



Request for Expressions of Interest Document

Hiring of Consultancy for Comprehensive analysis of supply and demand-side constraints in financing to SMEs

State Bank of Pakistan

Table of Contents

Section I:	Request for Expressions of Interest
Section II:	Terms of Reference
Section III:	Instructions to Consultants
Section IV:	Shortlisting/Qualification Criteria

Section: I

REQUEST FOR EXPRESSIONS OF INTEREST (CONSULTING SERVICES)

Pakistan Financial Inclusion & Infrastructure Project (FIIP)

Credit No. 5989-PK (Part B)

Project ID No: P159428

Assignment Title: **Comprehensive analysis of supply and demand-side constraints in financing to SMEs**

Reference No. **PK-SBP FIIP-64988-CS-QCBS**

The State Bank of Pakistan (SBP) has received financing from the World Bank towards the cost of the Financial Inclusion & Infrastructure Project, and intends to apply part of the proceeds for consulting services.

The consulting services ("the Services") include undertaking a diagnostic demand and supply side survey of financial constraints faced by SME sector. The consultancy services hired will propose recommendations, which will help in addressing the demand and supply side constraints; and will support innovation, institutional capacity and market infrastructure development to sustainably develop SME financing in Pakistan. It aims to substantially increase access and usage of financial services for SMEs.

The detailed Terms of Reference (TOR) of the assignment can be downloaded from the website: www.sbp.org.pk.

SBP now invites interested consultants/ joint ventures to indicate their interest for providing consultancy services to conduct the comprehensive analysis of supply and demand-side constraints in financing to SMEs as per the provision mentioned in the Terms of Reference. In this regard, there are prescribed instructions, which have been mentioned in the Instructions for the Consultancy Firms which may be downloaded from the website www.sbp.org.pk. Prospective firms are encouraged to provide materials/ information that would be specific to the proposed services only by giving all the relevant details as required in the instructions, and to avoid submitting generic promotional material. The unrelated or incomplete materials/ information shall not be considered. The parameters for evaluation of REOI responses, are as under: -

- a) General Capability (Max Score= 15)
- b) Relevant Experience (Max Score=40)
- c) Technical Capability (Max Score 45)

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" July 2016 [Revised November 2017 and August 2018] ("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest. In addition, please refer to the following specific information on conflict of interest related to this assignment:

"A firm that has been engaged by the Borrower to provide Consultancy Services for the preparation or implementation of a project (or an affiliate that directly or indirectly controls, is controlled by, or is under

common control with that consulting firm), shall be disqualified from subsequently providing Goods, Works, or Non-Consulting Services resulting from, or directly related to those Consulting Services”.

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.

A Consultant will be selected through “Quality and cost based selection (QCBS) Method” in accordance with the procedures set out in the World Bank’s Procurement Regulations. In addition, the whole procurement process will be governed under the World Bank “Procurement Regulations for IPF Borrowers” July 2016 [*Revised November 2017 and August 2018*].

Expressions of interest must be delivered in a written form to the address below (in person, or by post) by or before 1100 hours on **August 9, 2019** which shall be opened on same day at 1130 hours in the presence of representatives of consulting firms who may choose to be present. This REOI is also available on the websites: www.sbp.org.pk/www.ppra.org.pk.

The assignment title of the consultancy should be clearly written on the front of the envelope or in the subject line.

Joint Director

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State Bank of Pakistan – SBP BSC, 4th Floor, BSC House
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Section: II

Terms of Reference

Background

Pakistan accounts for more than 3 million economic establishments SMEs play a crucial role in the development of countries with major challenges of employment and income distribution. SME sector is playing an important role in the economic development of Pakistan as SMEs are contributing 30 percent towards the country's GDP, employing more than 80 percent of non-agricultural workforce and generating 25 percent in export earnings. Hence, the development of SME sector is top priority of governments of developing countries and Pakistan is one of them.

However, despite its immense significance, the sector remains largely financially excluded, as reflected from the current level of financing facilities to the sector that stands at Rs 513 billion (as on December 31, 2018) and banks' SME financing share in private sector financing has also shrunk to 9 (in 2018) from 17% (in 2006 which is considered to be the highest point for SME financing in term of percentage share in private sector credit). As compared to other developing/ neighboring countries like India, Sri Lanka and Bangladesh, the quantum of SME finance is fairly low in Pakistan.

In Pakistan, formal financing to SMEs is constrained due to limited access and understanding of financial products besides the lack of collateral which can be offered. Most of the SMEs don't possess necessary documentation to access credit from formal channel. Moreover, banks are shy of taking exposure on SMEs since a large number of SMEs lack credit history based on which it becomes difficult for banks to assess their creditworthiness.

In order to develop the SME sector, Government of Pakistan has taken some measures including establishment of SME Bank and Small & Medium Enterprise Development Authority (SMEDA). However, these were not sufficiently specified and prioritized to be able to speak of any coherent SME policy or approach.

In this context, State Bank of Pakistan has been actively pursuing the objective and playing its role since 2014. SBP's major emphasis was on facilitating banks & DFIs to understand the opportunities prevailing in the SME sector as well as address the challenges faced by financial institutions in providing financial services to the SME sector. SBP's initiatives include conducive regulatory framework, credit guarantee scheme, advisory services facility for banks, capacity building and awareness creation programs.

State Bank of Pakistan introduced the Credit Guarantee Scheme for Small and Rural Enterprises (CGS) in 2010. The scheme was launched in collaboration with UK's Department for International Development (DFID) under which risk coverage of up to 60% is provided to participating financial institutions (PFIs) against their lending to small, rural and micro enterprises. Further, SBP is working with DFID for setting up an independent Credit Guarantee Company, for which the consultant has been hired to prepare a business plan.

Apart from other developmental measures, State Bank of Pakistan in collaboration with the World Bank, DFID and Government of Pakistan is facilitating the establishment of an Electronic Secured Transactions Collateral Registry. The electronic registry will enable the registration of charges on movable assets of un-incorporated entities. The electronic registry will draw its authority from the Secured Transactions Law which was passed in July 2016. Allied areas of preparation of rules & regulations, procurement of hardware & software applications and the appointment of registrar are under process at the government's level. It is expected that the secured transactions collateral registry will be functional by the end of December 2019.

In order to provide concessional financing to the underserved sector, SBP introduced various refinance schemes for modernization of and investment in SMEs; for women entrepreneurs in the underserved areas; and a refinance scheme to meet the working capital requirements of SMEs.

The Prime Minister of Pakistan launched the Policy for Promotion of SME Finance on December 22, 2017. The policy document was prepared by SBP which consists of 9 essential components for development of the SME sector with respect to financing.

Financial Inclusion & Infrastructure Project (FIIP)

To support the implementation of Pakistan's NFIS, the World Bank Group (WBG) has approved the Financial Inclusion and Infrastructure Project (FIIP). Under the project a loan has been provided to Government of Pakistan for improving access to financial services for microenterprises and SMEs (MSMEs). In this regard, the State Bank of Pakistan seeks to hire a consultancy firm to undertake a detailed analysis of financial constraints in the SME sector. The analysis should have a "Future outlook" with a view to identifying new approaches and new innovative solutions that can be used by policymakers and financial institutions engaged in SME finance to foster a rapid development of the sector.

Definition of Small Enterprise

A Small Enterprise (SE) is a business entity, which meets the following parameters:

Number of Employees	Annual Sales Turnover
*Up to 50	Up to Rs. 150 million

**including contract employees.*

Further, an entity has to fulfill both the criteria of number of employees and sales turnover for categorization as small enterprise. However, in cases where an entity fulfills one parameter of SE and its second parameter falls within the range prescribed for medium enterprise (ME) or above the upper limit prescribed for ME, then the subject entity shall be classified as ME or commercial/ corporate entity as the case may be.

Definition of Medium Enterprise

A Medium Enterprise (ME) is a business entity, ideally not a public limited company which meets the following parameters:

*Number of Employees	Annual Sales Turn-Over
51-250 (Manufacturing & Service MEs) 51-100 (Trading MEs)	Above Rs 150 million and up to Rs 800 million (All types of Medium Enterprises)

**including contract employees.*

Further, an entity has to fulfill both the criteria of number of employees and sales turnover for categorization as medium enterprise. However, when an entity's one parameter is as per ME criteria and its second parameter is as per SE criteria, then subject entity would be categorized as ME. Similarly, when an entity's one parameter is as per ME and its second parameter is above the upper limit prescribed for ME, then the subject entity shall be categorized as commercial/ corporate entity.

Objective

The objective of this survey is to conduct an assessment of the state of SME finance in Pakistan, identify the size and nature of the SME financing gap and formulate a set of policy, regulatory and institutional recommendations to enhance SMEs' access to finance, including:

1. A comprehensive analysis of supply and demand-side constraints against SME financing
2. A review of the robustness, coverage and efficiency of the existing financial infrastructure (credit information systems, insolvency and credit rights, payment systems)
3. Assess available financial products for various SME sectors
4. Provide as fair estimate regarding financing gap in terms of amount and population separately for SEs and MEs and in the underserved areas
5. Review and assess the efficiency of existing delivery channels for the SME segment
6. Possible Fintech solutions to finance SMEs
7. Provide a fair estimate on potential financing needs of SMEs operating in formal and informal sectors
8. Recommendations

Proposed recommendations by the consultant should help in addressing the demand and supply side factors and should support innovation, institutional capacity and market infrastructure development to sustainably develop SME financing in Pakistan.

Scope of Work/ Tasks

The consultant/ firm will deliver the following analysis for the SME sector assessment using latest data and performance indicators:

Comprehensive analysis of supply and demand-side constraints against SME financing

The consultant will review existing literature and data on SMEs in Pakistan bifurcated in to small enterprises and medium enterprises, by sector, geography, and size. This will require coordination with organizations such as SMEDA, MOI, SME Bank Ltd., provincial investment boards/ departments, Special Economic Zones, and other institutions which interface with SMEs.

The consultant will quantify and qualify the state of SME finance and gaps using available primary and secondary data, to assess the factors mentioned in the objective above. The analysis will include the following (but not limit to):

- a) SME importance and role for economic growth: Outline the specific case of Pakistan and assess the impact of a lack of financing for SMEs on economic growth;
- b) Review of Pakistan's strategies, policies and specific action plans for SME sector development; It will also include an assessment of the effectiveness/impact of existing programs and policies, drawing lessons learned, and with a view to better targeting future support and rationalizing existing programs
- c) Demand analysis: Conduct a survey/ study of a sample of at least 5,000 SMEs operating in various economic sectors. The survey will be conducted to assess the financing needs of SMEs in Pakistan using questionnaire, data collection tools, to quantify the existing gap in financing, and conduct focus group meetings with SMEs with business chambers/ associations;
- d) Supply analysis: including (i) All financial institutions and as many as possible non-financial institutions with their mandate, (ii) type of funding instruments, (iii) characteristics of funding recipients, (iii) institutional and regulatory issues, (iv) funding of intermediaries, (v) key constraints in the supply side, and (vi) supply estimate. This should include an analysis of past experience with SMEs, and how quality of SME loan portfolios (perhaps divided by SEs and MEs and possibly by sector) compares with quality of corporate or consumer loans what lessons have FIs learned from their experience with SME loans. The main reasons due to which SMEs request for credit are turned down by banks should also be narrated.

- e) Gaps in SME sector financing: including (i) gaps by products, (ii) gaps by type of SME Business (manufacturing, trading or service concern), (iii) gaps in liquidity of intermediaries, (iv) potential and capability of FIs to fill gaps.

A review of the robustness of the existing Financial Infrastructure (credit information systems, insolvency and credit rights, payment systems)

Weak financial infrastructure is a key impediment to the development of the SME financing ecosystem in Pakistan. In the World Bank's Ease of Doing Business 2017's ranking for 'Getting Credit', Pakistan is ranked at 147, behind India (at 44), Sri Lanka (at 118) and Bhutan (at 82).

The State Bank of Pakistan has introduced various concessional short term and long term refinance schemes for the development of the underserved sectors. Refinance schemes have been introduced for various needs including working capital requirements, balancing, modernization and replacement of plant and machinery of SMEs, women entrepreneurs, operating in the various sectors of the country including export oriented sectors.

The consultant will conduct an assessment of the financial infrastructure in Pakistan to identify specific bottlenecks among different groups of stakeholders and describe actionable recommendations that can be undertaken to address the deficiencies. The assessment will address:

- a) Legal & regulatory systems support: This area will seek recommendation on how can the legal and regulatory support be enhanced towards improving the access to finance component for SMEs.
- b) Credit information systems: How access to high quality credit information can be expanded, and the private sector can play a role in the credit information market?
- c) Insolvency and credit rights regimes: This includes recommendations on speedy out of court resolution, smooth bankruptcy procedures, contingency allowances in the event of a temporary set-back etc.;
- d) Innovative digital financial solutions: How to enable increasingly digitalized and efficient payment solutions to address information asymmetry issues and help new business development.

Assess available financial products/ services for various SME sectors

This component of the assessment will focus on providing an assessment of the landscape of products and services that are currently available for various sectors SMEs are operating in and determining any gaps that can be filled by financial institutions. This component would specifically address:

- a) Existing SME-specific products available through the formal financial sector (including information on pricing, collateral requirements, documentation requirements, turnaround time etc. for key products)
- b) Other financial products (not SME-specific) that are used by this sector
- c) SME-specific value added services provided by the formal financial sector (e.g. business planning advisory, financial advisory)
- d) Products and services available through informal channels and their competitive advantage
- e) Successful marketing efforts undertaken by formal financial institutions, specifically targeting the SME segment

Assess the financing gap in terms of amount and population separately for SEs and MEs in the underserved areas.

This component of the assessment will focus on fairly estimating the financing gap in absolute amount separately for SEs and MEs, through primary and secondary data collection using recognized analytical tools. The consultant will provide a detailed review separately for SEs & MEs in underserved areas of the country including the provinces of Khyber-Pakhtunkhwa, Balochistan, South Punjab, Rural Sindh, Gilgit Baltistan and Azad Jammu & Kashmir.

Review and assess the efficiency of existing delivery channels for the SME segment

This component of the assessment will directly address the current delivery channels for the SME segment and provide a perspective on which channels are more effective than others in addressing the needs of this segment. The issues addressed in this component will include:

- a) Core channels currently used by financial institutions to reach out to the SME segment (e.g. branches, automated channels such as ATMs/ internet, mobile banking etc)
- b) SME perceptions on the effectiveness of the key channels used for delivery of financial products and services
- c) Gaps in the use of innovative channels to reach out to SMEs
- d) Possible incentives to increase the use of one channel over another

Possible Fintech solutions to finance SMEs

Pakistan has seen a remarkable degree of mobile account outreach in recent years through mobile service providers. The government has expanded the coverage of unique Computerized National Identity Cards (CNIC) and Smart Cards which have been biometrically augmented. While mobile account usage to date has been largely limited to money transfers, there is considerable scope for innovative Fintech business ideas/ solutions that can help grow the SME sector.

Drawing on international experiences in East Africa (mainly Kenya and Tanzania), India, China and elsewhere, the consultant will assess various Fintech enabled SME financing business models, and appraise their scope in the context of the Pakistan market. The consultancy will map and analyze Global/Local FinTech products/models which have a focus on financing & sourcing of MSMEs including start-ups/early stage including detailed information on various schemes, pricing, collateral requirements, documentation requirements, and turnaround time etc. for these offerings. It will also map and analyze existing partnerships (Global/Local) between traditional financial institutions and FinTech companies. Additionally, the consultant will examine the policy and regulatory actions that are necessary to allow these business models to flourish while mitigating risks to financial integrity, stability and investor protection.

Estimate potential demand in the informal sector

It has been observed that the employment structure and other macroeconomic factors such as taxation, regulatory burden, social security and income levels influence SMEs to avail financing from the informal sector. The consultant will be required to assess and project the fair estimate about the potential credit needs of SME in both the formal and informal sectors through questionnaires and interviews. Further, the consultant will identify the key constraints for obtaining finance through formal sources compared to finance obtained through informal source. The informal potential demand for SME finance as a percentage of the formal potential demand for SME finance in other developing countries may also be used for a cross country analysis.

Recommendations

To diversify and expand SME finance, the consultant will provide recommendations and potential policy interventions needed in the areas such as legal, regulatory framework and any incentivization required from the government or central bank etc.

Proposed Activities

The consultant, in response to these TORs, is expected to provide a proposed methodology for achieving the objectives detailed above. However, in an effort to provide some direction and guidance for project design, a set of possible activities has been outlined below. With the exception of the SME survey, which is a core activity for the project, this list is indicative. Consultants should use their past experience with similar projects to develop a more specific project plan.

The consultant will be required to carry out a detailed assessment that will include an overview of existing studies and data, general research, analysis, case studies, and provide concrete recommendations and suggestions on possible next steps.

1. SME Workshops/ Seminars with key players

It is expected that the consultant will conduct, at a minimum, two workshops/ seminars as part of the project.

In order to understand the supply side constraints to SME finance, the consultant will need to organize and facilitate a workshop/ focus group within the first few weeks of the project, with key players in the SME finance market, including a representative sample of public sector banks, private sector banks and DFIs. The purpose of this workshop would be to:

- Understand from the key players their perceptions on the constraints to expanding the level of SME finance availability, including regulatory constraints
- Brainstorm on possible solutions to the identified constraints to providing SME finance
- Facilitate knowledge sharing on successful service models for the segment and how these can be leveraged

Upon completion of the assessment and report, the consultant will need to organize and conduct a closing workshop/ seminar to share the findings and results of the assessment with the key players in SME finance and relevant policy makers.

2. Interviews/ Surveys

The consultant would be required to collect data and information directly from allied stakeholders. This could include, but is not restricted to, the following:

- Banks and DFIs to collect information on their SME portfolio, their approach in targeting the SME segment, products and services offered and constraints to SME finance.
- A sample of at least 5,000 SMEs (separately covering SEs and MEs) or sector organizations to understand issues with accessing finance, gaps in products and services and perceptions of the formal financial sector to meet financial needs. Understanding the size and scope of the SME segment in Pakistan, all attempts should be made to provide a representative sample.
- Policy makers (e.g. Ministry of Industries, State Bank of Pakistan) to understand their view on perceived constraints to SME finance, actual size of SME finance gap and what can be done to address this.

Any sample groups and surveys/ questionnaires for the above or other identified stakeholder groups must be agreed with the SBP.

Deliverables

The first draft study will be presented to SBP after 15 months of project initiation for feedback and review. The findings of the draft report will be disseminated through a series of seminars and workshops in close consultation with the SBP team.

The following deliverables are expected from the project:

a) Proposed Methodology and Desk Research Results

The Consultant will document in the first three weeks of the project, the final methodology, including a time line for delivery of the assessment, survey questionnaires, and results of desk research as a basis for rest of the assessment.

b) Workshop/ Focus Group Outcomes Report

The Consultant will provide a detailed account of the proceedings of the pre-survey with a focus on key agreed outcomes and proposed next steps.

c) Final Report-SME Finance Assessment Report (including an Executive Summary)

The Consultant will provide a comprehensive report on the findings of the assessment (responding to all the questions from objectives section as well as additional information found by the Consultant), overall conclusions on the size and nature of the SME finance gap and specific recommendations to increase outreach to this segment. The report should annex all interviews and survey results in support of the findings and recommendations.

d) Closing Workshop Report

The Consultant will provide a detailed account of the proceedings of the Closing workshop and will integrate relevant feedback from the workshop in the final report prior to publication.

e) Publication and Dissemination of Final report

The consultant will conduct interactive sessions on finding, publish and disseminate the final report to key stakeholders as advised by SBP.

Required Skills/ Experience

- a) Significant and demonstrated experience in mapping the SME sector and conducting financing needs assessments for SMEs
- b) Demonstrated understanding of SME risk capital needs
- c) Demonstrated experience in consultative research and producing high quality analyses
- d) Demonstrated knowledge of the SME space and its financing needs in Pakistan and South Asia Region will be an advantage
- e) Excellent writing and communication skills in English

The Consulting Firm will be assessed and evaluated to deliver on the tasks and outputs outlined in the scope of work above and on any other related task.

Duration of Services Compensation and Reporting

- a) The assignment period would be 19 months (July, 2019 – March, 2021).

Compensation and Reporting

- a) Compensation will be according to skills and experience in line with agreed contract provisions finalized in line with Bank Procurement Regulations.
- b) All fees will be paid after SBP acknowledges satisfactory delivery of the output attached to that payment milestone. Fees and time schedule for the deliverables will be based on agreed contract provisions finalized in line with Bank Procurement Regulations.

Payment Terms

Following are the payment terms:

- a. 10% payment will be released on satisfactory submission of Inception Report – highlighting the plan of action for the duration of the project (after 2 months of project initiation)
- b. 10% payment will be released on submission of progress report of interviews/surveys –after 6 months of project initiation
- c. 20% payment will be released on submission of Mid Review Report – highlighting the progress of project (after 12 months of project initiation)

- d. 20% payment will be released on submission of First Draft of SME Finance Assessment Report – after 15 months of project initiation
- e. 20% payment will be released on submission of Final Draft of SME Finance Assessment Report – after 18 months of project initiation
- f. 10% on satisfactory Presentation to SBP – within two weeks of submission of final draft
- g. 10% for conducting interactive sessions on findings of report, publication and dissemination of report (after finalization of report by SBP)

Reporting & Coordination

The main point of contact for this exercise during execution of contract from SBP will be:

Mr. Shahid Ali Khan
Additional Director
Infrastructure, Housing & SME Finance Department
State Bank of Pakistan
Karachi
Email: shahid.Ali3@sbp.org.pk
Ph: +92-21-3243552

Confidentiality Statement

All intellectual property rights arising from the execution of these terms of reference are assigned to State Bank of Pakistan. The contents of written materials obtained and used in this assignment may not be disclosed to any third parties without the expressed advance written authorization of the State Bank of Pakistan.

Section III:

Instructions to Consultants

1. Scope of Expression of Interest	State Bank of Pakistan, having its principal place of business at I.I. Chundrigar Road, Karachi, Pakistan which terms, wherever the context permits shall be deemed to include its subsidiaries hereinafter interchangeably called the “Bank” invites sealed Interests for “ hiring of Consulting services of a firm for comprehensive analysis of supply and demand-side constraints in financing to SMEs” under World Bank financed project titled “Financial Inclusion & Infrastructure Project” .																																							
2. Eligibility of the Consultant	The Consulting firms will be required to fullfill the eligibility criteria as defined in paragraph, 3.21 of the World Bank’s “Procurement Regulations for IPF Borrowers” July 2016 [Revised November 2017 and August 2018] (“Procurement Regulations”)																																							
Qualification of the Consultants	<p>All the consulting firms are eligible to participate in the procurement process if they meet the following eligibility criteria. Further shortlisting process will be carried out as per paragraph 7.17 of the World Bank’s “Procurement Regulations for IPF Borrowers” July 2016 [Revised November 2017 and August 2018] (“Procurement Regulations”)</p> <table><tr><td>#</td><td>Qualification/ Shortlisting Criteria</td><td>Evaluation Parameter</td></tr><tr><td colspan="3">1- Qualification Criteria</td></tr><tr><td>1</td><td>Interested Firms / Consultants must be registered with tax authorities and appear on Active Taxpayer List of FBR (where applicable).</td><td>Mandatory Criteria</td></tr><tr><td>2</td><td>The participating firm should not be blacklisted/debarred/Sanctioned by any Organization/agency and information provided in Request for expression of interest response/submission is correct.</td><td>Mandatory Criteria</td></tr><tr><td colspan="3">Only eligible qualified firms ((i.e. after meeting mandatory qualification criteria) will be further evaluated against score based evaluation criteria.</td></tr><tr><td colspan="3">2- Score Based Evaluation Criteria</td></tr><tr><td>Sr. #</td><td>Criterion</td><td>Max Exp. in years</td><td>Overall I Score</td><td>Max. Score</td></tr><tr><td>A</td><td>General Capability</td><td>15</td><td colspan="2"></td></tr><tr><td rowspan="3">A.1</td><td rowspan="3">Core business of the consultant (Score will be allotted based on the area/field in which consultant</td><td>Small/ Medium Business Feasibility Studies</td><td>5</td><td>5</td></tr><tr><td>Surveys</td><td>3</td><td></td></tr><tr><td>Any other consultancy area</td><td>2</td><td></td></tr></table>	#	Qualification/ Shortlisting Criteria	Evaluation Parameter	1- Qualification Criteria			1	Interested Firms / Consultants must be registered with tax authorities and appear on Active Taxpayer List of FBR (where applicable).	Mandatory Criteria	2	The participating firm should not be blacklisted/debarred/Sanctioned by any Organization/agency and information provided in Request for expression of interest response/submission is correct.	Mandatory Criteria	Only eligible qualified firms ((i.e. after meeting mandatory qualification criteria) will be further evaluated against score based evaluation criteria.			2- Score Based Evaluation Criteria			Sr. #	Criterion	Max Exp. in years	Overall I Score	Max. Score	A	General Capability	15			A.1	Core business of the consultant (Score will be allotted based on the area/field in which consultant	Small/ Medium Business Feasibility Studies	5	5	Surveys	3		Any other consultancy area	2	
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		previously worked)			
	A.2	Years in Business	10	1 per year	10
	B	Relevant Experience	40		
	Sr. #	Criterion	Score for a project	Overall Score	Max. Score
	B1	Prior experience in banking products (SME /agriculture/ Islamic banking, etc.) related research	5	20	20
	B2	Firm's experience related to SME sector	5	20	20
	C	Technical Capability	45		
	Sr. #	Criterion	Score for a project	Overall Score	Max. Score
	C1	Number of Projects in conducting surveys	5	25	25
	C2	Outreach of previous surveys	Coverage in one province=2.5 points Coverage in two provinces=5.0 points Coverage in three provinces=7.5 points Coverage more than three provinces =10 points Note: FATA/GB/AJK will also be considered as province for scoring purpose.	10	10

			Rs. 2 Million = 1 Point > Rs. 2 Million & upto Rs. 4 Million = 2 Points > Rs. 4 Million & upto Rs. 6 Million = 3 Points > Rs. 6 Million & upto Rs. 8 Million = 4 Points > Rs. 8 Million & upto Rs. 10 Million = 5 Points > Rs. 10 Million & upto Rs. 12 Million = 6 Points > Rs. 12 Million & upto Rs. 14 Million = 7 Points > Rs. 14 Million & upto Rs. 16 Million = 8 Points > Rs. 16 Million & upto Rs. 18 Million = 9 Points > Rs. 18 Million = 10 Points	10	10	
	C3	Value of largest contract completed regarding consultancy services				
	Total Score =		100			
3. One Interest per entity	<p>Interested Firms / Consultants shall submit only one Interest, either individually or as a partner in a joint venture or as sub-consultant as per paragraph 3.20 of "Procurement Regulations for IPF Borrowers" July 2016 [Revised November 2017 and August 2018]..</p> <p>All partners of the joint venture shall be legally liable, jointly and severally, during the bidding process and for the execution of the contract in accordance with the contract terms, and a statement to this effect shall be included in the authorization. In the event of a successful proposal, payment will be made to lead partner.</p> <p>For firms who shall be in an arrangement of sub-consultant, only the experience/capacity of lead firm shall be assessed. However, such arrangement should be clearly mentioned in Expressions of Interest Response.</p>					
4. Cost of Expression of Interest	The interested participating firms shall bear all costs associated with the preparation and submission of their interest, and the Bank will in no case be responsible or liable for those costs.					
5. Contents of Expression of Interest	<p>The contents of the Expression of Interest (EOI) Documents are listed below. These should be read in conjunction with any addenda.</p> <p>i) Request for Expression of Interest</p>					

	ii) Terms of Reference iii) Instructions to Consultants iv) shortlisting/Qualification Criteria
6. Amendment of Expression of Interest Documents	i) At any time prior to the deadline for submission of Interest, the Bank may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective firm/consultant, amend the Request for Expression of Interest (REOI) document. Amendments will modify or replace/supersede earlier ones.
	ii) Amendments will be provided in the form of Addenda to the Request for Expression of Interest (REOI) document, which will be sent in writing to all prospective participants who received the EOI Documents from the Bank. Addenda will be binding on participants. Participants are required to immediately acknowledge receipt of any such Addenda. It will be assumed that the amendments contained in such Addenda will have been taken into account by the participants in its interest / submission
	In order to allow prospective firms/consultant reasonable time in which to take the amendment into account in preparing their Interests, the Bank may, at its discretion, extend the deadline for the submission of Interests.
A. Preparation of Interests	
7. Language of Interests	The Interests prepared by the consulting firms, as well as all correspondence and documents relating to the Interests exchanged by the participants and the Bank shall be written in English or Urdu. Supporting documents and printed literature furnished by the participants in another language should be accompanied by an accurate translation of the relevant passages in English or Urdu; in this scenario interpretation of the translation shall prevail.
8. Documents Comprising the Interests	The Interests submitted by the consulting firms shall comprise all the documents to establish their Shortlisting/Qualification including incorporation/registration documents as per prevailing laws which includes but not limited to copies of incorporation certificate, tax registration certificates, active taxpayer proof, and other documents in support of Shortlisting/qualification Criteria etc. The successful bidder will ensure compliance with all relevant local tax laws of purchaser country including necessary registration if any required.
B. Submission of Interests	
9. Sealing & Marking of Interests /	The participants shall submit one original and two copies of each Expression of Interest documents in separate envelopes; duly marked the envelopes as "ORIGINAL INTERESTS DOCUMENTS" and "COPY NO. [number]."
10. Deadline for Submission of Interests	Interests must be received by the Bank by the time and at the address specified in Request for Expressions of Interest.
11. Opening of Interests	<p>Expressions of interest shall be opened on same day (submission date) at the time specified in Request for Expression of Interest in the presence of representatives of consulting firms who may choose to be present. The address for opening of Interest is as follows:</p> <p>Learning Resource Centre, State Bank of Pakistan, I.I Chundrigar Road, Karachi</p>
12. Late Submission of Interest	The Bank will not entertain the Interests received after the prescribed deadline. However if it fulfills the requirement the requirement of paragraph 7.1 (e) of "Procurement Regulations for IPF Borrowers" July 2016 [Revised November 2017 and August 2018].

C. Evaluation of Interests	
13.Evaluation and Comparison of Interests	Pursuant to Evaluation Criteria contained in this document the Interests submitted by the participants as per Guidelines for Submission of Interests (Section IV) shall be evaluated in detail as per criteria given in Section III.

Section IV- Shortlisting/Qualification Criteria

The Evaluation of Interests will be ascertained based on following parameters:-

#	Qualification/ Shortlisting Criteria	Evaluation Parameter	Means of Verification	Reference in EOI.
Eligibility Criteria				
1	Interested Firms / Consultants must be registered with tax authorities and appear on Active Taxpayer List of FBR (where applicable).	Mandatory Criteria	Copies of valid Tax registration certificates / NTN Certificates. FBR Website proof of Active Taxpayer List (where applicable).	
2	The participating firm should not be blacklisted/debarred/sanctioned by any Organization/agency and information provided in Request for expression of interest response/submission is correct.	Mandatory Criteria	Affidavit on Rs. 100 stamp paper from the participating firm confirming that: (a) firm/joint venture(s)/sub consultant has never been blacklisted/debarred by any organization; (b) All the information provided by the firm/joint venture/sub consultant is correct; (c) name of firm/joint venture(s)/sub consultant is not included in the World Bank/PPRAs /NACTA debarred/sanctioned list. (d) name of firm/joint venture(s)/sub consultant is not included in the UN sanctioned list.	
Only eligible firms ((i.e. after meeting eligibility criteria) will be further evaluated against score based evaluation criteria.				

Short listing Criteria							
Sr. #	Criterion		Overall Score	Max. Score	Score Obtained	Mean of Verification	Reference in EOI
A	General Capability			15			
A.1	Core business of the consultant (Score will be allotted based on the area/field in which consultant previously worked)	Small/ Medium Business Feasibility Studies	5	5		Documentary Evidence of relevant assignment	
		Surveys	3			Documentary Evidence of relevant assignment	
		Any other consultancy area	2			Documentary Evidence of relevant assignment	
A.2	Years in Business	10	1 per year	10		Documentary evidence of certificate of registration /incorporation	
B	Relevant Experience			40			
Sr. #	Criterion	Score for a project	Overall Score	Max. Score	Score Obtained	Mean of Verification	Reference in EOI
B1	Prior experience in banking products (SME /agriculture/ Islamic banking, etc.) related research	5	20	20		A brief on previous relevant projects / assignments completed Along with Copies of Contract / work order / project sign off/ completion certificate(s)/ relevant documentary proof	
B2	Firm's experience related to SME sector	5	20	20		A brief on previous relevant projects / assignments completed Along with Copies of	

						Contract / work order / project sign off/ completion certificate(s)/ relevant documentary proof	
C	Technical Capability			45			
Sr. #	Criterion	Score for a project	Over all Score	Max. Score	Score	Mean of Verification	Reference in EOI
C1	Number of Projects in conducting surveys	5	25	25		A brief on previous relevant projects / assignments completed Along with Copies of Contract / work order / project sign off/ completion certificate(s)/ relevant documentary proof	
C2	Outreach of previous surveys	Coverage in one province=2.5 points Coverage in two provinces=5.0 points Coverage in three provinces=7.5 points Coverage more than three provinces =10 points Note: FATA/GB/AJK will also be considered as province for scoring purpose.	10	10		A brief on previous relevant projects / assignments completed Along with Copies of Contract / work order / project sign off/ completion certificate(s)/ relevant documentary proof	
C3	Value of largest contract completed	Rs. 2 Million = 1 Point > Rs. 2 Million & upto	10	10		A brief on previous	

regarding consultancy services	Rs. 4 Million = 2 Points > Rs. 4 Million & upto Rs. 6 Million = 3 Points > Rs. 6 Million & upto Rs. 8 Million = 4 Points > Rs. 8 Million & upto Rs. 10 Million = 5 Points > Rs. 10 Million & upto Rs. 12 Million = 6 Points > Rs. 12 Million & upto Rs. 14 Million = 7 Points > Rs. 14 Million & upto Rs. 16 Million = 8 Points > Rs. 16 Million & upto Rs. 18 Million = 9 Points > Rs. 18 Million = 10 Points			relevant projects / assignments completed Along with Copies of Contract / work order / project sign off/ completion certificate(s)/ relevant documentary proof	
Total Score =			100		

Note:

- 1- After meeting mandatory eligibility criteria, minimum passing score is 60. However, maximum number of consultants to be shortlisted will be observed as per paragraph 7.17 of the World Bank's "Procurement Regulations for IPF Borrowers" July 2016 [Revised November 2017 and August 2018] ("Procurement Regulations")
- 2- The shortlisted Firms / Consultants will be issued the Request for Proposal documents for soliciting sealed Technical and Financial Proposals under Quality and Cost based Selection method" as mentioned in paragraph 7.2 of "Procurement Regulations for IPF Borrowers" July 2016 [Revised November 2017 and August 2018]. The Interests should be submitted in sealed envelopes.
- 3- Only the Interests submitted in hard copy will be entertained.

GUIDELINES FOR SUBMISSION OF INTERESTS

1. Eligible consulting firm(s) should submit Expressions of Interest (EOI) in English/Urdu language along with relevant complete details of their qualification and experience as requested hereunder: -
 - i. Name, address, Phone, Fax and E-mail address along with postal and telegraphic address for the head office, branch offices and contact personnel;
 - ii. Certificate of Incorporation/Registration with authorized government department(s) of the firm/association either Sub-consultants or Joint Venture, as Legal Entity.
 - iii. Corporate Profile providing sufficient information/details in following, but not limited to, areas in respect of a firm/each associating firm of a joint venture: -
 - (a) Years of operations;
 - (b) Management Structure/Organogram & Systems of the firm with relevant information about Board/Directors etc.;
 - (c) Core competencies having information in the related areas;
 - (d) CVs of technical resources;
 - iv. Certificate of affiliations with different bodies and ratings if any.
 - v. Any additional documents to support relevant experience of consultancy firm/joint venture;
 - vi. In case of firms, participating in an association, sub-consultant or JV, original Letter(s) of Association from each associating partner, confirming the Lead Partner/Partner in Charge, on the letter head of a firm/partner duly signed and stamped, must be provided;
 - vii. List and status of litigation/arbitration by the consultancy firm or any member of the joint venture(s) against a client, if any;
 - viii. Affidavit from all the participating partners of the association confirming that: (a) applicant firm/joint venture(s) has never been blacklisted by any International, Government/Semi Government Organization and (b) All the information provided by the applicant firm/joint venture is correct.
2. Interested firm(s) must provide lucid information as per above requirements indicating that they are qualified to perform above services and must provide only materials that would be specific to the proposed services, and to avoid submitting generic promotional material.
3. If the EOI response consists of more than one volume, the applicant must clearly number the volumes constituting the EOI and provide an indexed table of contents for each volume. All documents should be securely bound.
4. Any further information/clarification by SBP BSC can be sought.