

REQUEST FOR PROPOSAL (RFP)

12, 2022
P-RFP-2022-309
I

Dear Sir / Madam:

We kindly request you to submit your Proposal for the provision of services to conduct Connectivity for Commerce: Afghanistan-Pakistan Cross-Border Cooperation for Human Development, Economic Cooperation, Peace and Stability

Important Note: Obtaining NOC to work in the border areas will be the responsibility of the contracting firm.

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal. Your proposal should be submitted through e-Tendering online system by or before the deadline of **3rd Oct 2022 3:00 PM Pakistan Standard Time OR 6:00 AM EDT** indicated in https://etendering.partneragencies.org (Date and time displayed on the e-tender is final)

Detailed instructions on how to submit, modify or cancel a bid in the e-Tendering system are provided in the e-Tendering system Bidder User Guide and Instructional videos available on this link: https://www.undp.org/content/undp/en/home/procurement/business/resources-for-bidders.html

Your Proposal must be expressed in the English, and valid for a minimum period of 90 days. You are kindly requested to indicate whether your company intends to submit a Proposal by clicking on "Accept Invitation" button no later than Thursday 22nd Sept 2022. If that is not the case, UNDP would appreciate your indicating the reason, for our records. Clicking the Acceptance button will enable you to receive updates/notifications, but it will not restrict you from submitting the bid till the deadline.

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it is submitted through the e-Tendering system on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation. If there is requirement of any clarification related to this RFP, kindly send queries to pakistan.procurement.info@undp.org.





Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements. The Proposal that complies with all of the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 4.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link:

http://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions/





UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link: http://www.un.org/depts/ptd/pdf/conduct_english.pdf

Thank you and we look forward to receiving your Proposal.

Sincerely yours,

— DocuSigned by:

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For Knut Ostby
Resident Representative
UNDP Pakistan



Annex 1

Description of Requirements

Context of the Requirement

Connectivity for Commerce: Afghanistan-Pakistan Cross-Border Cooperation for Human Development, Economic Cooperation, Peace and Stability

Brief Description of the Required Services¹

Background

The world continues to watch the situation in Afghanistan with concern. The danger of a humanitarian catastrophe and subsequent mass outward immigration has focused international attention on the country. Bilateral and multilateral donors have worked to ensure that humanitarian assistance is allowed to flow in to support vulnerable Afghans. Still, it is widely acknowledged that humanitarian assistance alone can only offer a temporary fix. Revival of economic activity in Afghanistan remains critical for ensuring secure livelihoods. Unfortunately, avenues for a humancentered indigenous economic revival that caters to Afghans' livelihood needs are scant. In the post-9/11 period, external grant flows averaged 45 percent of GDP and financed 75 percent of public spending, 50 percent of the budget, and 90 percent of the security spending. All external flows have abruptly dried up, with little likelihood of liberal international economic and development assistance returning to Afghanistan for the foreseeable future. The Afghan economy has already shrunk 20-30 percent since August 2021. The ongoing economic crisis in the neighboring countries is poised to further increase the challenges for the Afghan economy. For instance, Pakistan is facing severe economic difficulties, which are projected to cause higher inflation and a potential decrease in remittances in Afghanistan, with inevitable knock-on effects on poverty in the country.

Connectivity as a Viable Socio-Economic Solution:

Whenever economic sustainability is discussed in the land locked Afghan context, the country's mineral wealth of over \$1 trillion and its ability to act as a 'roundabout' for economic connectivity between South, Central, and West Asia are highlighted. Afghanistan's potential as a connectivity hub interests its immediate and near neighbors immensely because it holds the key to unleashing the true economic potential of regional integration in South and Central Asia.

The most critical of Afghanistan's relationships in this regard is with Pakistan, which is geographically positioned to offer Afghanistan its natural gateway to the world. As part of its regional cooperation initiative, Pakistan has articulated foreign, national security, and economic policy goals to foster regional trade, investment, and connectivity between Pakistan, China, Afghanistan, and Central Asian Republics (CARs) as a vital component of regional security and stability.

Afghanistan has traditionally been among the top export destinations for Pakistan, while Pakistan is Afghanistan's largest trading partner. Bilateral trade has witnessed a continuous decline during the last decade – from around \$2 billion a decade ago to \$754 million in 2020. The true potential of bilateral trade is estimated to be upwards of \$5 billion. Various impediments, including lack of

¹ A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.





modern infrastructure, expensive transportation, poor banking networks, cumbersome customs regulations, and restrictive visa regimes, have continued to hinder commercial engagement. During FY2021-22, Afghanistan's exports to Pakistan witnessed a historic rise – increasing from \$583 million in the previous FY to more than \$800 million. However, this was largely driven by targeted trade-related concessions offered by Pakistan, also meant to ensure that border communities between the two countries dependent on cross-border commercial exchanges remain productively engaged. During the same period, however, Pakistani exports to Afghanistan dropped to around \$717 million from more than \$1 billion due to a decrease in purchasing power and demand in Afghanistan.

At the local level, cross-border activity is a primary source of community livelihoods. A 2019 survey by Asia Foundation found that business activity for 71 percent of respondents depended entirely or mainly on cross-border trade. Nineteen percent of respondents listed cross-border trade as a direct source of household income. Given the nature of traditional commercial transactions in the border regions, a sizeable proportion of these form part of the informal economy. This is why there has always been tension between pushing for greater formalization and documentation of cross-border engagement between Afghanistan and Pakistan and recognizing that centuries-old norms tie in local communities into economic exchanges that cannot be undermined without providing reasonable alternatives.

Regardless, there is little doubt that a robust network of regional connectivity between Afghanistan and Pakistan across multiple trade and investment sectors — micro and Small and Medium Enterprises, food and agriculture value chains, health care tourism, untapped natural resources like mines and minerals in Afghanistan and Pakistan's newly merged districts, infrastructure development including railways and roads, technology and digital connectivity, regional energy initiatives and small energy projects, etc. — can boost regional commercial engagement and bring billions of dollars in trade and investment and transit revenues to both countries while contributing to socio-economic uplift of the local communities.

Enhanced economic engagement and connectivity between Afghanistan and Pakistan is also the key to broader regional integration in the interest of all South and Central Asian countries. Pakistan's warm waters remain the shortest route for Central Asian Republics to access the world. Significant progress has already been made in facilitating this movement through bilateral and multilateral trade and transit agreements. Several major energy projects are also designed to bring surplus Central Asian energy to Afghanistan, Pakistan, and India.

In the current global context, *connectivity for commerce* is perhaps the most realistic avenue to support economic sustainability in Afghanistan while the many complicated political issues are resolved. An optimistic medium-term outlook shows Afghanistan's comparative advantage in its location connecting South and Central Asia to the markets in the Middle East and beyond. Investments in this area have the potential to create jobs for Afghan (and Pakistani) youth – particularly those marginalized, displaced, and from among the conflict-affected communities living in the border regions – if adequately targeted. Moreover, such targeted investments will also increase people's confidence in the benefits of regional connectivity as an instrument of economic development and future diplomatic partnerships in the region. The practical challenge remains to benefit from the reduction in violence in Afghanistan over the past year to facilitate commercial connectivity that not only generates revenues for the Afghan economy and delivers benefits for relevant stakeholders in both countries but is also human-centered and caters to livelihoods of





Afghans who already have or are at risk of falling below the poverty line, especially those in the border communities.

UNDP's Integrated Approach: SDGs-Aligned Human-Centered Regional Connectivity:

It is critical to work on a medium-term economic recovery plan for Afghanistan that is integrated with its immediate neighbors' socio-economic and political economies. Finding pathways for mobilizing support for and delivering integrated and coordinated programming quickly and effectively is key to mitigating the risk of a humanitarian catastrophe in a sustainable manner while minimizing losses to the development gains of the last two decades.

Complementing a humanitarian response, there is a need to invest in integrated stabilization and development solutions for Afghanistan. Targeted investments in knowledge sharing, production and productivity for job creation, including in areas that can produce quick gains for local communities, skills development and capacity building, economic stabilization, and technological innovations will mitigate the risks of conflict, instability, and inequality linked to the regional connectivity infrastructure. This will require ,identifying, designing, and implementing joint technical assistance and development cooperation initiatives in Afghanistan and its immediate neighbors that can contribute to a regional SDGs-aligned medium-term economic recovery plan.

With its focus on an integrated regional approach to development, including responsibility for protecting displaced and migrant communities, UNDP is well positioned to champion this cause. UNDP Asia-Pacific's regional portfolio already includes supporting cross-border interaction and cooperation, cross-border trade, commerce, and economic growth value chains, and community engagement, with a significant programmatic presence in all five neighboring countries of Afghanistan: Iran, Pakistan, Tajikistan, Uzbekistan, and Turkmenistan. UNDP's focus is on strengthening socio-economic development in this sub-region and concretizing alignment of crisis response with protecting development gains in the form of an integrated medium-term SDGs-aligned regional connectivity for cross-border development framework, built on three main programmatic pillars:

- Strengthened national and local capacities and systems (governance)
- Community resilience and revitalization of local economies through livelihoods and basic infrastructure (green growth)
- Social stability (including PVE) and peaceful co-existence between refugees, host communities as well as the larger societies

In the above context, UNDP needs to conduct a baseline assessment and detailed scoping of the potential for facilitating and enhancing trade, investment, infrastructure, and human connectivity, initially between Afghanistan and Pakistan with an explicit focus on benefiting vulnerable communities, especially those in the border regions. While there is significant existing work on regional connectivity centered on Afghanistan, produced by multilateral and other institutions both before and after last year's Taliban takeover, this assessment will focus on local economies and economic empowerment and mobility of local communities and displaced populations in Afghanistan and Pakistan through connectivity initiatives. It will seek to understand the business case for specific solutions to impediments to mutually beneficial connectivity. In doing so, it will cover both the formal and informal economy and examine the sectoral barriers and opportunities, both horizontal and vertical, for the greater cross-border activity that can support human-centered





development interventions to foster human development and regional stabilization. These are understudied aspects of connectivity. This assessment would serve as a model for similar subsequent studies of connectivity potential between Afghanistan and its neighbors.

C. Scope of Work

Thematic Focus:

UNDP seeks the services of a qualified and well-reputed international firm with local implementing partners in Afghanistan and Pakistan to conduct the study of formal and informal cross-border economic and commercial structures, processes and stakeholders, political economies of community needs and exchanges, ease of doing business, trade and transport infrastructure and facilitation, skills and capabilities, market and demand-driven value chains, business development, job creation opportunities, and human mobility. A particular focus will be to design the study as people-centered and reflective of how commercial activity can impact and provide opportunities for people on borders, including displaced communities. The assessment will identify specific priority areas for UNDP's programming interventions that could produce quick livelihood gains for the target communities.

The assessment will encompass the various levels of connectivity, from the potential and processes of macroeconomic engagement between the two countries to specific trade and investment facilitation to greater commercial engagement and connectivity between local communities who must benefit from such activity. This holistic approach focusing on the empowerment of local communities will be a key distinctive feature of this assessment from the previous work on the subject.

In this backdrop, the study may examine cross-border entry points in the structural areas of:

- Trade and investment complementarity
- Value chain analysis for greater integration and interdependence of the two economies for the benefit of people engaged in connectivity-related activity on both sides
- Job creation interventions for youth and women in priority sectors linked to connectivity
- Trade facilitation, transportation, and logistics (banking, customs clearance, tax and improvements to business-friendly procedures, border management capacities, infrastructure and systems, ease of investment, overall facilities to increase inclusive economic activity, etc.)
- Institution building for better governance and planning
- Skills and capacity building of technocrats facilitating enhanced connectivity, including SDGs-linked project design

The study's thematic focus may include the following sectors/sub-sectors:

- Macro-economic picture of Afghanistan and Pakistan, especially aspects that may impact each other's economy and livelihood opportunities of border and displaced communities
- Top identified sectors with the greatest trade and investment potential
- Innovative and new sectors, such as IT and digital adoption
- Financial and other services sectors that must enable connectivity
- B2B facilitation for trade and investment





- Cross-border human mobility as well as the movement of goods, services, technology, and information/ideas
- Economic integration, cross-border and local entrepreneurship opportunities for border communities and displaced populations, especially youth and women labor force participation

Functional Structure:

The study's core management will be spearheaded by the selected firm's senior research team (see Section 4: Evaluation Criteria). The research team will be provided overall guidance by UNDP's Technical Working Group comprising specialists in UNDP Afghanistan and Pakistan country offices and UNDP Bangkok Regional Hub. The firm's overall contract management and day-to-day supervision will be overseen by UNDP Pakistan Assistant Resident Representative, Development Policy Unit, in close consultation with and guidance provided by BRH Regional Team Leader of Recovery Solutions and Human Mobility. For research and related activities, the firm will engage with relevant policy authorities and actors as well as UNDP's development partners, U.N. Resident Coordinator's Office, and other U.N. agencies in Afghanistan and Pakistan, as necessary. The firm will be required to engage researchers in Afghanistan and Pakistan for data collection and analytical and stakeholder engagement/liaison support. Locally hired researchers will closely liaise with UNDP country offices in Afghanistan and Pakistan.

An initial three-week inception phase will be built into the contract, during which UNDP's Technical Working Group will work closely with the selected firm to refine the study's thematic scope, the sectors of study, and the critical geographical border regions that are most important for the assessment.

Approach, Methodology, and Outputs:

Specific Research Focus

The specific areas of research focus to be agreed upon during the inception phase may include the following:

Contextualization

- Afghanistan and Pakistan's macro-economic analysis and insights into the geopolitical and strategic challenges that affect Afghanistan's economic revival and provide the political and economic justification for regional connectivity as an important solution.
- Contextualizing what 'connectivity for human-centric economic progress' means in the Afghanistan-Pakistan context, a functional policy definition of connectivity in the specific context must be offered. What can be learned from comparable cases in Asia Pacific, Europe, MENA, Africa, Latin America, etc.?
- Based on the above, what are the most important elements of connectivity in the Afghanistan-Pakistan border context that would also benefit local communities and social cohesion in geographical areas most relevant to cross-border engagement?





Sectoral Approach to Trade

- Identification of 5 priority sectors with the most significant potential for trade, including at least 1 'virgin' sector.
 - Examining the potential of IT and the digital space as a new area for connectivity and collaboration and enabler of connectivity in other sectors.
- For each of the chosen sectors:
 - Analysis of market and demand-driven, including disruptive, value chains that have a multiplier effect and can create greater interdependence between the two economies, including economies of the border region, so that local communities can benefit
 - o Identification of specific sustainable ('green') approaches and value chains that empower youth and women
 - Within the identified opportunities from the value chain analysis, prioritization of interventions that can produce positive results in the short term.
 - o Identification of critical bottlenecks and challenges (policy, political, security, economic and infrastructure-related, legal and regulatory, social), horizontal and vertical, macro and micro-level, and possible solutions in the given context
 - Mapping key private sector actors and identifying specific steps for governments to facilitate more significant B2B contact to improve trade prospects.

Investment

- Investment potential in Afghanistan from Pakistan and vice versa, both in the priority trade sectors identified and beyond; identification of specific investment opportunities in at least three of the priority sectors chosen, including investment that can create joint venture and co-production possibilities and ideally involve border and displaced communities
- Identification of specific avenues for investment in both production and productivity that can create jobs and additional revenues through enhanced trade and broader commercial activity, with priority to investment in value chains where programming interventions can produce quick gains for local communities
- Examining the overall incentive regime for investment and constraints therein that need to be addressed to create an enabling environment
- Identification of investment potential from regional and major powers in the priority sectors. Is a synergetic model of third-party investment possible that benefits Afghanistan while creating greater interdependence between Afghanistan and Pakistan? Can Afghanistan synergize regional/Chinese and Western private sector investment that integrates value chains on both sides of the Afghanistan-Pakistan border as well as helping to enhance Afghanistan's digital infrastructure?
- Identification of critical bottlenecks and challenges (policy, political, security, economic and infrastructure-related, legal and regulatory, social), horizontal and vertical, macro and micro-level, and possible solutions in the given context





 Mapping of critical private sector actors, including entrepreneurs in the border regions and non-traditional investors, in the priority sectors and identification of specific steps for governments to facilitate greater private sector contact to improve investment prospects.

Transit Trade

- Current state of transit trade between Afghanistan and Pakistan and Afghanistan and its other neighbors
- Potential to increase transit trade and revenue potential for Afghanistan (and Pakistan) and avenues for greater engagement of border communities in transit trade facilitation
- Identification of any bottlenecks or policy constraints specifically holding back transit trade and ways to address these

Local Communities

- How can efforts at enhancing connectivity by facilitating relevant State entities and the
 private sector help create an ecosystem for inclusive border management and border
 liaison activities while promoting social cohesion by involving local communities and
 partners?
- Job creation avenues for youth, women, and displaced communities in the priority sectors, including rapid programming options that can create new livelihood opportunities in the short term.
- Positing alternative solutions, including expanding existing innovative ways of revenue distribution from commercial activity, in each case where solutions to existing bottlenecks may affect local community livelihoods negatively. Particular attention should be accorded to any effect on youth, women, and displaced populations.
- Comparing other border contexts where customary laws and traditional transactions have persisted, are there purely localized solutions that could facilitate commercial activity specifically in the border regions while further empowering local communities?

Technical /Capacity Building Support and Financing

- Identification of capacity building and technical support needs for Afghanistan to execute identified facilitation measures and benefit from connectivity initiatives.
- Identification of specific capacity building needs to help local communities, especially
 youth and women, develop skillsets that would make them employable in connectivity
 initiatives and options for practically imparting the identified skills; particular attention
 should also be paid to (i) skills such as e-commerce that can help communities, especially
 youth, build value chains with the private sector; and (ii) skillsets most valuable and
 acceptable for Afghan refugee populations who could return to gain employment in crossborder connectivity initiatives.
- Potential role of multilateral institutions and interested countries to incentivize private sector investment; possible institutional arrangements for making financial investments in skills development and broader steps required to benefit local communities through connectivity.

Broader Region





• Which of the study's recommendations can be replicated for Afghanistan and its neighbors to improve connectivity between those countries?

Mapping

- For each aspect of the study, stakeholder mapping and assessment, covering policy, business, development, workers, and community actors, including their interests, positions and demands, and suggestions on how to interact with specific stakeholders to achieve desired gains in terms of connectivity; specifically for private sector stakeholders, how could the engagement achieve connectivity goals while advancing the SDGs agenda?
- Mapping and analysis of existing bilateral or regional agreements that are relevant to connectivity between Afghanistan and Pakistan
- Mapping of facilitation measures that Afghanistan, Pakistan, and other state or international entities have taken to improve connectivity between the two countries
- Mapping of existing activities by UN agencies involved in programming in Afghanistan and the Afghanistan-Pakistan border regions.

Way Forward

 Policy and programming recommendations, including innovative solutions, keeping in view local context and UNDP's strengths and regional/country programmes. This should include targeted project proposals for UNDP's interventions, with an eye on producing quick benefits for border communities.

Methodology

With a focus on the structural and thematic areas identified above, the methodology of the baseline assessment will involve qualitative and quantitative research. The evaluation is expected to be supported by a mixed methodology comprising desk literature reviews, primary and secondary data collection, key informant interviews (Klls), focus group discussions (FGDs), policy consultations, and other innovative research tools/ methodologies.

The study's indicative outputs and activities may include (but will not be limited to):

- Desk review to undertake country and regional situational analysis, including of the macroeconomic picture of both countries; and comparative analysis to study similar cases and define 'connectivity' in the Afghanistan-Pakistan context
- FGDs, Klls, and data analysis to identify priority sectors
- Data analysis, FGDs, and Klls for sectoral analysis, including challenges and opportunities
- Klls, desk review, and trade and investment data analysis for identifying opportunities in investment regime and private sector potential and role
- Desk review, FGDs, and KIIs for analysis of transit trade
- FGDs, Klls, policy consultations, and primary surveys in border towns and where displaced communities exist to assess opportunities and challenges and political economy dynamics, including opportunities for local investment, creation of new value chains, community empowerment and greater human mobility
- Policy consultations and KIIs to identify capacity building and technical needs
- Klls, policy consultations, and desk review for stakeholder and geographic mapping
- Desk review and policy consultations for mapping of previous agreements and existing facilitation measures and existing UN programs

Outputs





External

- Full research report on all aspects of connectivity, including clear recommendations on how to move forward in terms of policy and programming interventions [1].
- At least three priority thematic Policy Papers/Policy Briefs stemming from the study's key findings, focusing on (i) key opportunities and challenges for connectivity at the local level; (ii) specific recommendations on facilitating trade and investment that create livelihoods for target communities; and (iii) empowerment of local communities through connectivity [3]
- Op-eds in both countries crystallizing the most important policy elements [at least 2]
- Thematic powerpoint presentations [multiple, as requested]
- Infographics [multiple] and a short video [1] reflecting key findings
- Advocacy events in both countries (including webinars, seminars etc.) to gather feedback before the finalization of the report [at least 4]
- Joint action plan and implementation prioritization workshop with government and private sector stakeholders [at least 2]
- Regional connectivity conference including report launch in Islamabad [1]

Internal

- Policy action matrix covering each aspect, with specific details of policy/programming steps to be taken, stakeholders responsible, and suggested timelines for completion [1]
- Report containing stakeholder mapping [1]
- Briefings to UNDP, government, and development partners [multiple, as requested]
- Internal programme document based on the study's findings that is designed specifically for UNDP's programming guidance and contains project proposals for 2-3 specific interventions that can benefit local communities in the short term [1]
- SWOT and Risks Matrices for UNDP to consider in its programming and while briefing policymakers [1]

List and
Description of
Expected
Outputs to be
Delivered

Expected key outputs/deliverables/mandatory requirements:

The Contractor will ensure the following deliverables are achieved as part of the contract signed with UNDP Pakistan:

Deliverables/ Outputs	Estimated Duration to Complete	Percentage for payment	Review and Approvals Required
Develop and submit Inception report detailing refined study scope and methodology/research plan, based on initial desk review and consultations with the UNDP Technical Working Group	03 Weeks	15%	Assistant Resident Representative
Conduct quantitative and qualitative research, including review and analysis of secondary data and collection of primary qualitative data through	08 Weeks	30 %	Development Policy Unit





consultations, KIIs and FGDs with various stakeholders in border communities of Pakistan and Afghanistan			
Submission of Interim Report on key findings of the research and consultative process including.	02 Weeks	10 %	
 Report containing stakeholder mapping. SWOT and Risks Matrices for UNDP to consider in its programming and while briefing policymakers. Thematic power-point presentations, as requested. 			
Produce Policy papers At least three priority thematic Policy Papers/Policy Briefs stemming from the study's key findings, focusing on (i) key opportunities and challenges for connectivity at the local level; (ii) specific recommendations on facilitating trade and investment that create livelihoods for target communities; and (iii) empowerment of local communities through connectivity Op-eds in both countries crystallizing the most important policy elements [at least 2]	02 Weeks	10%	
Submit final report fulfilling all requirements/activities agreed upon and reflected in the ToRs including clear recommendations on how to move forward in terms of policy and programming interventions.	01 Week	10%	
Conduct Dialogues, seminars, workshops including: • Briefings to UNDP, government, and development partners [multiple, as requested] • Infographics [multiple] and a short	03 weeks	15%	
video [1] reflecting key findings			









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² VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.





Validity Period of	⊠ 90 days
Proposals (Counting for the last day of submission of quotes)	In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.
Partial Quotes	Not permitted ■ Not permitted Not permitted

Payment Terms

Deliverables/ Outputs	Estimated Duration to Complete	Percentage for payment	Review and Approvals Required
Develop and submit Inception report detailing refined study scope and methodology/research plan, based on initial desk review and consultations with the UNDP Technical Working Group	03 Weeks	15%	Assistant Resident Representative
Conduct quantitative and qualitative research, including review and analysis of secondary data and collection of primary qualitative data through consultations, KIIs and FGDs with various stakeholders in border communities of Pakistan and Afghanistan	08 Weeks	30 %	Development Policy Unit
Submission of Interim Report on key findings of the research and consultative process including. Report containing stakeholder mapping. SWOT and Risks Matrices for UNDP to consider in its programming and while briefing policymakers. Thematic power-point	02 Weeks	10 %	
presentations, as requested. Produce Policy papers • At least three priority thematic Policy Papers/Policy Briefs stemming from the study's key findings, focusing on (i) key opportunities and challenges for connectivity at the local level; (ii) specific recommendations on facilitating trade and investment that create livelihoods for target communities; and (iii) empowerment	02 Weeks	10%	





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of local communities through connectivity Op-eds in both countries crystallizing the most important policy elements [at least 2]			
Submit final report fulfilling all requirements/activities agreed upon and reflected in the ToRs including clear recommendations on how to move forward in terms of policy and programming interventions.	01 Week	10%	
Conduct Dialogues, seminars, workshops including:	03 weeks	15%	
 Briefings to UNDP, government, and development partners [multiple, as requested] Infographics [multiple] and a short video [1] reflecting key findings Advocacy events in both countries (including webinars, seminars etc.) to gather feedback before the finalization of the report [at least 4] Joint action plan and implementation prioritization workshop with government and private sector stakeholders [at least 2] Regional connectivity conference including report launch in Islamabad [1] 			
Prepare and Submit a Project Document based on the study's findings that is designed specifically for UNDP's programming guidance including • Identifying policy/ programing activities for UNDP • Project proposals for 2-3 specific interventions that can benefit local communities in the short term • Policy action matrix covering each aspect, with specific details of	01 week	10%	
policy/programming steps to be taken, stakeholders responsible,			





	and suggested timelines for completion.			
Person(s) to review/inspect/approve outputs/complet ed services and authorize the disbursement of payment	The Firm will report to Assistant Resident Representative close policy guidance from Working Group compafghanistan and Pakistan and BRH. The firm's team methe UNDP Development Policy Unit. All reports/docur against the deliverables to the ARR, DPU UNDP Pakinception report.	orising experts embers will work nents/progress	in UNDP country offices of k in close coordination with updates will be submitted	
Type of Contract to be Signed	☑ Purchase Order☑ Contract for Professional Services			
Criteria for Contract Award				
Criteria for the Assessment of Proposal				
	 ✓ Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan 30% with 210 marks out of 700 ✓ Qualification of Key Personnel 40% with 280 marks out of 700 			
	Financial Proposal (30%) To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP. (Financial Score= (Lowest Offer/Offer*300)			
	Summary of Technical Proposal Evaluation	Score Weight	Points Obtainable	
	Expertise of Firm/ Organization submitting Proposal	30%	210	
	Proposed Approach / Technical proposal Qualification of Key Personnel	30% 40%	210 280	





Total Technical 700		700
Financial Proposal		300
	Total Score	1,000

Form	1: Technical Proposal Evaluation	Points Obtainable
	Expertise of Firm / organization	
1.1	 Expertise of the firm and its capacity to conduct the assignment as per the defined scope of work, including: Firms experience of working in border areas of Pakistan and Afghanistan and that of its partners (10 marks) Presence in both countries Pakistan and Afghanistan or through its partnerships with local organizations in the two countries (10 marks) Workforce/HR structure to execute this assignment (10 marks) Firms' capacity in terms of financial management, accountability and monitoring mechanisms, and quality control systems (10 marks) Organization structure and profiles of key leadership of the organization and that of its partners (10 marks)	50
1.2	Financial Stability : Last Two years Audited Account (2019-20 and 2020-2021) Current ratio should be one or more than one for each year. (10 marks for each year).	20
1.3	Relevant Experience: Two satisfactory performance certificates for relevant Projects completed in last five Years (Each proof carries 15marks)	30
1.4	Experience of working with UN agencies, international development organizations and government departments. Please provide Copies of two contracts. (Provide 2 contract copies. Each contract Copy carry 15 marks).	30
1.6	 Experience of Similar consultancy services, Brief description on work undertaken 5 years and above of previous experience of similar services provided 80 Marks) 3-4 years of previous experience of similar services provided 	80





	(40 Marks)	
	Total Part 1	210
Form	2: Technical Proposal Evaluation	Points Obtainable
Metho Plan	odology, Its Appropriateness to the Condition and Timeliness of the	Implementation
2.1	To what degree does the offeror understand the task, its objectives and scope of work?	55
2.2	Have the important aspects of the task been addressed in sufficient detail?	30
2.3	Is the conceptual framework adopted appropriate for the task?	40
2.4	To what extent does the proposal reflect the knowledge of the firm about research, regional connectivity, trade facilitation, capacity building, and conducting dialogues with different stakeholders at different levels?	55
2.5	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	30
	Total Part 2	210

Form 3: Management Structure and Qualification of Key Personnel– (Names and curriculum								
vitae of	vitae of individuals who will be involved in completing the services)							
3.1	Team Leader (1 Position)							
	Qualification	Points Obtained						
	Education:	30						
	PhD/Master's degree in Economics, Development Economics,							
	Public Policy, or a discipline related to social sciences							
	PhD degree (30 Marks).							
	Master degree (15 Marks)							
	10 years of relevant experience in project management including	40						
	proven experience in leading national and international projects							
	having a strong research component. Experience on regional							
	connectivity, cross-border development, stabilization and SDGs							
	will be preferred.							
	10 or more Years of experience- 40 Marks							
	5-9 Years of experience – 20 Marks							
	Below 5 years of experience in leading teams- 0 Marks							





	Sub Total	70
3.2	Public Policy Expert (2 Positions)	
	Qualification	
	Master's degree in Economics, Development Economics, Public	40
	Policy, and Social Sciences.	
	Master degree (20 Marks)	
	7 years of experience in leading and conducting high-quality	40
	qualitative and quantitative analytical research on areas relevant	
	to regional connectivity, post-conflict stabilization, cross-border	
	development, trade, SDGs, COVID, and related socio-economic	
	issues with strong experience of working with diverse data sets.	
	7 Years of experience- 20 Marks	
	5 Years of experience – 15 Marks	
	Below 5 Years of experience- O Marks	
	Sub Total	80
3.3	Data Analysts (2 Positions)	
	Qualification	
	Master's degree in Economics, Statistics, or related social	20
	science fields.	
	Master's degree- 10 Marks	
	Bachelors degree - 05 Marks	
	5 years of experience with qualitative and quantitative data	30
	analyses and hands on experience of SPSS, STATA or other	
	quantitative software	
	5 Years of experience- 15 Marks	
	2-4 Years of experience – 10 Marks	
	Below 2 Years of experience- O Marks	
	Sub Total	50
3.4	Research Assistant (2 Position)	
	Qualification	
	Master's degree in Development Studies, Economics, Public	20
	Policy, and Social Sciences.	
	Mostov's degree 40 Mortes	
	Master's degree-10 Marks	
	Bachelor's degree 05 Marks	20
	2 years of experience in conducting research on areas relevant	30
	to socio economic issues, development or trade etc. experience	
	working with different public data sets will be preferred.	
	2 Years of experience- 15 Marks	
	1 Year of experience – 05 Marks	
	Sub Total	50
	Sub Total	50
	Communications Specialist/Designer	





	Master's degree in Communications, Journalism, or a related discipline	10			
	Minimum 5 years of experience in leading and developing documentaries and other video materials				
	Documentaries produced for the development sector	10			
	Sub Total	30			
	Total Part 3	280			
UNDP will award the contract to:	☑ One and only one Service Provider				
Annexes to this RFP	 ☑ Description of requirements (Annex 1) ☑ Form for Submission of Proposal (Annex 2) Form C: Join venture and Consortium Forms Form D: Qualification Form of JV firms ☑ Form for Submission of Financial Proposal (Annex 3) ☑ General Terms and Conditions / Special Conditions (Annex 4) ☑ Detailed TOR [Annex-5] 				
Contact Person for Inquiries (Written inquiries only)	pakistan.procurement.info@undp.org Any delay in UNDP's response shall be not used as a reason for extend submission, unless UNDP determines that such an extension is necessary new deadline to the Proposers.	•			





Minimum Eligibility Criteria

- 1. Technical and financial proposals should be submitted in separate PDF files and the financial proposal must be password protected.
- 2. Provide registration certification of the form. Firm should be a legally registered entity in its respective country context. Sole proprietors are not eligible to apply.
- 3. Provide Tax Registration/Payment Certificate issued by the Internal Revenue Authority.
- 4. Profile of the company including its experience of working in border areas of Pakistan and Afghanistan, either individually or through its partners. Firms overall governance structures including administration, finance, communication and HR demonstrating its capacity to undertake the assignment, along with details of employee, CVs of key professionals. Minimum 3 years of relevant experience in conducting need assessments, consultations, experience in program planning and designing and capacity strengthening exercises with federal and provincial governments.
- 5. An affidavit on stamp paper or on Company's Letter Head that the company/firm has never been blacklisted by any institution/department/agency and that it has not been involved in litigation with any of its clients.
- 6. Firms must have a presence in both countries. Please share details of evidence of your presence in both countries.

If applying In JV- above mentioned documents must be submitted for the JV partner as well.

Deadline for Submission

As mentioned in the E-tendering system

Please note:

- 1. Date and time visible on the main screen of event (on e-tendering portal) will be final and prevail over any other closing time indicated elsewhere, in case they are different. Please also note that the bid closing time shown in the PDF file generated by the system is not accurate due to a technical glitch that we will resolve soon. The correct bid closing time is as indicated in the e-tendering portal and system will not accept any bid after that time. It is the responsibility of the bidder to make sure bids are submitted within this deadline. UNDP will not accept any bid that is not submitted directly in the system.
- 2. Try to submit your bid a day prior or well before the closing time. Do not wait until last minute. If you face any issue in submitting your bid at the last minute, UNDP may not be able to assist.





Electronic submission (eTendering) requirements

- Technical and financial proposals should be submitted in separate PDF files
- File names must be maximum 60 characters long and must not contain any letter or special character other than from Latin alphabet/keyboard.
- All files must be free of viruses and not corrupted.
- Password for financial proposal must not be provided to UNDP until requested by UNDP (see notes below)

Important Notes for financial proposal:

- The proposer is required to prepare and submit the financial proposal in a password protected PDF file separate from the rest of the proposal submission as indicated in the instructions to proposers.
- Password for financial proposal must not be provided to UNDP until it is formally requested by UNDP focal point indicated below: seemab.rashid@undp.org
- While entering financial proposal in the e-tendering system, always mention your bid price as PKR 1. Please do not mention the value of your financial proposal in the etendering system. It should only be mentioned in the password protected file/ attachment of financial proposal. The proposals of those organizations who would reveal their financial proposal value in the e-tendering system will be considered as disqualified.

Pre-proposal conference

Will be Conducted

Date: 22nd Sept 2022, 3:00 PM, Pakistan Standard Time

Venue: Zoom meeting

Meeting details will be provided directly to the bidders who express interest to participate by accepting invitation in e-Tendering and request by email.

Please email the procurement team below to express interest:

Name of the focal: Seemab Rashid

Subject of Email: UNDP-RFP-2022-309 Pre-bid Participation

E-mail: pakistan.procurement.info@undp.org





Annex 2

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery)

[insert: *Location]*. [insert: *Date]*

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date], and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions.

A. Qualifications of the Service Provider

The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following:

- a) Profile describing the nature of business, field of expertise, licenses, certifications, accreditations;
- b) Business Licenses Registration Papers, Tax Payment Certification, etc.
- c) Latest Audited Financial Statement income statement and balance sheet to indicate Its financial stability, liquidity, credit standing, and market reputation, etc.;
- d) Track Record list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contact references;
- e) Certificates and Accreditation including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc.
- f) Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.
- g) Include all the documents mentioned in the **Minimum Eligibility Criteria** mentioned in Annex 1.

B. Proposed Methodology for the Completion of Services

The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local





conditions and context of the work.

C. Qualifications of Key Personnel

If required by the RFP, the Service Provider must provide:

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;
- b) CVs demonstrating qualifications must be submitted if required by the RFP; and
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.

[Name and Signature of the Service Provider's Authorized Person]
[Designation]
[Date]





FORM C: JOINT VENTURE/CONSORTIUM/ASSOCIATION INFORMATION FORM

Name of Bidder: [Insert Name of Bidder]			Bidder]		Date :	Select date
RFP	reference:	[Insert RFP Refer	ence Number]			
	completed and re/Consortium/	d returned with you 'Association.	ır Proposal if the	Proposal is s	ubmitte	d as a Joint
No	Name of Partner and contact information (address, telephone numbers, fax numbers, e mail address)			e- Proposed proportion of responsibility (in %) and type of services to be performed		
1	[Complete]			[Complete]		
2	[Complete]			[Complete]		
3	[Complete]			[Complete]		
Cont	process and, ir ract is awarded ract execution)	d, during	[Complete]			
legal : joint v □ Lett We Ventu the pr	structure of an enture: er of intent to f hereby confi	d the confirmation form a joint venture rm that if the /Association shall	of joint and se of of joint and se contract is be jointly and s	verable liabili JV/Consortiu awarded,	ty of the m/Asso all pa	which details the likely e members of the said ociation agreement arties of the Joint DP for the fulfillment of
Signature:			Sigr	Signature:		
Date:			Date	9:		
Name of partner:				Name of partner:		
Sign	ature:		Sigr	nature:		





Date:	Date:

Form D: Qualification Form

Name of Bidder:	[Insert Name of Bidder]	Date :	Select date
RFP reference:	[Insert RFP Reference Number]		

If JV/Consortium/Association, to be completed by each partner.

Historical Contract Non-Performance

□ Contract non-performance did not occur for the last 3 years								
□ Contrac	t(s) not performed	for the last 3 years						
Year	Non- performed portion of contract	Total Contract Amount (current value in US\$)						
		Name of Client: Address of Client: Reason(s) for non-performance:						

Litigation History (including pending litigation)

□ No litigation history for the last 3 years							
☐ Litigation History as indicated below							
Year of Amount in Contract Identification Total Contract Amount							
dispute	dispute (in US\$)		(current value in US\$)				
		Name of Client:					
		Address of Client:					
		Matter in dispute:					
		Party who initiated the dispute:					
		Status of dispute:					
		Party awarded if resolved:					





FORM FOR SUBMITTING SERVICE PROVIDER'S FINANCIAL PROPOSAL

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery)

Deliverables/ Outputs	Estimated Duration to Complete	Percentage for payment	Payment USD/PKR
Develop and submit Inception report detailing refined study scope and methodology/research plan, based on initial desk review and consultations with the UNDP Technical Working Group	03 Weeks	15%	
Conduct quantitative and qualitative research, including review and analysis of secondary data and collection of primary qualitative data through consultations, KIIs and FGDs with various stakeholders in border communities of Pakistan and Afghanistan	08 Weeks	30 %	
Submission of Interim Report on key findings of the research and consultative process including.	02 Weeks	10 %	
 Report containing stakeholder mapping. SWOT and Risks Matrices for UNDP to consider in its programming and while briefing policymakers. Thematic power-point presentations, as requested. 			
 At least three priority thematic Policy Papers/Policy Briefs stemming from the study's key findings, focusing on (i) key opportunities and challenges for connectivity at the local level; (ii) specific recommendations on facilitating trade and investment that create livelihoods for target communities; and (iii) empowerment of local communities through connectivity Op-eds in both countries crystallizing the most important policy elements [at least 2] 	02 Weeks	10%	





	T	Т	1
Submit final report fulfilling all requirements/activities agreed upon and reflected in the ToRs including clear recommendations on how to move forward in terms of policy and programming interventions.	01 Week	10%	
Conduct Dialogues, seminars, workshops including:	03 weeks	15%	
 Briefings to UNDP, government, and development partners [multiple, as requested] Infographics [multiple] and a short video [1] reflecting key findings Advocacy events in both countries (including webinars, seminars etc.) to gather feedback before the finalization of the report [at least 4] Jointaction plan and implementation prioritization workshop with government and private sector stakeholders [at least 2] Regional connectivity conference including report launch in Islamabad [1] 			
Prepare and Submit a Project Document based on the study's findings that is designed specifically for UNDP's programming guidance including • Identifying policy/ programing activities for UNDP • Project proposals for 2-3 specific interventions that can benefit local communities in the short term • Policy action matrix covering each aspect, with specific details of policy/programming steps to be taken, stakeholders responsible, and suggested timelines for completion.	01 week	10%	

Pakistan based firms are paid in PKR. If they quote their price in dollars, it will be converted to PKR on prevailing UN exchange rate for the month of OCT 2022.





International firms can quote in USD

[Name and Signature of the Service Provider's Authorized Person]
[Designation]
[Date]





Cost breakdown by Cost component

Connectivity for Commerce: Afghanistan-Pakistan Cross-Border Cooperation for Human Development, Economic Cooperation, Peace and Stability Internal Cost Estimates

Budget description	Unit type	Number of units	Unit Cost (USD)	Total cost (UDS)	Comments
Activities					
Primary surveys/community consultations, FGDs/Klls to identify priority sectors, transit trade opportunities with the focus on communities in border areas including displaced people.					To be conducted by Research Team. Lumpsum Team Travel Cost
Consultations with Government stakeholders, UN Agencies and Development Partners, Civil Society and Think Tanks	Workshop	10			5 Consultations in each Country for approx 15 persons. to be conducted in an office setup not at hotels.
Advocacy events in both countries (including webinars, seminars etc.) to gather feedback before the finalization of the report	Seminars	4			A mixture of webinars and seminars inviting local stakehlders for Appox 50 persons per event at a local 2-3 Star hotel (in case of seminars).
Joint action plan and implementation prioritization workshop with government and private sector stakeholders	Workshop	2			Approx 50 persons per workshop. One in afghanistan and 1 in Pakistan.2-3 Star hotel
Short video reflecting key findings	Videography	1			video time (approx 3 minutes)
Regional connectivity conference including report launch in Islamabad	Workshop	1			Cost of hosting event in Islamabad at a 5 star Hotel for Approx 100 persons
Sub-Total					
Personnel Services					
1xTeam Leader	Days	30			1 person engaged for 30 days.
2xPublic Policy Experts	Month	2*5			2 people engaged for 5 months each
2xData Analysts	Days	2*50			2 people engaged for 50 days each
2xResearch Assistants	Month	2*5			2 people engaged for 5 months each
1xCommunications Specialist/Designer	Month	1*5			1 Person engaged for 5 months





Sub-Total			
Others Costs			
Others Costs - Overheads, Stationary, Connectivity Charges, etc	Lumpusm		Covers lumpsum operational cost for the project
Sub-Total			
Tax %			
Grand-Total inclusive of taxes			

[Name and Signature of the Service Provider's Authorized Person]
[Designation]
[Date]

Note:

- a) Please mention the currency of your proposal. Local vendors are paid in PKR hence their proposal should be in PKR.
- b) Note: The Price of proposal should be inclusive of all applicable tax, UNDP will not provide any exemption to the bidder.
- c) Please mention Tax separately.





Annex 4

General Terms and Conditions for Services
Separately attached





ANNEX V

"Connectivity for Commerce: Afghanistan-Pakistan Cross-Border Cooperation for Human Development, Economic Cooperation, Peace and Stability"

A. Project Title

Policy Support Programme

B. Project Description

Background:

The world continues to watch the situation in Afghanistan with concern. The danger of a humanitarian catastrophe and subsequent mass outward immigration has focused international attention on the country. Bilateral and multilateral donors have worked to ensure that humanitarian assistance is allowed to flow in to support vulnerable Afghans. Still, it is widely acknowledged that humanitarian assistance alone can only offer a temporary fix. Revival of economic activity in Afghanistan remains critical for ensuring secure livelihoods. Unfortunately, avenues for a humancentered indigenous economic revival that caters to Afghans' livelihood needs are scant. In the post-9/11 period, external grant flows averaged 45 percent of GDP and financed 75 percent of public spending, 50 percent of the budget, and 90 percent of the security spending. All external flows have abruptly dried up, with little likelihood of liberal international economic and development assistance returning to Afghanistan for the foreseeable future. The Afghan economy has already shrunk 20-30 percent since August 2021. The ongoing economic crisis in the neighboring countries is poised to further increase the challenges for the Afghan economy. For instance, Pakistan is facing severe economic difficulties, which are projected to cause higher inflation and a potential decrease in remittances in Afghanistan, with inevitable knock-on effects on poverty in the country.

Connectivity as a Viable Socio-Economic Solution:

Whenever economic sustainability is discussed in the land locked Afghan context, the country's mineral wealth of over \$1 trillion and its ability to act as a 'roundabout' for economic connectivity between South, Central, and West Asia are highlighted. Afghanistan's potential as a connectivity hub interests its immediate and near neighbors immensely because it holds the key to unleashing the true economic potential of regional integration in South and Central Asia.

The most critical of Afghanistan's relationships in this regard is with Pakistan, which is geographically positioned to offer Afghanistan its natural gateway to the world. As part of its regional cooperation initiative, Pakistan has articulated foreign, national security, and economic policy goals to foster regional trade, investment, and connectivity between Pakistan, China, Afghanistan, and Central Asian Republics (CARs) as a vital component of regional security and stability.

Afghanistan has traditionally been among the top export destinations for Pakistan, while Pakistan is Afghanistan's largest trading partner. Bilateral trade has witnessed a continuous decline during the last decade – from around \$2 billion a decade ago to \$754 million in 2020. The true potential of bilateral trade is estimated to be upwards of \$5 billion. Various impediments, including lack of modern infrastructure, expensive transportation, poor banking networks, cumbersome customs regulations, and restrictive visa regimes, have continued to hinder commercial engagement. During FY2021-22, Afghanistan's exports to Pakistan witnessed a historic rise – increasing from \$583 million in the previous FY to more than \$800 million. However, this was largely driven by targeted trade-related concessions offered by Pakistan, also meant to ensure that border





communities between the two countries dependent on cross-border commercial exchanges remain productively engaged. During the same period, however, Pakistani exports to Afghanistan dropped to around \$717 million from more than \$1 billion due to a decrease in purchasing power and demand in Afghanistan.

At the local level, cross-border activity is a primary source of community livelihoods. A 2019 survey by Asia Foundation found that business activity for 71 percent of respondents depended entirely or mainly on cross-border trade. Nineteen percent of respondents listed cross-border trade as a direct source of household income. Given the nature of traditional commercial transactions in the border regions, a sizeable proportion of these form part of the informal economy. This is why there has always been tension between pushing for greater formalization and documentation of cross-border engagement between Afghanistan and Pakistan and recognizing that centuries-old norms tie in local communities into economic exchanges that cannot be undermined without providing reasonable alternatives.

Regardless, there is little doubt that a robust network of regional connectivity between Afghanistan and Pakistan across multiple trade and investment sectors — micro and Small and Medium Enterprises, food and agriculture value chains, health care tourism, untapped natural resources like mines and minerals in Afghanistan and Pakistan's newly merged districts, infrastructure development including railways and roads, technology and digital connectivity, regional energy initiatives and small energy projects, etc. — can boost regional commercial engagement and bring billions of dollars in trade and investment and transit revenues to both countries while contributing to socio-economic uplift of the local communities.

Enhanced economic engagement and connectivity between Afghanistan and Pakistan is also the key to broader regional integration in the interest of all South and Central Asian countries. Pakistan's warm waters remain the shortest route for Central Asian Republics to access the world. Significant progress has already been made in facilitating this movement through bilateral and multilateral trade and transit agreements. Several major energy projects are also designed to bring surplus Central Asian energy to Afghanistan, Pakistan, and India.

In the current global context, *connectivity for commerce* is perhaps the most realistic avenue to support economic sustainability in Afghanistan while the many complicated political issues are resolved. An optimistic medium-term outlook shows Afghanistan's comparative advantage in its location connecting South and Central Asia to the markets in the Middle East and beyond. Investments in this area have the potential to create jobs for Afghan (and Pakistani) youth – particularly those marginalized, displaced, and from among the conflict-affected communities living in the border regions – if adequately targeted. Moreover, such targeted investments will also increase people's confidence in the benefits of regional connectivity as an instrument of economic development and future diplomatic partnerships in the region. The practical challenge remains to benefit from the reduction in violence in Afghanistan over the past year to facilitate commercial connectivity that not only generates revenues for the Afghan economy and delivers benefits for relevant stakeholders in both countries but is also human-centered and caters to livelihoods of Afghans who already have or are at risk of falling below the poverty line, especially those in the border communities.

UNDP's Integrated Approach: SDGs-Aligned Human-Centered Regional Connectivity:

It is critical to work on a medium-term economic recovery plan for Afghanistan that is integrated with its immediate neighbors' socio-economic and political economies. Finding pathways for mobilizing support for and delivering integrated and coordinated programming quickly and





effectively is key to mitigating the risk of a humanitarian catastrophe in a sustainable manner while minimizing losses to the development gains of the last two decades.

Complementing a humanitarian response, there is a need to invest in integrated stabilization and development solutions for Afghanistan. Targeted investments in knowledge sharing, production and productivity for job creation, including in areas that can produce quick gains for local communities, skills development and capacity building, economic stabilization, and technological innovations will mitigate the risks of conflict, instability, and inequality linked to the regional connectivity infrastructure. This will require, identifying, designing, and implementing joint technical assistance and development cooperation initiatives in Afghanistan and its immediate neighbors that can contribute to a regional SDGs-aligned medium-term economic recovery plan.

With its focus on an integrated regional approach to development, including responsibility for protecting displaced and migrant communities, UNDP is well positioned to champion this cause. UNDP Asia-Pacific's regional portfolio already includes supporting cross-border interaction and cooperation, cross-border trade, commerce, and economic growth value chains, and community engagement, with a significant programmatic presence in all five neighboring countries of Afghanistan: Iran, Pakistan, Tajikistan, Uzbekistan, and Turkmenistan. UNDP's focus is on strengthening socio-economic development in this sub-region and concretizing alignment of crisis response with protecting development gains in the form of an integrated medium-term SDGs-aligned regional connectivity for cross-border development framework, built on three main programmatic pillars:

- Strengthened national and local capacities and systems (governance)
- Community resilience and revitalization of local economies through livelihoods and basic infrastructure (green growth)
- Social stability (including PVE) and peaceful co-existence between refugees, host communities as well as the larger societies

In the above context, UNDP needs to conduct a baseline assessment and detailed scoping of the potential for facilitating and enhancing trade, investment, infrastructure, and human connectivity, initially between Afghanistan and Pakistan with an explicit focus on benefiting vulnerable communities, especially those in the border regions. While there is significant existing work on regional connectivity centered on Afghanistan, produced by multilateral and other institutions both before and after last year's Taliban takeover, this assessment will focus on local economies and economic empowerment and mobility of local communities and displaced populations in Afghanistan and Pakistan through connectivity initiatives. It will seek to understand the business case for specific solutions to impediments to mutually beneficial connectivity. In doing so, it will cover both the formal and informal economy and examine the sectoral barriers and opportunities, both horizontal and vertical, for the greater cross-border activity that can support human-centered development interventions to foster human development and regional stabilization. These are understudied aspects of connectivity. This assessment would serve as a model for similar subsequent studies of connectivity potential between Afghanistan and its neighbors.

C. Scope of Work

Thematic Focus:

UNDP seeks the services of a qualified and well-reputed international firm with local implementing partners in Afghanistan and Pakistan to conduct the study of formal and informal cross-border economic and commercial structures, processes and stakeholders, political economies of





community needs and exchanges, ease of doing business, trade and transport infrastructure and facilitation, skills and capabilities, market and demand-driven value chains, business development, job creation opportunities, and human mobility. A particular focus will be to design the study as people-centered and reflective of how commercial activity can impact and provide opportunities for people on borders, including displaced communities. The assessment will identify specific priority areas for UNDP's programming interventions that could produce quick livelihood gains for the target communities.

The assessment will encompass the various levels of connectivity, from the potential and processes of macroeconomic engagement between the two countries to specific trade and investment facilitation to greater commercial engagement and connectivity between local communities who must benefit from such activity. This holistic approach focusing on the empowerment of local communities will be a key distinctive feature of this assessment from the previous work on the subject.

In this backdrop, the study may examine cross-border entry points in the structural areas of:

- Trade and investment complementarity
- Value chain analysis for greater integration and interdependence of the two economies for the benefit of people engaged in connectivity-related activity on both sides
- Job creation interventions for youth and women in priority sectors linked to connectivity
- Trade facilitation, transportation, and logistics (banking, customs clearance, tax and improvements to business-friendly procedures, border management capacities, infrastructure and systems, ease of investment, overall facilities to increase inclusive economic activity, etc.)
- Institution building for better governance and planning
- Skills and capacity building of technocrats facilitating enhanced connectivity, including SDGs-linked project design

The study's thematic focus may include the following sectors/sub-sectors:

- Macro-economic picture of Afghanistan and Pakistan, especially aspects that may impact each other's economy and livelihood opportunities of border and displaced communities
- Top identified sectors with the greatest trade and investment potential
- Innovative and new sectors, such as IT and digital adoption
- Financial and other services sectors that must enable connectivity
- B2B facilitation for trade and investment
- Cross-border human mobility as well as the movement of goods, services, technology, and information/ideas
- Economic integration, cross-border and local entrepreneurship opportunities for border communities and displaced populations, especially youth and women labor force participation

Functional Structure:

The study's core management will be spearheaded by the selected firm's senior research team (see Section 4: Evaluation Criteria). The research team will be provided overall guidance by UNDP's Technical Working Group comprising specialists in UNDP Afghanistan and Pakistan country offices and UNDP Bangkok Regional Hub. The firm's overall contract management and day-to-day





supervision will be overseen by UNDP Pakistan Assistant Resident Representative, Development Policy Unit, in close consultation with and guidance provided by BRH Regional Team Leader of Recovery Solutions and Human Mobility. For research and related activities, the firm will engage with relevant policy authorities and actors as well as UNDP's development partners, U.N. Resident Coordinator's Office, and other U.N. agencies in Afghanistan and Pakistan, as necessary. The firm will be required to engage researchers in Afghanistan and Pakistan for data collection and analytical and stakeholder engagement/liaison support. Locally hired researchers will closely liaise with UNDP country offices in Afghanistan and Pakistan.

An initial three-week inception phase will be built into the contract, during which UNDP's Technical Working Group will work closely with the selected firm to refine the study's thematic scope, the sectors of study, and the critical geographical border regions that are most important for the assessment.

Approach, Methodology, and Outputs:

Specific Research Focus

The specific areas of research focus to be agreed upon during the inception phase may include the following:

Contextualization

- Afghanistan and Pakistan's macro-economic analysis and insights into the geopolitical and strategic challenges that affect Afghanistan's economic revival and provide the political and economic justification for regional connectivity as an important solution.
- Contextualizing what 'connectivity for human-centric economic progress' means in the Afghanistan-Pakistan context, a functional policy definition of connectivity in the specific context must be offered. What can be learned from comparable cases in Asia Pacific, Europe, MENA, Africa, Latin America, etc.?
- Based on the above, what are the most important elements of connectivity in the Afghanistan-Pakistan border context that would also benefit local communities and social cohesion in geographical areas most relevant to cross-border engagement?

Sectoral Approach to Trade

- Identification of 5 priority sectors with the most significant potential for trade, including at least 1 'virgin' sector.
 - Examining the potential of IT and the digital space as a new area for connectivity and collaboration and enabler of connectivity in other sectors.
- For each of the chosen sectors:
 - Analysis of market and demand-driven, including disruptive, value chains that have a multiplier effect and can create greater interdependence between the two economies, including economies of the border region, so that local communities can benefit
 - o Identification of specific sustainable ('green') approaches and value chains that empower youth and women





- Within the identified opportunities from the value chain analysis, prioritization of interventions that can produce positive results in the short term.
- o Identification of critical bottlenecks and challenges (policy, political, security, economic and infrastructure-related, legal and regulatory, social), horizontal and vertical, macro and micro-level, and possible solutions in the given context
- Mapping key private sector actors and identifying specific steps for governments to facilitate more significant B2B contact to improve trade prospects.

Investment

- Investment potential in Afghanistan from Pakistan and vice versa, both in the priority trade sectors identified and beyond; identification of specific investment opportunities in at least three of the priority sectors chosen, including investment that can create joint venture and co-production possibilities and ideally involve border and displaced communities
- Identification of specific avenues for investment in both production and productivity that
 can create jobs and additional revenues through enhanced trade and broader commercial
 activity, with priority to investment in value chains where programming interventions can
 produce quick gains for local communities
- Examining the overall incentive regime for investment and constraints therein that need to be addressed to create an enabling environment
- Identification of investment potential from regional and major powers in the priority sectors. Is a synergetic model of third-party investment possible that benefits Afghanistan while creating greater interdependence between Afghanistan and Pakistan? Can Afghanistan synergize regional/Chinese and Western private sector investment that integrates value chains on both sides of the Afghanistan-Pakistan border as well as helping to enhance Afghanistan's digital infrastructure?
- Identification of critical bottlenecks and challenges (policy, political, security, economic and infrastructure-related, legal and regulatory, social), horizontal and vertical, macro and microlevel, and possible solutions in the given context
- Mapping of critical private sector actors, including entrepreneurs in the border regions and non-traditional investors, in the priority sectors and identification of specific steps for governments to facilitate greater private sector contact to improve investment prospects.

Transit Trade

- Current state of transit trade between Afghanistan and Pakistan and Afghanistan and its other neighbors
- Potential to increase transit trade and revenue potential for Afghanistan (and Pakistan) and avenues for greater engagement of border communities in transit trade facilitation
- Identification of any bottlenecks or policy constraints specifically holding back transit trade and ways to address these

Local Communities

How can efforts at enhancing connectivity by facilitating relevant State entities and the
private sector help create an ecosystem for inclusive border management and border
liaison activities while promoting social cohesion by involving local communities and
partners?





- Job creation avenues for youth, women, and displaced communities in the priority sectors, including rapid programming options that can create new livelihood opportunities in the short term.
- Positing alternative solutions, including expanding existing innovative ways of revenue distribution from commercial activity, in each case where solutions to existing bottlenecks may affect local community livelihoods negatively. Particular attention should be accorded to any effect on youth, women, and displaced populations.
- Comparing other border contexts where customary laws and traditional transactions have persisted, are there purely localized solutions that could facilitate commercial activity specifically in the border regions while further empowering local communities?

Technical /Capacity Building Support and Financing

- Identification of capacity building and technical support needs for Afghanistan to execute identified facilitation measures and benefit from connectivity initiatives.
- Identification of specific capacity building needs to help local communities, especially youth
 and women, develop skillsets that would make them employable in connectivity initiatives
 and options for practically imparting the identified skills; particular attention should also be
 paid to (i) skills such as e-commerce that can help communities, especially youth, build
 value chains with the private sector; and (ii) skillsets most valuable and acceptable for
 Afghan refugee populations who could return to gain employment in cross-border
 connectivity initiatives.
- Potential role of multilateral institutions and interested countries to incentivize private sector investment; possible institutional arrangements for making financial investments in skills development and broader steps required to benefit local communities through connectivity.

Broader Region

• Which of the study's recommendations can be replicated for Afghanistan and its neighbors to improve connectivity between those countries?

Mapping

- For each aspect of the study, stakeholder mapping and assessment, covering policy, business, development, workers, and community actors, including their interests, positions and demands, and suggestions on how to interact with specific stakeholders to achieve desired gains in terms of connectivity; specifically for private sector stakeholders, how could the engagement achieve connectivity goals while advancing the SDGs agenda?
- Mapping and analysis of existing bilateral or regional agreements that are relevant to connectivity between Afghanistan and Pakistan
- Mapping of facilitation measures that Afghanistan, Pakistan, and other state or international entities have taken to improve connectivity between the two countries
- Mapping of existing activities by UN agencies involved in programming in Afghanistan and the Afghanistan-Pakistan border regions.

Way Forward

 Policy and programming recommendations, including innovative solutions, keeping in view local context and UNDP's strengths and regional/country programmes. This should include





targeted project proposals for UNDP's interventions, with an eye on producing quick benefits for border communities.

Methodology

With a focus on the structural and thematic areas identified above, the methodology of the baseline assessment will involve qualitative and quantitative research. The evaluation is expected to be supported by a mixed methodology comprising desk literature reviews, primary and secondary data collection, key informant interviews (Klls), focus group discussions (FGDs), policy consultations, and other innovative research tools/ methodologies.

The study's indicative outputs and activities may include (but will not be limited to):

- Desk review to undertake country and regional situational analysis, including of the macroeconomic picture of both countries; and comparative analysis to study similar cases and define 'connectivity' in the Afghanistan-Pakistan context
- FGDs, KIIs, and data analysis to identify priority sectors
- Data analysis, FGDs, and KIIs for sectoral analysis, including challenges and opportunities
- KIIs, desk review, and trade and investment data analysis for identifying opportunities in investment regime and private sector potential and role
- Desk review, FGDs, and KIIs for analysis of transit trade
- FGDs, KIIs, policy consultations, and primary surveys in border towns and where displaced communities exist to assess opportunities and challenges and political economy dynamics, including opportunities for local investment, creation of new value chains, community empowerment and greater human mobility
- Policy consultations and KIIs to identify capacity building and technical needs
- KIIs, policy consultations, and desk review for stakeholder and geographic mapping
- Desk review and policy consultations for mapping of previous agreements and existing facilitation measures and existing UN programs

Outputs

External

- Full research report on all aspects of connectivity, including clear recommendations on how to move forward in terms of policy and programming interventions [1].
- At least three priority thematic Policy Papers/Policy Briefs stemming from the study's key findings, focusing on (i) key opportunities and challenges for connectivity at the local level;
 (ii) specific recommendations on facilitating trade and investment that create livelihoods for target communities; and (iii) empowerment of local communities through connectivity [3]
- Op-eds in both countries crystallizing the most important policy elements [at least 2]
- Thematic powerpoint presentations [multiple, as requested]
- Infographics [multiple] and a short video [1] reflecting key findings
- Advocacy events in both countries (including webinars, seminars etc.) to gather feedback before the finalization of the report [at least 4]
- Joint action plan and implementation prioritization workshop with government and private sector stakeholders [at least 2]
- Regional connectivity conference including report launch in Islamabad [1]

Internal

- Policy action matrix covering each aspect, with specific details of policy/programming steps to be taken, stakeholders responsible, and suggested timelines for completion [1]
- Report containing stakeholder mapping [1]





- Briefings to UNDP, government, and development partners [multiple, as requested]
- Internal programme document based on the study's findings that is designed specifically for UNDP's programming guidance and contains project proposals for 2-3 specific interventions that can benefit local communities in the short term [1]
- SWOT and Risks Matrices for UNDP to consider in its programming and while briefing policymakers [1]

Timelines

From the time of contracting, the total duration to undertake and complete the study with all its research outputs will not be more than 5 months. An additional month may be added to complete policy advocacy, communication, and report launch event/conference outputs.

D. Expected Outputs and Deliverables

Deliverables/ Outputs	Estimated Duration to Complete	Percentage for payment	Review and Approvals Required
Develop and submit Inception report detailing refined study scope and methodology/research plan, based on initial desk review and consultations with the UNDP Technical Working Group	03 Weeks	15%	Assistant Resident Representative
Conduct quantitative and qualitative research, including review and analysis of secondary data and collection of primary qualitative data through consultations, KIIs and FGDs with various stakeholders in border communities of Pakistan and Afghanistan	08 Weeks	30 %	Development Policy Unit
Submission of Interim Report on key findings of the research and consultative process including. Report containing stakeholder mapping. SWOT and Risks Matrices for UNDP to consider in its programming and while briefing policymakers. Thematic power-point presentations, as requested.	02 Weeks	10 %	
Produce Policy papers At least three priority thematic Policy Papers/Policy Briefs stemming from the study's key findings, focusing on (i) key opportunities and challenges for connectivity at the local level; (ii) specific recommendations on	02 Weeks	10%	





facilitating trade and investment that create livelihoods for target communities; and (iii) empowerment of local communities through connectivity Op-eds in both countries crystallizing the most important policy elements [at least 2]			
Submit final report fulfilling all requirements/activities agreed upon and reflected in the ToRs including clear recommendations on how to move forward in terms of policy and programming interventions.	01 Week	10%	
Conduct Dialogues, seminars, workshops including:	03 weeks	15%	
 Briefings to UNDP, government, and development partners [multiple, as requested] Infographics [multiple] and a short video [1] reflecting key findings Advocacy events in both countries (including webinars, seminars etc.) to gather feedback before the finalization of the report [at least 4] Jointaction plan and implementation prioritization workshop with government and private sector stakeholders [at least 2] Regional connectivity conference including report launch in Islamabad [1] 			
Prepare and Submit a Project Document based on the study's findings that is designed specifically for UNDP's programming guidance including • Identifying policy/ programing activities for UNDP • Project proposals for 2-3 specific interventions that can benefit local communities in the short term • Policy action matrix covering each aspect, with specific details of	01 week	10%	





	policy/programming steps to be taken, stakeholders responsible, and suggested timelines for completion.	
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E. Institutional Arrangement

The Firm will report to Assistant Resident Representative, Development Policy Unit, UNDP, and take close policy guidance from Working Group comprising experts in UNDP country offices of Afghanistan and Pakistan and BRH. The firm's team members will work in close coordination with the UNDP Development Policy Unit. All reports/documents/progress updates will be submitted against the deliverables to the ARR, DPU UNDP Pakistan, as per the agreed timeframe in the inception report.

E. Duration of the Work: 5 Months

G. Location of Work: The firm can be based anywhere but the actual location of work will be in the border areas of Afghanistan- Pakistan



