

Balochistan Livelihoods and Entrepreneurship Project

Terms of Reference

Hiring of Firm for Conducting Detailed Business Feasibility Study of Proposed Business Facilities

Background of the Project:

In response to the priorities of the Government of Pakistan on poverty reduction, the World Bank in close consultation with Government of Balochistan (GoB) and relevant stakeholders have designed the Balochistan Livelihoods and Entrepreneurship Project (BLEP) focusing on improving livelihoods of rural communities by promoting employment opportunities and sustainability of enterprises in project Districts. The project will be implemented in eight districts in the north of Balochistan, including Killa Abdullah, Killa Saifullah, Chagai, Sherani, Pishin, Mastung, Zhob and Nushki and will benefit rural households to promote livelihoods through enterprise development and job creation. The project will predominantly target communities based in areas affected by a protracted refugee situation. These districts are also affected by a protracted refugee situation. The project is likely to gain benefits for the communities in selected districts, having reliance on enterprises related to various sectors, with a priority on Agriculture, Livestock, Mines & Minerals, Handicrafts and Small Industries, Ecotourism and Forestry. In addition, the Project will have specific benefits for people living in these geographical locations through improved facilities development. The Project has three main components and will be implemented during the course of 5 years. It is financed by the World Bank and executed by Planning and Development (P&D) Department Balochistan.

Background of the Assignment:

The Balochistan Livelihoods & Entrepreneurship Project (BLEP) after its inception aims to promote enterprise development in Balochistan (targeted districts) for extending technical and financial support to local entrepreneurs. For this purpose, BLEP would be soliciting 40 proposals from opportunity entrepreneurs for establishing Business Facilities in the targeted districts on matching grant basis. The proposed business facilities would ideally be proposed by investors based on their preferences, experience and due diligence, however, a formal feasibility study would be required by BLEP prior to financing the business idea and development of the business plan. The feasibility study would be carried out either specific to a location or generic in an area.

Scope of Work and Activities to Be Undertaken:

The firm will be responsible for carrying out detailed feasibility study and development of business plan for the identified business for Balochistan Livelihoods and Entrepreneurship Project (BLEP) to facilitate in selecting business ideas for financing on matching grant basis.

Terms of Reference:

- The firm would be responsible for developing altogether **40** business feasibility and plans viability by incorporating the following prime aspects:

- i. **Product / Service** (Describing the enterprise, product / service, product mix, its purpose, raw materials required and its sources for availability and future product upgrade and business expansion.
- ii. In lay terms, describe **technological considerations** relevant to the identified enterprise.
- iii. Describe intended **market environments**;
 - a. Target Market; identify users and customers and rationale for buying the product, which needs are being fulfilled by the product, the opportunity and actual market demand vs projected.
 - b. Business to Business Market: what industry is the target market in, who are the key players, frequency of product purchase, replacement needs vs expansion, purchasing process along with estimates of market size, targeted geographic area and enterprise target market share.
 - c. Business to consumer market; describing demographic factors (income, age, edu etc), Psychographic factors, behavioral factors (shopping behavior, product purchase frequency)
- iv. Elaborate about **direct and indirect competition**, competitors' market share, resources, strengths and weaknesses, barriers to entry, uniqueness of product of enterprise, competitors expect response strategy after enterprise launch.
- v. Description of the **industry of the enterprise** including size, growth rate, outlook along with demand and supply factors and trends and market driving factors.
- vi. Describe the proposed **enterprise model** and how the business will generate revenue. The business model shall be in concurrence with the financial projections.
- vii. Elaborate the **marketing and sales strategy** by discussing any strategic partnerships required for critical market access. Describe distribution strategy (direct sell, manufactures, whole sellers, retailers etc) and project profit margins, markups, commissions. Moreover, describe the pricing strategy / justification and gross profit margin and marketing budget for the first year.
- viii. Describe about **production and operating requirements** as to how and where enterprise will manufacture, source or create and deliver final product / service and estimate costs. What infrastructure would be required (location, size, condition capacity of production and warehouse facilities and number of shifts planned). Also the firm to describe equipment needed and its costs. Similar considerations are required for enterprises who intend to outsource production / other functions or in case of an enterprise providing a service.
- ix. Describe management **and personnel requirements** by sketching what people would be needed immediately and in the long run and what skills and qualifications are required and what are the financial implications.
- x. Describe the noneconomic factors pertaining to regulations, policies, rules and environmental considerations.
- xi. Describe **Critical Risk Factors** for the proposed enterprise through SWOT, Porters five forces and PEST analysis.
- xii. Sketch **major events in establishment** of enterprise by quoting start up schedules and deadlines for establishment and the relationship between various events.
- xiii. Describe **Capital requirements and strategy** for the proposed enterprise.

- xiv. Develop **Financial Projections** of the enterprise by including a narrative underlying assumptions and logic of projections. The firm shall have key notes for all financial spreadsheets explaining the assumptions for the following projections (not limited to):
 - a. Balance Sheet Projections (for three years)
 - b. Income Projections (for three years)
 - c. Cash Flow Projections (for three years)
 - d. Break Even Analysis to describe when will firm begin to earn profit
 - e. Cost Benefit Analysis to know if the business will provide a viable return on investment.
- xv. The firm would be responsible for developing a detailed **business plan** based on the feasibility report.

Team Composition
Proposed Team

S#	Title of the Key Experts	Qualification	Job Description
	Project Manager/Lead	Sixteen (16) years of education in Business Administration with 15 years of experience in relevant projects/programs.	1. Ensuring effective project management of the assigned assignment by maintaining the delivery of appropriate technical, operational, financial and administrative outputs, while tracking the project progress through monitoring, evaluation and reporting and Review other documents relevant to the project; 2. Maintaining collaborative working relationships among key BLEP team and stakeholders, through effective communication, consultation and reporting.

Economist	Sixteen (16) years of education in Economics with at least 10 years of experience in relevant fields.	<ol style="list-style-type: none"> 1. Interpret and forecast the trends of the market by studying present and historical trends socio and economic situations of the target areas, including regional, provincial national and international level according to the need of feasibility studies and business plans. Research on economic issues (business) such as consumer demand, supply and sales to maximize profits etc. 2. Analyze collected data by using software, statistics and mathematical models. Further, create and conduct surveys and collect data. Hence, Present the results of the research accordingly.
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<p>Relevant Sector Specialists (Livestock, Agriculture etc.)</p>	<p>Sixteen (16) years of education in livestock or Agriculture with at least 10 years of experience in relevant sectors.</p>	<p>The following, unless otherwise specified, will be the general Terms of Reference for the Technical Relevant Experts:</p> <ol style="list-style-type: none"> 1. Providing leadership to the function and support to other team members. Perform value chain analysis of the prioritized sectors. 2. Benchmark the assigned business sectors with provincial, regional and national sectors. Analyzing and identifying existing and potential problems and bottlenecks hampering the growth of the sector and propose area-wise specific solutions for consideration and decision by the project manager/lead. 3. Preparation of sector studies in consultation with the stakeholders (private and public) and effective implementation of recommendations of the both feasibility studies and business plans. 4. Prepare capacity building plans for assigned sectors, incorporating the latest knowledge further, identify target, province or countries for exports of assigned sectors, analyze trade barriers in those areas (local, provincial, regional or international) and propose solutions to address the same and advise on any matter relating to the assigned sectors.
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<p>Feasibility and Business Plan Development Expert</p>	<p>Sixteen (16) years of education in Business Administration with more than 10 years of experience in developing feasibility and business plans.</p>	<p>Under direct supervision of the Project Manager/lead and in close engagement with the beneficiary and BLEP team the expert will:</p> <ol style="list-style-type: none"> 1. Conduct and Analyze the data given in the Feasibility Study. Obtain information, data from the beneficiary regarding its' human, admin, technical, financial setup for managing the 'facility' after completion. 2. Assess possibilities of revenue generating actions. 3. Establish financial benchmarks for the additional revenue generating actions and services and related revenues in terms of money. Establish operational and maintenance costs of facilities and ledger these in expenditures. Establish revenues, incomes, contributions for the facility and ledger these in revenues. 4. Collate a 05-year projection of revenues and expenditures; 05 years from 2022.Collate a draft feasibility and business plan covering all the aspects but not limited to the above. 5. Presentation of the draft feasibility and business plan to the stakeholders and obtaining feedback. 6. Collate a final business plan which can be used by the beneficiary from 2022 2027.
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Qualification Criteria

- The firm must be registered in FBR as an active filer.
- Firm must have five (05) years' experience of providing services in developing feasibility/business plan development/implementation in the relevant sector.

(Documentary evidence must be required e.g. copies of contract / letter of award / work order / purchase order/ supply orders / completion certificates or reference letter from the clients / purchasers).

- The firm must have at least one Office in Balochistan Province.
- Firm must provide list of all Experts / staff with qualification and quantity as mentioned in the ToR
- The Firm must provide undertaking that no litigations are in process with Private or Public Sector entities or provide complete details of such litigations (Stamp Paper @ PKR 100)
- The Firm shall provide an undertaking (Stamp Paper @ PKR 100) that the bidder has not been declared black listed by any national institution and/or by any international/foreign organization

The consultant is expected to provide the below deliverables with the following tentative deadlines:

S.No	Timelines	Deliverables
1	1 st month after signing of Contract	3-5 Feasibility Reports
2	2 nd month after signing of Contract	3-5 Feasibility Reports
3	3 rd month after signing of Contract	3-5 Feasibility Reports
4	4 th month after signing of Contract	3-5 Feasibility Reports
5	5 th month after signing of Contract	3-5 Feasibility Reports
6	6 th month after signing of Contract	3-5 Feasibility Reports
7	7 th month after signing of Contract	3-5 Feasibility Reports
8	8 th month after signing of Contract	3-5 Feasibility Reports
9	9 th month after signing of Contract	3-5 Feasibility Reports
10	10 th month after signing of Contract	3-5 Feasibility Reports

Note:

Payments shall be made in accordance with number of Feasibility Reports accepted by BLEP.

Institutional Arrangements and Reporting:

The Firm shall report directly to the Head of Project / Project Coordinator. It is recognized that activities may undergo changes in view of the dynamic environment and implementation operational realities. The Firm is therefore expected to be flexible and adapt to the requirements.

Contract Duration:

The Assignment will be for a period of 10 months and must be completed with the Consultant expected to provide services in relation to above mentioned scope of work.

Information Policy:

Information policy of both the Government of Balochistan and The World Bank Group applies.

Conflict of Interest:

The Conflict of Interest policy of both the Government of Balochistan and The World Bank Group applies.

Selection Method:

Selection will be Based on Consultants Qualification (CQS) method in accordance with “World Bank Procurement Regulations for Investment Project Financing Goods, Works, Non-Consulting and Consulting Services” (July 2016) revised November 2017 and August 2018.