**KARANDAAZ PAKISTAN**

**REQUEST FOR EXPRESSION OF INTEREST**

**This notice is placed by Karandaaz Pakistan. You are requested to direct all your queries to the Karandaaz Pakistan office in Islamabad using the e-mail address provided below.**

**Country: Pakistan**

**Title of EOI:** Development of Micro Payment Gateway (MPG)

**Sector:** Financial Sector

**Date of EOI:** December 15, 2017

**Closing date of EOI:** January 05, 2018

Project Duration: 1.5 to 2 years

**Address EOI response to:** Procurement Team

**EOI Number:** TBD

**E-mail Address:** procurement@karandaaz.com.pk

# COMPANY OVERVIEW

[KARANDAAZ PAKISTAN](http://karandaaz.com.pk), a company established in August 2014, promotes access to finance for small businesses through a commercially directed investment platform, and financial inclusion for individuals by employing technology enabled digital solutions. Karandaaz Pakistan has financial and institutional support from leading international development finance institutions; principally the United Kingdom Department for International Development (DFID) and the Bill & Melinda Gates Foundation (BMGF).

Karandaaz has four core work streams; this particular work will fit under the **Digital Financial Services (DFS)** unit which focuses on expanding the poor’s access to digital financial services in Pakistan. The DFS unit facilitates digitization of government and other payment streams, encourages experimentation with businesses, and provides support to innovative DFS start-ups.

# PROJECT DESCRIPTION

## Background and objectives

The National Financial Inclusion Strategy document identifies the infrastructure to support low value inter-bank credit and debit transfers, bulk payments and instant transfers as one of the cornerstones for the success of a stable and inclusive financial system in Pakistan. While Pakistan has made several important strides to improve safety and efficiency of payments, the payment infrastructure requires further development of digital financial services in order to become more inclusive and open to digital & branchless banking service providers and other financial institutions advancing financial inclusion.

Karandaaz, in coordination with the State Bank of Pakistan (SBP) will develop a Micro Payments Gateway (MPG) as a key element of a public good oriented National Payments Infrastructure (NPI) that provides low cost, open loop, push-based payment capabilities nationally. MPG is expected to adhere closely to the Bill & Melinda Gates Foundation’s Level One Project (https://leveloneproject.org).

The creation and ultimate implementation of a Micro Payments Gateway Strategy are critical steps toward helping the poor access financial services and thereby improving their lives. The cost barriers to reaching the poor with financial services will be reduced substantially with this foundational work, paving the way for more robust commercial efforts to serve the poor and thereby help to create an economy that benefits everyone.

## Project Scope and Expected Results

The Consultant is expected to outline and execute a plan that will define, design and implement the MPG. The plan must include the following considerations:

* Setup & run a program management office, identifying and addressing any deviations from the project plans including physical and financial progress, prepare presentations for the steering committee and organize the meetings of the steering committees for the entire duration of the project
* *Prepare detailed project plan from initiation till completion of the project*
* Review existing payments and other related policies, regulations, existing practices and technologies
* Leverage global best practices on implementation of financial switches and payment schemes
* Strategize approaches to orchestrate industry participation
* Facilitate cooperation of stakeholders throughout the project
* Manage industry collaboration through workshop, boot camps and meetings
* *Prepare draft advisory(s) on laws, regulations, scheme rules and governance of the payment scheme*
* *Prepare use cases in consultation with stakeholders for financial analysis & modelling and payment flows*
* Design technical & functional requirements of payment switch and its components based on L1P principles and client & industry needs *and prepare RFP for the acquisition of best suited solution which should include but shall not be limited to vendor bid packages, evaluation criterion for payment switch*
* Create vendor bid packages, evaluation criterion for payment switch
* Assist in the *technical evaluation of the payment switch*
* Assist in developing TORs for any consultants or services that may be required such as TORs for pre-shipment and post-shipment inspections of *all paraphernalia if required*
* *Undertake the procurement process of best suited system, its successful implementation and integration with other systems (if required)*
* Coordinate and supervise the implementation activities of the project for successful technical delivery of payment switch and its integrations with requisite entities within and outside SBP
* Plan and manage 360 degrees change of people, process and systems due to MPG project
* Create MPG payment use case adoption strategy and program including go-to-market plans, product roll out plans, marketing and communications plans including pilots, and full scale roll outs
* Provide high quality subject matter expertise on designing of payment systems, payment schemes and payment system adoption strategies for the industry
* Build capability of relevant people and business process re-engineering at SBP and other relevant stakeholders for successful & smooth MPG operations in future

The Consultant is expected to outline key phases of work that outline key goals, activities and deliverables to be achieved. The consultant is also expected to map their approach against the given timeline.

## Evaluation Criteria for EOI

The hired firm is expected to work closely for all project related activities with the State Bank of Pakistan and Karandaaz Pakistan. The ideal firm would bring the following key elements:

* The firm shall have verifiable substantial experience in implementing a minimum of two large-scale technology projects, particularly in the payments space.
* Prior experience working with local and/or international government agencies that have been involved in payment systems.
* Prior experience promoting the financial inclusion agenda, particularly mobile money.
* Availability of key staff within the stipulated time frames for this work. Specific names and resumes of the team should be included.

# BACKGROUND INFORMATION

## Basic Company Information (20%)

* Name, address, website, and contact information of applying entity
* Organogram
* Management team – complete list of staff with brief bios
* Number and location of all offices (local and international)
* Year of incorporation or registration and details of registration,
* Tax registration number (if applicable)
* Letter of expression of interest

## Five (5) page brief from the firm detailing (40%)

* Knowledge of and experience in projects related to implementing large-scale payments systems.
* Knowledge and experience of working on similar assignments in developing countries
* Expert level knowledge of settlement and payment systems implementation
* Experience of developing and implementing payment schemes
* Knowledge and experience of working in Pakistan
* Overall 20+ years’ experience in implementing technology projects for banks/financial institutions
* List of similar projects successfully completed clearly indicating ability to execute all aspects of the work

## CVs of the proposed personnel (not more than 3 pages each) (40%)

The consultants should have at least 10 years’ relevant senior and/or expert experience working with payment systems within the context of a central bank in national payment infrastructure implementation firms or implementing such solution for banks

The consultants should have thorough knowledge and understanding of a national level payments switch operations and required infrastructure, including relevant international standards and principles, supplier market and technology requirements. Experience in conducting switch technology analysis and selection, implementation, assessment of business and technical requirements and project strategic, management, design as well as in managing shared facilities is necessary. The consultants should also have deep understanding of Level One Project (L1P) Principles (https://leveloneproject.org) as published by BMGF.

## Expected Timeline

Relative to start date, the project completion time is 1.5 to 2 years. The tentative timeline for vendor selection is as follows:

|  |  |
| --- | --- |
| Advertisement of EOI  | 15th Dec 2017 |
| Responses for EOI  | 5th Jan 2017 |
| Technical meetings  | 8th Jan 2018 – 10th Jan 2018 |
| Shortlist applicants based on EOIs | 15th Jan 2018 |
| Send out RFP to shortlisted vendors*Active Duration: 3 weeks*  | 17th Jan 2018 |
| Review proposals, vendor meetings | 7th Feb 2018 |
| Inform applicants of final decision | 14th Feb 2018 |
| Issue contract | 3rd Week of Feb 2018 |

1. **Institutional and Organizational Arrangements**

The consultant direct reporting line is to Director Digital Financial Services at Karandaaz Pakistan or such other person as may be specified by Director Digital Financial Services. SBP will facilitate all the necessary access to project related resources and communication with all stakeholders and expert teams.

1. **Document Requirements**

The documents/information mentioned below must be provided with the EOI.

## Minimum Passing Scope

Firms scoring at least 50% out of the total 100% will get shortlisted for evaluations.

**APPLICATION CHECKLIST**

|  |  |  |
| --- | --- | --- |
| **Sr. No** | **Required Documents** | **Checkbox** |
| 1 | CVs of the proposed personnel (no more than three pages each) | ☐ |
| 2 | Copy/Copies of Registration(s)/Affiliation | ☐ |
| 3 | National Tax Number Certificates (To be provided) | ☐ |
| 4 | Audited Financial Statements/Other Relevant Financial Documents of Last One year. | ☐ |
| 5 | Letter of Association among Consortium partners (clearly indicating lead), if applicable. | ☐ |
| 6 | Declaration by authorized person to submit the EOI. | ☐ |
| 7 | An affidavit stating that the firm has not been blacklisted/debarred by any Government/Semi Government | ☐ |
| 7 | Any other document attached, please specify. | ☐ |

**RESPONDING TO THIS REQUEST**

EOIs must be submitted at or before 05:00 pm Pakistan Standard Time, January 05th, 2017 by e-mail at procurement@karandaaz.com.pk, or by courier at 1 E, Ali Plaza, Nazim ud din Road, D-Chowk, Islamabad. Late EOIs will not be considered for shortlisting.

The overall length of the EOI must not exceed 10 pages (excluding annexes).