**KARANDAAZ PAKISTAN**

**REQUEST FOR EXPRESSION OF INTEREST**

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

**Title of EOI:** NBP Payments Digitization Strategy

**Date of EOI:** September 1st, 2016

**Closing date of EOI:** September 19th, 2015

**Address EOI response to:** Procurement Team

**EOI Number:** 005/2016

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

**COMPANY OVERVIEW**

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

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

**PROJECT DESCRIPTION**

1. **Background and objectives**

The National Bank of Pakistan (NBP) is a state-owned bank with headquarters in [Karachi](https://en.wikipedia.org/wiki/Karachi), Pakistan. It operates as a commercial bank while also acting as a trustee of public funds and an agent of the [State Bank of Pakistan](https://en.wikipedia.org/wiki/State_Bank_of_Pakistan) (SBP). NBP has more than 1,400 branches across Pakistan and sees almost 20 million walk-in customers annually of whom 70% are from the unbanked segment.

The transaction volume of Person to Government (P2G) and Government to Person (G2P) payments that goes through NBP systems collectively amounts to PKR 5 trillion. These payments are collected and disbursed on a cash basis. The split is roughly PKR 3 trillion and PKR 2 trillion per year for P2G and G2P, respectively. The management costs of collecting and disbursing this vast volume of payments manually, and in-cash places a large financial burden on the national exchequer. The current system offers little information/visibility on transaction and branch working and hence impedes effective decision-making while creating accountability gaps and lost efficiencies. Consequently Karandaaz Pakistan is supporting NBP in seeking technical expertise to develop a strategy to digitize these G2P and P2G payments. The Bank has already taken some key steps including the setting up of the Payments and E-Commerce Department in 2015 to move towards opening a digital channel.

NBP sees this as a significant opportunity to improve public service delivery by digitizing a range of government payment flows, including salaries, pensions, social welfare transfers, utility bills, and taxes. There is substantial evidence that digitizing government payments reduces delivery costs, connects citizens to digital financial systems, cuts leakages at each step in the payment process, improves transparency and reduces the risk of payments being delivered to ghost (i.e. fake) recipients. Moreover, the intervention holds immense potential for increasing digital financial inclusion for the unbanked by working with the largest publicly owned commercial bank.

Karandaaz Pakistan seeks to hire an International Consulting firm to design an end-to-end payments digitization strategy for National Bank of Pakistan. Primarily the digitization strategy will help NBP to digitize its G2P and P2G flows of fund. The digital strategy will recommend solutions for NBP customers and also focus on increasing outreach to unserved and underserved market segments. G2P and P2G landscape will be carried out as a part of strategy development process. For this, the selected firm is expected to identify and document specific details of all such current government schemes at the Federal and Provincial levels.

The objective of the exercise is to develop a comprehensive understanding of the size of G2P & P2G flows, how best these can be digitized and what benefits (monetary & non-monetary) can be derived from government digitization initiatives.

1. **Project Scope and Expected Results**

The Consultant shall design a detailed strategy & thorough roadmap for digitizing NBP’s end-to-end transaction flows. The firm shall cover the complete landscape for current and future (currently in pipeline) G2P and P2G transaction flows, transaction number & volume, identify redundancies, current systems’ limitations, customers’ experience, NBP’s operational cost of transaction and other key indicators.

It shall also cover the landscape of current G2P and P2G flows of fund that goes through NBP system and how those can be digitized to bring in efficiency and convenience for both provider and customers. The key data points from the landscape will include but not be limited to:

* + Number of beneficiaries of G2P payments (volume)
  + Number of P2G customers
  + Amount per disbursement & collections, frequency, and total amount of funds (value) that flows through NBP system
  + Types of payments that flow through NBP
  + Percentage of payments already digitized and what medium is used, i.e. mobile money, debit card

Based upon the findings, the strategy document should entail in detail the digitization methodology, proposed system architecture, preferred platform suitable for NBP’s needs, technical systems requirements, deployment & implementation plan, change management plan and go-live proposed plan.

1. **Evaluation Criteria for EOI**

The hired firm is expected to work closely for all project related activities with the NBP, Karandaaz Pakistan & the Project Management Office. The ideal firm would bring the following key elements:

* The firm shall have substantial experience in the drafting strategies for financial services providers, specifically for providers that are working in the digital space.
* Prior experience working with government agencies that have been involved in digitizing payments.
* Prior experience promoting the financial inclusion agenda, particularly mobile money.
* Availability of key staff within the stipulated time frames for this work. Specific names and resumes of the team should be included.

1. **Basic Company Information (20%)**

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

1. **Five (5) page brief from the firm detailing (40%)**

* Knowledge of and experience in projects related to payments digitization strategies
* Knowledge of and experience of working on similar assignments in developing countries
* Knowledge of and experience working in Pakistan
* List of similar projects successfully completed clearly indicating ability to execute all aspects of the work

1. **CVs of the proposed personnel (not more than 3 pages each) (40%)**
2. **Expected Timeline**

Relative to start date, the project completion time is 3 months. The tentative timeline for vendor selection is as follows:

|  |  |
| --- | --- |
| Shortlist applicants based on EOIs | 3rd week of September |
| Send out RFP to shortlisted vendors  *Active Duration: 3 weeks* | 4th week of September |
| Review proposals | 4th week of October |
| Inform applicants of final decision | 1st week of November |
| Issue contract | 2nd week of November |

1. **Document Requirements**

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

**APPLICATION CHECKLIST**

|  |  |  |
| --- | --- | --- |
| **Sr. No** | **Required Documents** | **Checkbox** |
| 1 | CVs of the proposed personnel (no more than three pages each) | ☐ |
| 2 | Copy/Copies of Registration(s)/Affiliation | ☐ |
| 3 | National Tax Number Certificates (To be provided) | ☐ |
| 4 | Audited Financial Statements/Other Relevant Financial Documents of Last One year. | ☐ |
| 5 | Letter of Association among Consortium partners (clearly indicating lead), if applicable. | ☐ |
| 6 | Declaration by authorized person to submit the EOI. | ☐ |
| 7 | Any other document attached, please specify. | ☐ |

**RESPONDING TO THIS REQUEST**

EOIs must be submitted at or before 05:00 pm Pakistan Standard Time on September 19th, 2016 by e-mail at [procurement@karandaaz.com.pk](mailto:procurement@karandaaz.com.pk), or by courier at 1 E, Ali Plaza, Nazim ud din Road, D-Chowk, Islamabad. Late EOIs will not be considered for shortlisting.

EOIs should include the following information:

* Company profile and statement of qualifications demonstrating capacity to deliver the work
* Staff profiles of key individuals to be involved in this study
* Suggestions on how best to achieve Karandaaz objectives, including specific recommendations on methodology and expected results

The overall length of the EOI must not exceed 5 pages (excluding annexes).