



Government of Pakistan  
**Finance Division**

**Request for Proposals**

**Engagement of Financial Advisers**

- The Government of Pakistan intends to complete an annual update of its Global Medium-Term Note (GMTN) programme. Interested financial institutions are invited to submit their proposals individually to work as Finance Division's financial advisers for structuring and executing the update of the GMTN programme and issuances under the GMTN programme within a period of 12 months from the update.
- Technical and financial proposals should be furnished to Finance Division in two separate sealed envelopes not later than 30<sup>th</sup> March 2022.
- RfP document can be accessed from the website of Finance Division.

**Research Associate (Debt Policy Coordination Office)**

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# **REQUEST FOR PROPOSALS**

Government of Pakistan  
Debt Policy Coordination Office  
Finance Division  
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## **ENGAGEMENT OF FINANCIAL ADVISERS FOR GMTN PROGRAMME**

### **INTRODUCTION**

1. Finance Division intends to complete an annual update of its existing Global Medium-Term Note (GMTN) Programme to carry out International Capital Market transactions, including but not limited to the following:
  - i. Eurobonds.
  - ii. Environmental Social and Governance (ESG) Bonds.
  - iii. Green Bonds.
  - iv. Gender Bonds.
  - v. SDG Bonds.
  - vi. Sustainability Linked Bonds etc.
2. For this purpose, Finance Division plans to engage a consortium consisting of five (5) financial institutions for the GMTN programme.
3. The selected consortium is expected to guide, advise, manage, coordinate and execute the whole range of activities associated with the update of the GMTN programme and issuances under the GMTN programme within a period of 12 months from the update.

### **INSTRUCTIONS TO FINANCIAL INSTITUTIONS**

1. The consortium will be engaged through an open competitive process as per the following procedure and method of selection:
  - i. Procedure: Single stage - two envelope.
  - ii. Method of selection: Quality and Cost-Based Selection.
2. Each interested financial institution shall submit following two proposals individually and not as a consortium:
  - i. Technical proposal.
  - ii. Financial proposal.
3. The 'technical proposal' and 'financial proposals' shall be submitted separately in two sealed and clearly labeled envelopes also mentioning the name of the financial institution.
  - i. The envelopes marked 'technical proposal' shall contain one original and seven copies of the original 'technical proposal'. Each page of the original proposal must be signed and stamped. The 'technical proposals' must contain no reference to the financial proposals.
  - ii. The envelopes marked 'financial proposal' shall contain one original copy with each page signed and stamped.

4. The 'technical proposals' shall be opened on the due date at 1730 hrs in presence of representatives of financial institutions, who choose to be present. Subsequent in due course:
  - i. An evaluation committee constituted by Finance Division will carry out evaluation of the 'technical proposals' to determine the technically qualified financial institutions.
  - ii. After the completion of evaluation of 'technical proposals', date and time will be intimated only to the technically qualified financial institutions for the opening of 'financial proposals'.
  - iii. The 'financial proposals' of financial institutions who do not qualify technically shall be returned unopened to the financial institutions who choose to be present.
5. While submitting the proposals, the financial institutions may note that:
  - i. The engagement of the Consortium for the GMTN programme will be broadly as per the terms defined in 'mandate manual'. Interested financial institutions may access the 'mandate manual' from Finance Division.
  - ii. The selected Consortium for the GMTN programme, shall at its own expense and cost, engage any other service providers on behalf of Government, needed for the purpose of the GMTN programme including but not limited to Local / International Legal Counsels, Second Party Opinion, International Credit Rating Agency (ies), Auditors, Fiscal Agent / Trustees, Paying Agent, Listing Agent, Stock Exchange (for listing), Tax Advisor and Registrar or any other service which may be required for successful floatation of bonds.
  - iii. The decision to continue the engagement of the selected consortium for another one-year on the same terms and conditions after the initial one-year period of the programme may be subject to mutual consent of the parties.
6. Non adherence to any of the above guideline will lead to disqualification of the respective financial institution from the selection process.

#### **SELECTION OF CONSORTIUM**

1. The financial institution submitting the most advantageous (least fee charge) financial proposal will be selected first (ranked first).
2. Option to become part of Consortium at least fee charge will be first given to the financial institution with highest technical score.
3. The second option to match will be given to the financial institution with second best technical score. This process shall continue in this manner till five (5) Consortium members are selected.
4. During the engagement period of 12 months, if the contract of any consortium member is terminated then Finance Division shall opt following options in sequence:
  - i. Give option to the next in line technically qualified financial institution (if applicable) to become part of the consortium at the least fee charge.

- ii. Consider proceeding with the remaining consortium with allocation of fee share of exiting financial institution to be distributed equally among remaining consortium members.

## **FEE OF THE CONSORTIUM**

The total all-in fee of Consortium shall be five times of the first ranked financial institution i.e., most advantageous evaluated financial proposal (lease fee charge).

## **REQUIREMENTS**

1. Following recommendations in respect of the programme should be provided separately in the ‘technical proposal’ as per the format below and as and when desired by Finance Division after engagement:

| <b>(US\$ million, wherever applicable)</b> |                             | <b>Recommendation</b> |
|--|-----------------------------|-----------------------|
| i  | Issuance size               |                       |
| ii   | Issuance timing             |                       |
| iii  | Tenor (years)               |                       |
| iv   | Expected coupon (% p.a.)    |                       |
| v  | Issuance format / structure |                       |
| vi   | Type of issuance            |                       |

*The list may be expanded for any additional type bond proposals*

2. Brief description of any appropriate updates to be made to the GMTN programme to reflect market and/or regulatory developments.
3. Proposed marketing strategy with advice on non-deal/deal roadshows.
4. Market analysis and competing sovereigns for Eurobonds, ESG bonds, and other.

## **LANGUAGE OF PROPOSALS**

The proposals shall be submitted in English language.

## **VALIDITY OF PROPOSALS**

The proposals shall remain valid for six months after the last submission date.

## **FOR CLARIFICATIONS**

Clarifications may be requested from the office below no later than seven working days prior to the submission deadline. No query shall be entertained thereafter.

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 ra.debt@finance.gov.pk

## **SUBMISSION DATE AND TIME**

Proposals must be submitted in person or through courier at the aforementioned contact latest by 1700 hrs, 30<sup>th</sup> March, 2022.

## EVALUATION CRITERIA

Following will be the evaluation criteria for the ‘technical proposals’ and ‘financial proposals’:

### (1) TECHNICAL PROPOSALS

‘Technical proposals’ shall be evaluated as per below criteria while Performa ‘A’ is mandatory to be filled and may be provided on a separate page along with the ‘technical proposal’.

| 1  | <p>Latest available ‘Eurobond’ rank position in Bloomberg league tables as per following criteria:</p> <table border="1" data-bbox="387 600 1230 831"> <thead> <tr> <th>Field</th> <th>Boundaries</th> <th>Selection Criteria</th> </tr> </thead> <tbody> <tr> <td>Asset Classes</td> <td>Only</td> <td>Government</td> </tr> <tr> <td>Security Status</td> <td>Include</td> <td>Bonds: All</td> </tr> <tr> <td>Currency</td> <td>Include</td> <td>US\$</td> </tr> <tr> <td>BICS Classification</td> <td>Include</td> <td>Sovereigns</td> </tr> </tbody> </table>  | Field  | Boundaries                                | Selection Criteria               | Asset Classes | Only | Government | Security Status  | Include                                   | Bonds: All | Currency | Include  | US\$ | BICS Classification | Include | Sovereigns | 30 marks |
|--|--|--|---|----------------------------------|---------------|------|------------|--|---|------------|----------|----------|------|---------------------|---------|------------|----------|
| Field  | Boundaries   | Selection Criteria   |   |                                  |               |      |            |  |   |            |          |          |      |                     |         |            |          |
| Asset Classes  | Only   | Government   |   |                                  |               |      |            |  |   |            |          |          |      |                     |         |            |          |
| Security Status  | Include  | Bonds: All   |   |                                  |               |      |            |  |   |            |          |          |      |                     |         |            |          |
| Currency   | Include  | US\$   |   |                                  |               |      |            |  |   |            |          |          |      |                     |         |            |          |
| BICS Classification  | Include  | Sovereigns   |   |                                  |               |      |            |  |   |            |          |          |      |                     |         |            |          |
| 2  | <p>Commitment to Pakistan’s economy as per the following measures (for the period July 2010 to Dec 2021):</p> <ol style="list-style-type: none"> <li>i. Total loans extended to Government of Pakistan, bilaterally and in syndication separately.</li> <li>ii. Total investment made in Government of Pakistan’s debt securities (including domestic and international securities).</li> <li>iii. Total amount of international securities issued by Government of Pakistan in which the financial institution was a financial adviser.</li> <li>iv. Total investment in Pakistan in any other form (e.g., equity) made by the financial institution.</li> </ol> <table border="1" data-bbox="387 1328 1230 1458"> <thead> <tr> <th>Type of Investment<br/>(Bond/Loan/Entity/other<br/>(please specify separately)</th> <th>Amount<br/>(Equivalent to<br/>US\$ million)</th> <th>Holding<br/>Period<br/>(in months)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <ol style="list-style-type: none"> <li>v. Total investment in Pakistan in any other form (e.g., equity) facilitated by the financial institution</li> </ol> <table border="1" data-bbox="467 1541 1150 1671"> <thead> <tr> <th>Type of Investment<br/>(Bond/Loan/Entity/other (please<br/>specify separately)</th> <th>Amount<br/>(Equivalent to<br/>US\$ million)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table> | Type of Investment<br>(Bond/Loan/Entity/other<br>(please specify separately) | Amount<br>(Equivalent to<br>US\$ million) | Holding<br>Period<br>(in months) |               |      |            | Type of Investment<br>(Bond/Loan/Entity/other (please<br>specify separately) | Amount<br>(Equivalent to<br>US\$ million) |            |          | 25 marks |      |                     |         |            |          |
| Type of Investment<br>(Bond/Loan/Entity/other<br>(please specify separately) | Amount<br>(Equivalent to<br>US\$ million)  | Holding<br>Period<br>(in months)   |   |                                  |               |      |            |  |   |            |          |          |      |                     |         |            |          |
|  |  |  |   |                                  |               |      |            |  |   |            |          |          |      |                     |         |            |          |
| Type of Investment<br>(Bond/Loan/Entity/other (please<br>specify separately) | Amount<br>(Equivalent to<br>US\$ million)  |  |   |                                  |               |      |            |  |   |            |          |          |      |                     |         |            |          |
|  |  |  |   |                                  |               |      |            |  |   |            |          |          |      |                     |         |            |          |
| 3  | <p>Proposed plan including the amount that the Government of Pakistan should target through Eurobonds, ESG bonds, and other bonds, marketing and outreach strategy, timing and number of transactions, exchanges where the securities should be listed, potential risks and challenges and mitigation strategies etc. As for the ESG/Green/Gender Bonds etc., specific details with regard to (i) structuring considerations, (ii) reporting considerations, (iii) selection of appropriate standards (e.g. the ICMA Social Bond Principles), (iv) relevant national policies, initiatives and sustainable goals that align with issuance of these instruments (v)</p>   | 20 marks   |   |                                  |               |      |            |  |   |            |          |          |      |                     |         |            |          |

|   |  |          |
|---|--|----------|
|   | list of second party opinion providers (if applicable), (vi) indicative list of core investors and (vii) key considerations that may influence the transaction and/or timeline should also be shared.  |          |
| 4 | Global distribution network:<br>- Number of countries in which the financial institution has an establishment.<br>- Number of offices throughout the world.<br>- Number of employees engaged in sales and distribution throughout the world. | 15 marks |
| 5 | Names and profiles of three (3) key members of the deal team   | 10 marks |

## (2) FINANCIAL PROPOSALS

Financial proposals shall be submitted on the following format:

|  |               |
|--|---------------|
| All-in fee to be charged on individual basis for each issuance under the programme | ___ . ___ bps |
|--|---------------|

### SUBMISSION OF FEE QUOTE

1. The all-in fee includes:
  - i. Issuance as well as transactions costs and any other expenses;
  - ii. Applicable taxes in connection with the issuances under the programme;
  - iii. Fee of service providers to be engaged for the GMTN programme (as mentioned in 5(i) above).
  - iv. Any other cost / fee (if applicable).
2. All-in-fees shall be quoted in basis points (bps) and in multiples of 1/100<sup>th</sup> of a basis point. For instance:

| Sr. No. | Quoted Fee (bps)                      | Interpretation                      | Computations for a transaction size of US\$ 1.0 billion | Imputable fees (US\$) |
|---------|---------------------------------------|-------------------------------------|---|-----------------------|
| 1       | <u>0</u> <u>0</u> . <u>5</u> <u>0</u> | Half basis Points                   | 1,000,000,000 × 0.0050%                                 | 50,000                |
| 2       | <u>0</u> <u>1</u> . <u>0</u> <u>0</u> | One basis point                     | 1,000,000,000 × 0.0100%                                 | 100,000               |
| 3       | <u>0</u> <u>1</u> . <u>2</u> <u>0</u> | One and one-fifth of a basis point. | 1,000,000,000 × 0.0120%                                 | 120,000               |

3. The all-in fee proposals should be calculated bearing in mind that Consortium shall consist of five (5) members.
4. The all-in fee shall be paid to the financial advisers out of the issuance proceeds at the time of their realization.

| Technical Evaluation Form - PERFORMA 'A' |  |  |  |                |
|--|--|--|--|----------------|
| Section 1                                | Ranking as per Bloomberg League Table - "League Table Eurobonds" in case of Eurobond   |  |  |                |
|  | (i)  | 2020   |  |                |
|  | (ii)   | 2021   |  |                |
| Section 2                                | Relationship with Government of Pakistan (GoP) - (Jul/2010 to Dec/2021) - US\$ million |  |  |                |
|  | (i)  | Total loan extended to GoP Bilaterally   |  |                |
|  | (ii)   | Total loan extended to GoP In Syndicate  |  |                |
|  | (iii)  | Total Investment made in GoP Debt Securities   | Amount   | Holding Period |
|  |  | Domestic Debt Securities   |  |                |
|  |  | International Debt Securities  |  |                |
|  | (iv)   | Total amount of GoP International Securities, issued by Financial Institution as Financial Advisor   |  |                |
|  | (v)  | Total Investment in any other form (Equity), made by Financial Institution   | Amount   | Holding Period |
|  |  | Bonds  |  |                |
|  |  | Loans  |  |                |
|  |  | Government Entity  |  |                |
|  |  | Other  |  |                |
|  | (vi)   | Total Investment in any other form (Equity), facilitated by Financial Institution  | Amount   | Holding Period |
|  |  | Bonds  |  |                |
|  |  | Loans  |  |                |
|  | Government Entity  |  |  |                |
|  | Other  |  |  |                |
| Section 3                                | Proposed Plan  |  |  |                |
|  | (i)  | Proposed plan including the amount that the Government of Pakistan should target through Eurobonds, ESG bonds, and other bonds, marketing and outreach strategy, timing and number of transactions, exchanges where the securities should be listed, potential risks and challenges and mitigation strategies etc.   | This section may be provided separately for each proposed international bond and may be enclosed with the "Performa A" |                |
|  | (ii)   | Specific details with regard to ESG/Green/Gender Bonds, covering (i) structuring considerations, (ii) reporting considerations, (iii) selection of appropriate standards (e.g. the ICMA Social Bond Principles), (iv) relevant national policies, initiatives and sustainable goals that align with issuance of these instruments (v) list of second party opinion providers (if applicable), (vi) indicative list of core investors and (vii) key considerations that may influence the transaction and/or timeline | This section may be provided separately for each proposed international bond and may be enclosed with the "Performa A" |                |
| Section 4                                | Global Distribution Network  |  |  |                |
|  | (i)  | No. of Countries in which the Financial Institution has an establishment   |  |                |
|  | (ii)   | No. of Offices throughout the World  |  |                |
|  | (iii)  | No. of Employees engaged in sales and distribution throughout the World  |  |                |
| Section 5                                | Deal Members   |  |  |                |
|  | (i)  | Names and profiles of three (3) key members of the deal team   | This section may be provided as separate and may be enclosed with the "Performa A"                                     |                |