

**DIRECTORATE GENERAL AGRICULTURE
(EXTENSION & AR), PUNJAB, LAHORE**

EXPRESSION OF INTEREST



**Hiring the services of Branchless Banking Operator for
disbursement of cash through Voucher redemption for
subsidy on DAP Fertilizer, Cotton Seeds, Oil Seeds, Gypsum
and Pesticide Spray Machines under Khadim-e-Punjab Kissan
Package**

Due Date: _____

**Director General Agriculture (Extension & AR)
21-Davis Road, Lahore
Ph: 042-99200732, Fax: 042-99200743
(dgaextarpb@gmail.com)**

Request for Expression of Interest(EOI)

Hiring the services of Branchless Banking Operator for disbursement of cash through Voucher redemption for subsidy on DAP Fertilizer, Cotton Seeds, oil Seeds, Gypsum and Pesticide Sprayers under Khadim-e-Punjab Kissan Package

Director General Agriculture (Extension & AR) Punjab, a wing of Agriculture Department, Government of Punjab, invites Expression of Interest (EOI) for hiring services from Branchless Banking Operators, who are on Active Taxpayers List of the Federal Board of Revenue and licensed under State Bank of Pakistan's Branchless Banking Regulation. The Branchless Banking Operator will work with Punjab Agriculture Department for disbursement of subsidy on DAP Fertilizers, Cotton Seeds, Oil Seeds, Gypsum and Pesticide Spray Machines to Farmers across Punjab province. Method of selection will be according to Least Cost Based Selection under Rule-45(2) of Punjab Procurement Rules-2014.

2. Expression of Interest documents,(containing detailed terms and conditions ,etc. are available at office of Director General Agriculture (Extension & AR) Punjab, 21-Davis Road, Lahore, Pho # 042-99200732. Price of the EOI documents is Rs.100/- which can be paid in cash or in shape of demand draft/pay order in favor of the undersigned .EOI documents can also be downloaded from www.agripunjab.gov.pk free of cost.

3. The expression of interest, prepared in accordance with the instructions in the EOI documents, must reach at office of Director General Agriculture (Extension & AR), Punjab, 21-Davis Road, Lahore. Ph # 042-99200732 on or before 16.08.2017. The expression will be opened the same day at 11.00 am. This advertisement is also available on PPRA website at www.ppra.org.pk and www.agripunjab.gov.pk.

Muhammad Zafar Yab Haider

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BACKGROUND

Di-Ammonium Phosphate (DAP) is the world's most widely used phosphorus fertilizer. It's made from two common constituents in the fertilizer industry, and its relatively high nutrient content and excellent physical properties make it a popular choice in farming. DAP is being applied to agricultural lands across the Punjab for increasing soil fertility and enhanced crop production. Its application:

- Helps plant grow quickly
- Improves Phosphorus and Nitrogen content for plant nutrition
- Supports photosynthesis process in plants
- Improves roots and flower growth
- Increases the soil pH for better plant germination
- Enhances crop productivity

The removal of phosphorus by crops from soil is at par with Nitrogen. The continuous mining of Nitrogen and Phosphorus will make it completely deficient in future. A high price of DAP fertilizers i.e. predicted rate of Rs.2850/50kg bag after the removal of subsidy provided by the federal government will become a main reason for its lesser application by farmers due to their economic circumstances. Moreover, ongoing scheme of subsidy for potash fertilizer will create further imbalance in the usage ratio of DAP fertilizer presently granted in Punjab, therefore, in order to replenish the nutrient deficient soils and remove imbalance in use of different fertilizers, a tailored subsidy program for DAP Fertilizers is need of the day. Therefore, GoPunjab has intended to launch a direct subsidy program in which Subsidy will be given to all Eligible farmers through Pre-Paid Vouchers ranging from Rs. 50-200/50 kg bag depending upon international market price of DAP fertilizer and this subsidy amount will be reviewed from time to time by an Agriculture Department's committee constituted under the chairmanship of Secretary Agriculture Punjab.

Cotton Seed is support for the economy of Pakistan and commitment of Punjab is more than 75% of its aggregate generation in Pakistan. In any case, cotton trim territory and creation is declining because of development of zone under contending crops, biotic and abiotic elements and low quality of seeds. This diminishment in zone

represents a noteworthy danger to our economy and work as 1200 ginning industrial facilities, 400 material factories, 200 oil extraction plants are depending on cotton edit other than immense number of homestead laborers getting compensation from dibbling, showering, hoeing and picking and so on. The customary range of this crop in Punjab was around 6 million acres of land. Change in climate conditions, better seed advances of the contending products and expanding of biotic and abiotic dangers are the fundamental drivers of decrease in territory of cotton in Punjab. Non-accessibility of better quality cotton seed to the agriculturist is yet the significant explanation behind lessening in cotton range and creation in Punjab which dropped to 4.388 million acres of land during 2016-17.

Keeping in view the present scenario Go Punjab has intended to launch a direct subsidy program in which Subsidy will be given to all Eligible farmers through Pre-Paid Vouchers equal to the value of 2 seed bags per farmer. Ensuring supply of cotton seed of promising varieties at first 100,000 sacks (6 Kg each) free of cost in cotton regions for seed appropriation, a straightforward system/instrument has been formulated. 100,000 packs (600,000 kg) of affirmed seed will be made available.

Pakistan's total edible oil consumption stands at 3.8 Million Metric ton out of which 2.8 Million Metric ton is imported. At present about 24% of the total requirement of edible oil is met through domestic production and 76% by import. Imported palm oil has higher percentage of saturated fatty acids and is harmful for health. To reduce the import bill and provide quality edible oil to the consumers, increase in local production of Oil Seed Crops i.e. (Rapeseed & Sunflower) is necessary.

Pakistan is deficient to meet the domestic requirement of vegetable oil. Domestic sources of edible oil of cotton seed, rapeseed, mustard, sunflower and canola. Total annual requirement of oil seed crops is 3.3 million tons out of which imported 2.6 million metric tons and form local production 0.73 million tons. Pakistan import annually 94% palm oil 5% soybean oil. Status of major oil seed crop in Punjab is rapeseed/mustard is 130 (000 Hectares), 22 (000 Hectares) sunflower and 69 (000 Hectares) sesame. Major constraints in oil seed production are as under:

1. Uncertainty about procurement at reasonable prices.
2. Local Ghee/Oil Industry prefer to purchase cheaper palm oil.

3. Competition with wheat, sugarcane, maize and cotton.
4. Grown on marginal land using low inputs.
5. Non-availability of quality seed.
6. Lack of sowing, harvesting and threshing machinery.
7. Incompatible water saving policy with oilseed crops

Besides resolving other issues, GoPb has made a comprehensive plan for increase of area and production of oil seed crop in Punjab with a subsidy. Therefore, self-sufficiency will be possible with increase in area under oil seed in whole of Punjab. To solve the constraint number 1 and 3 GoPb will subsidize 100,000 acres of sunflower and rapeseed @ PKR-5000-6000 depending upon the difference between Cost of production and market price.

FINANCIAL ALLOCATION OF SCHEME

An amount of Rs. 4.525 billion is allocated for this scheme.

DISBURSEMENT MECHANISM

The disbursement mechanism of subsidy shall be as under:-

- I. PITB will develop an online portal for generating unique codes for fertilizer companies.
- II. Fertilizer companies shall place request for generating unique codes before Agriculture Department (GoPb) along with mandatory documents required by the department for permitting generation of unique codes in accordance to quantity of DAP imported/produced.
- III. GoPb after approval of request shall intimate PITB to add capping of Fertilizer Company on online portal for generating unique codes and will inform Fertilizer Company.
- IV. Fertilizer Company, then, will generate unique codes from online portal but will not have access to view the codes' list in order to minimize human intervention.
- V. Fertilizer Companies will have an agreement with a Security Label Supplier Company for printing unique codes.
- VI. Security Label Supplier shall have access for downloading unique codes generated by the Fertilizer Company.
- VII. Fertilizer suppliers shall place Purchase order to Security label Supplier.

- VIII. Security label supplier will prepare the security labels with unique codes according to the given specifications and deliver to the Fertilizer Company.
- IX. DAP fertilizer supplier will durably affix the security label on the inside of the bag before filling fertilizer so that part of it is visible above the seam after stitching
- X. Farmer will scratch the card and send secret code with CNIC on a short code dedicated for GoPb to PITB
- XI. PITB will verify the secret code and CNIC of the farmer.
- XII. CNIC, mobile number and amount of Registered farmer will be shared with Branchless Banking Operator by PITB
- XIII. The farmer will receive instructions by SMS about subsidy amount and instructions to visit Branchless Banking Operator's agent for payment
- XIV. Loaded voucher can be redeemed from Agent Network of Branchless Banking Operator that will agree to this scheme
- XV. Non-registered farmer will receive instructions to get himself registered through a suitable mean notified by the GoPb and follow step I to V

RESPONSIBILITIES OF BRANCHLESS BANKING OPERATOR

- I. Establishment of Integrated System with PITB which includes VPN establishment and API Connectivity between the BBO and PIT.
- II. Process the Valid Vouchers details along with CNIC & Mobile Number of Farmers received from PITB on real time basis.
- III. Inform all Eligible Farmers about voucher redemption process through SMS or robo calls
- IV. Inform farmers about contact details (contact # & Number) of nearest cash out agent
- V. Ensure that only Genuine Farmers Claim the Voucher Redemption
- VI. Location wise daily, Weekly and Monthly Reporting to PITB, Agriculture Department & Fertilizer Suppliers
- VII. Mobile Wallet Transactions License to Fertilizer dealer so that farmer can redeem voucher at dealer Shop at least 5 /District/Month
- VIII. Responsible for any Fraud with consumer at agent shop

IX. Branchless Banking Operator will conduct the transactions through Over the Counter (OTC) in real time integrated with the developed system.

SHORTLISTING CRITERIA

Minimum 70 marks shall be required for short listing.

EVALUATION CRITERIA

Evaluation criteria is as follows:

Sr. No.	Description	Max. Point	Criteria	Proof required
1	The Applicant shall have experience running Branchless Banking Agent Network or in collaboration with Branchless Banking Agent Network	Max. 30	<ul style="list-style-type: none"> • 30,000 outlets or above (agent network in Punjab) = 30 Points • 24,000<30,000 outlets (agent network in Punjab) or above = 25 Points • 18,000<24,000 outlets or above (agent network in Punjab) = 20 Points • 12,000<18,000 outlets (agent network in Punjab) = 15 Points • <12,000 outlets (agent network in Punjab)= 0 points 	Contract Documents OR Letter of Award OR Any other valid and verifiable document as Evidence. OR data submitted to SBP
2	The Applicant shall have experience as a prime contractor for Running mobile financial services	Max 15	<ul style="list-style-type: none"> • 10 Million financial transactions or more (per year) = 10 points • 7 < 10 Million financial transactions (per year) = 6 points • 4 < 7 Million financial transactions (per year) = 5 points • 2 < 4 million transactions (per year) = 3 • 1 < 2 million transactions (per year) = 1 	Valid documentation must be submitted with technical bid. Data submitted to SBP.
3	The Applicant shall have experience in G2P (Government to Person) Disbursement with	Max. 30	<ul style="list-style-type: none"> • 5 or more projects = 30 Points • 4 projects = 25 Points 	Valid and verifiable documentary proof issued by Government

	minimum 60,000 recipients		<ul style="list-style-type: none"> • 3 project = 20 Points • 2 project = 15 Points • 1 project = 10 Points 	must be submitted.
4	The Applicant shall have experience in recurring G2P (Government to Person) Disbursement	Max 10	<ul style="list-style-type: none"> • 3 or more project = • 2 projects = • 1 project = 	
5	The Applicant shall have Net Assets in Millions for last three (03) years	Max 15	<ul style="list-style-type: none"> ≥1000 = 15 Points 800 < 1000 = 12 Points 600 < 800 = 08 points Less than 600 = 5 points 	Verifiable evidence to be provided
TOTAL		100	Minimum Passing Marks = 70	

CHECKLIST OF MANDATORY DOCUMENTS TO BE PROVIDED WITH EOI

- Super Agency Agreement between Branchless Banking Operator and its Super Agent Operator.
- Joint Venture agreement
- Certificate of Company/Firm Registration/Incorporation under the laws of Pakistan
- Valid Registration Certificate with Securities & Exchange Commission of Pakistan
- Branchless Banking Operation Certificate from State Bank of Pakistan.
- Valid Income Tax Registration
- Valid General Sales Tax Registration (Status = Active with FBR)
- Submission of undertaking on legal valid and attested stamp paper that the firm is not blacklisted by any of Provincial or Federal Government Department, Agency, Organization or autonomous body or Private Sector Organization anywhere in Pakistan.
- In full compliance of the Execution Schedule and Delivery Period mentioned in tender document (Undertaking)
- Must have at least Long term Credit Rating “A” bank for Mobile Financial Services registered at State Bank of Pakistan according to PACRA
- Must be a service provider of mobile financial services

Important: If any of the above mentioned document is not found attached with the EOI, the company/firm shall not be shortlisted and shall not be considered for further processing in evaluation.