

TERMS OF REFERENCE

Assignment: Hiring a consultancy firm for Capacity Building, Specialized Training, Change Management and Gender Mainstreaming in PFM System

Client: Finance Department

Trainee Organizations: Punjab Revenue Authority (PRA), Board of Revenue (BOR), Excise, Taxation and Narcotics Control Department (ET&NC)

Contract Type: Consultancy Firm

Duty station: Lahore, Pakistan

Languages required: English

Duration of contract: Twelve Months (Extendable till completion of PRIDE Project subject to satisfactory performance)

1. Introduction

1.1 Finance Department, Government of Punjab (herein referred to as “Client”) in collaboration with World Bank is implementing Punjab Resource Improvement & Digital Effectiveness (PRIDE) Program worth USD 304 Million through Program-for-Results (PFR). The main objective of the Program is ‘to increase Own Source Revenue (OSR), improve reliability of resource allocation and access to digital services for people and firms in the province of Punjab’. PRIDE Program has three result areas namely:

Result Area I: Strengthened budget formulation and fiscal risk management

Result Area II: Increased use of digital technology for delivery of selected public services

Result Area III: Improved collection of own source revenue

1.2 PRIDE Program’s result areas are further segregated in seven Disbursement Linked Indicators (DLIs), with yearly targets specified as Disbursement Linked Results (DLRs) to be achieved over a period of five years (FY2019-20 till FY2024-25). The Program is designed to sustainably develop institutional capacity to mobilize and manage public resources in line with best practices of Public Financial Management (PFM).

1.3 World Bank, in its assessment, has highlighted various gaps in capacity of the institutions to undertake public financial management activities in various PFM areas including gaps in preparation of budget due to incremental nature of budget formulation, weak budget contestation, separation of recurrent and development budgets, and gaps in public investment management (PIM) process. PRIDE Program also focuses on developing the capacity of stakeholders in PFM system. Training of personnel

executing the PFM process is critical to fill the gaps.

2. Need Assessment

2.1 PFM systems cover a broad span of Governmental processes, including planning, budget preparation and execution, budget monitoring, public investment management, accounting, and systems for accountability and transparency. A Public Expenditure and Financial Accountability [PEFA] Assessment was undertaken by the Government in 2019 with the technical assistance of World Bank and FCDO, UK. The diagnostic process identified some critical areas including unreliability of provincial budgets due to inaccurate revenue forecasting, fiscal risks due to operation outside financial reports; the persistence with an input-based budgeting approach; weakness in policy-based budgeting; low predictability in budget execution; ineffective accountability mechanisms; and weak legislative scrutiny. The PFM Reform Strategy 2025 (PFMRS) provides a set of actions to plug the gaps in PFM system identified through the aforementioned assessment and the gap analysis carried out by SNG Program. PRIDE Program supports the actions proposed in nine pillars of PFMRS. As an outcome of implementation of PFMRS and PRIDE Program, GoPb has lately promulgated Public Financial Management Act, 2022.

2.2 Pillar eight (8) of PFMRS comprehensively addresses the need for capacity development in PFM system. As per the vision of Pillar 8 of PFMRS, the institutions of the Provincial Government at central and local level to have the capacity in terms of individual staff capabilities, systems and procedures for PFM management, and institutional and organizational capacities to implement PFM across the province in an efficient, effective, transparent and accountable manner. Three result areas have been specified under the eighth pillar of PFMRS:

- i) Improved systems of PFM Training
- ii) Improved capacity of stakeholder institutions to manage PFM systems
- iii) Strengthening / capacity building of tax departments One of the nine pillars of Punjab's PFMRS is capacity enhancement for PFM.

These result areas require training assessments and capacity building in the following domains:

- a. Seminars and workshops on PFM Reforms for various stakeholders, as required
- b. Training of Staff of Revenue Authorities on a regular basis, including areas such as expansion of tax base, revenue forecasting, tax assessment techniques, conducting tax audits, facilitating taxpayers, enhancing awareness of tax payers etc.
- c. Knowledge products capacity building, e.g., manuals, guidelines, training brochures, etc.
- d. Establish a pool of experts including professional accountants, tax experts, etc. Local Governments will be able to use their services to help them set their PFM systems for better

service delivery

- e. Assess the human resource needs of PRA and recruit personnel to segment the authority's capacity to administer sales tax on service
- f. Training of key budget and planning staff of departments on Disaster Risk Financing

2.3 Public Financial Management Act, 2022 has been promulgated in Punjab to regulate and manage financial affairs in the public sector and matters relating to Provincial Consolidated Fund and Public Account of the Punjab in a comprehensive, efficient, transparent and sustainable manner. The Act contains provisions relating to custody of the Provincial Consolidated Fund, the payment of moneys into that Fund, the withdrawal of moneys therefrom, the custody of other moneys received by or on behalf of the Government, their payment into and withdrawal from the Public Account of the Punjab; and to provide for the matters connected with or ancillary thereto in pursuance of Article 119 of the Constitution of the Islamic Republic of Pakistan. For regulation and management of public finances in a comprehensive, efficient, transparent and sustainable manner, PFM Act, 2022 requires that Government shall cause the following measures to be taken:

- a) Adequate comprehensiveness of the Budget including the Budgets of all relevant institutional units;
- b) Clarity of description of functions, powers and performance indicators of the institutional units performing functions for the Government;
- c) Introduction of appropriate checks and balances in the public financial management system;
- d) Emphasis on medium-term planning and budgeting horizons, frameworks, strategies, and evaluations;
- e) Carrying out of regular reporting of financial statistics including public debt, and fiscal risks in accordance with international standards;
- f) Implementation of robust Fiscal Risk Management Framework and keeping the Budget Deficit and Public Sector Debt within reasonable limits;
- g) Regular spending of a reasonable number of resources on public investments;
- h) Formulation of a comprehensive policy for governance of public corporations; and
- i) Adoption of a balanced approach with realistic targets giving the relevant institutional units the authority, means and resources to achieve such targets while installing appropriate mechanisms for rewarding good performance and addressing bad performance

2.4 The gaps identified in various assessments by World Bank, PEFA and SNG have sensitized the need for capacity building of individuals responsible for oversight and execution of PFM system. It further necessitates that human resource employed by stakeholders involved in implementation of PFM systems should have relevant knowledge, skillset and exposure to best practices of PFM system to efficiently operate in the PFM system. In order to address the aforementioned needs, the Client and trainee organizations, Public Financial Management Unit (PFMU), Finance Department intends to hire the consultancy services ("Services") of a consulting firm (herein referred to as "Consultant") to develop and

conduct trainings/capacity building sessions on PFM areas. The duration of the contract is for 12 months extendable on same terms and conditions, subject to satisfactory performance.

3. Proposed Training Areas

3.1 It is pertinent to mention that training providers must be recognized / experts in the training areas. Both local and foreign trainings may be incorporated including those provided by multilateral agencies (World Bank, IMF, ADB). A broad list of areas where training and capacity building is required follows below:

- i. Macroeconomic Forecasting
- ii. Fiscal Policy, Planning and Budgeting
- iii. Revenue Management: Tax, Non-Tax, Tax Exemption, Revenue Leakage Control, Revenue Risk Management etc.
- iv. Foreign Aid (Grants) and Loans
- v. Internal Debt and Investment
- vi. Government Finance Statistics
- vii. Directors Training Program
- viii. Treasury and Cash management
- ix. Public Procurement Management
- x. Internal Control and Audit
- xi. Public Assets and Liabilities Management
- xii. Financial Accountability and Transparency
- xiii. Standard Accounting and Reporting
- xiv. State Owned Enterprises
- xv. Parliamentary Oversight and Final Audit
- xvi. Financial Management Information System
- xvii. Open Budget and Citizen Engagement
- xviii. Effective Public Financial Management
- xix. Gender Mainstreaming
- xx. Budgeting and priority-setting in government
- xxi. Cash Forecasting & Financing, Investment, Business Valuation, and Risk
- xxii. Pension Fund Investment Strategies
- xxiii. Treasury and Risk Management
- xxiv. Mastering Project Management
- xxv. Implementing Government Debt Management Strategies
- xxvi. Fiduciary Risk, Off Budget Expenditures, PFM Performance (PEFA) Assessment, Reform

Strategy, PFM Capacity Development, etc.

- xxvii. PFM related Laws, regulations, policies, processes, systems etc. related to above
- xxviii. Any other areas not included above

4. Key responsibilities of the Consultant

4.1 Training Need Assessment:

Consultant shall undertake a Training Needs Assessment (TNA) of **each tier** of the Client and trainee organizations with respect to PFM System in Punjab. Consultant shall also conduct surveys/consultative meetings with all stakeholders for capacity building in areas (agreed with client) approved by Client. Consultant should submit detailed training need assessment report identifying the potential trainees based on selection criteria.

Deliverable: Detailed Training Need Assessment Report

4.2 Comprehensive Training & Development Plan

Based on Training Need Assessment, consultant has to devise a Comprehensive Training & Development Plan which should include but not limited to the following:

4.2.1 Trainee's identification

Based on a relevant selection criterion, plan must include “*client and trainee organizations' wise list of proposed trainees*” for capacity building and finalized in complete consultation with the client and trainee organizations. The trainees from each organization should be categorized in various cohorts with at **least 75%** of the trainees from professional staff and **25%** from the officers cadre.

4.2.2 Finalization of Capacity Building/Training Areas

Consultant has to propose all the relevant on-job training and customized trainings/ capacity building program based on broader areas highlighted in section three of the TORs and Training Need Assessments report. Consultant must ensure that identification of appropriate training programs which will meet the capacity building needs of Client and trainee organizations. Training areas shall be finalized in consultation with relevant stakeholders.

4.2.3 Complete Training Schedule

Comprehensive Training plan must include complete tailored training schedule (with flexibility in dates) along with, but not limited to, Title of Training/Capacity Building Program, Training Institute, Training (Domestic/International), Training Sites/venues, Training Cost, Basic Eligibility to attend Course/Session, Course Duration, Details of Master Trainers etc. The consultant should be flexible in its training approach

to create customized packages to meet the requirements of different groups in a wide variety of training programs with respect to PFM system.

4.2.4 Capacity Building/Training methodology

Consultant should recommend relevant and appropriate methodology of trainings aligned to the requirements of client and trainee organizations for example workshops, orientations, on-job training sessions and customized trainings etc. The consultant should also consider the availability of all the individuals while formulating the training schedule.

Deliverable: Client and trainee organizations' wise Comprehensive Capacity Building Plan

4.3 Monitoring and Evaluation

The consultant should develop regular monitoring and evaluation mechanism throughout the execution of subject assignment till completion of contract. The purpose of the mechanism is to provide tools to effectively monitor assignment's progress, achievement of key milestones and to provide impact assessment with respect to envisaged capacity building objectives. These tools can include key performance indicators (KPIs) for each training program, dashboards to monitor training plan progress, checklists for post training impact assessment etc.

Deliverable: Monitoring & Evaluation report (Batch Wise) with tool kit

4.4 Support & Facilitation Services

Consultant shall ensure timely arrangements including but not limited to:

- I. Registration with respective training institute as per Comprehensive Training Development Plan for all the trainees finalized/identified by departments.
- II. Submission of all the requisite documents for in-time registration with training institute.
- III. Payment of registration fee (inclusive of all taxes)
- IV. Completion of all formalities for domestic & international trainings. This will include but not limited to:
- V. Visa Process formalities along with Visa processing fee/charges for international training programs.
- VI. Hotel Arrangements for all training programs (domestic and international)
- VII. Transportation arrangements for all training programs.
- VIII. Any other activity for completion of training program.

Deliverable: Submission of batch wise training program for prior approval for incurring all the costs and activities.

5. Reporting

The Consultant shall report to the **SSF (B&R)** as the overall head of the assignment and the competent authority for approvals.

6. Duration of Assignment

The duration of the assignment will be for twelve months from the date of award of contract. The contract is extendable upto the duration of the PRIDE Program, subject to satisfactory performance.

TEMPLATES

(to be followed for submission of EOI)

TEMPLATE FOR

AFFIDAVIT FOR UNDERTAKING FOR NON-BLACKLISTING & ELIGIBILITY

(To be printed on PKR 100 Stamp Paper)
Template for Affidavit

It is hereby solemnly confirmed and declared that M/s -----, is
declaring on oath that the Applicant:

- i. is not in bankruptcy or liquidation proceedings;*
- ii. has never been declared ineligible/blacklisted by Government / SemiGovernment / World Bank/Agency or Authority or any employer till date due to the any reasons*
- iii. is not making any misrepresentations or concealing any material fact and detail;*
- iv. has not been convicted of, fraud, corruption, collusion or money laundering as required under World Bank Regulations*
- v. does not have any conflict of interest or potential conflict of interest arising from prior or existing contracts or relationships which could materially affect its capability to comply with its obligations; and*
- vi. does not fall within any of the circumstances for ineligibility or disqualifications*
- vii. has not been included in list of debarred bidders by World Bank*

(Signatures)
(Stamp of Company)

**TEMPLATE FOR AFFIDAVIT OF CORRECTNESS
OF
INFORMATION**

(on Stamp paper not less than Rs. 100)

We do hereby declare and undertake that all the information, warranties, statements and representations provided within this application are true and correct; and we also understand that in case any of the aforesaid are found to be false and malafied then we are liable to be disqualified, without prejudice to any other rights and actions the Employer may exercise under the applicable laws.

For & on Behalf of the Applicant [or

Lead JV Partner]

Name:

Designation:

Note: Original Stamp papers have to be submitted.

TEMPLATE FOR
Power of Attorney (For signatory of Application)

[To be printed on a PKR 100 stamp paper]

KNOW ALL MEN BY THESE PRESENTS THAT by this Power of Attorney (“**Power of Attorney**”), _____
[Insert name firm/Consortium] having its registered office at [-----], does hereby nominate, appoint and authorize Mr.
_____, having CNIC No. _____ hereinafter referred to as the “**Signatory of**
Application”, to do in our name and on our behalf the following:

- i. Sign and submit to Project Coordinator or its authorized nominee, the EOI/Tender/Bid of IT Consultancy Firm for _____ in response to the EoI advertisement dated [---] issued by The Procuring Agency and all other documents and instruments required to submit the EOI/Tender/Bid.
- ii. execute all such contracts, deeds, documents and instruments as may be considered necessary and expedient in relation to the foregoing; and
- iii. do and carry out all other actions as may be required by the Procuring Agency in connection with the EOI/Tender/Bidding process as a whole;
- iv. To immediately notify The Procuring Agency in writing of any impending or actual revocation as well as any change in the terms of this Power of Attorney.
- v. To do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to our EOI and/or Bid in response to the above referred tenders including signing and submission of all documents ,instruments and deeds (including correcting any deficiencies or mistakes therein), attending any meetings organized by the Procuring Agency (including pre-bid conference meetings and bid opening meetings)and providing information/responses to the Procuring Agency in all matters in connection with our Bid.

We, [Insert name of Firm/Consortium], do hereby ratify and confirm whatsoever the Signatory of Application shall do by virtue of these presents and further agree that whatever the Signatory of Application shall do or cause to be done pursuant to this Power of Attorney shall be binding on us.

Furthermore, each provision of this Power of Attorney is severable and distinct from the others. The invalidity, illegality or unenforceability of any one or more provisions of this Power of Attorney at any time shall not in any way affect or impair the validity, legality and enforceability of the remaining provisions hereof.

IN WITNESS WHEREOF, we have executed this **POWER OF ATTORNEY** as of [Date].

FOR: [INSERT NAME OF APPLICANT FIRM/ CONSORTIUM]

Signature: _____
Name: _____
Title: _____
CNIC/Passport No. : _____

**TEMPLATE FOR
Letter of Acceptance of the World Bank's Anticorruption Guidelines and Sanctions
Framework¹**

(To be printed on a PKR 100 stamp paper)

Date: _____

Invitation of Bids/Proposals No. _____

To: _____

We, along with our sub-contractors, sub-consultants, service providers, suppliers, agents (whether declared or not) consultants and personnel, acknowledge and agree to abide by the World Bank's policy regarding Fraud and Corruption (corrupt, fraudulent, collusive, coercive, and obstructive practices), as set out and defined in the World Bank's Anti-Corruption Guidelines² in connection with the procurement and execution of the contract (in case of award), including any amendments thereto.

We declare and warrant that we, along our sub-contractors, sub-consultants, service providers, suppliers, agents (whether declared or not), consultants and personnel, are not subject to, and are not controlled by any entity or individual that is subject to, a temporary suspension, early temporary suspension, or debarment imposed by a member of the World Bank Group, including, inter alia, a cross-debarment imposed by the World Bank Group as agreed with other international financial institutions (including multilateral development banks), or through the application of a World Bank Group finding of non-responsibility on the basis of Fraud and Corruption in connection with World Bank Group corporate procurement. Further, we are not ineligible under the laws or official regulations of *[Insert name of Employer as per bidding document]* or pursuant to a decision of the United Nations Security Council.

We confirm our understanding of the consequences of not complying with the World Bank's Anti-Corruption Guidelines, which may include the following:

- a. rejection of our Proposal/Bid for award of contract;
- b. in the case of award, termination of the contract, without prejudice to any other remedy for breach of contract; and
- c. sanctions, pursuant to the Bank's Anti-Corruption Guidelines and in accordance with its prevailing sanctions policies and procedures as set forth in the Bank's Sanctions Framework. This may include a public declaration of ineligibility, either indefinitely or for a stated period of time, (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;³ (ii) to be a nominated⁴ sub-contractor, sub-consultant, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-

¹[**Drafting note:** This document shall be signed by bidders/proposers/consultants and submitted as part of their bids/proposals. In addition, this document shall be signed by the winning bidder/consultant and incorporated as part of the contract.]

²*Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by International Bank for Reconstruction and Development Loans and the International Development Agency Credits and Grants*, dated October 15, 2006, and revised in January 2011 and July 2016, as they may be revised from time to time.

³ For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification or initial selection), expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

⁴A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the bidding document) is one which has been: (i) included by the bidder in its pre-qualification or initial selection application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project.

We understand that we may be declared ineligible as set out above upon:

- a. completion of World Bank Group sanctions proceedings according to its prevailing sanctions procedures;
- b. cross-debarment as agreed with other international financial institutions (including multilateral development banks);
- c. the application of a World Bank Group finding of non-responsibility on the basis of Fraud and Corruption in connection with World Bank Group corporate procurement; or
- d. temporary suspension or early temporary suspension in connection with an ongoing World Bank Group sanctions proceeding.

For avoidance of doubt, the foregoing effects of ineligibility do not extend to a sanctioned firm's or individual's execution of its ongoing Bank-financed contracts (or its ongoing sub-agreements under such contracts) that are not the subject of a material modification, as determined by the Bank.

We shall permit, and shall cause our sub-contractors, sub-consultants, agents (whether declared or not), personnel, consultants, service providers or suppliers, to permit the Bank to inspect⁵ all accounts, records, and other documents relating to the procurement process and/or contract execution (in the case of award), and to have them audited by auditors appointed by the Bank.

We agree to preserve all accounts, records, and other documents (whether in hard copy or electronic format) related to the procurement and execution of the contract.

Name of the Bidder/Proposer/Consultant: _____

Name of the person duly authorized to sign the Bid/Proposal on behalf of the Bidder/Proposer/ Consultant:

Title of the person signing the Letter: _____

⁵Inspections in this context are usually investigative (i.e., forensic) in nature: they involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data, and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third-party verification of information.