



**Request for Proposals (RFP) for the
Interest Free Loan (IFL) Program under Ehsaas
supported by the Government of Pakistan**

RFP No. PPAF-IFL/RFP-2021-04-01

Issue Date: April 18, 2021

Disclaimer: Issuance of this RFP in no way obligates PPAF to award a loan/financing agreement. Organizations will not be reimbursed for any costs associated with the preparation and submission of technical and financial proposals. PPAF reserves the right to cancel the entire RFP or the evaluation process in the best interest of the program objectives without assigning any reason therefor.

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1. **Summary of the RFP**

RFP No.	PPAF-IFL/RFP-2021-04-01
RFP Issue Date	April 18, 2021
Title	Interest Free Loan Program (IFL) under Ehsaas supported by the Government of Pakistan (GoP)
Issuing Office & Point of Contact	procurement.ifl@ppaf.org.pk , PPAF, Islamabad
Deadline for submission of questions/clarification or requesting additional information	Questions, if any, regarding the Scope of Work (SOW) or RFP, shall be eligible for response if submitted by or before Tuesday , April 27, 2021 to the following email: procurement.ifl@ppaf.org.pk . The Organization is responsible for reading very carefully and fully understand the terms and conditions of this RFP. All communications regarding this RFP are to be routed solely through the issuing office. Questions or requests for clarification must be submitted no later than the date and time specified herein above. All questions received will be compiled and answered in writing.
Deadline for Submission of Proposals	Separately sealed Technical and Financial Proposals must reach the PPAF Office (address noted in this RFP) by or before Monday, May 3, 2021. Late submissions will be rejected.
Anticipated Award Type	Financing agreement shall be the only anticipated type of award to be signed based on review of technical proposal, financial proposal, desk review and field appraisal of the Organization, and successful negotiations, if any required by PPAF.
Basis for Award	An award will be made to the most responsive Organization (s) whose technical proposal is considered as responsive and qualified. Financial proposals of only those Organizations shall be opened whose technical proposals stand qualified.

2. Procurement Ethics

Neither payment nor preference shall be made by either the Organization, or by any PPAF staff, in an attempt to affect the results of the award. PPAF treats all reports of possible fraud/abuse very seriously. Acts of fraud or corruption will not be tolerated, and PPAF employees and/or Organization who engage in such activities will face serious consequences. Any such practice constitutes an unethical, illegal, and corrupt practice. Organization or the PPAF staff are encouraged to report any such violations to the Chief Internal Auditor PPAF internal auditor via email to whistleblow@ppaf.org.pk

PPAF ensures confidentiality and an unbiased, serious review and treatment of the information provided. Such practice may result in cancellation of this RFP and/or disqualifications of the Organizations participation in this, or future, opportunities.

Organization must provide full, accurate and complete information in response to this RFP. The penalty for materially false responses/representations may result in disqualification of the Organization and such Organization can be debarred/blacklisted by PPAF for participating in future opportunities for at least three (3) years or a further period.

By submitting proposals in response to the RFP, Organization certifies that they have not/will not attempt to bribe or make any payments to PPAF employees in return for preference, nor have any payments associated with Terrorists, or groups supporting Terrorism, been attempted in the past and neither intended by the Organization in future.

3. Anti-Corruption and Anti-Bribery Reporting Responsibilities

A proposal for award shall be rejected if it is determined that the Organization being considered for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the loan/financing agreement in question. An organization or individual shall be sanctioned and declared ineligible, either indefinitely or for a stated period of time, to be awarded an agreement. If at any time, it is determined that the Organization has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing the loan/financing agreement.

By signing the proposal, the Organization confirms adherence to these standards and ensures that no attempts shall be made to influence PPAF staff through bribes, gratuities, facilitation payments, kickbacks or fraud. The Organization also acknowledges that violation of this policy may result in termination, repayment of funds disallowed by the corrupt actions and possible suspension and debarment by the PPAF.

4. Purpose

Pakistan Poverty Alleviation Fund (PPAF) for the "Interest Free Loan (IFL) Program under Ehsaas" supported by the Government of Pakistan requests proposals from qualified eligible organizations. Selected potential partner organizations (Organizations) shall be responsible to set up urban and rural branches and loan centers across Pakistan to effectively deliver interest free loans for productive purposes only.

Questions regarding IFL program, Scope of Work (SOW), eligibility, evaluation criteria of technical and financial proposals may please be submitted by email to procurement.ifl@ppaf.org.pk **by or before April 27, 2021.**

Completed technical and financial proposals must be included in separately sealed envelopes clearly marked as technical and financial proposals. Both the envelopes of technical and financial proposals should be properly sealed and marked with name and return address of applicant partner organization submitting these proposals. Proposals must reach PPAF Office **by or before Monday, May 3, 2021. Late submissions will be rejected.** Proposals must be submitted via courier/post (hardcopies only) or by hand under receipt cover for acknowledgement.

This request for proposals (RFP) does not constitute a commitment on behalf of PPAF to make an award in full or in part for the IFL Program or any other related agency/firm implementing or financing the said program. PPAF will not be liable to pay for any cost(s) associated with the preparation or submission of technical and financial proposals. The review and selection committee of the IFL program reserves the right to reject any or all proposals and cancel the entire evaluation process in the best interest of the program without assigning any reasons therefor.

Office Address for submission of Proposals:

Unit Head Procurement
“Proposal for Interest Free Loan (IFL) Program”
Pakistan Poverty Alleviation Fund (PPAF)
Plot 14, Street 12, Mauve Area
Sector G-8/1, Islamabad.
Tel: +92-51-8439450-79

5. General Information and Instructions to Organizations

5.1 Issuing Office

The Issuing Office and Contact Person noted in the above synopsis is the sole point of contact at PPAF for purposes of this RFP. Any Organization who fails to register their interest with this office assumes complete responsibility in the event that they do not receive direct communications (amendments, answers to questions/clarifications, etc.) prior to the closing date of submission of technical and financial proposals.

5.2 Type of Award Anticipated

PPAF anticipates awarding a loan/financing agreement to the successful Organization. Signing of the agreement between successful organization and PPAF is subject to negotiations, and based on the result of pre-award desk review and field appraisals of organization(s) and final approval by the board of directors of PPAF and/or the donor (as the case may be).

5.3 Instructions

Organization wishing to respond to this RFP must submit proposals, in English, in accordance with the following instructions. Organization is required to review all instructions contained in this RFP. Failure to do so will be at the Organization’s risk. Proposals are due for submission no later than Monday, May 3, 2021. **Late submissions will be rejected.**

The submission of proposals to PPAF in response to this RFP will constitute an offer on behalf of the Organization to enter into an agreement subject to the terms and conditions contained in this RFP and any attachments attached hereto or referred herein. PPAF reserves the right not to evaluate a non-responsive or incomplete technical proposal.

Financial proposal must show unit prices, extensions, and total price. Financial Proposal must be a fixed price, expressed in Pak Rupee. In case of difference in unit cost and total cost, unit cost shall prevail. Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected. If there is a discrepancy between words and figures the amount in words shall prevail.

Only those proposals shall be considered which are prepared in legible writing and are absolutely clear and unambiguous. Any unavoidable cutting/over-writing must be signed and stamped by authorized signatory of the Organization.

Submission of Proposal against this RFP would automatically mean that the interested Organization agrees to all the terms and conditions mentioned in this RFP. A cover letter must be included with the proposal on the Organization's company letterhead with a duly authorized signature and company stamp/seal using template provided as per Attachment – A.

The cover letter must at least include the following information:

- The Organization certifies that its technical and financial proposal and the prices contained therein shall remain valid for 90 days beyond the deadline of submission.
- Provide naming list of enclosures/attachments being submitted as part of technical and financial proposals.
- Names of proposed staff members whose CVs are provided as part of the RFP.

These instructions to Organization will not form part of the offer or of the financing agreement. These instructions are intended solely to guide the Organization in the preparation and submission of proposals.

Please read and follow these instructions carefully.

1. The proposal and all corresponding documents related to the proposal must be written in the English language. Additionally, all proposals should be single-spaced with clear section headings, and be presented in the order specified in the Evaluation Criteria.
2. Proposals must include only the Organization's own work. No text should be copied from sources outside of your organization, unless those sources are adequately cited and credited.
3. The Organization must state in their Proposal the validity period of their offer. The minimum offer acceptance period for this RFP is **90 days** calculated from the closing deadline for submission of the RFP. If a Organization has provided a validity period of less than 90 days, they will be asked to revise this. If the Organization does not extend the validity period, their proposal will be rejected. PPAF reserves the right not to make an award in such instance.
4. Technical Proposal and Financial Proposal **must** be kept separate from each other. **Technical Proposals must not make reference to financial proposal information at any point.** This will enable the evaluation committee to carryout evaluation of the technical proposal strictly on the basis of technical merits.
5. No costs incurred by the Organization in preparing and submitting the proposals are reimbursable by PPAF. All such costs will be at the Organization's own expense.
6. **Responsibility Determination:** Award shall only be made to "responsive" Organization. To enable PPAF to make this determination, the Organization must provide a cover letter on the format provided as per Attachment-A.

7. **Late Submissions:** Organizations solely responsible for ensuring that they submit proposals in accordance with the instructions stated herein. Late submission will be rejected, even if it was late as a result of circumstances beyond the Organization's control.
8. **Modification/Withdrawal of Proposals:** Organization have the right to withdraw, modify or correct their offer after it has been delivered to the PPAF Office, provided that the request is made before the RFP closing date and corrected proposal is delivered to PPAF within the deadline of submission.
9. **Disposition of Proposals:** Reasonable efforts will be made to ensure confidentiality of proposals received from all Organization. This RFP does not seek information of a highly proprietary nature, but if such information is included in the Organization proposal, the Organization must alert PPAF and must annotate the material by marking it "Confidential and Proprietary" so that information is treated appropriately.
10. **Clarifications and Amendments to the RFP:** Any questions regarding this RFP must be **emailed** to procurement.ifl@ppaf.org.pk No questions/clarifications will be entertained if they are received by other means. The RFP No and title should be stated in the subject line. Responses will be compiled and emailed to the requesting Organization. Questions and responses will be updated on PPAF website for information of all the Organizations who received this RFP.
11. It is strongly recommended that Organizations submit their best technical and financial proposals **Failure to agree and comply with any of the above instructions will result in the Organization being considered non-responsive and the proposal may be rejected.**

Submission of Proposals:

Proposals must be submitted in **two separate sealed envelopes, as follows:**

1. **Volume I – Technical Proposal (1 original and 3 copies in hard form)**
2. **Volume II – Financial Proposal (1 original in hard form).**

Both sealed envelopes must be enclosed in one common envelop

Each envelope should be clearly labeled with the RFP number and project title "**Request for Proposals (RFP) for the Interest Free Loan (IFL) Program under Ehsaas supported by the Government of Pakistan.**"

Proposals must be delivered in hard copies no later than the specified date/time to the address below. Submissions by email will be rejected.

**Unit Head Procurement
(Proposal for Interest Free Loan Program)
Pakistan Poverty Alleviation Fund (PPAF)
Plot No 14, Street 12, Mauve Area
G-8/1, Islamabad. Tel: +92-51-111-000-102**

Organization which does not submit their technical and cost proposals separately, and/or who do not submit the required number of hardcopies of proposals as noted above may be disqualified.

Contents of Proposals:

The proposals shall be comprising of three sections:

- i. The Cover Letter (Attachment A)
- ii. The Technical Proposal

- **Mandatory Documentation:**

Sr.#	Documents that are Mandatory for submission with RFP application	Yes/No	Means of Verification (MoV)
1.	Valid registration certificate (certified true copy of registration certificate not older than 3 months from the date of submission of proposal) of the organization is provided according to the applicable registration authority/entity of Government of Pakistan Note: In case renewal is applied for, please provide evidence.		Certified true copy is provided that is duly attested by the issuing authority
2.	Signed Audited Financial Statements of last three years of the applicant organization are provided.		Audited financial statements of the organization are provided for last three years duly signed and stamped by the auditing firm/chartered accountancy firm of the organization.
3.	District Selection (Form No. 1)		Filled Form No. 1 duly signed by the authorized signatory
4.	Project Sheets (Form No. 2)		Filled Form No. 2 duly signed by the authorized signatory
5.	Signed Declaration of Non-exclusionary Organization (Form No. 4)		Filled Form No. 4 is provided on Company's letter-head duly signed by the authorized signatory
6.	Signed Declaration of Undertaking for Compliance (Form No. 5)		Filled Form No. 5 is provided on Company's letter-head duly signed by the authorized signatory
7.	Signed Declaration of Non-Blacklisting (Form No. 6)		Filled Form No. 6 provided on organization's letter-head duly signed by the authorized signatory

- Other relevant documentation as per evaluation criteria given in section 9.2 of this document

iii. The Financial Proposal

Cover Letter: should be on the Organization's letterhead and MUST contain the information requested in Attachment – A.

Technical Proposal:

- The **mandatory documentation** must be provided on specific formats by keeping in mind clearly defined "Means of Verification", otherwise, proposal shall not be entertained for further evaluation process.
- Should clearly & precisely address theoretical and practical aspects that the Organization has considered and will employ to carry out the work described in Scope of Work (SOW).
- The Technical Proposal is the opportunity for the Organization to demonstrate that the firm is "technically capable" of implementing the activity and should demonstrate Organization's understanding and capabilities to carry out the work, and address the key issues described in the Evaluation Criteria.

- The Technical Proposal should be divided into clear separate sections following the instructions provided for preparation and submission of technical proposal. Disordered proposal that makes information hard to find may result in lower evaluation scores.
- If an Organization submits technical proposal that fails to respond to the majority of the information requested in this RFP, as outlined specifically in Scope of Work (SOW) and the evaluation criteria, the Organization’s proposal will be considered on the basis of submitted information only.

Financial Proposal:

- Must be submitted separately from the technical proposal in sealed envelope and will primarily indicate the cost for performing the program activities.
- At minimum, the financial proposal should include detailed budget that provides a breakdown of costs by line item aligned with the proposed implementation strategy and **Project Plan, per district for a period of one year of the program.**
- Note that any indirect/overhead costs should be listed as a separate line item in the budget and should not be built into the direct costs. Use the template for financial proposal provided in Attachment – B. Detailed and comprehensive cost notes that provides information on each of the line items in the budget and explains why these items are needed for implementation of the program activities.

Failure to comply with any of the above points will result as the Organization being considered “non-responsive”.

6. Questions regarding the RFP

Each Organization is responsible for reading and complying with the terms and conditions of this RFP. Requests for clarification/questions and/or additional information must be submitted in writing as specified in the above Summary of RFP. No questions will be answered by phone. Any verbal information received from a PPAF employee or other entity shall not be considered as an official response to any question/clarification regarding this RFP.

Copies of questions and responses will be made available in writing on the website of PPAF for information of all Organizations who are on record as having received this RFP before the due date of submission of such clarification/questions as specified in the above summary of the RFP.

7. Instructions for the Preparation of Technical Proposals

Technical proposals shall be submitted as a separate file from financial proposal and shall be clearly labeled as “VOLUME I: TECHNICAL PROPOSAL”.

Technical proposals must include the following contents and information. Guidance notes provided below are intended for information only and must not be included in the proposal by the Organization.

Mandatory documentation shall be provided on specific formats by fully adhering mentioned Means of Verification (MoVs), otherwise, proposal shall not be entertained for further evaluation process

[Provide here a brief (two pages) description of the background and organizational structure (including organogram) and each associate for this assignment.]

1. Firm Background/Profile:
2. Profile of Chief Executive Officer:
3. List of Board of Directors/Partners/Management:
4. Organogram of the organization:
5. Proposed structure for the project with job description:

Guidance Notes: Technical approach, methodology and work plan are key components of the Technical Proposal. You are requested to present your Technical Proposal (maximum 50 pages inclusive of charts, diagrams, work plan/implementation plan) divided into the following three sections:

- a) Technical Approach and Methodology,
- b) Work Plan, and
- c) Organization and Staffing

a) Technical Approach and Methodology. In this section you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.

b) Work Plan. In this section Organization should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones with delivery dates. The proposed work plan/implementation plan should be consistent with the technical approach and methodology, showing understanding of the SOW.

c) and ability to translate them into a feasible implementation plan. A list of the final documents, including periodic reports, data and tables, to be delivered as final output, should be included here. The work plan should be consistent with the implementation strategy.

d) Organization and Staffing. In this section Organization should propose the structure and composition of the IFL program team and maximum case load per credit officer. List the main disciplines of the assignment, the key experts responsible, and proposed technical staff. Describe and justify composition and organizational structure of the IFL program team/program staff. Key management and technical staff members should be named, and their CVs should be annexed to the Proposal using the CV template (Form 3). This section should describe how the technical expertise and experience of each staff member will contribute specifically to implementing program activities and to achieving the expected results. Describe how the proposed team members have the necessary experience and capabilities to implement technical approach for achieving results/targets of the program.

Past Performance – Provide a list of at least three (3) recent awards/projects of similar scope and duration. The information shall be supplied as a table and shall include the legal name and address

of the organization for which services were performed, a description of work performed, the duration of the work and the value of the contract/agreement, description of any problems encountered and how these were resolved, current contact phone number and email of a responsible and knowledgeable representative of the organization for whom such work was performed (Attachment - C).

Organization should demonstrate technical and managerial expertise that will enable them to implement the intended activities of the IFL program successfully, including the following:

- Brief description of organizational history/expertise
- Experience with the approaches proposed in the technical proposal.
- Institutional strength as represented by systems (administrative and financial management systems) and management of personnel/HR system.

Organization should also provide evidence of relevant past performance and explain why and how those achievements are relevant to the proposed program activities. Organization with previous experience implementing similar donor-funded activities should attach as an annex a summary of the three most recent program/projects by utilizing the table format provided in the Attachment-C. Filled-in table of the attachment A **must be signed by the authorized signatory of the Organization.**

8. Basis of Award and Selection Process

8.1 Best Value Determination

PPAF will review all proposals, and make an award based on the technical and cost evaluation criteria stated above and select the Organization whose proposal provides the best value to the PPAF's IFL Program. PPAF may also exclude an offer from consideration if it determines that the Organization is "not responsible", and that it does not have the management and financial capabilities required to perform the work entailed in the SOW.

PPAF may award to Organization without discussions. Therefore, the proposals must contain the best termed (technical and financial proposals) as no negotiations are expected after opening of proposals.

8.2 Responsibility Determination

PPAF will not enter into loan/financing agreement with a Organization prior to ensuring the Organization's responsibility. When assessing the Organization's responsibilities, the following factors shall be taken into consideration:

- The Organization is qualified and eligible to perform work under applicable laws and regulations of the Islamic Republic of Pakistan. Has a valid operating permit/registration/license/NOC to work in the proposed geographic location/region/district.
- Has the necessary technical skills, organizational experience, accounting and operational controls.
- Has adequate financial resources to finance and perform the work or deliver services or the ability to obtain financial resources without requesting advance funds from PPAF before signing of the intended loan/financing agreement.

- Ability to comply with required performance schedule/work plan/implementation plan.
- Has satisfactory past performance record.
- Has satisfactory record of integrity and business ethics.

9. Scope of Work

9.1 Background

Poverty is widespread in Pakistan, particularly in the rural areas. There is high unemployment and generally a lack of income earning opportunities, particularly for women, disables & youth.

The National Poverty Graduation Initiative (NPGI) is part of the *Ehsaas* Program. It aims to graduate the poorest households out of poverty and set them on a course of economic and social prosperity. Its components include (i) asset transfers; (ii) vocational and skills trainings to make assets productive and;(iii) interest free loans. The graduation initiative aims to reduce dependence of the population at the bottom of the economic pyramid on government-led social safety nets (BISP, Zakat and Baitul Mal Programs) and helps to bring this population into the mainstream of economic development and financial inclusion. Interest Free Loan Program is one of the major components of National Poverty Graduation Initiative.

9.1.1 Introduction

The Government of Pakistan launched EHSAAAS Interest Free Loan (IFL) Program on July 5, 2019 in which Honorable Prime Minister of Pakistan was the Chief Guest. The Prime Minister announced PKR: 5 Billion for Interest Free Loan Program. These loans are to support productive microenterprise activities for the poor in rural and urban areas of Pakistan. These Interest Free Loans ranging between PKR 20,000 to PKR 75,000 will be made available to households with a score of up to 40 on the Poverty Score Card (PSC), which have a viable business idea or opportunity, but little or no access to banks and microfinance institutions. It is mandated that 50% loans will be disbursed to women.

Based on its experience as an apex institution in the development and microfinance sector, PPAF has been mandated by the Government to design, mobilize, implement and monitor the Interest Free Loan (IFL) Program, in partnership with organizations that implement poverty alleviation programs through microfinance, interest free loans or livelihoods interventions in Pakistan. PPAF will leverage its core strengths to implement the funding of PKR 5 billion (for provision of interest free loans) and its implementation cost 10.5% (approximately Rs. 525 million).

9.1.2 Program Goal and Objectives

The overall goal of the program is to assist the ultra-poor and very poor in graduating out of poverty on a sustainable basis. The Development Objective is to enable the rural poor, especially women and youth to realize their development potential and attain a higher level of social and economic wellbeing. The intended outcomes of IFL program are as follows:

- At least 60% of the targeted borrowers graduated to higher scores on the PSC.
- At least 60% of target community members/borrowers report a minimum of 30% increase in household incomes and/or assets.
- At least 50% of targeted third tier CIs of the poor report improved linkages with government line agencies, market and private sector.
- At least 50% of those targeted are women.
- Environment friendly practices reflected during the development of business development plans, loan appraisal process and utilization of financial services.
- At least 90% of the IFL amount are utilized for productive purposes, as set in business development plans, developed during appraisal stage.
- At least 95% of average repayment rate maintained from beneficiary households to the Branches/ Loan Centers.
- Enhanced entrepreneurial competencies amongst loan beneficiaries through market linkages, financial literacy, numeracy training and linking them and graduation to regular microfinance.

9.1.3 Program Activities:

a) Provision of Interest Free Loans: The program will support both eligible non-poor and poor in the targeted communities and leverage non-interest-bearing products as per prescribed eligibility criteria under the Ehsaas IFL program.

The IFL program loan cycle can be 3, 6 or 12 months as per the requirements of the client. Mode of repayment can be monthly, quarterly, biannually, and/or through lump sum.

Loans are to be given for productive purposes- for generation of income. These include but are not limited to livestock, poultry, fish farming, petty trading, agriculture inputs for crops, vegetables and fruits, manufacturing/light engineering, handicrafts, tailoring, etc. The organizations are required to mention the way(s) for the security of revolving/interest free loan funds i.e., social collateral, community guarantee etc.

Key areas of scale and innovation will be facilitation of rural & value chain finance, assistance to women and youth in establishing businesses/finding remunerative employment at home, creation of linkages with the private sector as well as the government, promoting entrepreneurial activities and capacity building.

b) Linkages with Third-Tier community organizations to enhance community awareness, client identification and repayment support:

Awareness campaigns should be planned in consultation with Community Institutions (CIs) to inform the targeted borrowers about the IFL program and who can be eligible for such loans. With regard to information on loan process, CIs can also support the program by sharing

information regarding all the pre-requisite formalities and documents prior to potential clients visits at the loan centers. Finally, the local CIs can be tasked to plan the visits of borrowers during times when they can be accommodated in a timely and efficient manner. This will help in minimizing their visits to the loan centers by at least half.

c) PLUS Dimension – Karobar Rehnumai Markaz

To channelize the IFL Scheme to Union Council based rural communities, PPAF actively supports development of a business-eco system, termed as the PLUS dimension of this Scheme. Branches/ Loan Centers have business advisory services that guide and counsel end beneficiaries towards productive enterprises. Plus, dimension focuses on linking the borrowers with providers of capacity building, and skills development trainings. Opportunities for this PLUS dimension need to be developed by the Organization utilizing where possible the available community institutions of the area.

d) Reporting, Monitoring and Data management

1. The organization is willing to use PPAF's MIS for entering the data related to IFL funds which includes designated bank accounts, Fund Flow Report of IFL which can translate and report each and every transaction, with a summary of bank statement that provides detail of opening balances, disbursement and deposits (through repayments, inter account transfers) made during the reporting period, interest earned, closing balances of the account, etc. The opening & closing balances on this report needs to be reconcile with the balances appearing on the bank statements and transaction data entered in PPAF MIS.
2. The fund movement will be supported by Disbursement detail report generated by IFL MIS, relevant bank statements, MIS generated repayment report.
3. Organization will track graduation of IFL borrowers and communicate strategy to build their linkages with formal financial institution especially MFIs and MFBs products and report data to PPAF team.
4. Organization needs to efficiently disburse the on-lending funds and revolve it in the field & shall report PPAF the monitoring mechanism of efficient revolving of funds. Organization will maintain acceptable burn rate of the funds.

e) Disbursements & repayments

The organizations shall submit their consent for opening a separate designated account under this award. All disbursement should be traceable from Designated Accounts. Organizations will input disbursement details of borrowers in MIS, traceable from the bank statement, which not only shows the cheque disbursement date but also the bank clearance date appearing in Bank statement.

f) Complete tracking (disbursements and repayments) of individual borrowers needs to be maintained in Organization office and in the PPAF's MIS by the Organization.

g) Monitoring Mechanism

On a monthly basis, Organizations will update the disbursement and repayment tab in PPAF's MIS and reconcile the 'Fund Movement' closing balance with the closing balances appearing in the respective bank statements. Organizations will lock the data once reconciled.

9.1.4 Implementation and Outreach Methodology

Within a district the Organization is expected to reach out to a minimum of 3 UCs (there is no upper limit so please provide the number in the proposal that you would consider most suitable). Within a UC the category of potential clients falls within the PSC range of 0-40 which equals approximately 50% of households (HH). Average loan size is expected to be PKR 25,000. We are only able to offer implantation costs of 10.5% of IFL funds.

The applicant will need to explain to us their most effective methodology which can lead to achievement of objectives and target numbers of loans. Please provide us details on how you will develop your outreach modalities (setting up of branches, personnel requirements, loan provision and repayment processes) to most effectively manage identification, selection and appraisal of borrowers, disbursement and recovery of loans and the overall portfolio for a Union Council/District. Give details of number of active loans per loan officer, number of branches that can effectively cater to UCs and clients, communications tools and mechanisms for awareness raising with community and reporting mechanisms.

As part of the RFP, Organization applying for specific districts will be required to provide their calculations as to the minimum and maximum number of loans they expect to be able to deliver per year, per UC and district. Organizations can apply for any number of districts out of the list of 28 target districts. In cases where the Organization does not have current presence in the proposed district, the Organization must provide good reasoning and justification for entry into that district.

9.1.5 Beneficiary Eligibility Criteria

Organization shall consider at minimum the following eligibility criteria for client/borrower/beneficiary for disbursement of the IFL program funds in the target districts:

- Should be resident of the target area
- Poverty Score should be 0-40
- Willing to use the loan for productive purpose for expanding the existing business and/or establishing new one.
- Having an economically viable business plan
- Having valid National Identity Card
- Not indulged in illegal/ unethical activities
- Not a loan defaulter of any other organization
- Having relevant skills for the business against which IFL is being applied.
- Past experience in similar business
- The client should be utilizing the loan herself/himself and not lend the money to someone else, in case of jointly run businesses where woman is registered beneficiary at least 50% involvement of the respective woman client in business is mandatory.

9.1.6 Financial Discipline and Audit Requirements of Organization

The activities carried out by Organization under financing agreement with PPAF shall be subjected to three (3) layers of Audits:

1. External audit of Organizations on annual basis by a Chartered Accountants firm having satisfactory quality control rating (QCR) acceptable to PPAF, and.
2. Audit of Organizations by PPAF's internal auditors. Audit findings are reported directly to PPAF's Board Audit Committee. In addition to this.
3. AGP Auditors may also conduct annual audits of PPAF and Partner Organizations

9.1.7 Proposed Communication and Reporting Framework

Selected organization shall be responsible to follow the communication and reporting framework described below. The Organization should clearly describe the methodology and approach on how to effectively implement the communication and reporting framework.

- A Logo, with a tag line, has been developed so that the IFL Program may establish its own identity under Ehsaas and create a footprint across the country. The logo shall also be used to brand the website, all application and informational forms, posters and printed material.
- Promotional material will include: a detailed brochure that explains the IFL Program in terms of why, where, for whom and how, informing the potential beneficiaries of how to go about applying for a IFL loan. This material will be produced in Urdu, English and local languages and content for advertisements in local and national newspapers, banners, and posters. Moreover, the same information will be uploaded on PPAF website showing the Loan Center location, name and cell No of Loan Center In-charge.
- Organizations are encouraged to develop a series of booklets, videos, and/or TV Programs, to capture different dimensions, e.g. the operational aspect of the Program, what the loan beneficiaries have to say about this Program, what difference does a small loan make to the lives of people, how women are using the loans, success cases, PLUS dimensions of the Program, etc.

Category-1: Potential and existing beneficiaries of the IFL Program

Households in the vicinity of the Loan Center will be informed about the IFL Program, and how to apply for the same, through pamphlets, posters and announcements through local institutions, e.g. places of worship, schools, training institutions, etc. Implementing Organizations, and local loan centers will be requested to find creative ways to inform relevant households not only about the availability of the loans, but more importantly the reason why repayment (Amanat) is so important.

Each Organization will organize cheque distribution event every month, where local and national dignitaries may be invited to observe, engage and monitor.

Category-2: Media stakeholders

While media would be included in all of the above, there would be a more concerted strategy to engage media so that they can inform the public about the IFL Program, in terms of capturing stories, testimonials, and case studies.

9.2 Evaluation Criteria

Each Technical proposal will be evaluated and scored against the evaluation criteria stated in the following table.

Criteria, sub-criteria, and point system for the evaluation of Technical Proposals are:

	<u>Points</u>
(i) Company Profile:	[100]
a) Number of similar assignments	[45]
b) Value of similar assignments	[45]
c) Organizational structure	[10]

Total = A₁

(ii) Existing key staff:	[100]
a) Chief Executive officer/Managing director	[25]
b) IFL coordinator	[25]
c) Chief financial officer	[20]
d) Chief internal auditor	[15]
e) Monitoring and evaluation officer	[15]

Total = A₂

The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following three sub-criteria and relevant score:

1) Education and qualifications	[25]
2) Relevant background/experience	[70]
3) Experience within Organization	<u>[5]</u>

Total score: [100]

(ii) Approach & Methodology:	[100]
a) Understanding & Innovativeness	[40]
b) Methodology & Work plan	[60]

Total = A₃

$$\text{Technical Score}^* = \frac{A_1[35]}{100} + \frac{A_2[50]}{100} + \frac{A_3[15]}{100}$$

The minimum technical score required to pass is: **70 Points.**

9.3 for the Preparation of Financial Proposals

Financial Proposal shall be submitted as a separate file (separate) from technical proposal and shall be submitted in sealed envelope clearly labeled as “VOLUME II: FINANCIAL PROPOSAL”.

Provided in Attachment – B is a template to follow for preparation and submission of financial proposal. Organization shall complete the template by providing as much detailed information as possible. Costs must clearly associate with the proposed activities described in the Technical Proposal.

9.4 Attachment – A: Proposal Cover Letter

[Please print on Organization’s/Firm’s Letterhead signed & stamped by authorized signatory]

<Insert date>

TO: Unit Head Procurement
Pakistan Poverty Alleviation Fund (PPAF)
Islamabad.

Subject: Submission of Technical and Financial Proposals for the IFL Program

Dear Sir/Madam,

We, the undersigned, provide the attached proposals in accordance with **RFP-** No. PPAF-IFL/RFP-2021-04-01 **dated April 18, 2021.**

Certify a validity period of 90 days starting from the deadline of submission as announced in the RFP for the prices provided in the enclosed Financial Proposal. Our technical and financial proposals shall be binding upon us subject to the modifications resulting from any discussions and or negotiations as may be deemed necessary by PPAF.

We understand that PPAF is not bound to accept any proposal it receives or make an award in part or in full to any of the competing organization.

Yours sincerely,

Authorized Signature

Name of Authorized Signatory:

Designation of Authorized Signatory:

9.5 Attachment – B: Financial Proposal Template

**Interest Free Loan Program (IFL)
PROPOSED PROJECT PLAN (Year- 1)**

Districts:.....

Outreach	Unit	Year- 1									
		Qtr 1		Qtr 2		Qtr 3		Qtr 4		Total (Year- 1)	
A) Proposed UCs	No										
e) Total Villages/Killis/Goths/Wards/ Localities	No										
Number of Branches/Loan Centers	No										
g) Proposed number of loans	No										
Male	No										
Female	No										
f) Total Community Istitutions (CIs) served if any.	No										
COs/WOs	No										
Vos	No										
Credit Groups	No										
LSOs or any other	No										
Portfolio Detail											
c) Types of loans (Sectoral Distribution)		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Agriculture/Cropping											
Commodity/Petty Trading											
Livestock/Poultry/ Fish Farming											
Enterprise											
Embroidery/Stitching/ Handicrafts											
Services (Beauty Parlor, Barber, Carts, Service Station, etc.)											
Other (Please specify)											
TOTAL											

- 1- To be filled separately for each district mentioned in letter of intent submitted with RFP.
- 2- In case of common district for which two or more organizations are qualified, priority shall be given to the organization that will secure highest score in technical evaluation.

Financial Proposal for implementation cost (10.5% of proposed project plan) of the Organization may, at minimum, include the following heads and sub-heads.

Head of Account	Qtr I	Qtr II	Qtr III	Qtr IV	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Salaries and allowances of full-time staff proposed for the IFL program					
Office rent					
Office supplies					
Conveyance					
Travel and boarding/lodging					
Operating and maintenance expenditures of office					
maintenance of office equipment					
Vehicle's maintenance					
Printing and stationary costs					
Indirect/overhead cost					
Total					

9.6 Attachment – C: Past Performance Form

Include projects that best illustrate your work experience relevant to this RFP, sorted by decreasing order of completion date for the projects undertaken in last three years. This form must be signed by the authorized signatory of the Organization.

Sr. #	Project Title	Description of Activities/Type of interventions	Location Province/ District	Client Name/Tel No	Total Amount of Award/ Project (PKR)	Start and End. Dates	Amount Disbursed (PKR)	# of Beneficiaries reached	Completion Letter/report Received from Donor? (Yes/No)
1									
2									
3									

Name of Authorized Signatory: _____

Designation of Authorized Signatory: _____

Signature of Authorized Signatory _____

Attachment – C: Past Performance Form

Financial Health:

- Latest 3 years' audit reports (along with financial statements)
- Internal audit reports of latest financial year

Indicators	2017-18	2018-19	2019-20	Unaudited Reports from last audited till Dec 2020
Fixed Assets				
Current Assets				
Total Assets				
Current Liabilities				
Non-current Liabilities				
Total Liabilities				
Fund Balance/Reserves/Equity				
Net Income from Operation				
Income generated from microfinance operations				
Donation/Grants				
Operation cost of microfinance operations				
Net Surplus/Deficit				

Attachment – C: Past Performance Form

Credit Portfolio (For MFIs only) Experience in Interest Free Loan/ Conventional microcredit*

Indicators	2017-18	2018-19	2019-2020	2020-2021 (Till Dec 2020)
(Lending Model) Individuals/ Credit Groups/ Community Organizations				
ii. Amount disbursed				
v. Outstanding Loan Portfolio				
vi. Total No. of active borrowers				
iii. Total No. of loans served				
vii. Markup rate (effective)				
iv. Average loan size (Rs.)				
ix. Recovery rate (%)				
viii. Insurance coverage				
ix. OSS (%)				
x. PAR>30 Days (%)				
xi. Loan loss reserve				
xii. Bad debts written off				

*** Please attach latest copy of the Credit Policy.**

9.7 Attachment – D: Proposal Checklist

(tick all of the applicable check boxes as listed below)

Have your Organization?

Submitted the technical and financial proposals to PPAF in sealed envelopes to the office address (mailing address) as specified in the instructions above?

Does your proposal include the following?

Signed Cover Letter (*as per specimen*)

Both sealed envelopes containing Technical and Financial proposals are clearly labeled “VOLUME I: TECHNICAL PROPOSAL” and “VOLUME II FINANCIAL PROPOSAL” respectively.

Both of the sealed envelopes containing Technical and Financial proposals are clearly marked with name and return address of the applicant Organization.

Mandatory documentation comprising of:

1. Valid registration certificate (certified true copy of registration certificate not older than 3 months from the date of submission of RFP) of the organization is provided according to the applicable registration authority/entity of Government of Pakistan
2. Signed Audited Financial Statements of last three years of the applicant organization are provided.
3. District Selection (Form No. 1)
4. Project Sheets (Form No. 2)
5. Signed Declaration of Non-exclusionary Organization (Form No. 4)
6. Signed Declaration of Undertaking for Compliance (Form No. 5)
7. Signed Declaration of Non-Blacklisting (Form No. 6)

CVs of proposed key staff who would be assigned to the program have been included in the technical proposal as per format provided in Form No. 3

Technical Proposal complies with all requirements of the SOW and the RFP

Response to each of the evaluation criteria outlined in the RFP

Documents used to determine Responsibility and Eligibility

Past Performance (completed template as per Attachment C) and project sheets as per Form No. 2

Name of Authorized Signatory:

Designation of Authorized Signatory:

Signature of Authorized Signatory

9.8 Form No. 1: District Selection

Organization must select the district(s) where they have the interest to work. Organization can select any number of districts as long it can demonstrate strengths and previous experience for implementing programs/projects similar to the IFL program activities. Organization has an opportunity here to make final determination and select priority district(s) where they wish to work and can implement the IFL program per requirements of the SOW and terms and conditions indicated in the RFP document.

Province	Districts	Willingness to work in the District (Yes/No)	Have previously worked in the district. (Yes/No) If 'Yes' please indicate the duration
AJK	Rawala Kot		
Sindh	Shikarpur		
	Kashmore		
	Sujawal		
Punjab	Rahim Yar Khan		
	Bahawalpur		
	Mianwali		
KP	Upper Kohistan		
	Lower Kohistan		
	Kolai Pallas Kohistan		
	Batagram		
	Shangla		
	Tor Ghar		
	Abbotabad		
	North Waziristan		
Balochistan	Killa Saifullah		
	Shirani		
	Gwadar		
	Awaran		
	Kech		
Total 20 districts			

This form must be signed by the authorized signatory of the organization.

Name of Authorized Signatory:

Designation of Authorized Signatory:

Signature of Authorized Signatory

9.9 Form No. 2: Past Performance Project Sheets

Name of Organization:	
Project name:	
Approx. value of the contract:	
Country Pakistan	Location within Country (Districts)
Name of Donor/ Funding Agency	Duration of Project (months):
Start date (month/year):	Completion date (month/year):
No. of Project Staff	Name of senior employees of your organization involved in project implementation¹
Name of Consortium Members (if the project was implemented by a consortium) 1. 2. 3.	
Project Objectives, Outcomes and list of major activities (Not more than 500 words) <u>Project Outcomes</u> <u>List of major activities (along with targets)</u>	
An active reference of representative of donor/ client/ funding agency who can be contacted by PPAF to confirm the information provided in this project sheet	
Name	
Designation	
Organization	
Email Address (please provide official email address)	
Contact Number (Please provide active landline and cell number)	

¹ Indicate key personnel such as Project Manager, M&E Manager, Community Mobilization Manager, etc.

9.10 Form No. 3 CURRICULUM VITAE (CV) FOR EXISTING KEY STAFF

1. **Position** [*only one candidate shall be nominated for each position*]: _____

2. **Name of Firm** [*Insert name of NGO proposing the staff*]: _____

3. **Name of Staff** [*Insert full name*]: _____

4. **Date of Birth:** _____ **Nationality:** _____

5. **CNIC No (if Pakistani):** _____ **or Passport No:** _____

6. **Education:**

<i>Degree</i>	<i>Major/Minor</i>	<i>Institution</i>	<i>Date (MM/YYYY)</i>

7. **Membership of Professional Associations:** _____

8. **Other Training** [*Indicate significant training since degrees under 6 - Education were obtained*]: _____

9. **Languages** [*For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing*]:

10. Employment Record *[Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.]*:

<i>Employer</i>	<i>Position</i>	<i>From (MM/YYYY)</i>	<i>To (MM/YYYY)</i>

11. Detailed Tasks Assigned

[List all tasks to be performed under this assignment]

9.11 Form No. 4 DECLARATION OF UNDERTAKING OF NON-EXCLUSIONARY

(To be printed and signed on official letterhead of the organization by the authorized signatory)

Dated: _____

To:

Pakistan Poverty Alleviation Fund

Reference: Request for Proposal for Interest Free Loan (IFL) Program

[Please insert organization's name here], a [Non-Government Organizations/ Rural Support Program/ Community-based Organizations] registered with *[Please insert name of registration authority here]*, hereby declares that it does not have any political, ethnic and/or sectarian affiliation and is not discriminatory and/ or exclusionary in nature.

[Please insert organization's name here] further affirms that its services/programs are open for all irrespective of religion, ethnicity, gender, age and race.

From:

Name of Authorized Signatory: _____

Designation of Authorized Signatory: _____

Signature of Authorized Signatory _____

9.12 Form No. 5 DECLARATION OF UNDERTAKING FOR COMPLIANCE

(To be printed and signed on official letterhead of the organization by the authorized signatory)

Dated: _____

To:

Pakistan Poverty Alleviation Fund

Reference: Request for Proposal for the IFL Program

We, *[Please insert organization’s name here]*, having head office at *[please insert address of organization’s head office]*, do hereby declare on solemn affirmation that:

Conformity to PPAF’s Environmental & Social Management Framework

- 1. We have read PPAF’s Environmental & Social Management Framework
- 2. If selected as Organization for implementation of Interest Free Loan Program, we shall manage the environmental aspects of all of our project operations in compliance with the ESMF.

Conformity to PPAF’s Monitoring and Evaluation (M&E) procedures and reporting requirements.

- 3. We understand the M&E requirements and agree to submit regular monitoring reports to PPAF, if selected as Organization for implementation of Interest Free Loan Program
- 4. We hereby confirm our willingness to submit to monitoring and evaluation by the PPAF or any outside agency appointed by the PPAF for this task.
- 5. We affirm our willingness to conform to all reporting requirements as required by PPAF.

Record keeping capability.

- 6. Our record-keeping systems are capable of adequately maintaining record of all documents, relevant records and information in respect of financing received from the PPAF.
- 7. We are willing to furnish these to the PPAF as and when needed.

Willingness to accept external audits.

- 8. We are willing to accept mandatory external audits by a firm of Chartered Accountants having quality control rating (QCR) acceptable to the PPAF.

From:

Name of Authorized Signatory: _____

Designation of Authorized Signatory: _____

Signature of Authorized Signatory _____

9.13 Form No. 6 DECLARATION OF NON-BLACKLISTING

(To be printed and signed on official letterhead of the organization by the authorized signatory)

Dated: _____

To:

Pakistan Poverty Alleviation Fund

Reference: Request for Proposal for Interest Free Loan (IFL) Programme

We, *[Please insert organization's name here]*, having head office at *[please insert address of organization's head office]*, do hereby declare on solemn affirmation that:

1. We have not been blacklisted by any Government department/ agency
2. We acknowledge that we have read and understood the Proposal documents along with all terms and conditions specified therein
3. We understand that PPAF shall have the right, at its exclusive discretion, to require, in writing, further information or clarification of the Proposal, from any or all of the Applicant(s)

From:

Name of Authorized Signatory:

Designation of Authorized Signatory:

Signature of Authorized Signatory
