

PC-II

**GOVERNMENT OF THE PUNJAB
PUNJAB INFORMATION TECHNOLOGY
BOARD**

PC-II

FOR

Punjab e-Commerce Initiatives

ADP # 7042

(Project Preparation Funding Facility – PPF)

ESTIMATED COST: PKR 2.4 Million

GOVERNMENT OF PAKISTAN
PLANNING COMMISSION

PC-II FORM

1) Name by which feasibility will be identified

Punjab e-Commerce Initiatives

2) Administrative authorities responsible for

i) Sponsoring

Planning and Development Department

ii) Execution

Punjab Information Technology Board

3) Details of survey/feasibility study

i. General description

Development of digital technologies has resulted in a paradigm shift in the ways businesses are operating in today's world; the rise of E-Commerce is perhaps the most significant change in this regard. Local companies including MSMEs are at the core of these advancements and hold the key development of a robust economy in any country.

The situation is no different in Pakistan where MSMEs constitute nearly 90% of all the enterprises in Pakistan; employ 80% of the non-agricultural labor force; and contribute approximately 40% to the GDP. However, unlike large enterprises in the formal sector, a MSME is constrained by financial and other resources.

Moreover, a typical MSME in Pakistan caters to the domestic private sector with activities concentrated in specific regions. Local companies specially MSMEs have less access to required trainings, information and communication channels. Access to domestic and international market plays a key role in enhancing value chain breadth of SMEs. This inherent characteristic of an MSME makes it imperative that there should be a mechanism through which it may get support in marketing of its products at an international level.

By doing so, local companies in Pakistan have the potential to contribute significantly more than their current share of about \$86 billion towards GDP. Therefore, an individual consultant will be hired to conduct the feasibility study for initiating e-Commerce project in Punjab.

ii. Implementation period of PC-II: 3 Months

i. Month of Commencement: September, 2021

ii. Month of Completion: November, 2021

Activities / Months	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
PC-2 / Project admin approval					
Advertisement for Hiring of Individual Consultant					
Draft Feasibility Report					
Final Feasibility Report					
Presentation on Findings					
Preparation of PC-1					

iii. Objectives of the Study/Survey

The main objective of the feasibility study is to assess the viability of the concept of Punjab eCommerce Initiatives scheme. Furthermore, the feasibility will also aim to map, identify and analyze the E-commerce players, legal and operational requirements, bottlenecks, competitive advantage and trends both locally and internationally. Following are the key objectives:

- To assess the viability of the concept of Punjab E-Commerce Initiatives scheme.
- To identify and map the sectors, industries and regions in Punjab, with potential for e-Commerce.
- To identify potential countries for selling local products based on competitive advantage and trends etc.
- To provide a detailed list of legal and operational requirements for potential markets.
- To provide a comprehensive list of bottlenecks for the identified potential markets.

- To provide recommendations for dealing with the identified bottlenecks and the way forward for improvement of e-Commerce sector in the province.

iv. Scope and Justification of Study

With the advancement of information technologies and the widespread penetration of internet-enabled devices, online buying and selling of goods and services i.e. E-commerce is flourishing across the world. Despite having 162 million cellular subscribers, 72 million 3G/4G subscribers and 74 million broadband subscribers, the E-Commerce in Pakistan has not reached its full potential yet. The situation is no different for Punjab where E-commerce is at an early stage. Understanding the need for benefiting from E-Commerce and modernizing the existing retail businesses, provincial level E-commerce Initiatives are required to drive the E-commerce landscape in Punjab in a systematic manner.

In a digital society, different stakeholders interact digitally thus reducing the time and monetary costs that arise due to in-person interactions. Realizing the potential that E-commerce possess in Pakistan and the impact that promotion of E-commerce can generate for country's economy, the Federal government has launched Digital Pakistan initiative and an E-commerce Policy Framework for Pakistan. The presence of such initiatives necessitates structured efforts on part of the provinces to fully benefit from the federal interventions. This is especially true in the Post-18th Amendment scenario under which a significant number of IT-related domains have become provincial subjects. E-commerce offers significant opportunities for Punjab as the province has witnessed a mushrooming of online marketplaces. This, however, remains by and large an unregulated sector.

Amazon has added Pakistan into their "Approved Sellers List". A great development that is being seen as a major boost to the country's e-commerce industry. Amazon's sellers list will create opportunities for the exporters to sell their products through the platform, giving them access to market their products, which brands the owners with a third party

relationship to retail sell directly to buyers through the marketplace. Furthermore, e-Bay and Ali Baba also provide suitable platforms for our local companies including MSMEs to sell their products on.

This feasibility study is essential to ensure that credible information is used in preparation of PC-1 for Punjab e-Commerce Initiatives.

The scope of the study will extend to entire province of Punjab.

v. Estimated cost

(Million PKR)

Sr. No	Source	Local	FEC	Total
1	ADP 2021-22	-	-	2.4

vi. Item-wise summary of cost

Item/Category	Number	Unit Cost	Total Cost
i. Consultancy Fee (Inclusive of Govt. Taxes)	1	2,000,000	2,000,000
ii. Advertisement	-	-	100,000
iii. Contingency	-	-	300,000
		Total Cost	24,00,000

vii. Indicate when the cost estimates were prepared.

The cost estimates have been prepared in August, 2021. Rates from other projects at PITB have accordingly been used for preparation of cost estimates for this PC-II.

viii. Indicate studies already taken on the subject.

Multiple studies have been conducted to identify and map industries, sectors and regions in Punjab, few of which are mentioned below:

- i. Punjab Spatial Strategy 2047: Technical Paper 2 on industrial development provides details about spatial and sectorial distribution of industries, including large scale and small scale, in Punjab.
- ii. London School of Economics, International Growth Centre's (IGC) "Punjab Small Industries Corporation (PSIC) Rural Enterprise Study, 2017" provides detailed diagnostics on small manufacturing sectors in southern districts in Punjab.


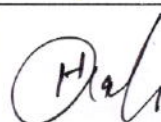
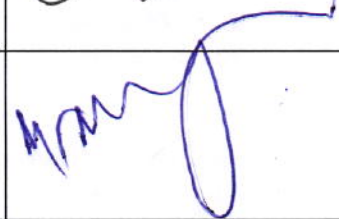


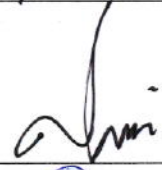

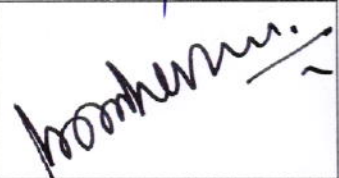
4) Expected outcome of the survey feasibility study and details of projects likely to be submitted after the survey.

The feasibility will help in establishing viability of the proposed Punjab e-Commerce Initiatives scheme. It will provide baseline guidance by mapping, identifying and analyzing the E-commerce players, clientele, legal and operational requirements, bottlenecks, competitive advantage and trends both locally and internationally. Once the feasibility is conducted, a PC-1 will be submitted for the Punjab e-Commerce Initiatives scheme.

Expected outcomes of the feasibility include:

1. A Feasibility Report (Draft ToRs attached as Annex-A)
2. PC-1 for Punjab e-Commerce Initiatives scheme

Certificate

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Verified by	Mr. Sajid Latif Director General (e-Governance) Punjab Information Technology Board (PITB)	
Approved by	Mr. Azfar Manzoor Chairman Punjab Information Technology Board (PITB)	

Terms of Reference (Draft)

For Hiring of Individual Consultant For Feasibility Study of Punjab e-Commerce Initiatives

1. Project Background:

Development of digital technologies has resulted in a paradigm shift in the ways businesses are operating in today's world; the rise of E-Commerce is perhaps the most significant change in this regard. Local companies including MSMEs are at the core of these advancements and hold the key the development of a robust economy in any country.

The situation is no different in Pakistan where MSMEs constitute nearly 90% of all the enterprises in Pakistan; employ 80% of the non-agricultural labor force; and contribute approximately 40% to the GDP. However, unlike large enterprises in the formal sector, a MSME is constrained by financial and other resources.

Moreover, a typical MSME in Pakistan caters to the domestic private sector with activities concentrated in specific regions. Local companies specially MSMEs have less access to required trainings, information and communication channels. Access to domestic and international market plays a key role in enhancing value chain breadth of SMEs. This inherent characteristic of an MSME makes it imperative that there should be a mechanism through which it may get support in marketing of its products at an international level.

By doing so, local companies in Pakistan have the potential to contribute significantly more than their current share of about \$86 billion towards GDP. Therefore, an individual consultant will be hired to conduct the feasibility study for initiating e-Commerce project in Punjab and to assess the viability of the concept of Punjab e-Commerce Initiatives scheme.

2. Objective of Consultancy Services:

The main objective of the feasibility study is to assess the viability and potential of the concept of Punjab eCommerce Initiatives. Furthermore, the feasibility will also aim to map, identify and analyze the E-commerce players, legal and operational requirements, bottlenecks, competitive advantage and trends both locally and internationally.

3. Scope, Duties and Responsibilities of the Consultant

- Assess viability and potential of the concept of eCommerce in the public sector including the proposed Punjab eCommerce Initiatives scheme.
- Identify and map the sectors, industries and regions in Punjab, with potential for eCommerce. The consultant shall also propose the divisions which shall be targeted first under the Punjab eCommerce Initiatives scheme.
- Identify key stakeholders/players in the eCommerce domain.

- Identify potential local and international eCommerce platforms (such as Amazon, eBay, AliBaba, Daraz etc.) for selling of local products.
- Identify nature of compliance required by the potential eCommerce platforms including legal and operational requirements for potential platforms. Furthermore, provide a comprehensive list of bottlenecks with regards to the potential platforms and give recommendations for dealing with the identified bottlenecks.
- Assess roles and responsibilities of the concerned agencies/departments in light of existing rules and regulations, national and international best practices, and ongoing trends in the domain.
- Propose a list of potential training courses to be incorporated in the Punjab e-Commerce Initiatives.
- Assess the options for imparting eCommerce trainings under different modes including PPP mode.
- Identify the existing e-Commerce initiatives at Federal and Provincial level and assess any potential overlaps between the proposed project and the existing ones. Propose any possible collaborations between the ongoing schemes and the proposed one.
- Assess the possibility of long-term collaborations with relevant IT-related educational institutes and identify such institutes.
- Elaborate on potential of e-commerce beyond exporters including e-commerce marketing, entrepreneurship, trading and supply chains, among others.
- Perform economic and financial assessment of the proposed project.
- Determine expected economic benefits to be generated from the project such as increase in employment generation, export revenues etc. and may also provide an estimated ROI (Return On Investment).
- Coordinate and work closely with the team at PITB and other stakeholders specially Industries Department.
- Based on the above, the Consultant is required to assess Program viability taking into account if the Program is:
 - Technically deliverable.
 - Economically viable.
 - Socially and environmentally sustainable.
- Review the PC-1 for the proposed Punjab eCommerce Initiatives scheme and suggest improvements, if any.
- The Consultant must ensure that all information used in the feasibility study is as accurate and verified as possible.
- Ensure that all the inputs into the feasibility study are signed off as accurate and verified by the Consultant.
- Once this information verification and sign off has been completed, the approval process must be completed in accordance with the applicable laws

4. Time Duration of Proposed Consultancy and Deliverables

Time Duration: Two (02) Months

Activity	Time allocated (in months)
Design, methodology and detailed work plan	0.5
Draft Report and a presentation on initial findings	1
Final report and presentation on findings	0.5

Deliverables:

The following deliverables are expected:

- Draft Feasibility Report for comments and feedback
- Final Feasibility Report
- Presentation on findings of feasibility
- Review of the PC-1 for proposed scheme

5. Qualifications:

The consultant is expected to have the following skills and expertise:

- i. At least Master's in economics, public policy, business administration, or related discipline;
- ii. A minimum of ten (10) years' experience in research/industry preferably conducting research in commerce/e-Commerce domain;
- iii. Possess in-depth understanding and knowledge of Pakistan's and Punjab's e-Commerce context;
- iv. Excellent writing and communication skills in English;
- v. Strong interpersonal skills and the ability to communicate and work well with diverse people;
- vi. Ability to deliver on time.

6. Role of the Client

- i. The Client Agency will facilitate the consultant to obtain NOC or any official documentation which may be required for the execution of this study.

- ii. The Client Agency will monitor the execution of the project on the given objective / deliverable and to ensure payment accordingly.

7. Professional liability of the consultant

Professional liability as stated in the prevalent conduct and practice of consulting engineering firms prescribed by PEC and as given under Rule-54 of Punjab Procurement Rules 2014 shall be applicable to the consultant.