 



**Democratic Socialist Republic of Sri Lanka**

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**கமத்தொழில் அமைச்சு**

Ministry of Agriculture

ASMP/PMU/PD

08-02-2021

**TERMS OF REFERENCES (TOR)**

**Hiring of a Service Provider for secretarial services for the Establishment farmer’s companies of ASMP -EU Clusters**

**Procurement Plan Reference No: LK-MOA-PMU-351600-NC-RFB**

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# Programme Background

1. Sri Lanka is a lower-middle-income country with a Gross Domestic Production (GDP) of US$ 80.71 billion in year 2020, GDP per capita of 3,681 in a total population of 20.5 million (2014). Growth of the GDP over the past decade was strong, shown a downward trend since year 2020, resulting in significant poverty escalation. The situation has aggravated due to the effects of COVID 19 pandemic and Easter Sunday attack.
2. Agriculture has been an important driver of poverty reduction and accounted for about one third of the decline in poverty over the past decade. Poverty reduction in rural area was driven by higher agricultural wages which grew annually by an average 5.7 percent during 2006 to 2013 and caused rural poverty to fall more rapidly than in other sectors. Domestic food prices, international prices of tea and major export commodities and higher wages of the plantation sector have gradually increased. There is a risk that these income gains may not be sustainable, if the agriculture productivity and the agricultural sector do not improve and does not start to modernize through diversification, commercialization, and value addition.
3. International Development Agency (IDA) of the World Bank Group (WBG) has played an important role in assisting reconstruction and development in Sri Lanka. With regards to rural development and agriculture it has supported a number of national policy projects and programs. Through the Agriculture Sector Modernization Project, the IDA aims to increase agriculture productivity, improve market access, and enhance value addition of smallholder farmers and agribusiness in the project areas.
4. **Brief Description of the Project**

The World Bank has agreed to grant a Credit from the International Development Association (IDA) to achieve required modernizations through differentiated strategies by establishing the Agriculture Sector Modernization Project (ASMP). This Project has three components. The first component,

Agriculture Value Chain Development seeks to promote commercial and export-oriented agriculture and this component is implemented by Ministry of Primary Industries (MOPI). The second component, Productivity Enhancement and Diversification Demonstration is implemented by Ministry of Agriculture (MOA). This component aims to support smallholder farmers to produce competitive and marketable commodities, improve their ability to respond to market requirements and move towards increase commercialization. The third component focuses on human resource development and capacity building as well as monitoring and evaluation, communication and coordination of the overall Project.

1. Project Management Unit of the of the MOA together with the Provincial Project Management Units will coordinate the project activities between the MOA and the Agencies supported by the Project, the Provincial Ministries of Agriculture and Provincial Directors of Agriculture. MOA/PMU will work with five provinces namely Northern Province, North Central Province, Uva Province, Eastern Province and Central Province in the implementation of the component two. Seven districts have been selected to implement the Agriculture Technology Demonstration Park concept in the five provinces.

1. The listed below are the sub-components under MOA/PMU.
   1. Farmer Training and Capacity Building
   2. Agriculture Technology Demonstration Parks
   3. Production and Market Infrastructure
   4. Analytical and Policy Advisory Support
2. **Farmer Producer Organizations and Agribusinesses**

Farmer Producer Organizations and Agribusiness SMEs (FPOs & A-SMEs) that seek fund from the project will have implementation responsibility for the investment activities agreed and approved in the business plans. They will organize group members, implement the activities approved in the investment and business plans, provide training to their members; facilitate linkages between organizations and agribusinesses; support the introduction of new technologies, and provide technical training, technical exchanges and advisory services to their members. The project seeks to ensure institutional sustainability and effectiveness through dedicated support to FPOs & A-SMEs to establish them as legally recognized independent economic entities and actors in the form of private companies. The project will also intend to provide extensive capacity building support in areas such as business management skill development, support to registration, and access to finance through the funding of the project.

1. The sub-component will initially support the establishment of 21 farmer companies under EU clusters in Five (Kandy,Badlla,Ampara,Vouniya and Kilinochi Districts

**9.**Service of a company secretary is required to attend secretarial services of 21 farmer companies for a period of fifteen Months. Total number may be slightly varied depending on the readiness of the Farmer Producer Organizations for this transformation.

# Source of Funding

**10.** Democratic Socialist Republic of Sri Lanka has received a Grant from the European union through the International Development Association (IDA) in various currencies equivalent to US$ 25.0 Million towards the cost of the Agriculture Sector Modernization Project (ASMP) of the Ministry of Agriculture and intends to apply portion of the proceeds of this credit to eligible payments under this Contract. The budgeted allocation for this assignment is Rs. **12 Million**.

# Objectives of the Consultancy

**11**. To provide company secretarial service to 21 Farmer Companies established to ensure the sustainability and economic viability of FPOs & A-SMEs that are involved with selected clusters assisted by ASMP Component 2. There are 21 EU project clusters in Five project districts located in five provinces.

# Scope & Task of the of the Consultancy

1. ASMP of Ministry of Agriculture seeks the services of qualified legal and secretarial service providers to assist establishing individual companies for 21 EU project clusters in Five districts of five provinces. Specific tasks to be undertaken by the service provider will include:

* Awareness of PUC among the prospective shareholders.
* Formation of PUC
* Registration of PUC with the Registrar of Companies
* Issue of Shares
* Printed and Issue of share certificates.
* Maintenance of Statutory Registers and Co-ordination of Inspection of Registers
* Register of member’s/Share holders
* Register of directors and officers
* Register of residential addresses of Directors
* Register of charges
* Records of directors/shareholders meetings/resolutions (Minute Books)
* Register of Seal
* Preparation of Article of Association
* Reviewing and ensuring that the company complies with Article of Association
* Drafting of any amendments to the Articles of Association
* Broader ensuring of compliance with the Companies Act no. 7 of 2007 and all other relevant procedural aspects and periodically logging of documents with ROC.
* Liaise with Bank, Government Authorities or similar bodies where the services of a secretary is required. (Certification of Tender documents etc. Board meetings/Resolutions required by Banks etc)
* Organizing and Coordination of meetings of Directors. At least once a month should be conducted a board Meeting. Ensure with board papers and minutes are properly drafted.
* Ensure that the Annual General Meeting or any other General Meetings of the shareholders are organized, held, recorded and followed up in accordance with the appropriate procedures and complies with the requirement of Companies Act no. 7 of 2007 and Article of Association of the Company
* Assist the Board of Directors relevant to the matters regarding the secretarial duties and execute the instructions of the Board accordingly and in compliance with the Law
* Circulation of agendas and other documents within the required time limits
* Conduction of awareness programs on company registration and corporate matters
* Certification of statutory forms and Returns of the Company and Certification of Resolutions passed by the shareholders or Directors of the Company
* Appointment/Resignation of Directors/Secretary/Auditors/Company Representative
* Change of business address
* Registration of charges created in Sri Lanka
* Authentication of legal documents
* Name Changes of a Company
* Filing of changes to Articles of Association
* Transfer of shares
* Advise to the board to appoint auditors and maintain accounts as requirement of the company act.
* In delivering these services, the service provider will have to work in close consultation with other service providers, consultants and ASMP Officials who are responsible for varies matters relating to ATDP’s of EU Funded projects.

# 13.Time Duration

Duration of the assignment will be 15th Months from the Date of Award.

**14.Qualification & Experience**

The Service Provider should be a

1. Well established Firm /Institute with at least 5 years of experience in providing company secretarial practices. (Registration and Due Secretarial Services.)
2. Should be registered with Registrar of companies as a company secretary.

**15**. **Payment Plan**

* After completion of Each activity of each PUC the cost agreed will be paid on the proof of evidence.

**Payment Milestones**

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| Deliverables | Time frame | Supporting Documents |
| 1. Completion of awareness programme of PUC | Within two months of date of award | Description of the contents and list of participants |
| ii Completion of name clearance from ROC | -Do- | Proof of ROC |
| iii.Preparation and accepting the article of association by ROC | -DO- | Accepted Copy of the article of association |
| iv.Registration of the PUC with ROC. | Within three months of date of award | Certificate of ROC |
| v. Completion of issuing of initial ordinary shares. | Within four months of date of award | Copies of the share registers |
| vi. Secretarial services provided for the company for a year period after registration. | Throughout the year. | Detail of activity and cost (quarterly basis) |

**Advance Payment**

**10% of the contract sum will be paid on Bank Guarantee as a mobilization advance on the request of the Service provider.**

