



CALL FOR TENDERS FOR DEVELOPMENT OF INNOVATIVE AGRI-FINANCING SOLUTIONS FOR PAHAL

Ref.: TAFHURUMA14.PAHAL.04

Date: 24th February 2025

GAWA Capital Partners SGEIC, S.A., ("GAWA"), a company of Spanish nationality, and Pahal Financial Services Pvt. Ltd. (the "Direct Beneficiary"), an Indian private limited require the services, with the characteristics and general conditions for their provision according to Annex I and Annex II respectively, in relation to the Technical Assistance Facility (TAF) of the Huruma Fund (the "Fund").

For the purpose of such procurement, GAWA and Pahal hereby issue this call for tenders by simple open award procedure, in accordance with the following:

1. Title

Development of innovative Agri-financing solutions for Pahal

2. Procedure

Award by simple open award (single-stage procedure).

3. Funding

This contract is financed through the Technical Assistance Facility (TAF) of the Huruma Fund. Huruma's TAF is primarily financed by the European Union¹, in the framework of the blending facilities (through the AgriFi thematic facility). This contract is co-financed by Pahal.

4. Contracting Authority

Gawa Capital and Pahal Financial Services shall act as contracting authority.

5. Maximum budget

The estimated maximum budget of this contract for professional fees is 350.000 Euros (including taxes) and any proposal exceeding this amount will be considered ineligible and will be disqualified from the process.

The estimated budget includes all possible services - a breakdown of fees, travel (travel and accommodation), general expenses, applicable taxes or any other type of expense that may be incurred in the execution of the work carried out -, regardless of the time at which they are to be carried out, as well as, where appropriate, any extensions or price revisions that may be established in the contract with the successful tenderer. Proposals based on ratios/hour without limit (cap), or similar formulas for estimating fees that could imply exceeding this maximum amount, or budgets based on assumptions of maximum time for the development of the work, will not be accepted.

¹ During the investment period, the Huruma Fund also makes a one-time contribution to the TAF of 0.10% of the Fund's aggregate commitments.



6. Tender calendar

MILESTONES	DATE
Publication of the Call for Tenders	24 th February 2025
Clarification period	4 th March 2025
Technical and economic offers submission	17 th March 2025
Amendments, if any, at the admission stage, until	2 business days
Amendments, if any, at the qualification stage, until	2 business days
Provisional award	25 th March 2025
Allegations	2 business days
Final award	28 th March 2025

For the purposes of this call, business days are understood to be those business days in the city of Madrid, Spain.

7. Clarification period

Tenderers have a period of 5 working days from the publication of the call for tenders to request in writing clarifications on the content of the tender as set out in the terms of reference before the submission of their proposals.

Where the clarification to be communicated to one of the tenderers could be of general interest to the other tenderers, the Contracting Authority shall make it known to all tenderers on equal terms and at the same time.

The request for clarification does not interrupt the tendering process, except where irremediable defects are found which render the process ineffective, in which case the Contracting Authority will inform all tenderers.

The Contracting Authority will have 2 working days to evaluate clarifications and respond in a timely manner.

8. Modification of the Call

In the event that before or during the period granted for the submission of proposals the contracting authority detects the need to introduce modifications to the call for tenders, the period will be extended to allow for a new competition, giving the same publicity as the initial call for tenders so that all potential tenderers can be informed.

9. Decision not to award or conclude the contract and withdrawal of the procedure

The decision not to award or conclude the contract or to abandon the procedure may be taken by the contracting authority before the contract is concluded for reasons duly substantiated in the file.

In such cases, candidates or tenderers eligible to take part in the tendering procedure shall not be compensated for the costs they have incurred.



10. Submission and deadline for receipt of proposals

This invitation to the tender shall be exclusively electronic in nature, so that the submission of proposals and the notifications and communications derived from the awarding procedure will be carried out by these means.

All proposals must be sent, in English, to the following e-mail address: tafhuruma.pahal@gawacapital.com including a copy to firuzi.vakil@pahalfinance.com and neha.sharma@pahalfinance.com. Proposals sent by any other means will not be considered.

Two electronic independent pdf files (Technical Proposal and Financial proposal) must be sent by email in password-protected PDF format (to ensure the transparency of the process) before 17th March 2025 at 14:00 (CET time). Proposals received after the deadline will not be accepted.

The password will only be sent after 14:01 hours (CET time) on 17th March 2025 to the same address to which the proposal was sent. Proposals for which the password is sent before the deadline date and time will not be accepted.

11. Content of the offer

Doc 1. TECHNICAL PROPOSAL

The content of the technical proposal must include, apart from other provisions included in the attached Annex II, as a minimum:

- a) Responsibility Declaration accrediting capacity to act, not being subject to any prohibition to enter into contracts and economic, financial and technical or professional solvency (see Annex III).
- b) Documents proving an average annual turnover of the company or the group to which it belongs in the field of services requires more than 100,000 Euros in the financial years 2023 and 2024.
- c) Documentation necessary to assess the tender's technical capacity:
 - Previous and relevant experience in the last five (5) years. A list of the main services or works carried out of the same or similar nature to those that constitute the object of the tender during the last five (5) years, indicating at least the amount, the date, the content of the services and the public or private recipient of the same. Additionally, bidders are required to submit an executive summary for at least three (3) selected projects from this list, highlighting key aspects such as project objectives, outcomes, challenges addressed, and their relevance to the current tender at least 1 page per project.
 - Analysis of the subject of the contract and the proposed methodological approach. Demonstrating a general understanding of the main challenges of the sector and of the task to be performed, pointing out possible shortcomings and/or suggesting solutions and ideas that may improve the quality of the task and its outcome. Proposing also the implementation methodology, the sequence



and duration of the proposed activities, the identification of important milestones in the execution of the contract and the personnel assigned to the different tasks.

- Curriculum Vitae (CVs) of the project team and consultants with whom the firm expects to implement the project, and which illustrate the relevance and quality of the general and specific professional experience of the personnel.

Doc 2. FINANCIAL PROPOSAL

The financial proposal shall be structured by means of a budget sheet expressing all costs in Euros (EUR) detailing the breakdown of consultancy days and tariffs of the different team members. Any future costs necessary for the continuation of the project in the long term shall be specified.

12. Experience requirements

The contractor will need to have the following experience/knowledge:

- Interstate outreach so that it can mirror the geographies of Pahal.
- Previous experience regarding agricultural financial products, loan officer trainings and general Microfinance industry in India
- Previous project experience in the defined states of implementation, including capacity to work on the relevant local languages.

The minimum recommended consultant working days are 522 and the minimum recommended team size and structure would comprise of

- Team leader – 1
- Project managers – 1
- Field associates or Field Personnel – 6 to 10

The recommended professional and educational experience for the proposed team is as follows:

- Team Leader: Master's qualification with a minimum of 10 years of relevant work experience
- Project Manager: Master's qualification with a minimum of 5 years of relevant experience
- Field associates/personnel: Graduation qualification with minimum 3-5 years of Community Outreach experience

The work experiences of the following areas will be considered relevant: Microfinance, Microfinance consulting, financial product development, agricultural finance, microfinance strategy and inclusive value chains.

13. Eligibility criteria

Natural or legal persons, local or foreign, who have full capacity to act, are not subject to any prohibition to enter into contracts and can prove their economic, financial and technical or professional solvency in the manner required in this publication, as well as in the conditions for the provision of the services requested indicated in Annex II, may apply for the award of the contract.



Economic and financial solvency shall be based on the tenderers' average annual turnover. In this regard, natural or legal persons intending to tender must have an average annual turnover of the company or the group to which it belongs in the field of the services required of more than EUR 100,000 in the financial years 2022 and 2023.

Technical or professional solvency shall be based on previous and relevant experience in the object of the contract (Annex I) in companies or institutions in the financial sector in India during the last 3 years. Likewise, there must be at least one professional associated with the execution of the contract with more than 3 years of experience in similar services.

14. Validation of eligibility criteria

In order to speed up the tendering process, candidates are required to submit the aforementioned Responsibility Declaration (Annex III) at the time of submitting the proposal, and only the tenderer selected in the provisional award is required to submit the supporting documentation at a later date, and in any case before the contract is formalized (as indicated in Annex V).

15. Modifications, if any, to the offer and its cost

Tenderers may amend their proposals by notification before the closing date for submission of proposals. Proposals may not be modified after this deadline.

16. Receipt and opening of proposals

The proposals to be submitted shall comply with the Terms of Reference (Annex I) and no tenderer may submit more than one offer, nor may it do so in a joint venture with others if it has done so individually or be in more than one joint venture. Nor may different companies that are related to each other or have any kind of incompatibility with GAWA Capital and Pahal submit proposals. In the event that these rules are violated, the tender will be declared inadmissible.

The opening of the bids will take place at the same time and with a guarantee of the rigour and transparency of the management. If any rectifiable defects are observed in the documentation submitted, the contracting body will grant, where appropriate, a period of two working days for the tenderer to rectify or correct the rectifiable defects. Simple non-essential formal defects and/or those that allow the documentation for the accreditation of tenderers to be completed are understood to be rectifiable.

17. Admission of tenderers

The Contracting Authority will analyse the documentation received concerning the conditions for the admission of tenderers in order to establish the list of admitted tenderers. If a rectifiable error is identified, the tenderer concerned will be asked to rectify it within two working days.

Once the list of admitted tenderers has been drawn up, the Contracting Authority will proceed to open and analyse the documentation submitted by the tenderers. If necessary, tenderers will be asked to rectify any rectifiable defects detected in the documentation submitted within two working days.

The Contracting Authority will assess the proposals submitted by the tenderers in accordance with the evaluation criteria indicated in section 11, for which it may request any technical reports it deems appropriate, all of which will be used to identify the best proposal.

If no proposals have been submitted or if the proposals submitted are inadequate, irregular or unacceptable, the procedure will be declared void.



18. Tender evaluation criteria

For proposals submitted that meet the eligibility criteria, the quality of each technical offer will be assessed in accordance with the evaluation criteria and the associated weighting as detailed below:

Evaluation criteria	Scoring criteria
Phase I	
Technical proposal: - Experience - Analysis and Methodology - Team	55 points: - Experience (25) - Analysis and Methodology (15) - Team (15)
Only proposals with a minimum score of 41 points will proceed to Phase II.	
Phase II	
Financial proposal	45 points
Total Score	100 points

The score for each section will be weighed according to its rating as excellent (100%), good (75%), average (50%), fair (25%) and poor (0%) in relation to the info and requirement set on points 11 and 12.

19. Classification of offers

Once the eligibility criteria of the proposals received have been examined, the valid proposals will go on to Phase I. Phase I will be ranked in order of score, in accordance with the information submitted and broken down in point 11.

Once the ranking has been updated, the proposals that obtain a minimum score of 48 points will pass to Phase II of the evaluation.

In Phase II, the financial offer of the qualified tenderers will be evaluated and once this evaluation Phase has been completed, the ranking of the classified proposals will be updated, and the provisional award of the tender will be made to the proposal with the highest overall score.

20. Criteria for evaluating the financial offer

The proposal with the lowest total budget receives 35 points. The others receive points according to the following formula:

Financial score = (Lowest budget / Budget of the proposal under consideration) x 35.

When evaluating the financial offers, the Contracting Authority compares only the total fees and lump sums and will take into account any recurrent and future costs associated with the continuation of the project.

21. Provisional and final award. Periods of allegations

The Contracting Authority will formally notify all tenderers of the provisional award to the best proposal. They will have a period of two (2) working days from the notification to request in writing allegations or to present arguments against the provisional award. The Contracting Authority must reply to these requests and, if appropriate, the contracting authority will rectify any defects that can be rectified, which must be formally communicated to all tenderers. This communication includes the new deadlines to be considered for the award process.



Neither allegations nor arguments against the procedure or its outcome will interrupt the tendering process, unless the existence of irremediable defects in the procedure is verified, which will render it ineffective, in which case the Contracting Authority will inform all tenderers.

The Contracting Authority will ask the provisional awardee, if applicable, to submit the additional documentation provided for in the terms of reference within two (2) working days. If the documentation requested from the provisional awardee is not received in due time and form, it will be understood that the latter has withdrawn its proposal, in which case the same documentation will be requested from the following tenderer, in the order in which the proposals were classified.

Once the requested documentation has been received in due time and form and favourably assessed by the Contracting Authority, the provisional award will become definitive, and the Contracting Authority will make the appropriate notifications.

22. Data protection

The successful tenderer must include in the contract the clauses on confidentiality and data protection of signatories and contact persons in accordance with the clauses described in Annex IV.



ANNEX I. SERVICES REQUESTED

CONSULTANCY FOR THE DEVELOPMENT OF INNOVATIVE AGRI-FINANCING SOLUTIONS FOR PAHAL

TERMS OF REFERENCE

1. Context

The Huruma Fund is an impact investment fund aimed at improving access to finance for small- and medium-sized farmers by investing in Microfinance Institutions (MFIs) and other Financial Intermediaries with an agro/rural focus, and strengthening their product design, offerings, processes, risk management and staff capacities. Huruma also supports producer organizations and SMEs in the agricultural value chains with the aim of strengthening and preparing them for the inclusion of smallholder farmers in their operations.

The Technical Assistance Facility runs parallel to the investment fund and operates independently. It is funded by the European Commission through COFIDES and governed by the Technical Assistance Steering Committee.

The Technical Assistance Facility is a key element of the Huruma Fund's value proposition and is set up to strengthen the invested entities. This is channeled through tailor-made Technical Assistance projects to improve their capacities and help increase the overall impact of the investments.

2. Location

This technical assistance project will be carried out in Ahmedabad (Gujarat, India) with potential travel within the country specially in any 4 states where PAHAL is present (Gujarat, Rajasthan, Bihar, and Madhya Pradesh)

3. Partner Institution

Pahal Financial Services Pvt. Ltd

4. Contribution Agreement

On the 7th of September of 2024 a Contribution Agreement was signed between Pahal Financial Services Pvt. Ltd and GAWA Capital, agreeing to provide technical assistance to Pahal. This agreement stipulates the essential characteristics of the project, which consists of the development and implementation of innovative and tailored Agri-financing solutions for Pahal to improve its product and service offerings to farmers.

5. Subject of the contract

Beneficiary

Pahal Financial Services Pvt. Ltd. (hereinafter referred to as 'Pahal') is an NBFC-MFI in India that started its operations in 2011. It provides microfinance services to low-income households. It is dedicated to providing high-quality services to its customers through a diverse array of financial and non-financial offerings.



Pahal has rapidly emerged as one of the fastest-growing NBFC-MFIs in India. This rapid growth has been due to its strong emphasis on technology, enabling efficient scalability in a short period.

Pahal currently serves more than 0.5 million customers through a network of 340 branches spread across 9 states and 1 union territory. Its product portfolio includes group loans (89.29%²), individual loans (8.08%), and secured vehicle loans (2.63%). Upwards of 30% of the gross loan portfolio (with 300,000 loan accounts) is currently directed towards the agriculture and allied sector. Some of Pahal's financial products, apart from the core microfinance loan, include water and sanitation loans, education loans, health insurance, cattle insurance, etc. To enhance the overall well-being of its clients, Pahal also provides non-financial services to its clients, such as health consultations to its client community.

Importantly, Pahal has begun prioritizing environmental considerations as part of its strategy by introducing two products - solar lights as part of the group loan, and financing for clean water and sanitation. It is also aiming to formulate a formal environmental policy and performance system to monitor its carbon footprints.

Context

The agriculture sector contributes about 19% to the Gross Domestic Product (GDP) and employs around two-thirds of the population in India. The scale of agriculture ranges from merely subsistence farming to large-scale export-oriented contract farming for multinational companies. Though capital is one of the primary factors of production needed for agricultural activities, the agricultural finance sector in India has certain key issues that prevent the credit needs of the farmers from being met. Some of these issues include:

- **Sub-sector bias:** Credit bias by the traditional financial institutions (FIs) against the small and marginal farmers. This bias could be a result of high cost of service delivery, limited mechanisms to assess creditworthiness, etc. Relatedly, smallholder farmers lack collateral and struggle to access finance from traditional FIs.
- **Lack of customized products:** Farmers typically get access to generic loan products under microfinance. These products are not tailored to the specific needs of farmers (especially small and marginal) or aligned with their cash flows. This is despite the presence of several FIs, including a large number of pro-poor microfinance institutions (MFIs) providing agricultural loans to farmers.
- **Gender-related challenges:** Implicit gender bias in the agriculture ecosystem, with 85% of rural women engaged in agriculture but only 11% of them own agricultural land. As a result, women farmers face issues in accessing credit at competitive rates for agricultural activities. The situation is compounded further by societal/gender biases.

These issues lead to a situation where the core financing needs of small and marginal farmers on cultivation-related expenses (seeds, fertilizers, Agri-equipment) are not being met by traditional FIs. Therefore, farmers still rely on high-cost informal finance to meet Agri credit needs - about one-third of loan requirements of households engaged in agriculture are being met through non-institutional sources. Data also indicates higher dependence among marginal

²Percentages of total loan portfolio



farmers compared to larger farmers (~49% of loans from institutional sources for the former and ~79% for the latter). Lack of affordable finance restricts the ability of smaller farmers to invest in quality inputs (seeds and fertilisers) and modern farming equipment, thus hampering their productivity.

These credit gap issues and problems in the Agri-financing landscape open opportunities for Pahal to offer tailored Agri-credit products for smaller farmers. This is an underserved segment and access to finance will also improve the agricultural productivity of small holders. With this understanding that there are unmet needs and potential opportunities for Pahal in the Agri-financing landscape, Pahal has designed an Agri-finance strategy.

Pahal Agri-finance strategy narrowed down and deep dived a few key product constructs specifically on input financing, agri-equipment financing, working capital financing). These holds promise for Pahal and address some of the unmet needs of individual farmers and aggregators.

For the input financing product, it was understood the primary research that there is a predominance of unorganized financing for smaller farmers with very high interest rates (at least 3-5%/month) being charged currently. Moreover, agri-input shops - important players in the agri-input ecosystem - do extend credit to farmers but it is usually up to INR 10,000 (~Euros 110) only, which is insufficient to meet the agri-input expenses. Concurrently, there is a huge demand for agri-input financing among farmers. Field-level insights showed that farmers regularly need money for agri-inputs in every cropping season. At a macro level, the agri-inputs market is big and estimates suggest that it is expected to witness strong growth at 8.1% annually and touch USD 8.1 billion (Euros 7.5 billion³) by 2025. This strong growth suggests that farmers will need to invest in various inputs and will need access to finance. Accordingly, these market gaps and demand offer good scope for financiers like Pahal to have specific input financing product for covering agri-input expenses and cultivation costs of the smaller farmers.

Similarly, there are market gaps in the Agri-equipment financing market. For bigger Agri-equipment such as tractors, significant competition exists. Further, existing FIs like traditional banks usually have a criteria of minimum landholding size (~1.5 ha) while financing Agri-equipment. Thus, all the marginal and many small farmers who have microcredit needs in Agri-equipment are systemically excluded from access to credit by traditional FIs. The Indian Agri-equipment market is also estimated to grow at a healthy CAGR of 8.5% and reach USD 19.96 billion (Euros 18.56 billion) by 2028, signifying robust future demand. Ground-level feedback gathered from the field visits in TA I suggested that most farmers raise inquiries to equipment dealers about financing options before buying Agri-equipment. Agri-equipment manufacturers also anticipate a growing demand for smaller Agri-equipment like power weeders, power tillers in the future too, driven by the trend of decreasing average farm size in India. These market trends offer opportunities for Pahal to foray into the niche sub-segment of small-Agri equipment financing within the overall Agri-equipment market.

Additionally, there are key gaps in the financing working capital financing through aggregators such as FPOs and other cooperatives, as well as in invoice discounting. All of these present opportunities for Pahal.

³Conversion rate of USD 1=Euros 0.93 used in this document



In the FPO financing space, though the FPO credit market is huge (credit requirement in the range of INR ~600 crore or ~Euros 66 million), it is largely serviced by 3-4 NBFCs, including NABKISAN, Ananya, and Samunnati. For instance, Samunnati specifically provides input procurement loan and catalytic infrastructure loan for FPOs. Despite this, FPOs have been struggling to get commercial capital. Banks particularly have not ventured deep into FPO financing due to unclear policy directives, information asymmetry on FPOs' operations and business potential, etc. At the same time, FPO financing is expected to witness strong growth and in the next 3 years, its credit market (excluding on-lending) is expected to be about INR 2,000 crore (Euros 220 million). This signifies the high potential of aggregators such as FPOs in the coming years. These aggregators, cooperatives, and FPOs (including the likes of Mithila Vegetable Processing and Marketing Cooperative Union Ltd. in Bihar) have a strong reach among the smaller farmers. Moreover, there is demand for invoice discounting products among farmers, which they use to address their short-term working capital needs. Though new players such as Samunnati and Jaikisan have ventured into this area by launching receivable financing loan and supply chain financing products, it is still a nascent market in India. Therefore, products of this invoice discounting nature to meet the short-term working capital needs of the farmers (who are members of the aggregators such as cooperatives and/or FPOs) are good market opportunities for Pahal.

Contract Description

Based on Pahal's Agri-financing strategy the project seeks to Develop and Implement innovative and tailored Agri-financing products for Pahal.

The Contract involves the development and implementation of at least three Agri-financing products taking care of all the product development phases and processes (Market scoping, Product and Process Design, Pilot and monitoring, Rollout and Scale up)

Development and implementation of innovative and tailored Agri-financing solutions for Pahal

Product 1 - Input financing

Product 2 - Agri-equipment financing

Product 3 - Working capital financing

Product Development Phases

1. Market scoping
2. Product and Process Design
3. Pilot and monitoring
4. Rollout and scale up



Detailed Activities

The product creation process has been segregated into the following four phases in order to organize and structure the work and track the different milestones of the process. These timelines apply for each product and should be read linearly. Work on all these three products shall be executed simultaneously. However, it is important to note that different products may have different starting points and need differentiated pace of work, and if one activity of a product gets completed earlier, the next activity will be started as long as it does not have any bearing on the activities of other products. In this scenario, a product such as say, input financing, might be piloted earlier than the other two products.

These phases and activities shall be taken as informative and potential implementor are advised to propose their own development path pointing out possible shortcomings and/or suggesting solutions and ideas that may improve the quality of the task and its outcome. Suggesting also the implementation methodology, the sequence and duration of the proposed activities, the identification of important milestones in the execution of the contract and the personnel assigned to the different tasks.

Phase 1: Market Scoping	Phase 2: Product and Process Design	Phase 3: Pilot	Phase 4: Rollout and scale up
<u>Activities:</u> - Detailed market analysis and demand assessment - Identification of partners - Risk assessment	<u>Activities:</u> - Pahal Institutional Assessment and GAP analysis - Product design and development - Process design - Pilot Strategy - Partnership Formalization - Training needs and content development - Capacity building of Pahal Staff	- Pilot implementation - Monitoring and feedback - Capacity building of Pahal Staff	- Scalable Strategy for Expansion -
<u>Deliverables:</u> - Market Scoping Report	<u>Deliverables:</u> - Product Prototype - Product and process Manual - Training modules - Pilot Strategy	<u>Deliverables:</u> - Pilot Phase final report	<u>Deliverables:</u> - Draft Scalable Plan - Final Report
<u>Target Timeline:</u> 3 months	<u>Target Timeline:</u> 8 months	<u>Target Timeline:</u> 9 months	<u>Target Timeline:</u> 4 months



PHASE 1: MARKET SCOPING

Activity 1.1. Detailed market analysis and demand assessment:

A detailed market scoping and analysis for the different products will be conducted to get an in-depth understanding. The detailed market scoping and research will include components of desk/secondary research, Key Informant Interviews (KIIs) for supply-side assessment and demand-side qualitative research. These will be needed to assess in detail the supply as well as demand side perspectives for the respective Agri-financing products.

The study should also conduct an analysis of the competition in the different zones, identifying those financial institutions present and their target segments and clients, as well as their product offerings for the agricultural sector. It is especially important to include public institutions or programs that may have a highly distorting effect on the market.

Some specifics of detailed market research for the planned products are as follows:

- **Agri-equipment financing:** Small Agri-equipment such as power tillers, power weeders, sprayers, seed drills, tractor cultivators, hand tools, digging tools, portable harvesters, irrigation systems, etc. was identified as a promising asset category that can be financed by Pahal. However, it is necessary a more detailed market research aimed at dive deeper into the small Agri-equipment market to narrow down on specific small Agri-equipment products and the alliances needed with direct potential to be implemented and financed by Pahal.
- **Working capital financing:** Similarly, for working capital finance, cooperatives and FPOs have been identified as promising channel partners for financing farmers via bill discounting or other products. However, a dive deep into the aggregators' (cooperatives/FPOs) market should be done to understand market trends, demand-supply dynamics, competitive landscape, market saturation, preferences of farmers, etc., with an aim to narrow down on working capital products for farmers that can be launched by Pahal. This product(s) will leverage the aggregation strengths of cooperatives/FPOs, including the Mithila Union who has been pre identified as having excellent potential.
- **Input financing:** This product already exists in Pahal's portfolio and there are compelling reasons for its launch its market research will include targeted secondary desk research along with specific interactions with agritechs, Agri-input dealers, etc. to pinpoint potential partners, and qualitative research on the demand side to evaluate the existing input financing product and processes

KIIs with industry experts: The KIIs will help understand in detail, the supply side issues. KIIs will be done with experts in the small Agri-equipment value chain and working capital and aggregators' Agri-value chain. Some of the institutions that need to be interviewed include FIs (banks, NBFCs), agrifintechs, Agri-equipment manufacturers, dealers, distributors, etc.



Qualitative research of demand side: The demand-side qualitative research will be done by deploying a team of market research experts to conduct surveys, interviews, and focus group discussions with farmers. This exercise will help to gain deeper insights on the three products. It will help us in assessing the farmers' expectations and preferences from the products, as well as product attributes that are preferred by them. Some of the product attributes to be assessed include cost of loan, tenure and frequency of repayment, digital processes, loan amount, convenience of processes and transparency and communication. In the case of existing input financing product, this exercise will also help to gauge the perspective from, and identify challenges faced by, customers/ farmers in the existing input financing product and processes.

The analyses and market research will build on the study in TA I through which the agri-financing landscape was analyzed and curated certain products as promising whitespaces for Pahal to pursue.

1.2 Identification of partners:

For input financing, detailed desk/secondary research will be conducted to identify potential agritech partners for Pahal. The assistance from agritech partners during the customer sourcing, screening and due diligence processes will be calibrated with their respective ground level presence and due diligence capabilities. This means that in partnerships where agritechs do not have a strong field presence, Pahal can do customer sourcing given its stronger ground presence. Partnerships with agri-input suppliers and companies that produce and supply seeds, fertilizers, pesticides, and other agricultural inputs to farmers also need to be considered. Moreover, partnerships with cooperatives such as Mithila Union and other FPOs having a captive base of farmers will be explored for channelizing Agri-inputs to the farmers.

Similarly, for the Agri-equipment and working capital financing, the detailed market analysis and demand assessment conducted in 1.1 above will help in identifying potential collaboration opportunities with partners that Pahal can tap to address market gaps (for Agri-equipment financing, partners such as Agri-equipment manufacturers, dealers, distributors and for working capital financing, partners such as Mithila Union in Bihar and FPOs).

For all the three products, partnerships will also be explored with other ecosystem partners such as deep tech companies and weather-based insurance providers that can help in firming up the products. Examples of deep tech companies include new age space tech companies such as SatSure, where collaboration can help Pahal in getting innovative decisioning solutions based on spatial/remote sensing data and AI/ML, which in turn can lead to better loan decisioning and management. Similarly, partnering with weather-based insurance providers such as HDFC Ergo and IFFCO-Tokio will help Pahal in bundling index-based insurance with the three products. This can compensate farmers and derisk them from weather-related financial setbacks and ensure that loan obligations are met despite crop losses. This index-based insurance product becomes especially important considering that between 2016–2021, climate change-induced extreme weather events such as cyclones, flash floods, floods, and landslides caused damage to crop in over 36 million hectares, a USD 3.75 billion (Euros 3.49 billion) loss for farmers in India.



These companies will be evaluated based on their reputation, technological and operational capabilities, expertise gaps of Pahal, geographic coverage, etc. and discussions and negotiations to establish partnerships will be sought.

1.3 Risk assessment:

A comprehensive assessment to identify potential risks associated with all the three products, including credit risk, socio-environmental risk, market risk, operational risk, regulatory risk, etc. will be conducted. The risk factors will be analysed in depth, considering their likelihood and potential impact on project outcomes and KPIs such as increased and easier access to finance by farmers, turnaround time, etc. Given the specialized nature of these agri-credit products, an agri-credit risk manager (which will be part of the *Champion* team that is mentioned later) will lead this risk assessment exercise and will be supported by the implementor team members. Throughout this process, the implementing partner will seek inputs from Pahal's in-house risk / compliance and internal audit teams.

PHASE 2: PRODUCT AND PROCESS DESIGN

2.1 Pahal Institutional assessment and Gap analysis:

To understand supply side in detail, an in-depth assessment of Pahal will be performed. Here, areas such as Pahal's resources, capabilities and infrastructure (physical, financial, technology, human), organization structure (sales, credit, risk, policy, IT and operations), etc will be analysed with respect to agricultural credit in contrast to best market practices. The gap analysis will focus not only on operational issues, but also on the strategic and organizational issues of the commercial department with respect to agricultural lending.

For this, detailed discussions will be held with Pahal's staff. These interactions will also help understand the competition-level and market-level challenges, pricing, product outreach, customer feedback, and process gaps. This information will be used for identifying the areas of improvement in terms of skills, policies, and processes, for front-end and back-end staff of Pahal.

2.2 Product and Process Design and Development:

Products will be built based on considerations such as digital and technology enabled processes, customer experience, skills of the staff, market needs, competition, etc. In this phase, the implementing partner will support Pahal to develop need-based and customer-centric loan products backed by in-depth primary and secondary research.

For this, detailed discussions with Pahal's teams involved in agri financing will be held. Further, demand-side qualitative research mentioned in Phase I will be used. This will help identify bottlenecks and inefficiencies in the existing product and processes including loan application, approval, disbursement, repayment, and monitoring. These will help during the product design and process refinement stages.



Some of proposed aspects to cover while designing the products include:

- **Product:** Purpose (e.g. purchase of Agri-inputs -seeds, fertilizers, pesticides, payment of labour charges, irrigation cess, etc.), Loan size (e.g. INR ~5000 to 1 lakh and their alignment with the financial requirements of above identified target customer segments, benchmarking against industry standards), Eligibility (e.g. marginal, small, semi medium farmers), Facility (e.g. demand loan or cash credit), Repayment frequency (e.g. monthly/fortnightly, grace period)
- **Pricing:** Rate of Interest, Processing Fees, help comparing the pricing structure of Pahal's products with competitors such as traditional FIs, NBFC-MFIs, agrifintechs, etc.
- **Place:** Existing network of branches best fitted for the new products; branches to act as primary point of sales
- **Promotion:** Agriofficers/Field Coordinators (FCOs) at branch level to visit farmers, Mobile/SMS based campaigns, One-on-one consultations for farmers over phone, Referral-based reward programs, Printed materials/videos/tutorials in Hindi/local dialects, Tap FPOs/agritechs.
- **People:** Dedicated or generalist officers per branch for engaging with farmers, FPOs and others like agritech partners for sourcing, collections and managing overall customer relations
- **Front-end processes:** Front-end processes involved in availing financing will be examined, including loan application procedures, documentation requirements, and customer service interactions. Definition of the roles of FCOs/Agri-officers, Agritechs/FPOs/dealers, or the Loan Origination System.
- **Back-end processes:** The analysis will delve into the back-end processes associated with financing, such as loan approval mechanisms, risk assessment protocols, and disbursement procedures.
- **Process Manual:** Identification and analysis of decision points and dependencies in the processes. Refining the processes may involve simplifying the loan application or automating certain parts to enhance efficiency. Detailed documentation of mapped processes, including SOPs and process notes will be developed.
- **Roles and responsibilities:** Set and clarify roles, responsibilities, decision points, and dependencies within Pahal's internal systems and partner systems to ensure seamless execution during the pilot phase. For this, the implementing partner will conduct a thorough review of existing processes and workflows with potential partner systems comprising agri-equipment manufacturers, dealers, distributors, FPOs, etc.

Besides, all financial products must be designed to incorporate comprehensive environmental risk analysis and management system, ensuring that the financed activities are environmentally sustainable and aligned with regulatory and sustainability frameworks. A credit environmental policy should be developed for this purpose.

An internal **Champion team** will be established, that will be comprise individuals from various levels of Pahal's management, including senior, mid-management, and field teams. Given the project's specific agri-financing requirements, this *Champion* team will also have a project manager (with experience in agriculture) and a risk manager (with agri-credit risk background). The implementor will help Pahal define roles and responsibilities of these managers. This team



will be directly involved in product development and in pilot testing and rollout of the three products. It will have managerial representatives from key departments such as products, field operations, back-office and central operations, risk management, HR, technology, and training.

This team will be the internal project coordination team that the implementor will handhold and train on all aspects of research, product development and go-to-market (GTM) planning and execution. This team will play a vital role in achieving project milestones, change management, and driving acceptance of the products across departments. This approach will ensure product ownership and knowledge transfer to build Pahal's capacity to independently monitor and manage the products after rollout.

PHASE 3: PILOT

3.1 Pilot strategy:

The implementor, in consultation with the leadership of Pahal and the *Champion* team, will define a pilot testing strategy. The discussion will help finalize key aspects of the pilot plan, including the number of branches for the pilot, timeline, roles and responsibilities of the pilot team, pilot objective, and monitoring mechanism. The plan will also include contingencies for the challenges that may arise during the pilot.

The KPIs for the pilot phase of the three products will also be defined, using which monitoring will be done. On the basis of the pilot and the achievement of KPIs a decision will be taken to roll out the products at scale. Examples of KPIs include targets of monthly loan disbursement, repayment rate, monthly portfolio growth rate, process turnaround time, and qualitative parameters such as customer and staff satisfaction with the product and processes. The required data will be built into the MIS modules that Pahal uses to monitor its business. Some of these KPIs will be later used to complement the overall performance of the project.

The pilots for the three products can be indicatively done in 4-5 branches in the focus states among the existing geographies of Pahal, which also have market gaps and opportunities for these three products. The scale, exact locations and branches for the pilots for the three products will be selected considering market potential, performance of the branch, business growth and portfolio quality, strength and interest from partners, availability of key managerial persons, etc.

Along with the pilot plan, the implementing partner will help Pahal create collaterals to train its staff cadres and disseminate the three products to existing and prospective customers.

3.2. Partnership formalization:

For the three products, formal partnerships will be established, and terms of collaboration will be negotiated, building upon our initial engagement with partners identified in 1.2 above. Partnership agreements will be developed outlining clear roles and responsibilities between Pahal and partners, governance structures, and performance metrics to ensure transparency and accountability throughout the partnership. Simultaneously, clear roles and responsibilities will be defined for the internal processes and teams within Pahal.



3.3. Training Needs Assessment (TNA) and content development:

The implementing partner will conduct a Training Needs Assessment to understand the needs of Pahal. We will interact with the *Champion* team and the Pahal staff to gauge gaps in essential skills and knowledge related to the new and redesigned products, and aspects of training to be focussed upon for each relevant department such as sales, credit, operations, risk, etc. within Pahal. Need assessment will cover both technical (product and systems related) know-how and skills required for execution and will prioritize the locations selected for pilot testing.

To assess the training needs of the staff, a survey of Pahal's staff (who will be trained before the pilot) will be conducted to ascertain their primary needs for the pilot. The data from this survey will be used to identify curated training needs. Thereafter, the implementing partner will delve deeper into specific areas by deploying a mixed method approach (utilizing a combination of individual interviews and focus group discussions) with the departments. Also, holding discussions with Pahal's senior management to gather their feedback and to understand their perspective on knowledge and skills gaps in different departments of Pahal.

Training content will thus be developed based on the insights gathered from within Pahal.

3.4 Capacity building of Pahal's staff:

The key activities in the capacity building process are as follows:

Activity	Details	To be indicatively done by
Review existing training mechanism	To review the existing training mechanism for the Pahal staff, assessment of the current training methods, training calendar, and trainers' qualifications and effectiveness will be done.	Implementing partner
Develop training content	Design training materials based on the gaps identified, ensuring content relevance and effectiveness. The training materials will include presentations, printouts/brochures, etc.	Implementing partner supported by Pahal
Design training implementation plan	Develop a comprehensive training implementation plan, including updating of calendar, training duration, participant details, etc. Further, the development of KPIs for different staff levels will be done. This plan will include plans for both, the Training of Trainers (ToT) and training of the staff. Based on feedback from Pahal, the training modules, calendar, plan, and KPIs will be reviewed and adjusted accordingly.	Implementing partner and Pahal
Deliver training	After finalizing the design of the training program, the training sessions will be conducted as per the training plan. A ToT approach will be adopted for the efficient transfer of knowledge and the skills	Implementing partner and Pahal



	<p>essential to monitor, customize and scale the product. A team of trainers will be identified from the training department as well as from departments that handle products, processes and field operations.</p> <p>A minimum of 1 Manager and 6 to 10 regional trainers will each receive at least 80 hours of training.</p>	
Evaluate training effectiveness	<p>Following the completion of the training program, monitoring and evaluation will be done to assess the effectiveness of the training delivered. This evaluation will be based on pre-established KPIs.</p>	<p>Implementing partner supported by Pahal</p>
<p><i>Refresher and top-up training: If needed, refresher and top-up training would be conducted to address any specific issues, after identifying the gaps during the training evaluation.</i></p>		

3.4 Pilot implementation:

The pilot will be conducted in the selected locations for the three products as per the pilot plan. Stakeholders engagement, including farmers, agritech partners, and other partners, will be done to gather their feedback and address their concerns during the pilots.

3.5. Monitor pilot progress and incorporate feedback:

The data on KPIs will be collected to track the progress and impact of the three pilots. Performance of the pilots against predefined KPIs and milestones will be closely monitored. The monitoring exercise will be done at periodic intervals during the pilot phase, and it will help in course correcting and optimizing the products and processes. Feedback will be gathered from borrowers, Pahal staff, partners, to gather information and data about the KPIs. This will help analyze the pilot outcomes and assess its effectiveness, identify improvements, and redefine the KPIs, if required. Additionally, a thorough assessment of each step should be conducted, providing detailed insights to pinpoint areas within the processes that require enhancement. The field activities and the systems of internal control for pilot implementation will be evaluated to understand the engagement required from each team and modifications in team composition to enhance customer outreach.

PHASE 4: ROLLOUT AND SCALE-UP

4.1 Expansion Strategy

Based on the evaluation of the pilot phase on the pre-defined KPIs and pilot objectives, products, processes, systems, training materials, etc will be refined and a draft strategy for scale up will be formulated. This draft strategy will outline the necessary steps, resources, and timelines required for successful expansion in a phased manner to meet Pahal's goals and targets over the next 3-5 years. As part of the initial assessment, on a phased scale-up after the pilots in 2025, the agri-portfolio for these three products can become more than 10x and cross INR 1,600 crores (Euros ~180 million) by 2029, while adequately meeting the non-qualifying assets criteria of 25%.



This strategy will also comprise a change management strategy, that will ensure seamless implementation of these three agri-finance products. Some of the aspects that will be covered in this strategy are product and process refinement, marketing and promotion, customer engagement and feedback, risk management, monitoring and evaluation, etc. Resources and financial planning considerations for the scale-up phase will be integrated into the overall strategy to support sustainable growth.

For building this strategy, engagement with the Pahal's senior leadership should be sought to communicate pilot results, gather their inputs, and build consensus on the strategy for program expansion.

4.2 Capacity building of Pahal's staff:

In parallel to the adoption of the new methodology or agricultural product, the project team should design and implement a training scheme for existing or new Pahal staff.

These trainings will include training hours for field staff focusing on marketing activities, visits to producers to collect data, loan analysis and approvals. In addition, management staff will be trained on the same topics from a strategic point of view.

4.3 Final report submission:

This scale up strategy will be a part of a final project report that will also include data from the secondary research, insights from primary research, the pilot testing and monitoring report, and the products' rollout strategy. Along with the final project report, all the training modules and collaterals which will be developed during the project will be submitted.

Proposed External Team involvement

The tentative phase-wise involvement of the staff (in terms of roles and activities) should be as follows.

These phases and activities shall be taken as informative and potential implementor are advised to propose their own development path pointing out possible shortcomings and/or suggesting solutions and ideas that may improve the quality of the task and its outcome.

Staff	Phase 1: Market scoping	Phase 2: Product and process design	Phase 3: Pilot roll-out and monitoring	Phase 4: Rollout planning and scale-up	Time Commitment
1 Project Lead	<ul style="list-style-type: none"> Supervise the project at the overall level 				15%-20% FTE in the Project



	<ul style="list-style-type: none"> • Provide expert guidance and strategic advice during the course of the project 	
1 Project Managers	<ul style="list-style-type: none"> • Overall project management and resource allocation • Oversee the execution of project tasks, ensuring that project plans are followed. • Quality assurance of the project and deliverables • Build partnerships with layers in the agri-financing ecosystem. • Partnership Formalization • Training needs • Pilot Strategy • Scale up Strategy • Review the reports and deliverables 	Full time
6-10 Field Associates	<ul style="list-style-type: none"> • Execution of project tasks <ul style="list-style-type: none"> - Detailed market analysis and demand assessment - Identification of partners - Risk assessment Activities - Capacity building of Pahal Staff - Pilot implementation - Monitoring and feedback 	Full time
Short term Experts	<p>Specific tasks or deliverables can be assigned to specialized short term consultants after non objection from Pahal on issues like:</p> <ul style="list-style-type: none"> • Pahal Institutional Assessment and GAP analysis • Product design and development • Process design • Content development for Training 	Short Term contracts



6. Main expected deliverables

No.	Activity	Indicator	Baseline	Goal
1	Detailed market analysis and demand assessment	Market scoping report for the three products	Existing report on agri-financing submitted to Pahal as part of TA I	Development of a detailed market scoping report for the three products
2	Product and process design	Process reports - process manuals, SOPs for the three products	Existing processes for input financing product	Redesign and development of product prototypes for all three products
		Report regarding environmental management system embedded in product development.	No	Yes
		Pilot strategy report for the three products	No	Yes
		Marketing collaterals and campaigns for enhancing awareness among the farmers about the three products	Existing partners for the input financing product	Development of new marketing collaterals for these three products
		Training content and modules for capacity building of Pahal's staff	No	Yes
3	Pilot rollout and monitoring	Pilot feedback report	No	Yes
		Training Program	No	Yes
4	Rollout planning and scale-up	Scalable strategy for the three products to expand to more branches and customers	No	Yes
		Change management strategy for scaling up	No	Yes



7. Main expected results

No.	Activity/Phase	Indicator	Baseline	Target
	Overall project level	Agricultural portfolio		
		Total agricultural portfolio for these three products from the pilots	Existing loan portfolio (INR ~1 crore)	INR 75-150 crores (Euros 8.3-17 million)
		N° of Partnerships (FPOs/Other) established	0	N/A
		Product-wise split		
		Agricultural portfolio for input financing from the pilot	Existing loan portfolio (~INR 1 crore for the input financing product with Upaz)	INR 25-50 crores (Euros ~2.8-5.5 million)
		Agricultural portfolio for working capital financing from the pilot	Nil	INR 25-50 crores (Euros ~2.8-5.5 million)
		Agricultural portfolio for agri-equipment financing from the pilot	Nil	INR 25-50 crores (Euros ~2.8-5.5 million)
		No. of agri-customers⁴		
		Total no. of agri-customers for these three products from the pilots	Existing customers catered to (~900)	26,250–52,500
		Minimum percentage of female agri-customers reached through piloted products	Nil	50%
2	Product and process design	Product-wise split		
		No. of agri-customers for input financing from the pilots	Existing customers catered to (~900 for the input financing product with Upaz)	6,250–12,500
		No. of agri-customers for agri-equipment financing from the pilots	Nil	10,000–20,000
		No. of agri-customers for working capital financing from the pilots	Nil	10,000–20,000
		No. of new products developed	Existing input financing product	Redesign and development of all the three products

⁴Estimated assuming average ticket sizes of input financing, agri-equipment financing and working capital financing products as INR 40,000, INR 25,000 and INR 25,000 respectively. However, please note that each of these products will have a size range, up to a tentative ceiling of INR 2 lakhs.



		No. of partners engaged with, for the three products	Existing partners for the input financing product	Forging new partnerships for the three products
3	Pilot	No. of trainers receiving the training program	0	1 manager, 6-10 regional trainers

8. Provisional date of the contract

April 2025

9. Implementation period

The initial period of contract execution will be 24 months. This period may be extended, subject to the approval of the Contracting Authority.



ANNEX II. CONDITIONS FOR THE PROVISION OF THE REQUESTED SERVICES

The following are a number of conditions for the provision of the requested services which must be incorporated into your proposal in order for it to be considered as an admissible tender, either by acceptance by reference to this document or by incorporation in the proposal itself in the same or substantially similar terms.

a) Involvement of the external consultant and working methods

The external consultant shall take the lead role in the execution of the services requested in this document.

The main consultant for GAWA Capital and Pahal shall be your firm, without prejudice to the fact that you may use, if deemed necessary, other consultants, your own or associated, in all those matters that require your collaboration. Your firm must be in a position to liaise with said consultants, assuming responsibility for their work, without prejudice to the direct communications that GAWA Capital and Pahal consider necessary to maintain with the same, in order to make any clarifications that may be necessary on the content of the reports prepared by said consultants or on the actions carried out by them.

Invoices for fees shall be issued by his/her own firm to Gawa Capital

b) Conflict of Interests

In performing the work your firm shall provide impartial and objective consulting services and shall not have or permit persons involved in the work to have any conflict of interest in accepting or performing such work.

c) Confidentiality

See Annex IV.

d) Protection of personal data

See Annex IV.

e) Intellectual Property Rights

All reports, studies, business plans, graphs, technical data, specifications and any other material prepared for this consultancy work are produced exclusively for Pahal and GAWA Capital, who may use them either internally or with third parties.

f) Non-transfer of workers

Under no circumstances may this call for tenders be understood or implied as a transfer of workers by the firm to Pahal.

The firm must state in its proposal the commitment to exercise in a real, effective and regular manner the power of management inherent to any company in relation to its workers.

It must also indicate in its proposal the person, belonging to its staff, who will coordinate the work and will be the interlocutor with Pahal.

g) Validation of eligibility criteria

No contract may be awarded to any entity whose eligibility criteria have not been previously validated (see Annex V).

Consequently, compliance with this requirement shall be an essential precondition for the contracting of its services, and it is imperative that the tenderer provides documentary evidence of the eligibility criteria and that its proposal includes the confidentiality undertaking and the Responsibility Declaration referred to in Annex III.



h) Additional documentation

The attached form (Annex V) incorporates the documentation to be provided for such validation, which will be requested from the successful applicant in the provisional award. In the event that some of the documentation is already in the possession of GAWA Capital and Pahal, please state this on the form itself.

i) Contract

If your Entity is the successful tenderer, it shall enter into a contract with Pahal containing at least the following information:

- a) The identification of the parties.
- b) The accreditation of the capacity of the signatories to sign the contract.
- c) Definition of the object of the contract.
- d) Reference to the law applicable to the contract.
- (e) A list of the documents making up the contract.
- (f) The price certain, or the manner of its determination.
- (g) Any possible modifications and the method of their cost.
- h) The duration of the contract or the estimated dates for the beginning of its execution and for its completion, as well as that of the extension or extensions, if foreseen.
- i) The conditions of reception, delivery or acceptance of the services.
- j) The terms of payment.
- k) The cases in which termination is appropriate.
- l) The regulations relating to the previous sections on: confidentiality, data protection, transfer of workers, subcontracting and technical capacity, intellectual property rights.

j) Law and jurisdiction

The service contract if selected shall be subject to Spanish law and jurisdiction.



ANNEX III - MODEL OF RESPONSIBILITY DECLARATION
(For provisional award prior to final award)

Date:

Name/Company name of tenderer:

VAT number/Other tax identification number:

Subject of the tender:

I RESPONSIBLY DECLARE

- I. That the tenderer (name of the natural or legal person) has full capacity to act.
- II. That the tenderer (name of the natural person or legal entity) is not subject to any of the prohibitions on contracting referred to in Article 71 of Law 9/2017, of 8 November, on Spanish Public Sector Contracts (LCSP) ⁵ and has the technical or professional authorisation to execute the order.
- III. That the tenderer (name of the natural or legal person) can accredit its economic-financial and technical solvency.
- IV. That all the supporting documentation relating to the previous sections can be provided to GAWA Capital and Pahal prior to the final award in the event that the tenderer is selected for the contract in accordance with the provisions of the tender.

Signature:

Name:

Position of the signatory (*with powers of representation*):

VAT number:

E-mail address:

Your data will be processed for the purpose of managing the commercial and administrative relationship with GAWA Capital and Pahal, the legal basis for the processing being the execution of the contract to which you are a party. The data will be kept for the duration of the contractual relationship and the appropriate legal periods. To exercise your rights of access, rectification, deletion, portability, limitation or opposition to processing, please send a communication to: dpo@valvonta.es. In the event that your right is not satisfied, you can complain to the Spanish Data Protection Agency. For more information, please consult our privacy policy on our website.

⁵ <https://www.boe.es/buscar/pdf/2017/BOE-A-2017-12902-consolidado.pdf>



ANNEX IV: CONFIDENTIALITY AND DATA PROTECTION

*[name of the Supplier] is obliged to maintain total confidentiality, both during the term of this contract and after its termination, of all information obtained directly or indirectly related to the services provided, and shall be liable to **Pahal and GAWA Capital** for breach of the duty of confidentiality.*

For the purposes of this contract, any information relating to commercial matters, legal documents, technology, technical processes, methodologies, technical manuals, technical information, processes, products, marketing techniques, price lists, economic offers, personal data relating to the staff, candidates and/or clients, facilities and premises, which before being received by [name of the Supplier] were not in the knowledge or power of the latter, shall be considered confidential.

The confidential nature of the information that may come to the knowledge of [name of Supplier] through access to the technical manuals provided by Pahal and the list of clients of Pahal is expressly stated.

[name of the Supplier] undertakes to protect against any unauthorised disclosure of the information provided by [name of Supplier] to Pahal, provided that such information has been clearly identified, in writing, as confidential. Throughout the term of the contract, [name of Supplier] undertakes to apply the same diligence in protecting Pahal's information as it would apply in protecting its own confidential information.

[name of Supplier] shall not use the confidential information to which it has access under this contract for purposes other than those set out in this contract.

Upon expiry of this contract, [name of the Supplier] undertakes to return, without the need for prior notice, all documentation or material provided by Pahal.

The Parties undertake to treat confidentially any personal data and information processed by them under this contract and to comply adequately and at all times with the applicable data protection provisions in force.

Specifically, [name of Supplier] undertakes to inform and, where appropriate, to obtain the consent of its personnel from whom it collects personal data, in accordance with the applicable regulatory requirements. Furthermore, it shall inform such persons and, where appropriate, request their consent for their data to be communicated to Pahal and GAWA Capital so that the latter may incorporate them into its databases in its capacity as data controller.

The Parties, as data controllers, inform each other that the personal data (identification data, contact data, signature data, as well as data that may appear in the documentation proving representation) of the signatories acting in the name and on behalf of each of the Parties to this Agreement (the "Representatives"), as well as the personal data (identification data and contact data) of the persons indicated in this Agreement for notification purposes (the "Contact Persons") or of such other persons as may be indicated at a later date, will be processed by each of the Parties; shall be processed by each of the Parties for the purpose of managing the maintenance, compliance, development, control and execution of the provisions of this Agreement.

The data of the Representatives and Contact Persons shall be kept by the Parties for the duration of this Agreement. Once terminated, they shall be blocked for the legal statute of limitations, generally ten years. After the statutory limitation periods have expired, the data shall be destroyed.

The Parties shall not transfer the personal data of the Representatives and Contact Persons to third parties, unless required by law.

Representatives and Contact Persons may exercise their rights of access, rectification, erasure, objection, limitation of processing and portability, by means of a letter accompanied by a copy of a document accrediting their identity to the address indicated between each of the parties. Likewise, those persons who consider that the exercise of their rights has not been adequately respected may file a complaint with the Spanish Data Protection Agency (www.agpd.es).



The Parties undertake to adopt and maintain the technical and organizational measures necessary to guarantee the security of the personal data processed by them in the performance of this Agreement. Each Party shall be responsible for the processing of the data concerned.

In the event that the performance of any service between the Parties involves the configuration as data processor of any of the Parties, a data access contract shall be concluded under the terms required by applicable law, including possible subcontracting of services.

The secrecy obligations set forth in the preceding paragraphs shall not apply where there is any administrative or judicial requirement or other legal imperative to the contrary.



ANNEX V. MODEL APPLICATION FORM FOR VALIDATION OF ELIGIBILITY CRITERIA

Date:

Name/Company name of tenderer:

VAT number/Other tax identification number:

Subject of the tender:

(Delete the option that does not apply)

LEGAL ENTITY:

The company, which I represent in the capacity of
(*position and legal representation*), hereby requests to be validated by Pahal and GAWA Capital,
for which we hereby submit the following documentation relating to:

1. Capacity to act

- Memorandum or Articles of Association (duly entered in the Commercial Register) or certificate from the Commercial Register regarding the headings of incorporation, corporate purpose, registered office and administrative bodies

NATURAL PERSON:

I, Mr/Ms (*name and surname*), hereby request to be validated by Pahal and GAWA Capital and I hereby submit the following documentation relating to:

1. Capacity to act

- ID card or passport

2. Non-concurrence of prohibition to contract (LEGAL OR PHYSICAL PERSON)

- Responsibility Declaration executed by an administrative authority, notary public or qualified professional body

3. Economic-financial solvency (LEGAL OR PHYSICAL PERSON) (choose at least one relevant option)

- a) Appropriate declarations from financial institutions or, where appropriate, proof of the existence of professional risk indemnity insurance.
- b) Annual accounts filed with the Mercantile Register or with the corresponding official register.
Entrepreneurs who are not obliged to file their accounts with official registers may provide, as an alternative means of accreditation, duly legalised accounting books.



- c) Statement of overall turnover and, where appropriate, of turnover in the area of activities corresponding to the subject-matter of the contract.
This must relate to no more than the last three financial years available, depending on the date on which the contractor was set up or commenced activities, insofar as the turnover references are available.
- d) Other accreditation modalities (to be assessed by Pahal and GAWA Capital):

4. Technical solvency (LEGAL OR PHYSICAL PERSON)

4.1 Technical solvency in service contracts (choose at least one relevant option)

- a) A list of the main services or work carried out in the last three years, including the amount, dates and the recipient, public or private, of such services or work.
- b) Indication of the technical staff or technical units, whether or not belonging to the firm, involved in the contract, especially those responsible for quality control.
- c) A description of the technical facilities, the measures employed by the undertaking to ensure quality and the undertaking's study and research facilities.
- d) The academic and professional qualifications of the employer and the company's management and, in particular, the staff responsible for the performance of the contract.
- e) Where appropriate, indication of the environmental management measures that the contractor may apply when performing the contract.
- f) Statement on the company's average annual workforce and the importance of its management staff over the last three years, accompanied by the corresponding supporting documentation.
- g) Declaration indicating the machinery, material and technical equipment that will be available for the execution of the works or services, to which the relevant supporting documentation shall be attached.
- h) Indication of the part of the contract which the employer may intend to subcontract.
- i) Other accreditation modalities (to be assessed by Pahal and GAWA Capital):

5. Qualification⁶ (LEGAL OR PHYSICAL PERSON) (if applicable)

- Professional or technical qualification evidence

6. Other optional documentation (may provide additional points in the selection process)

- Quality Certifications
- Environmental Certifications
- Corporate Social Responsibility Documentation

In addition, I hereby affirm that the corporate purpose and activities of the tenderer do not violate any of the Principles set out in the United Nations Global Compact (see www.pactomundial.org).

⁶ Professional or business authorisation is the qualification, licences or authorisations required to carry out an activity or exercise a profession. Not all activities require it, which is why it is the tenderer himself who must inform of what is essential for the development of his activity, and, where appropriate, provide documentary evidence of it. E.g. registration for a lawyer to practise, registration in a register of authorised entities for an appraisal company.



If requested, any clarification or complementary documentation that may be required in the fulfilment of its contracting obligations will be provided.

Signature:

Name:

Position of the signatory (*with powers of representation*):

Tax identification number:

E-mail address:

Your data will be processed for the purpose of managing the commercial and administrative relationship with GAWA Capital and Pahal, the legal basis for the processing being the execution of the contract to which you are a party. The data will be kept for the duration of the contractual relationship and the appropriate legal periods. To exercise your rights of access, rectification, deletion, portability, limitation or opposition to processing, please send a communication to: dpo@valvonta.es. In the event that your right is not satisfied, you can complain to the Spanish Data Protection Agency. For more information, please consult our privacy policy on our website.