SUSTAINABLE DEVELOPMENT POLICY INSTITUTE (SDPI)

Request for Proposals

Round 3: Action Research under the Sustainable Energy and Economic Development (SEED) Programme

Key item	Summary
Action Research Modality	Research Services Agreement
Available Funding Per Award	Up to PKR 40 million
Duration of Assignment	5.5 months (15 December 2026 to 31 May 2027)
Eligible applicants	Locally registered entities in Pakistan, including think tanks, academic institutions, and research centres. Individuals are not eligible to apply.
Multiple Submissions Per Organisation	Maximum two applications allowed: one as Lead and one as a partner.
Location	ICT, Sindh, Punjab, KP
Thematic focus	Governance functions identified as priorities in SDPI 'Where Reforms Matter Most Study': domestic regulation, trade policy, trade facilitation, budgeting and fiscal scrutiny, monetary policy (including exchange rate management), tax policy, tax administration (especially provincial OSR), investment policy, trade & investment promotion, skills development, public investment, or any thematic focus where the project will respond to a clear request from Government as set out in the SDPI 'Competency mapping and reform identification report'
Submission arrangements	Submission requirements, deadlines, clarification process, and related instructions are set out in Section 13 of this RFP.
Deadline of Submission	All proposals (technical and financial), with supporting documents, should be sent to grants@sdpi.org by 1500 HRS (Pakistan Standard Time) on 30 November 2026.

Annex Package Overview

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Round 3: Action Research under the Sustainable Energy and Economic Development (SEED) Programme

1. Introduction

The Sustainable Development Policy Institute (SDPI), under the Foreign, Commonwealth and Development Office's (FCDO) Sustainable Energy and Economic Development (SEED) Programme, invites proposals from locally registered institutions in Pakistan for Action Research aimed at strengthening evidence-based policymaking in economic governance.

The purpose of this call is to support high-quality, action-oriented and policy-relevant research, advocacy, capacity building and wider technical assistance. The objective is to inform, and help implement, ongoing and emerging reforms through evidence-based policy design, institutional strengthening (e.g. *reforms to people, processes and* technology) and building the political will for change. The call prioritises proposals that demonstrate a clear link between analytical work and actionable reform outcomes, including the ability to translate research into practical recommendations and implementation tools for federal and/or provincial stakeholders. Under the Action Research Grants, the programme will support work on the governance functions set out under the thematic focus and in Section 3 (Scope of Work).

Selected applicants will be awarded funding through a Research Services Agreement, under which the awardees will be responsible for delivering agreed outputs, meeting milestones, maintaining sound financial and administrative systems, and complying with SDPI's management and oversight requirements.

2. Background

Pakistan's economic reform landscape is currently characterised by a transition from macroeconomic stabilisation to structural reform. Recent policy adjustments have contributed to improved macroeconomic indicators, including a decline in inflation to single digits in 2025, a return to primary fiscal surplus, and a stabilisation of foreign exchange reserves. However, these gains remain fragile and uneven.

Key structural vulnerabilities persist. Public debt remains elevated at approximately 65-70 percent of GDP, while debt servicing absorbs close to 45-50 percent of federal revenues, significantly constraining fiscal space. Despite recent revenue efforts, Pakistan's tax-to-GDP ratio remains around 9-10 percent, well below regional comparators. At the same time, economic growth remains less than 5 percent in the medium term, insufficient to absorb a labour force growing by nearly 2 million entrants annually.

Investment and productivity constraints continue to limit growth potential. Gross investment remains below 15 percent of GDP, among the lowest in the region, while export performance remains narrow and concentrated, with total exports hovering around USD 30 billion annually, far below potential. Meanwhile, fiscal risks are compounded by structural inefficiencies, including losses from state-owned enterprises estimated at over Rs. 9 trillion in accumulated liabilities, and persistent circular debt in the energy sector exceeding Rs. 4-5 trillion.

These challenges are further shaped by institutional fragmentation and overlapping mandates across federal and provincial levels, particularly following the 18th Constitutional Amendment. While devolution has expanded provincial responsibilities in areas such as taxation, service delivery, and regulation, coordination challenges and capacity constraints continue to affect policy coherence and implementation effectiveness. In this context, the Action Research Grants will prioritise policy-oriented research and technical assistance in key domains. The funding will support practical, evidence-based research, capacity building, advocacy and broader technical assistance capable of informing policy design, institutional strengthening, and implementation of economic reforms at federal and provincial levels.

3. Scope of Work

Proposals should focus on policy-relevant and action-oriented research that contributes to practical and implementable economic reforms. The Action Research Grants will support projects in the following priority

domains, building on the SDPI's 'Where Reforms matter the most' study. These initiatives may indicatively focus on the following broad areas, with examples of relevant issues:

- **Domestic Regulation**: the laws, rules, licences, permits, approvals, standards, inspections and administrative procedures governing firms and economic activity within the domestic economy, together with the systems for reviewing, simplifying and reforming such regulation to reduce unnecessary compliance burdens, facilitate business activity and improve regulatory effectiveness.
- **Trade Policy**: the policies and rules governing international, domestic and inter-provincial trade, including imports, exports, tariffs and trade remedies, trade agreements, transit and border trade, market access and policies affecting trade across jurisdictions.
- **Trade Facilitation**: measures that reduce the time, cost and administrative burden of moving goods across borders and between markets, including customs and border processes, transit arrangements, documentation, land ports, logistics and transport interfaces, and coordination among relevant agencies.
- **Investment Policy**: the legal, regulatory and policy framework governing domestic and foreign investment, including investment entry and establishment, investor treatment and protection, incentives, sectoral and locational policies, and coordination of government measures affecting private investment decisions.
- **Trade and Investment Promotion**: government activities to attract domestic and foreign investment and expand trade, including investment outreach and marketing, trade exhibitions and business delegations, market and investor information, investor databases, partner matching, exporter facilitation, investor aftercare and representation in external markets.
- **Monetary Policy (including exchange Rate Management):** the formulation and implementation of policy governing money, liquidity, interest-rate and monetary conditions, principally through the central bank, to maintain price, monetary and macroeconomic stability.
- **Budgeting, analysis & monitoring**: the preparation, allocation, authorisation, execution, analysis and monitoring of public budgets and funds, including annual, revised, supplementary and excess budgets, expenditure and cash/ways-and-means management, monitoring of budget utilisation, and systems and reforms supporting effective public financial management;
- **Fiscal scrutiny & audit**: the systems for examining public revenues, expenditures, accounts and financial operations for legality, regularity, performance and accountability, including internal financial control, audit, legislative and departmental scrutiny and follow-up of audit findings.
- **Tax Policy**: the design and reform of taxes, duties, fees and other compulsory levies, including their bases, rates, exemptions, concessions and incidence, and assessment of their revenue, distributional and wider economic effects.
- **Tax Administration (especially Provincial Own Source Revenue):** the institutions, systems and procedures through which taxes and other public revenues are registered, assessed, billed, collected, recovered and enforced, including taxpayer records, valuation, audit, appeals and ADR, refunds and compliance management.
- **Skills Development**: policies and institutions that develop vocational, technical, professional and job-relevant skills, including technical and vocational education, apprenticeships, workforce and manpower planning, qualifications and training systems, and alignment of skills provision with current and future domestic and international labour-market needs.
- **Public Investment**: the planning, appraisal, prioritisation, approval, financing, budgeting, implementation, monitoring and evaluation of government development projects and programmes, including management of development portfolios and allocation or reallocation of development resources.

While proposals may focus on any one or a blend of the above areas, the programme aims to build a balanced portfolio covering all the themes and therefore encourages a spread of work across them. Proposals are particularly welcomed in areas where Federal and Provincial Governments have set out a

clear ask in the SDPI's Competency Mapping and Reform Identification report, and the project would respond directly to this window for influence. Alternatively, innovative research and advocacy approaches may be utilized in areas where reforms are important, but currently blocked due to political factors. Applicants are encouraged to define specific interventions based on relevance, feasibility, and potential policy impact, including approaches that cut across multiple areas.

4. Deliverables and Timeline

SDPI intends to maintain a flexible and adaptive approach in defining deliverables, allowing them to be tailored to the nature and design of each proposed intervention. The objective is to encourage ideation and innovation across proposals. Deliverables under this Award should therefore reflect the specific approach adopted - whether applied research, policy design, systems improvement, or capacity-building support. While the specific technical outputs may vary by proposal, all selected projects will be required to follow a common milestone-based implementation structure for management, reporting, and payment purposes.

Inception Phase (First 30 days): This phase will focus on refining the scope of work, methodology, stakeholder engagement plan, implementation approach, and detailed workplan. It will conclude with the submission of an Inception Report, setting out the agreed scope, deliverables, timeline, and implementation arrangements. The Inception Report will be reviewed and, upon approval by SDPI, will serve as the formal basis for progressing to subsequent phases of the assignment.

Implementation Phase (Subsequent 4.5 months): Following approval of the Inception Report, projects will move into the implementation stage. Depending on the nature of the proposal, activities during this phase may include analytical work, stakeholder consultations, policy support, development of technical tools or reform inputs, training or capacity-building activities, and validation or dissemination of outputs. During implementation, the Awardees will be expected to produce both: (a) the agreed technical outputs specific to their proposal; and (b) the required project management reports (inception report, midterm review report and final report) linked to milestones and payments.

These may include, as relevant to the proposal, outputs such as policy briefs, reform notes, diagnostic assessments, draft instruments, training materials, consultation outputs, action matrices, or other practical products that support policy design or implementation.

A Midterm Review Report needs to be submitted at an agreed stage to summarise progress, key outputs delivered to date, emerging findings, implementation challenges, and any proposed course corrections.

A Final Report must be submitted by the end of the 5.5-month period, presenting the work completed, key outputs produced, principal findings, and clear policy-relevant recommendations or follow-on actions, as applicable.

All deliverables will be linked to the agreed payment schedule and will be subject to satisfactory review and approval by SDPI. The emphasis throughout will be on timely delivery of practical, policy-relevant outputs aligned with the agreed workplan and responsive to the needs of relevant stakeholders.

5. Budget and Payment Schedule

The total budget for each Award will be up to PKR 40 million. Applicants are expected to propose a budget that is realistic, well-justified, and aligned with the scope of work.

Proposed budgets will be assessed on value for money, technical quality, and feasibility. The final allocation may be adjusted and agreed through negotiation at the time of contracting.

The schedule of payments will be linked to key deliverables, as follows:

- 20% upon signing of the agreement
- 25% upon submission of the Inception Report
- 25% upon submission of the Midterm Review Report
- 30% upon submission and acceptance of the Final Report

The above schedule may be further negotiated at the Agreement stage. All payments will be made subject to the satisfactory completion and approval of the corresponding deliverables.

5A. Ineligible Costs

The following types of expenditures are generally not eligible, unless explicitly justified and approved in writing by SDPI:

- Capital expenditure, including vehicles, major equipment, or other high-value assets, unless directly required for the delivery of the proposed research - such as software developed for the purposes of technological transformation.
- International travel, unless expressly permitted under the terms of the call or agreed in advance
- Core institutional salaries or standing overhead costs that are not directly attributable to the implementation of the proposed activities
- Contingency funds, reserves, or unspecified lump-sum amounts
- Any costs that are unrelated, excessive, duplicative, or insufficiently justified in relation to the proposed work

Applicants are expected to ensure that all proposed expenditures are:

- Directly linked to project activities and deliverables
- Reasonable and proportionate to the scope of work
- Clearly explained and justified in the budget narrative

SDPI reserves the right to disallow or adjust any cost items that do not meet these criteria during the evaluation or pre-award stage.

6. Eligible Applicants

This call is open to locally registered entities in Pakistan, including think tanks, academic institutions, and research centres. Both for-profit and non-profit organisations can apply. Applicants must also demonstrate sufficient technical, administrative, and financial capacity to deliver the proposed work within the specified timeframe, and an understanding of relevant institutional and governance structures as expected under the Scope of Work defined in Section 3. Individuals are not eligible to apply.

Minimum Eligibility Criteria

To be eligible, applicants must meet all of the following minimum criteria:

1. The organisation must be legally registered and operational in Pakistan for at least five years.
2. The organisation must have relevant experience in policy research, governance reform, or public sector assignments.
3. The organisation must have successfully undertaken at least three projects of a similar nature.
4. The organisation must have no record of fraud, misuse of funds, major audit irregularities, or donor-related sanctions within the last three years.

Desirable Criteria

In addition to the minimum eligibility requirements, the following criteria will be considered desirable in assessing the overall capacity and experience of applicant organisations:

5. The organisation demonstrates strong financial capacity, reflected in an average annual turnover over the last three years of at least PKR 50 million.
6. The organisation has completed at least three projects, each with a minimum value of PKR 25 million.

Applications from organisations that have been awarded research grants under the previous two rounds are not eligible.

7. Rules on Multiple Submissions and Awards

Each applicant organisation may submit a maximum of two proposals under this call, preferably one as a Lead Applicant and one as a Partner organisation.

All submissions must be clearly defined in scope and aligned with the requirements of this RFP.

8. Evaluation Criteria

Criterion	Assessment parameters	Score
Institutional capacity and past performance	Relevant experience; ability to deliver; adequate staffing and financial capacity	10
Technical quality and analytical rigour	Clarity of approach; sound methodology; feasibility of workplan	20
Policy relevance and alignment	Relevance to thematic priorities; focus on a clear reform issue; potential policy usefulness; innovation in approach to ensure political will for implementation	20
Team composition and expertise	Appropriate skills and experience; clear roles within the team	20
Financial Proposal	Reasonable and justified budget; efficient use of resources	30
Total		100

9. Reporting and Award Management

Successful applicants will be engaged through a Research Services Agreement, in line with SDPI's downstream partner engagement framework. The Agreement will define scope of work, approved deliverables, milestones, reporting requirements, financial management obligations, audit and records provisions, compliance requirements, and termination and recovery provisions. Disbursements will be linked to the satisfactory completion of agreed milestones and submission of required technical and financial reports. SDPI will retain the right to monitor implementation, verify outputs, and review financial records throughout the project lifecycle.

10. Fraud, Corruption, and Conflict of Interest

The applicants and awardees are expected to maintain the highest standards of integrity throughout the application and implementation process. Any actual, potential, or perceived conflict of interest must be disclosed at the time of application and promptly reported if it arises during the course of the project.

Fraud, bribery, corruption, collusion, plagiarism, falsification of information, diversion of funds, or any other improper practices are strictly prohibited. Any such actions may result in disqualification from the selection process, termination of the award, recovery of funds, or other appropriate actions in accordance with SDPI policies and applicable regulations.

11. Safeguarding, Ethics, and Data Protection

All activities undertaken under this Action Research Award must be conducted in accordance with appropriate ethical standards and safeguarding principles. Applicants are expected to ensure informed and voluntary participation in all consultations, interviews, or data collection activities, and to respect the privacy, dignity, and confidentiality of all participants.

Awardees must ensure the secure handling, storage, and use of data and information, in line with applicable data protection standards. Appropriate measures should be in place to manage risks to participants and stakeholders, including safeguards against sexual exploitation, abuse, and harassment. A zero-tolerance approach to such conduct is required.

12. Intellectual Property and Use of Outputs

All outputs produced under this Award shall be available for policy and programme use by SDPI, with appropriate acknowledgment of the awardee. SDPI reserves the right to use, reproduce, publish, adapt, and disseminate the outputs, in whole or in part, for non-commercial purposes related to policy, research, programme implementation, and communication.

Awardees will retain recognition as authors of the work, but may not use or distribute outputs for commercial purposes without prior written consent from SDPI. Any publication or dissemination of outputs by the awardee must appropriately acknowledge SDPI and the SEED-AG Programme.

13. Submission Instructions

Applicants must submit a complete application package by the deadline specified in this RFP. SDPI may also issue a public call notice or announcement through its website, email circulation, or other designated channels for wider dissemination; however, in the event of any inconsistency, the provisions of this RFP shall prevail. The operational requirements for submission, clarification, and related processes are set out in the table below.

Operational item	Requirement
Submission deadline	All proposals, including the Technical Proposal, Financial Proposal, and required supporting documents, must be submitted by 1500 Hrs PKT on 30 November 2026. Late submissions will not be considered.
Submission email	The complete application package must be submitted electronically to grants@sdpi.org.
Email subject line	Round 3 Action Research Application - [Name of Applicant Organisation]
Application package	The completed application form, technical proposal, financial proposal, budget narrative, workplan, signed declarations, and all required supporting documents as set out in the annexes and checklist. The Financial Proposal should be submitted as a separate file.
File format	The application form, technical proposal, budget narrative, workplan, declarations, and supporting documents should be submitted in Word or PDF format. The financial proposal may be submitted in Excel or Word format.
Maximum file size	Applicants should ensure that the total size of email attachments remains within standard email transmission limits. Where file sizes are large, documents should be compressed appropriately without affecting legibility. If multiple emails are required, each email should clearly indicate that it forms part of the same submission.
Clarification window	Questions may be submitted until 1700 Hrs PKT on 23 November 2026. All clarification requests must be sent to grants@sdpi.org.
Clarification response process	Responses may be shared with all prospective applicants through email circulation, call notice updates, or other designated communication channels to ensure fair access to information.
Pre-Bid Meeting	A pre-bid meeting will be held at 1500 Hrs PKT on 18 November 2026. Details regarding modality or participation will be communicated by SDPI. Register at: https://zoom.us/meeting/register/FREmdR_zRye64tLYVRyNug
Late or incomplete submissions	SDPI reserves the right to reject submissions received after the stated deadline or submissions that are materially incomplete or do not comply with the requirements of this RFP.
Indicative timeline for evaluation and award	Following the submission deadline, proposals will be reviewed in accordance with the evaluation criteria set out in this RFP. Shortlisted applicants may be contacted for clarification. SDPI expects to complete evaluation and issue award notifications through its internal process, with the expected start date of selected projects being 15 December 2026.

14. SDPI Rights and Reservations

By issuing this RFP, SDPI does not commit to funding any application or awarding the full available funding envelope. SDPI reserves the right to accept or reject any application, in whole or in part, and to cancel, suspend, or amend the RFP process at any stage. SDPI may request clarification or verification of

information submitted by applicants and may negotiate the scope, budget, deliverables, and implementation arrangements with selected applicants prior to award. SDPI also reserves the right to make no award where proposals are not of sufficient quality, relevance, or value for money. Any clarifications, amendments, or updates to this RFP may be issued prior to the submission deadline and will be communicated to all prospective applicants.