

## **Hiring of Consultant for Feasibility / Research Study on Cluster Development Based Industrial Transformation Plan – V2025**

### **REQUEST FOR PROPOSAL (RFP)**

The Vision 2025 aims to improve Pakistan's competitiveness in commodity producing sectors through cluster based development through building collaborations among private firms, the government, and academic & research institutions. Accordingly, the government intends to develop new business clusters besides improving the efficiency of existing ones throughout the value chain i.e. supply-chain development, market intelligence, incubator services, attraction of foreign direct investment, improved processing, marketing and setting desirable technical / quality standards.

Ministry of Planning, Development & Reform intends to hire the services of a consultant with prior experience in cluster based development models to conduct Research / Feasibility Study for detailed analysis of clusters throughout the country. Expected duration of the study would be 6 months. The qualified Firms / Individuals are invited to submit their technical & financial proposal in two separate envelopes under one sealed envelope as per PPRA Rules.

Consultancy Firm with track record of 10 years' experience in consulting feasibility studies of small, medium and large scale enterprises, especially of the industrial sector, within Pakistan or abroad.

**OR**

Individual consultant with Master Degree (preferably MPhil / PhD) in Industrial / Mechanical / Textile / Chemical Engineering, Chemistry, Economics, Industrial Economics or Business Administration with 10 years of experience in relevant field of cluster development, management or monitoring. Only tax registered firms / individuals are eligible to apply.

**Eligibility criteria and the detailed TORs are available in the bidding documents available on [www.ppra.org.pk](http://www.ppra.org.pk) & [www.pc.gov.pk](http://www.pc.gov.pk)**

**Please submit your technical and financial proposal within 21 days of publication of this advertisement.**



**Planning Commission**  
Ministry of Planning, Development  
and Reform  
Government of Pakistan

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Islamabad, Ph: +92 51 9269798

**Government of Pakistan  
Planning Commission  
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Ministry of Planning, Development & Reform intends to hire the services of a Consultant Firm/entity with prior experience in cluster based development models to conduct Research/Feasibility Study for detailed analysis of clusters throughout the country. Expected duration of the study would be 6 months. The qualified firms/ entities are invited to submit their technical & financial proposals in two separate envelopes under one sealed envelope as per PPRA rules. The bids will be received within 21 days of appearance of this advertisement up to 4.00 pm of the last date.

Consultancy Firm/entity with track record of 10 years’ experience in consulting feasibility studies of small, medium and large scale enterprises, especially of the industrial sector, within Pakistan or abroad.

Detailed RFPs and TORs can be downloaded from the website of the PPRA [info@ppra.org.pk](mailto:info@ppra.org.pk) and the Planning Commission (<http://pc.gov.pk>) or obtained from the address given below during office hours.

**Muhammad Almas Khan Khattak  
Project Director  
Room # 06, First Floor, PPMI Building, Sector H-8/1, Islamabad  
Ph: +92 51 9269798**

## **Cluster Development Based Industrial Transformation Plan- V2025**

### **REQUEST FOR PROPOSAL (RFP)**

#### **Background:**

The Vision 2025 aims to improve Pakistan's competitiveness in commodity producing sectors through cluster based development for building collaborations among private firms, the government, and academic & research institutions. Accordingly, the government intends to develop new business clusters besides improving the efficiency of existing ones throughout the value chain i.e. supply-chain development, market intelligence, incubator services, attraction of foreign direct investment, improved processing, marketing and setting desirable technical/quality standards.

The Planning Commission, Ministry of Planning, Development & Reform intends to hire the services of Consultant Firms/entities to conduct Research/Feasibility Study for detailed analysis of the already identified clusters.

#### **Terms of References (TORs) for Consultant firm/individual**

- i. Conduct a comprehensive literature review on the functioning, development and growth of the existing clusters
- ii. Analyze the existing and potential demand of the specific product with specific attention to quality demanded in high-end national and international markets
- iii. Study the existing value-chains, its backward and forward linkages, and identification of geographic sources of raw material, key products, stakeholders involved, exportability and market segmentation in which the particular cluster is potentially active

- iv. Conduct SWOT analysis of the cluster
- v. Analyze the growth potential of the cluster products in the high-end domestic and international markets
- vi. Analyze the major international competitors in the market along with their competitive advantage vis-à-vis Pakistan
- vii. Evaluate clusters' major drivers of success or failure and identify the product, processes, market segment(s), technologies, infrastructure, 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. Suggest investment requirements for human resource development and infrastructure in the public and private sector
- xii. Suggest management structure of each cluster for overall coordination
- xiii. Conduct three stakeholder seminars/conferences (start, mid and at the end) to present findings of the study, and make available a soft copy of all these presentations
- xiv. Provide regular updates (every 15 days) Member/Project Director concerned
- xv. The Consultant/Firms is expected to meet the relevant government officials, relevant stakeholders, and development partners
- xvi. Detailed doable action plan identifying viable projects along with cost estimates and policy interventions for clusters growth
- xvii. Submit soft and 50 hard copies of the Report as per template at **Annex-I**

**Coverage and scope of the study:** National cluster mapping and selection of industrial rich areas from four provinces, Gilgit-Batistan, AJK and FATA having high concentration of clusters.

<b>Eligibility Criteria of Consultants:</b>	Consultancy Firms / Entities with track record of 10 years' experience in cluster based development models and feasibility studies of small, medium and large scale enterprises, especially of the Industrial sector, within Pakistan or abroad. Only tax registered firms are eligible.
<b>Institutional Arrangement:</b>	The Consultancy Firms will work under the direct supervision of the Member (Private Sector Development) and PD. Project steering committee will make the key decisions such as approval of feasibility study etc. Operational and logistic support during the consultancy will be provided by the Project Director/Planning Commission
<b>Mode of payment:</b>	The payment will be made in five installments (10:15:15:30:30) on the basis of quality of work done
<b>Expected duration:</b>	The study would be conducted in 6 months
<b>Submission of Proposals:</b>	The qualified firms are invited through advertisement on open bidding basis and should submit their technical & financial proposal in two separate envelopes under one sealed envelope as per PPRA rules. The bids may be submitted within 21 days of appearance of this advertisement in the press up to 4.00 pm of the last date.
<b>Opening &amp; Evaluation of Bids:</b>	The technical bids would be opened first and financial bids subsequently after qualifying the party in technical bids. The bids would be opened in the presence of bidders/their representatives and would be evaluated by a committee constituted for this purpose.
<b>Award of Contract:</b>	The successful bidder in all respects would be awarded contract on merit and transparent basis and the report complete in all respects would be submitted by the consultant firm within the stipulated time, date and within the agreed cost otherwise the client would be free to impose penalty on the defaulting firm/individual as per rules.

**General Terms and Conditions:**

All the applicable Federal, Provincial & Local taxes must be considered while preparing the Financial Proposals. The Consultancy Firms providing substandard and / or incorrect information are liable to rejection/legal action or disqualification. Performance guarantee/earnest money will be 3.0% of the financial proposal and required to be deposit along with the bids in the name of DDO.

**Muhammad Almas Khan Khattak**

**Project Director**

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## **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 along with their comparative advantage vis-à-vis Pakistan.
- iii. Pakistan' s current and potential share of the market.
- iv. 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) International best practices
- b) Major drivers of success or failure of the existing cluster.
- c) Missing products, market segment, processes, technology.
- d) Infrastructure gap.

**e) Institutional gap.**

f) 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.
- i) 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**

- 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.**



