**KARANDAAZ PAKISTAN**

**Request for Proposal**

**# 56**

**Baseline Assessment of Pakistan Microfinance Investment Company (PMIC)**

31- January-2019

**SECTION 1. LETTER OF INVITATION**

RFP no. 56

31-01-2019, Islamabad

1. The purpose of this RFP is to solicit bids from Firms interested in providing services for the Baseline Assessment of Pakistan Micro Finance Investment Company. The RFP is designed to assess whether organizations are able to provide the services required, and through a competitive and fair assessment, select a winning vendor for a goods and services year-long contract.
2. Karandaaz Pakistan invites sealed proposals from interested and eligible organizations. More details on the Services required are provided in the Terms of Reference (Section 4 of RFP).
3. The company will be selected under open competitive procedures, in accordance with the procurement policies and procedures of Karandaaz Pakistan.In the event of any conflict or inconsistency in terms and conditions of the request for proposal, Karandaaz Pakistan procurement policies and procedures shall prevail.
4. The full RFP is available at [**www.karandaaz.com.pk**](http://www.karandaaz.com.pk).
5. Both financial and technical proposals must be submitted before close of Business on 20th February, 2019. Offerors must prepare four hard copies of the technical proposal, one hard copy of the cost proposals, and submit in separate **sealed** envelopes to the attention of ‘The Procurement Department’ 1-E, Ali Plaza, D Chowk, Mezzanine Floor, Naziumudin Road, Blue Area, Islamabad, Pakistan clearly mentioning the RFP number and title. The proposal should also be sent to the following email address: [**procurement@karandaaz.com.pk**](mailto:procurement@karandaaz.com.pk) with the subject line: Responding to RFP No 56. “Baseline Assessment of Pakistan Microfinance Investment Company”.

Yours sincerely,

**The Procurement Department**

Karandaaz Pakistan

**SECTION 2. INSTRUCTIONS TO FIRMS**

**A. General**

1. **Scope of Proposal**

Karandaaz Pakistan issues this Request for Proposal (RFP) for the following services:

“Baseline Assessment of Pakistan Microfinance Investment Company (PMIC)”

Throughout this RFP:

1. The term “in writing” means communicated in written form (e.g., by mail, e-mail, fax)
2. “Day” means calendar day
3. **Fraud and Corruption**

Firms shall comply with Karandaaz Pakistan’s policy regarding fraud and corruption given in Section 3 of the RFP.

1. **Eligibility**

Karandaaz Pakistan may specify certain minimum qualification criteria in the Terms of Reference e.g. minimum years of relevant experience.

The firm has an obligation to disclose to Karandaaz Pakistan any situation of actual or potential conflict that impacts its capacity to serve Karandaaz Pakistan’s best interests. Failure to disclose such situations may lead to the disqualification of the firm or the termination of its Contract. Karandaaz Pakistan’s policy with regard to conflict of interest is given Section 3 of the RFP.

Firms shall provide such evidence of their continued eligibility satisfactory to Karandaaz Pakistan, upon request.

1. **One Proposal Per Firm**

Each firm shall submit only one proposal, either individually or as a partner in a joint venture. A firm that submits or participates in more than one proposal shall cause all the proposals with the firm’s participation to be disqualified. However, this does not limit the participation of subcontractors and individual experts in more than one proposal.

1. **Cost of Preparation of Proposal**

The firm shall bear all costs associated with the preparation and submission of its proposal. Karandaaz Pakistan shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

**B. Request for Proposal**

1. **Contents of the RFP**

The RFP includes the documents listed below and any Addendum issued in pursuant to point 8 of this section ‘Amendment of RFP’.

Section 1 - Letter of Invitation

Section 2 - Instructions to firms

Section 3 – Procurement Policy – vendor conduct

Section 4 - Terms of Reference

Annexure A – Proposal Submission Form

1. **Clarification of RFP**

All questions and/or clarifications regarding this RFP must be submitted via email to Procurement@karandaaz.com.pk no later than 5:00PM local time on February 07, 2019. All correspondence and/or inquiries regarding this solicitation must reference the RFP number 56. No phone calls or in-person inquiries will be entertained; all questions and inquiries must be in writing

Questions and requests for clarification—and the responses thereto—will be circulated to all RFP recipients who have indicated an interest in bidding by 5:00 PM February 08, 2019.

Only the written answers will be considered official and carry weight in the RFP process and subsequent evaluation. Any verbal information received from a Karandaaz employee or other entity should not be considered as an official response to any questions regarding this RFP.

1. **Amendment of RFP**

At any time prior to the deadline for submission of bids, Karandaaz Pakistan may amend the RFP by issuing an Addendum.

Any Addendum issued shall be part of the RFP and will be communicated via the Karandaaz Pakistan website. Firms are advised to regularly visit and monitor Karandaaz site for updates.

To give prospective firms reasonable time in which to take an Addendum into account in preparing their bids, Karandaaz Pakistan may, at its discretion, extend the deadline for the submission of bids, pursuant to point 17 ‘Deadline for Submission of Proposals’ of this section.

1. **Split order**

As required, Karandaaz Pakistan can split the order.

**C. Preparation and Submission of Proposals**

1. **Language of proposal**

All documents relating to the proposal shall be written in the English language.

1. **Documents Comprising the Proposal**

The proposal shall consist of the following:

1. Cover letter
2. Technical proposal – This should cover a) experience of the firm; b) profiles of key team members and their roles on the assignment; c) Proposed methodology; d) analysis of key risks w.r.t. the assignment and mitigation strategies; and e) project work plan with key milestones and deliverables.
3. Detailed CVs of proposed team members
4. Financial proposal: A detailed budget reflective of all activities identified separately.

1. **Currencies of Bid and Payment**

Firms may express the price in PKR (Pak Rupees) only. International firms should also specify the applicable dollar exchange rates used to calculate the price in PKR which will be assessed as per point 26.

1. **Proposal Validity**

Proposal shall remain valid for ninety (90) days after the proposal submission deadline date established by Karandaaz Pakistan. A proposal valid for a shorter period shall be rejected as non-responsive.

In exceptional circumstances, prior to the expiration of the proposal validity period, Karandaaz Pakistan may request all firms who submitted their proposals to extend the period of validity of their proposal for a specified additional period. The request and the responses shall be made in writing. If the firm agrees to extend the validity of its proposal, it shall be done without any change in the original proposal and with the confirmation of the availability of the key experts. The firm has the right to refuse to extend the validity of its proposal in which case such proposal will not be further evaluated.

If any of the Key Experts become unavailable for the extended validity period, the firm shall provide a written adequate justification and evidence satisfactory to the Client together with the substitution request. In such case, a replacement Key Expert shall have equal or better qualifications and experience than those of the originally proposed Key Expert. The technical evaluation score, however, will remain to be based on the evaluation of the CV of the original Key Expert.

If the firm fails to provide a replacement Key Expert with equal or better qualifications, or if the provided reasons for the replacement or justification are unacceptable to the Client, such Proposal will be rejected.

1. **Proposal Security**

In this procurement, a proposal security is not required.

1. **Alternative Proposals**

Alternative proposals shall not be considered.

1. **Format, Signing, and Submission of Proposals of Proposal**

The firm shall prepare and email a scanned copy of the documents comprising the Proposal as described in point 10 on official company letterhead. Each document shall be signed by a person duly authorized to sign on behalf of the firm. All pages of the proposal shall be initialled by the person or persons signing the proposal.

Both financial and technical proposals must be submitted before 05:00 PM Pakistan Standard Time on February 20, 2019. Offerors must prepare four hard copies of the technical proposal and one hard copy of the cost proposals, and submit in separate **sealed** envelopes to the attention of ‘The Procurement Department’ 1-E, Ali Plaza, D Chowk, Mezzanine Floor, Naziumudin Road, Blue Area, Islamabad clearly stated the RFP No. and Title.

The proposal should also be sent to the following email address: [**procurement@karandaaz.com.pk**](mailto:procurement@karandaaz.com.pk) with the subject line: Responding to RFP- 56 for “Baseline Assessment of Pakistan Microfinance Investment Company”.

The Proposal shall contain no alterations or additions, except those to comply with instructions issued by Karandaaz Pakistan, or as necessary to correct errors made by the firm, in which case such corrections shall be initialled by the person or persons signing the Proposal.

1. **Deadline for Submission of Proposals**

Proposals must be received by Karandaaz Pakistan no later than 05:00 PM Pakistan Standard Time on February 20, 2019.

Karandaaz Pakistan may extend the deadline for submission of proposals by issuing an amendment in accordance with point 8 ‘Amendment of RFP’, in which case all rights and obligations of Karandaaz Pakistan and the firms previously subject to the original deadline shall then be subject to the new deadline.

1. **Late Proposals**

Any Proposal received late by Karandaaz Pakistan will be considered only at the discretion of the evaluation team

1. **Withdrawal, Substitution, and Modification of Proposals**

Firms may withdraw, substitute or modify their proposals by giving notice in writing before the deadline for submission of proposals prescribed in point 16 ‘Deadline for Submission of Proposal’ of this section.

Each firm’s withdrawal, substitution or modification notice shall be prepared, sealed, marked, and delivered in accordance with point 15 ‘Format, Signing, and Submission of Proposals of Proposal’, with the subject line as: Responding to RFP for “Baseline Assessment of Pakistan Microfinance Investment Company - “WITHDRAWAL,” SUBSTITUTION” or “MODIFICATION” as appropriate. No Proposal may be substituted or modified after the deadline for submission of proposals.

**E. Proposal Opening and Evaluation**

1. **Proposal Opening**

Karandaaz Pakistan shall open the proposals, including modifications made pursuant to point 18, on the business day following the deadline, as per point 16.

1. **Confidentiality**

Information relating to the examination, evaluation, comparison, and post-qualification of proposals, and recommendation of contract award, shall not be disclosed to firms or any other persons not officially concerned with such process until publication of the contract award. Any effort by a firm to influence Karandaaz Pakistan in the examination, evaluation, comparison, and post-qualification of the Proposals or contract award decisions may result in the rejection of its Bid. Notwithstanding the above, from the time of proposal opening to the time of contract award, if any firm wishes to contact Karandaaz Pakistan on any matter related to the bidding process, it should do so in writing at the address indicated in point 7 ‘Clarification of RFP’.

1. **Clarification of Bids**

To assist in the examination, evaluation, and comparison of proposals, Karandaaz Pakistan may, at its discretion, ask any firm for clarification of the firm’s proposal. The request for clarification and the response shall be in writing, but no change in the price or substance of the proposal shall be sought, offered, or permitted except as required to confirm the correction of arithmetic errors discovered by Karandaaz Pakistan in the evaluation of the proposals in accordance with point 25 ‘Correction of Errors’.

1. **Preliminary Examination of Proposals**

Prior to the detailed evaluation of proposals, Karandaaz Pakistan shall first review each Proposal and check the power of attorney or any other form demonstrating that the representative has been duly authorized to sign the proposal, initialization of all pages, etc.

1. **Determination of Firm’s Eligibility and Qualifications**

Then Karandaaz Pakistan shall determine whether the firm meets the eligibility and qualification requirements of the bidding documents. Firms failing to comply with the eligibility criteria indicated in point 3 ‘Eligibility’ shall be disqualified.

Further, Karandaaz Pakistan shall determine whether the proposal is substantially responsive to the requirements of the bidding documents.

Karandaaz Pakistan’s determination of a proposal’s responsiveness is to be based on the contents of the proposal itself. A substantially responsive proposal is one, which conforms to all the terms, conditions, and specifications of the RFP, without material deviation or reservation. A material deviation or reservation is one (a) which affects in any substantial way the scope, quality, or performance of the service; (b) which limits in any substantial way, inconsistent with the RFP, Karandaaz Pakistan’s rights or firm’s obligations under the contract; or (c) whose rectification would affect unfairly the competitive position of other firms presenting substantially responsive Proposals.

1. **Evaluation of Technical Proposal**

Karandaaz Pakistan shall evaluate the technical aspects of the proposals received, applying the evaluation criteria specified in this point. Each proposal that is not rejected for reasons stated in these Instructions will be given a technical score.

The evaluation criteria, relevant sub-criteria, and point system to be used to evaluate the Technical Proposals shall be:

Technical Proposal (80% of total score)

Prior Experience of the Firm (20%)

Proposed Team (30%)

Proposed Methodology (30%)

1. **Correction of Errors**

Proposals determined to be substantially responsive shall be checked by Karandaaz Pakistan for any arithmetic errors. Errors shall be corrected by Karandaaz Pakistan as follows:

Where there is a discrepancy between the amounts in figures and in words, the amount in words shall govern.

The amount stated in the proposal shall be adjusted by Karandaaz Pakistan in accordance with the above procedure for the correction of errors and, with the concurrence of the firm, shall be considered as binding upon the firm. If the firm does not accept the corrected amount, the proposal shall be rejected.

1. **Currency for Price Evaluation**

For evaluation and comparison purposes, Kaandaaz Pakitan shall convert all proposal prices expressed in US Dollars into an equivalent amount in PKR, using the selling exchange rates established by the State Bank of Pakistan on the date of proposal opening specified in point 19 ‘Proposal Opening’.

1. **Evaluation of Proposal Price and ranking:**

Financial Proposal (20% of Total Score)

Cost proposals submitted will be evaluated according to price reasonableness determination under full and open competition and known market conditions.

Evaluation of the cost proposal will consider, but will not be limited to, the following:

* Cost reasonableness;
* Consistency with the technical proposal;

20 points will be awarded to the lowest responsive bidder while rest of the bids will be allocated points according to following formula:

Points of a Bidder = (P1/ P2)\* 20

Where:

P1= Price of Lowest Responsive Bidder

P2= Price of the Bidder

**F. Award of Contract**

1. **Award Criteria**

Subject to 31 below, Karandaaz Pakistan shall award the contract to the firm whose proposal has been determined to be substantially responsive to the RFP and which has the highest combined technical and financial score, provided that such firm has been determined to be eligible in accordance with point 3.

1. **Karandaaz Pakistan’s right to accept Any proposal and to reject any or all proposals**

Notwithstanding point 28 above, Karandaaz Pakistan reserves the right to accept or reject any proposal, and to cancel the bidding process and reject all bids, at any time prior to the award of contract, without thereby incurring any liability to the affected firm or firms or any obligation to inform the affected firm or firms of the grounds for Karandaaz Pakistan’s action.

1. **Notification of Award and Signing of Agreement**

The firm whose Proposal has been accepted shall be notified of the award by Karandaaz Pakistan prior to expiration of the proposal validity period in writing. This letter (hereinafter and in the contract called the “Letter of Acceptance”) shall state the sum that Karandaaz Pakistan shall pay the contractor in consideration of the services as prescribed by the contract.

The Agreement shall incorporate all agreements between Karandaaz Pakistan and the successful firm. It shall be signed by Karandaaz Pakistan and sent to the successful firm, within seven (7) days following the Letter of Acceptance’s date. Within seven (7) days of receipt, the successful firm shall sign the Form of Agreement and deliver it to Karandaaz Pakistan.

Karandaaz Pakistan will also promptly notify in writing each unsuccessful firm. After publication of the award, unsuccessful firms may request in writing to Karandaaz Pakistan seeking explanations of the grounds on which their Proposals were not selected. Also, Karandaaz Pakistan shall entertain a complaint from any firm that claims to have suffered or that may suffer, loss or injury due to a breach of a duty by the company in the conduct of this bidding process. Such requests shall be addressed on below mentioned email ID:

**proccomplaint@karandaaz.com.pk**.

**SECTION 3. PROCUREMENT POLICY – VENDOR CONDUCT**

1. **Corrupt or fraudulent practices**

Bidders, suppliers, contractors and their agents (whether declared or not), sub-contractors, sub-consultants, firms or suppliers, and any personnel thereof, shall observe the highest standard of ethics during the procurement and execution of contracts.

Karandaaz Pakistan shall not award contract if it is determined that the bidder, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, firms, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question. As part of bidding/ solicitation documents, Karandaaz Pakistan will seek declaration of ‘Non collusive non corrupt practices’ from each bidder. Format for such declaration is prescribed in section 3 of the standard bidding document. In pursuance of this policy, following terms are defined as follows:

1. “Corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
2. “Fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
3. “Collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
4. “Coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
5. “Obstructive practice” is deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation.
6. **Avoidance of conflict of interest**

Any firm participating in the procurement process should disclose any actual or perceived conflict of interest situation/condition. Any firm found to have a conflict of interest shall be ineligible for award of a contract.

A firm shall be considered to have a conflict of interest in a procurement process if:

1. Such firm is providing goods, works, or non-consulting services resulting from or directly related to consulting services for the preparation or implementation of a project that it provided or were provided by any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm; or
2. Such firm submits more than one bid, either individually or as a joint venture partner in another bid, except for permitted alternative bids. This will result in the disqualification of all bids in which the bidder is involved. However, this does not limit the inclusion of a firm as a sub-contractor in more than one bid. Only for certain types of procurement, the participation of a bidder as a sub-contractor in another bid may be permitted subject to the company’s no objection and as allowed by the standard bidding documents applicable to such types of procurement; or
3. Such firm (including its personnel) has a close business or family relationship with a professional staff of the company who: (i) are directly or indirectly involved in the preparation of the bidding documents or specifications of the contract, and/or the bid evaluation process of such contract; or (ii) would be involved in the implementation or supervision of such contract unless the conflict stemming from such relationship has been resolved in a manner acceptable to the company throughout the procurement process and execution of the contract; or
4. Such firm does not comply with any other conflict of interest situation as specified in the standard bidding documents relevant to the specific procurement process.
5. **Duty of care**

The supplier in performance of services for Karandaaz Pakistan shall exercise duty of care. Duty of care holds the supplier responsible for the safety and well-being of its personnel and any third party affected by its activities.

**SECTION 4. TERMS OF REFERENCE**

**Thematic Area**:

**Project Title: Baseline Assessment of Pakistan Microfinance Investment Company (PMIC)**

**Expected Start Date: February**, **2019**

**End Date:**  **April 2019**

**Task Manager: Head of Monitoring, Evaluation and Learning (MEL)**

**About Karandaaz Pakistan**

**KARANDAAZ PAKISTAN**, a not-for-profit company established in 2014 and registered with the Securities and Exchange Commission of Pakistan under section 42, is promoting access to finance for small businesses through commercially directed investments and financial inclusion of individuals. Karandaaz 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.

Karandaaz Pakistan operates through four program verticals:

1. **Karandaaz Digital**: Provides technical assistance and services to promote financial inclusion through technology enabled solutions. Karandaaz Digital is working with national regulators, public agencies, private corporations, and technology entrepreneurs to strengthen national payments infrastructure, digitizing government to people payments, corporate supply chains, and supporting FinTech innovation in Pakistan.
2. **Karandaaz Capital**: Provides growth capital through credit facilities and private equity investments in small and medium size enterprises (SMEs) with the objective of generating commercial financial returns for Karandaaz and support broad-based employment generation in Pakistan.
3. **Karandaaz Knowledge Management and Communication**: Develops and disseminates evidence-based insights and solutions to inform the core themes of the company, including innovation, women entrepreneurship and youth, and to influence the financial eco-system to promote financial inclusion in Pakistan. Regulatory and Policy analysis and advocacy to address the remaining policy barriers to digital financial inclusion is part of KMC.
4. **Karandaaz Innovation**: Innovation Challenge Fund (ICF) running under Karandaaz Innovation provides risk capital and grants to partners with an aim to generate innovative yet practicable solutions for solving complex problems in areas of financial inclusion and entrepreneurship. The Fund is especially focused on addressing stubborn barriers faced by SMEs, women and youth in accessing appropriate financial services and participating in the economy.

**About the Project**

MSMEs in Pakistan face significant challenges in accessing finance for growth, and commercial banks have not been able to bridge the required financial gap in the market. In order to help businesses grow and create jobs for the growing population, it is essential that access to finance for MSMEs is improved. Karandaaz Pakistan strives to improve access of financial services to MSMEs, which can translate into higher economic benefits for state as well as poor and marginalised segments in the country. Karandaaz, in collaboration with other donor agencies, set up the Pakistan Microfinance Investment Company (PMIC) in 2016 to serve the microfinance sector of Pakistan. PMIC operates as the apex organisation for meeting the financing needs of microfinance institutions (MFIs) and Microfinance Banks (MFBs). It provides wholesale lending facilities to both MFIs and MFBs, who on-lend, with the objective of creating a sustainable microfinance sector in Pakistan and contributing to economic growth.

The strategic goals of PMIC are:

* Develop a commercially viable organization that provides capital for the development of microfinance and other institutions focused on financial inclusion in Pakistan
* Accelerate growth and promote professionalism of microfinance institutions in Pakistan
* To become a leading-edge provider of tailor-made solution to microfinance institutions through a combination of financing and capacity development support
* Promote responsible finance with focus on client protection and environmental and social safeguards
* Contribute to a robust financial ecosystem leading to a sustainable microfinance sector

Karandaaz Pakistan has provided funding to PMIC through a direct equity stake of 38 percent as well as a sub-ordinated loan. The funds received from Karandaaz have been leveraged a multiple of times by PMIC, increasing the overall capital available for on-lending. The strategic case of Karandaaz funding to PMIC is based on achieving certain objectives and targets. These include:

1. Leverage Karandaaz funds to scale up access to finance for microenterprises, especially underserved segments.
2. Attract larger players in the sector through enhanced per party limits.
3. Product sophistication while meeting the needs of the MFBs and Non-Bank Microfinance Institutions (NBMFIs) for larger funding lines with longer tenors. For example, wholesale credit, senior debt, subordinated debt, guarantees, and other investment services and opportunistic equity and equity-linked investments.
4. Sector development through funding for new product segments through Microfinance Plus (for example, in agriculture value chains, start-up loans for women, low cost housing, renewable energy, enterprise development lending).

**This baseline assessment is being commissioned to understand where PMIC stands currently with regards to the above objectives and to provide the basis for future evaluations of the investment.**

This assignment has three complementary deliverables, all aimed at helping Karandaaz systematically track PMICs performance against committed targets and goals. These are:

1. **Develop an evaluation framework** that can be used by KRN to periodically track and measure PMIC’s progress against the above objectives. This framework may use quantitative and qualitative measures to capture performance.
2. **Undertake a baseline assessment** of PMIC against the agreed framework. This should capture performance and information as of 31 December 2018 (or latest available information).
3. **Gap analysis of monitoring, evaluation and learning mechanisms** in place at PMIC. This gap analysis should review data and information already being collected and systematically available with PMIC, and what additional key data needs to be collected in order to track progress as per agreed evaluation framework.

**Scope of Work**

The consultant will have primary responsibility for research, field work and report writing. Karandaaz will provide support where required. Specific tasks required from the Consultant are discussed below.

## Phase 1: Inception

1. **Inception meeting**: The consultant will be required to hold a **kick-off meeting** with the MEL team and the PMIC team to get a clear understanding of PMICs operations and the expectations from this assessment. The consultant may meet Karandaaz’s donor, the Department for International Development (DFID) at this point as well.
2. **Review relevant literature and documents**: This will include gaining an in-depth understanding of the EAGR Framework, PMIC business plan, microfinance industry reports and other relevant documents.
3. **Evaluation Framework:** The Consultant will use the desk research and initial meetings with PMIC, Karandaaz and DFID to develop the evaluation framework to be used for the baseline and subsequent assessments.

**Deliverable:** The Consultant will prepare and submit an **Inception Report** which will cover the evaluation framework and updated work plan. The consultant may be required to make a presentation on the framework to Karandaaz and PMIC. Feedback will be incorporated to finalize the evaluation framework.

## Phase 2: Stakeholders’ Consultations & Framework Development

1. **Portfolio analysis:** The consultant will undertake a detailed analysis of PMIC’s portfolio. The analysis will help Karandaaz develop an understanding of how the portfolio has grown and evolved since PMIC began operations in 2016. It should consider various dimensions of outreach (such as geography, economic sectors, gender etc.), partner-wise analysis (to understand per party exposure across partners, number and type of partners), and size of portfolio (value of outstanding portfolio, average loan sizes etc.).
2. **Key Informant Interviews/Consultations**: The consultant is to undertake interviews with internal and external stakeholders including Karandaaz management and Board members, PMIC management and Board members, Pakistan Microfinance Network (PMN), State Bank of Pakistan (SBP), Securities and Exchange Commission of Pakistan (SECP), PMIC partner MFIs, and/or any other entities that may be identified by Karandaaz and PMIC. It is expected that 12-15 meetings will be required.

**Deliverable:** At the end of Phase 2, the consultant will hold a **progress review meeting** with Karandaaz and PMIC to provide an update on progress and any delays/deviations from expectations.

**Please note that all information collected during the research will be the sole property of Karandaaz Pakistan and cannot be shared, used or reproduced for any purpose without prior permission. Therefore all information collected must be clearly documented, retained and transferred to the project manager at conclusion of the project.**

**Phase 3: Baseline Assessment and Report**

1. **Baseline Assessment - Draft Report** - The consultant will submit a draft report for review by the Karandaaz and the PMIC team respectively. The report will be a comprehensive document covering a) background, purpose and objectives of the assessment b) the evaluation framework c) key findings from the baseline assessment d) gap analysis of PMIC MEL systems and capacity and recommendations for improvement. The scope and structure of the report may be changed through mutual discussion between consultant and Karandaaz.
2. **Final report:** Karandaaz and PMIC will provide feedback on the draft. The consultant is responsible for incorporating the feedback and submitting a final version to the project manager. The Consultant should expect at least two rounds of comments.
3. **Presentation:** The consultant will submit and deliver a PowerPoint presentation to Karandaaz and PMIC summarizing key findings. The Consultant may be required to present the findings at a meeting of KRN internal/external stakeholders.

**Timeline**

The study will be conducted over a period of 10 weeks in Pakistan, starting from the signing of the contract. Deliverables include:

| **Deliverable** | **Description** | **Timeline** |
| --- | --- | --- |
| **PHASE 1** | | |
| *Kick off meeting with Karandaaz Project Team* | A meeting to discuss scope of assignment and get an in-depth understanding of PMIC’s objectives, structure, key outputs and outcomes to date, challenges and achievements etc. The Consultant should come prepared with an interview guide to engage with KRN and PMIC team to get relevant information. | Week 1 |
| *Inception report/Evaluation Framework* | The report should use information gathered in the kick-off meeting to define the scope and methodology of the assessment, lay out the Consultant’s understanding of PMIC’s objectives and theory of change, and include a detailed work plan and the evaluation framework. | Week 2 |
| **PHASE 2** | | |
| *Portfolio analysis* | The Consultant will identify critical data required for this purpose, which will be provided by PMIC and KRN. | Week 3 |
| *Stakeholder Consultations* | The Consultant will undertake meetings and discussions with key stakeholders. | Week 4/5 |
| *Progress Review Meeting* | Meeting with Karandaaz team to discuss progress and preliminary findings. | Week 7 |
| **PHASE 3** | | |
| *Draft Report* | Draft report for comments by Karandaaz. Two rounds of comments should be expected. | Week 8 |
| *Final Report* | The report will be finalized after incorporation of comments. | Week 9 |
| *Final Presentation* | A PowerPoint presentation based on the report will be submitted. Consultant may be required to make an in-person presentation to KRN. | Week 10 |

**Level of Effort, Payment & Disbursement Schedule**

The consultant has up to 40 days of work over a period of 10 weeks, estimated to be roughly:

|  |  |
| --- | --- |
| Phase 1 | 05 Days |
| Phase 2 | 25 Days |
| Phase 3 | 10 Days |

Karandaaz Pakistan will make payments as per the following schedule:

|  |  |
| --- | --- |
| Phase 1 deliverables successfully completed | 20% of total cost |
| Phase 2 deliverables successfully completed | 50% of total cost |
| Phase 3 deliverables successfully completed | 30% of total cost |

**Consultant Qualifications & Experience**

Karandaaz seeks a well reputed, local or international firm for this assignment. The firm and proposed team should have demonstrated experience of evaluation and assessment methodologies used in international development as well as a deep understanding of Pakistan’s microfinance sector. Specifically, the Consultant should have:

1. Demonstrated experience in programme evaluations and assessments related to financial inclusion in Pakistan, with a good appreciation of the socio-economic development impact. International experience will be a plus. Experience of evaluating DFID funded programmes will be preferred.
2. Experience in working on microfinance with a good understanding of the present challenges of Pakistan’s microfinance sector and risks. Experience may be demonstrated through research engagements, practitioner experience or other assignments which provide a holistic view on the industry.
3. Ability to produce well structured, concise and meaningful analysis and reports. KRN may request samples of previous work in this regard.
4. Ability to mobilize the team quickly in Pakistan. The assignment will require travel to different cities.

The proposals will be evaluated on the following basis:

|  |  |  |
| --- | --- | --- |
| **Criteria** | **Description** | **Weight** |
| ***Prior experience of the firm*** | Prior experience in the following areas will be assessed:   * Track record in undertaking impact evaluations and assessments in microfinance sector * Experience of assessing financial inclusion programmes funded by international donors, especially DFID * Experience in Pakistan’s MF sector | 20% |
| ***Proposed team*** | Proposed team will be assessed on:   * Demonstrated experience in undertaking and participating in programme evaluations and assessments * Understanding and knowledge of Pakistan’s microfinance sector * Whether the team members possess requisite skill set as a whole, especially financial analysis, impact evaluations and programme management skills. | 30% |
| ***Proposed Methodology*** | These TORs provide a broad approach to the assessment. The Consultant is expected to provide a more detailed approach in the technical proposal. | 30% |
| ***Financial Proposal*** |  | 20% |

\*All proposals achieving a score of less than 50 percent of the Technical Evaluation will not be considered for Financial Evaluation.

**Documents to be submitted**

The following list of documents shall be submitted as part of the application:

1. Cover letter
2. Technical proposal – This should cover **a)** experience of the firm; **b)** profiles of key team members and their roles on the assignment; **c)** Proposed methodology; **d)** analysis of key risks w.r.t. the assignment and mitigation strategies; and **e)** project work plan with key milestones and deliverables.
3. Detailed CVs of proposed team members
4. Financial Proposal: A detailed budget reflective of all activities identified separately.

**Task Manager/Reporting**

Head of MEL

**Payment**

Karandaaz Pakistan will make payments as per the following schedule:

|  |  |
| --- | --- |
| Phase 1 deliverables successfully completed | 20% of total cost |
| Phase 2 deliverables successfully completed | 50% of total cost |
| Phase 3 deliverables successfully completed | 30% of total cost |

**PROPOSAL SUBMISSION FORM**

Dear Sir/Madam,

Having examined the Solicitation Documents, the receipt of which is hereby duly acknowledged, “THE FIRM NAME” undersigned, offer to provide consulting for “INSERT REFERENCE NUMBER” to Karandaaz Pakistan in accordance with the Price Schedule attached herewith and made part of this proposal. “THE FIRM NAME” undertake, if our proposal is accepted, to commence and complete delivery of all services specified in the contract within the time frame stipulated.

“THE FIRM NAME” agree to abide by this proposal for a period of 90 days from date fixed for opening of proposal in the invitation for proposal, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

We understand that you are not bound to accept any proposal you may receive.

Dated: this------day of -------2019

**Name, Designation and Signature of the “firm Representative”**