



Government of Pakistan
Ministry of Planning Development & Reform
(Industries & Commerce Section)

REQUEST FOR PROPOSAL

HIRING OF CONSULTANTS FOR FEASIBILITY/RESEARCH STUDY ON CLUSTER DEVELOPMENT BASED INDUSTRIAL TRANSFORMATION PLAN – 2025

1. Ministry of Planning Development & Reform intends to engage individual consultants/firms registered with NTN and Sales Tax. The outcome of the feasibility/research study will be:
 - Cluster profiling of top Industrial based Districts of Pakistan.
 - Competitive level of Pakistan’s clusters vis-à-vis global clusters.
 - Global trends of clusters’ growth rate.
 - Bottlenecks in the clusters’ growth.
 - Detailed doable Action Plan identifying viable projects along with cost estimates and policy interventions for clusters’ growth
 - Enhance exports, increase value addition and create jobs.
2. RFP can be obtained from the address given below within working days before the submission date during office hours.
3. Relevant Terms of Reference (TORs) can be downloaded from the website of the Planning Commission, i.e. www.pc.gov.pk
4. As per PPRA rules the Proposals (Technical + Financial complete in all **respects** may be furnished in one stage two sealed envelopes should reach to the undersigned within fifteen (15) days of publication of the advertisement in the press and websites of PPRA(info@ppra.org.pk) and Planning Commission (www.pc.gov.pk)and the envelope be clearly marked “Hiring of Consultant.
5. The Technical Proposals shall be opened on the same day at 1230 hrs; whereas the Financial Proposals of only technically qualified firms shall be opened after finalization of technical evaluation.
6. All the applicable Federal, Provincial & Local taxes must be considered while preparing the Financial Proposals.
7. The individual Consultant/Firms providing substandard and / or incorrect information are liable to rejection/legal action or disqualification.
8. This advertisement is also available on the websites of Planning Commission and PPRA.
9. M/o PD&R reserves the right to reject any or all the proposals without assigning any reason.

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TERMS OF REFERENCE (TORs)

Feasibility / Research Study on “Cluster Development Based Industrial Transformation Plan – V2025”

The individual Consultant/ Firm for Cluster Development through wide ranging consultations and research will develop a transformation plan for individual product / commodity assigned using the cluster approach such that all stakeholders along the value-chain can effectively interact to meet the market demand. The steps, gaps to be filled, investments required, and effective approach to manage the cluster will be suggested, so that the existing commodity cluster can be strengthened or new cluster can be created to continuously enhance the compatibility of the product. More specifically the Consultant will do the followings:

- i. Make a comprehensive literature review on the functioning, development and growth the cluster in-hand / assigned cluster.
- ii. Analyze the existing and potential demand of the specific product with specific attention to quality demanded in the national and international markets
- iii. Analyze the existing and potential supply by eco-regions in Pakistan with specific attention to quality.
- iv. Describe the existing value-chains, its backward and forward linkages, and identification of geographic sources of raw material, key products, stakeholders involved, exportability and market segments in which the particular cluster is currently and potentially active (description of the existing cluster).
- v. Conduct SWOT analysis of the cluster.
- vi. Analyze the growth of the cluster product in the in high-end domestic and international markets.
- vii. Evaluate clusters’ major drivers of success or failure and identify the product, processes, market segment(s), technologies, infra-structure, human resources, and institutions that the cluster may be currently missing in meeting the potential high-end domestic and international demand.
- viii. Suggest improved technologies, processes, and products that need to be introduced / improved along the value-chain to meet the high-end markets.
- ix. Quantify investment required along the value-chain with its sources (public, private, donors, etc.) and geographical locations to make the commodity an internationally competitive product in high-end markets.
- x. Analyze the gaps in human resources for improving the efficiency of the existing cluster or developing of new clusters, types of training required and institutions in the public and private sector and NGOs that can be engaged in filling the gap.
- xi. Conduct economic feasibilities for any suggested investment to be made, human resource development, and infrastructure built in the public and private sector.

- xii. Suggest a policy package duly supported by empirical evidence to make cluster a viable in the prevailing socio-economic-political environment.
- xiii. Identify the cluster's main focal point with respect to geographical location and its backward and forward linkages with stakeholders, and assess institutional (government and private sector) support, and incentive for sustainability of collective action for cluster development, and how to achieve it with specific reference to physical infrastructure and human resources, and suggest management structure in the public and private sector required to improve or create the cluster so that the interaction among stakeholders can effectively be initiated or enhanced on sustainable basis, constraints can be analyzed, gaps can be filled, incentives can be distributed fairly, and the progress of the cluster can be monitored.
- xiv. Conduct four stakeholder seminars / conferences (quarterly) to present findings of the study, and make available a soft copy of all these presentations.
- xv. Identify international best practices.
- xvi. Submit soft and 50 hard copies of the Report as per template of the study given in the RFP.

Evaluation criteria for feasibility study

1. Objective of the Study

The basic approach of the project will be conducting research studies about Industrial clusters. Some salient aims & objectives and major coverage / scope of the feasibility / research study are the following:

- National cluster mapping and selection of Industrial rich districts from four provinces, Gilgit-Baltistan, AJK and FATA having high concentration of clusters.
- Profiling of clusters of the Industrial rich districts both unit-wise and economy-wise.
- Identify the geographic sources of raw m Industrial, key products, their exports, and market segments in which the cluster is currently and potentially active.
- Conduct SWOT analysis of the cluster, identify main competitors.
- Identify and evaluate cluster's major drivers of success.
- Ascertain cluster's strategic efficiency and determine the long- and short term implications of competing in certain product and market segments.
- Conduct profiling and relative performance evaluations of existing value-chains in the cluster. Identify opportunities to strengthen the value chains.
- Analyze the global industry trends regarding performances in terms of product, price, production volume, and market share.
- Identify potential product and market segments that the cluster may be missing.
- Evaluate key cluster products and services on attributes decisive to desired market segment vis-à-vis their competitors.
- Assess regional institutional (government and private sector) support for sustainability of collective action for cluster development.

2. Brief role of Ministry of Planning, Development & Reforms (PD&R)

The Planning Commission works under the overall direction of a Policy Board chaired by the Prime Minister and including the Federal Minister/Deputy Chairman Federal Ministers and Members of the Planning Commission. The Planning Commission is responsible to perform the function under the heading of Ministry of PD&R, which inter-alia includes:

- i) Preparing the National Plan and review and evaluating its implementation.
- ii) Formulating annual plan and ADP.
- iii) Monitoring and evaluating implementation of major development projects and programs.
- iv) Stimulating preparation of sound projects in regions and sectors acting adequate portfolio.
- v) Continuously evaluating the economic situation and coordinate economic policies.
- vi) Organizing research and analytical studies for economic decision making.

The Planning Commission also discharges the following functions.

- i) Assisting in defining the national vision and undertaking strategic planning
- ii) Assessing the material capital and human resources of the country and formulating proposals for augmenting such resources.
- iii) Facilitating capacity building of agencies involved in development.
- iv) Any other functions assigned by the Prime Minister.

3. Areas of Cooperation.

According to the Vision 2025, a cluster based development approach will be used to promote economic development within the clusters by improving the competitiveness of designated business sectors. The concept of clusters builds on three key pillars. The first pillar is geography. Clusters are driven by proximity and are often concentrated in a region. The second pillar is value creation. Clusters include companies in different industries that are related to each other in the production of goods and services valued by customers. The third pillar is the business environment. Clusters are affected by cluster-specific business environment conditions resulting from individual actions as well as cooperation of companies, government agencies, universities and other institutions in the national and regional innovation system. In addition, clusters are important dimensions of strong business environments.

4. Work to be performed by the individual consultant/firm

The individual consultant/firm will work for Feasibility/Research studies of 20 Clusters as per template given below:

TEMPLATE OF FEASIBILITY/ RESEARCH STUDY OF CLUSTER

Executive Summary

1. Introduction

- 2. Goals and objectives with physical targets in terms of improved production and productivity, exportability, foreign exchange earnings, employment generation, etc.**

3. Literature Review

4. Cluster Description

- i) Existing and potential supply by region / area with special emphasis on quality, demanded in international market.
- ii) Existing and potential demand with special emphasis on quality demanded in international market.
- iii) Quantify the existing and potential exportability of the cluster product.
- iv) Describe the existing value-chains and its backward and forward linkages.
- v) Identify geographic sources of raw material, key products, stakeholders involved.
- vi) Identify market segments in which the cluster is currently active and potentially can be invigorated.
- vii) Conduct SWOT analysis of the existing cluster under study.

5. Future Potential

- i) Expected growth of cluster product in high-end domestic & international market.
- ii) Competitors in meeting the demand and their respective share.
- iii) Pakistan' s current and potential share of the market.
- v) Expected return of achieving the potential share in terms of foreign exchange earning / saving, stakeholder' s income, employment generation, etc.

6. Cluster Gap Analysis along the Value-chain

- a) Major drivers of success or failure of the existing cluster.
- b) Missing products, market segment, processes, technology.
- c) Infrastructure gap.
- d) Institutional gap.
- e) Human resource gap

7. Improvement / Development of Clusters along the Value-chain with special reference to Geographical Location

- i) New/improved technologies, processes, and products.
- ii) New/improved Infrastructure.

- iii) New/improved Institutions.
- iv) New/improved human resource.
- v) Management structure for the cluster in the public and private sector.
- vi) Investment required for each with its source (public, private, donors, etc.).
- vii) Strategies to enhance the interaction among stakeholders.
- viii) Policy packages along with their costs

8. Economic and Social Analysis of New Investments Involved

Cost flows by stakeholders.

Return flow by stakeholders.

Economic rate of return by stakeholders.

Social rate of return by stakeholders including environmental costs, employment benefits, etc.

9. Programs and Plans (for the purpose of)

- i) Quantify the emerging trends for the purpose of identifying the niche market.
- ii) Identify the technologies, process, products, institutions, infrastructure, human resources, etc. required to improve or develop along the value-chain to meet the niche market.
- iii) Developing appropriate regulatory framework and incentives to build the required institution, infrastructure, human resources, technologies, processes, products, etc.
- iv) Identification, prioritization, planning, funding, and commercialization of problem-solving research.
- v) Human resource development and linking manufacturers with markets, technology, input sources, etc.
- vi) Monitoring and evaluation of the developments and growth in the cluster.

10. Impact analysis: Economic, Social and Environmental

11. Annexes: Background work papers, meeting / conference proceedings, etc.