a final presentation of substantiation of creation and activity of Agri-Hub, approved to MRTOT;
- 30% of the contract value after submission of the terms of reference for competitive selection for the development of design and estimate documentation of Agri-Hub objects (the following stages of design: FS, TEC, SP, P, WP, W according to BC A.2.2-3-2014), agreed World Bank and approved by the MRTOT.

VIII. REPORTING AND CONFIDENTIALITY

The consulting firm reports directly to MRTOT Project Coordinator. Project Implementation Unit (PIU) shall be copied on all correspondence related to the assignment.

Under no circumstances may the selected firm use the information generated for this project - neither before, during, nor after the work permitted in this document - for purposes other than collecting research data as described above. In addition, the selected firm must not transfer any data, documentation or program files generated during this assignment to third parties.