



Assessment of Skills needs by the financial sector in Tanzania

Term of reference

1 Introduction

FSDT wishes to appoint a consulting firm (or consortium of consultants) to update the 2013 skills stock-take report. The assignment will require the consultant to incorporate more recent skills development needs, findings of various studies and to assess the extent to which training service providers are meeting industry needs. *The consultant shall (1) update skills stock-take report, including current and emerging human capacity needs; (2) provide insights on how the financial industry is currently addressing skills gaps; (3) document the extent to which formal training service providers, both public and private, are providing appropriate and effective training solutions that address current and future needs of the financial sector.*

2 About FSDT

The Financial Sector Deepening Trust (FSDT) was incorporated in Tanzania on the 1st of July 2004. The FSDT's overall aim is to develop a deeper financial system that can provide greater access to finance for more Tanzanians. Among its secondary objectives are:

- Provide funding to support the development of new financial products that address the needs of poor households and micro and small enterprises.
- Support improvements in the policy, legislative and regulatory framework affecting delivery of services.
- Support initiatives aimed at improving financial market integration and access to wholesale forms of finance by financial service providers addressing poor households and micro and small enterprises.
- Support initiatives aimed at enhancing the supply of appropriate business services to financial service providers in Tanzania.

3 Background

The Tanzanian Financial Sector is expected to play an important role in facilitating economic growth and contributing to the improvements in peoples' livelihoods in Tanzania. In order to achieve this, the financial sector is required to be equipped with

relevant human capacity to manage its business. More importantly, the availability of suitable human resource is the key driver to financial institutions in their efforts to promote greater financial outreach to both rural and urban areas. However, it is often cited that one of the greatest constraints to financial service providers (banks and microfinance, insurance and social security schemes, pension funds and capital markets) is the sheer lack of adequate skills at all levels, specifically at entry, supervisory, middle management, senior management, board, professional (banker, accountant, lawyer etc.) and technical.

In late 2012/early 2013, FSDT commissioned a skills stock-take audit of the Tanzania Financial Sector which was aimed at: (a) appreciating the nature and magnitude of the skills gap, (b) articulating strategic options and recommendations, which are the principle outputs of this diagnosis and these in turn should be a suitable platform for (c) encouraging stakeholders to develop appropriate mechanisms to increase and improve the quality of human capacity that is tailored to meet the current and future needs of the financial sector.

One objective of the skills stock-take audit was to use the findings and recommendations to develop initiatives which are complimentary and support private sector initiatives by identifying opportunities for investment in support services such as training, coaching and advisory which are very much needed by financial services providers in Tanzania.

However, since the skills stock-take audit was completed there has been no progress in developing the envisioned initiatives. Subsequently, a number of studies have been undertaken of which, insights need to be incorporated into the new report. Additionally, new issues of technological developments and alternative banking channels such as Digital finance, MNOs mobile financial services and agency banking have emerged. Likewise, Tanzania has witnessed new trends in its economic fortunes including the discovery of huge deposits of natural gas and possible oil find of which the financial sector will play a role in their development. FSDT is keen to see progress being made in skills development for the financial sector in Tanzania.

4 Objective of the assignment

The primary aim of this assignment is to update the 2013 skills stock-take report of the financial sector of Tanzania in order to provide current understanding of the skills gap with the aim of using the findings to design actionable initiatives that will address the identified gaps. Specific objectives of this assignment are to:

- Take stock of the existing skills of the financial sector at entry, supervisory, middle management, senior Management and board Level, establish skills requirements and document gaps against *Regulatory body requirements, Regional benchmarks and or international best practice.*

- Take stock of the existing capacity building service providers, assess their capability to serve the financial sector, delivery models, approaches, and the relevance of their trainings to financial markets stakeholders.
- Take stock of Financial Sector Regulators, assess their capability to serve the financial sector, delivery models, approaches, and their strategies or initiatives to improve their own skills and skills of their institutions their regulating.
- Review the options and recommendations identified in 2013 skills stock-take report and other studies, and propose specific recommendations of how skills gap should be addressed. *Recommendations should be actionable, specific in nature for Entry, Middle Management, Senior Management and Board Level, preferably with workable solutions or model, cost estimates of implementing recommend solutions and funding strategies.*

5 Scope of work

Building on the 2013 skills stock-take report, the scope of work is to take stock of existing key skills in a selected sample of private, public institutions and capacity building service providers in the financial sector. These will include:

- **Banks** – Commercial banks, community banks, deposit taking microfinance institutions, Development Finance Institutions (DFIs)
- **Non-bank financial institutions** – Credit Only microfinance institutions, SACCOS, social security scheme(pension funds), capital markets, stock exchanges and insurance companies
- **Non-bank financial service providers** - Telecommunication companies and Fintechs
- **Financial Sector Regulators** – Bank of Tanzania Capital Markets and Securities Authority (CMSA), Tanzania Insurance Regulatory Authority (TIRA), Social Security Regulatory Authority (SSRA), Tanzania Cooperative Development Commission (TCDC)
- **Financial sector support ministries/agencies** - Ministry of Finance(policies section), Ministry of Industry, Trade and Investments (SME department), Ministry of Agriculture and Livestock

- **Apex bodies** – Tanzania Bankers Institutions (TBA), Tanzania Association of Microfinance (TAMFI), Community Banks Association (COBAT) and Tanzania Informal Microfinance Association of Practitioners (TIMAP).
- **Capacity Building Service Providers**– Professional Training Institutions and Academia such as Tanzania Institute of Bankers (TIOB), BOT Training Institute, Institute of Finance Management (IFM), University of Dar es Salaam Business School (UDBS), Mzumbe University, The Open University of Tanzania, etc
- **Professional bodies/apexes** supporting the Financial sector such as The National Board of Accountants and Auditors (NBAA), Tanganyika Law Society(TLS), Auditors/Auditing firms, Lawyers/Legal firms, Accountants/Accounting firms

In order to undertake the assignment, the consultancy will comprise of the following activities:

1. Information gathering on the current status of skills development in Tanzania

a) Financial sector institutions:

- Gather data on soft, technical & professional skills at different levels- entry, supervisory, middle management, senior management, board that exist in private and public financial sector institutions with the aim of establishing gaps, current and future skills requirements.
- Document how financial sector institutions are currently addressing the skills gap and establish whether there exist mechanisms for developing fresh talent to address the future skill needs by considering many dynamics ((e.g. oil and gas discoveries, national industrialization strategy, social media, consumer trends, technologies, digital innovations) that are shaping the future of the financial sector and the economy in general.
- Estimate the demand for skills development by financial sector institutions

b) Capacity Building Service Providers and related Training service providers:

Take a stock of financial sector training providers (excluding in-house training). Gather data on relevant skills development initiatives or strategies and document how these service providers are or not addressing the current and future skills development needs and establish the gaps. Key questions are:-

- Do these providers poses adequate capacity to meet current and future needs of the financial sector. Why?

- What courses or solutions are offered by the capacity development providers? Do these courses address current and future skills development needs of financial institutions?
- Are there training initiatives aimed at developing fresh talent to the financial sector?
- How does the training infrastructure correspond to international best practice (in either developed or transitional economies) on how financial sector skills should be developed?
- What role do the ministries/agencies, regulators and industry associations, Ministry of Finance, Ministry of Industry , Trade and Investments (MITI), Ministry of Agriculture and Livestock, BOT, CMSA, TIRA, SSRA and apexes (TBA,TAMFI,TIMAP,COBAT AND TCDC) play in promoting or managing training?
- Do these training providers offer any follow-up after training courses or continuous professional development?
- Do the training providers involve the industry in the development of curricula? If yes, how often?
- To what extent are formal training providers (public and private) cover the available market? How many people do they train each year (professional and technical training)
- Are these courses certified? If yes, by who? What systems are in place for ensuring that the curricula remain relevant? Are these training service providers accredited? If yes, by who? What systems are in place for ensuring that the curricula remain relevant? Are there independent peer reviews?
- Is there national/regional/international collaboration on course material, learning module development or accreditation? If yes, who are in the international collaborators?
- Which training institutions are considered by financial sector institutions to be 'Centers of Excellence' and what criteria have they used to make this judgement?
- To what extent are formal training institutions coming to their clients (workplace skills development) or embracing internet-based/e-learning platforms or other innovative channels for training delivery?

c) Financial Services Regulators:

1. What role are regulators playing in enhancing financial skills development?

2. Are there any regulations incentivizing financial sector players to develop skills of their staff?
 3. Are there regulations or law that require subsector based certification (Banking, Insurance, Investment etc.)?
 4. Identify and recommend priority capacity development options taking into account multiple approaches
- d) Based on information gathered and analyzed in section 4.1 (a,b,c,d) the consultant shall;
- Recommend a sustainable approach, preferably industry-wide skills development initiatives or interventions taking into consideration entry, supervisory, middle management, senior management, board needs.
 - Recommend a National Financial Sector Skills Development Strategy with a balanced focus of Public Sector (relevant ministries, pension funds and regulators), private sector (Banks, MFIs, Insurance, Pension, Stock markets, etc) and financial sector capacity building service markets (academia & training institutions)
 - Recommend for coordination mechanism/units in the financial sector relevant ministries
 - Propose an action plan for implementing the key elements of the recommended approach to skills development.

6 Methodology

Consultants are free to propose the most appropriate methodology to conduct this assessment and will include both primary data gathering and desk review of relevant documents and reports. Consultants should also conduct a deep dive study of areas that were not covered in the previous skills inventory study for Tanzania or any of the recent studies (i.e. Digital Financial Services, FinTechs etc.).

7 Inputs

FSDT will provide the following:

1. Copy of 2013 Skills Stock Take Report.
2. Copies of data/studies (MSME Baseline survey 2010, Finscope 2013, Financial Capability, Current 5-year Development Plan, Industrialization Strategy)

3. Time provided by FSDT staff as needed by the consultant, e.g. facilitate set up of meetings/interviews with key stakeholders and financial institutions

8 Deliverables/Specific Outputs Expected from the Consultant

The consultant will be responsible for the following deliverables whose schedule is also indicated below:

- An inception report.
- A report detailing deliverables as per the scope of work.
- Power point presentation to stakeholders on the findings, options, recommendations, priorities and action plan.
- An executive summary of findings that can be used as a standalone document for dissemination and communication.
- A methodology (including a tool for data collection) to guide a rapid assessment of capacity needs for future use
- A Final report

Schedule of Deliverables

Contract Signing	November 2017	
Inception Report/Meeting	5 - 7 days after signing the contract and preliminary start of the assignment	1 st deliverable
Submission of the following: i). First draft report as per scope of work, ii). An executive summary of findings to be used as a standalone document for dissemination and communication and, iii).A methodology (including a tool for data	23 days from deliverable 1	2 nd deliverable

collection) to guide a rapid assessment of capacity needs for future use		
Power Point Presentation of final report to stakeholders on the findings, options, recommendations, priorities and action plan	10 days from deliverable 2	3 th deliverable
Submission of final report	7 days from deliverable 3	4 th deliverable

9 Timing of this consultancy

The assignment should commence on the 20th November 2017 and be completed by 30th March 2018. The assignment will take a total of 60 working days (Monday-Friday).

10 Management and oversight

Contracting will be done by FSDT and the consultant will report to the SME Finance Advisor on all matters concerning this assignment.

11 Profiles of the Consultants (Knowledge and Experience)

FSDT is inviting proposals from suitably qualified companies/firms/consultants. Your proposal should contain:

- Names and CVs (maximum 3 sides of A4 paper each) of lead consultant (s) including:
- Qualifications and relevant experience in providing the kind of assessment required; outline of team structure. Proposed team of key personnel/consultants must:-
 - Have a team Leader who should have minimum experience of 10 years in similar or related assignments, grounded expertise in financial sector and capacity assessment/development
 - Have a team of key staff with a minimum experience of 5 years in similar assignments with extensive knowledge of financial sector, skills assessment and development.

- Provide evidence of preparation of Financial Sector Capacity Development Strategy.
- A summary of your/your firm's experience in providing the kind of analysis called for in these terms of reference.
- A description of your/your firm's understanding of the role of the Consultants as outlined in these terms of reference.
- A description of how you/your firm intend to fulfil the Services within the suggested timeline.
- A financial proposal: an estimated budget for both professional fees and reimbursable expenses.

12 Basis of award (Qualifying and Proposal Scoring Criteria)

FSDT will award a contract to the most economically advantageous proposal based on the following criteria:

Mandatory requirements
Firm/individuals must be able to demonstrate a deep understanding of professional education skills development, conducting feasibility studies and market assessments and business models.
Firm/individuals involved in the team must demonstrate that conducting market assessments and feasibility studies is a core competence. This might involve demonstrating regular and recent successful examples of assignments conducted and business models developed.
Firm/individuals must have good knowledge of financial sector skills development in Sub-Saharan Africa. Knowledge of skills development in Tanzania will be an added advantage.

Technical Proposals Scoring Grid

<i>Criteria</i>	Bidder	Max Marks
Experience of the nominated consultants in:		
• In-depth understanding of professional education or skills development in the financial sector		25
• In-depth understanding of conducting market assessments and feasibility studies.		18
• Undertaking similar projects or demonstrating regular and recent successful examples of assignments conducted and business models developed.		18
Good knowledge and experience on the financial sector skills development of the nominated consultants in:		
• Tanzania		10
• East Africa and Beyond		7
Understanding of and adherence to the ToRs, response to		11

<i>Criteria</i>	Bidder	Max Marks
and comments on them, including any suggested amendments (with justifications)		
Clear and concise methodology in approaching the assignment		11
Total marks		100

To be considered further, a minimum total technical score of 70/100 is required. Only financial proposals from bidders scoring at least that level will then be evaluated.

The total financial cost in US\$ will be weighted according to the formula:

- $(\text{Lowest total financial cost} / \text{Bidder's total financial cost}) \times 0.2$
- Total technical marks weighted by a factor of 0.8.

The weighted technical and financial scores for each proposal that passes the minimum technical threshold will then be added to produce a total score. The preferred bidder will be the one producing the highest total combined score.

All bidders will be informed of the combined weighted scores for all proposals that pass the minimum technical threshold. The FSDT will also separately inform the bidder of any proposal that fails to meet this threshold.

Any queries relating to this ToR should be submitted in writing to FSDT under the following address:

Procurement Manager,
The Financial Sector Deepening Trust,
2nd Floor De Ocean Plaza,
Plot 400 Toure Drive,
P.O. Box 1559 Oyster Bay, Dar es Salaam, Tanzania
procurement@fsdt.co.tz

These questions and the answers will be shared with all short listed candidates. The deadline for any queries is 2 days before the proposal submission deadline date.

11. Submission of proposal:

The Consultant should submit a letter indicating their commitment to undertake this assignment. The letter should indicate availability and be supported by a capability statement of similar assignments conducted elsewhere. A full CV should be attached.

The letter should indicate the daily professional fees in US Dollars and should demonstrate that the daily fee rate quoted is internationally competitive. This consultancy will be subject to local taxes.

11.1 Financial Proposal

This will be a fixed priced contract. Financial proposals should be quoted in US dollars set out in the following format:

<i>Component</i>	Units	Rate (US\$)	Total (US\$)
Person days of consultant A			
Person days of consultant B etc			
Total Fees			
Air travel from home base to Dar			
Air travel within Tanzania			
Airport transfers			
Costs of any vehicle hire and related expenses within Tanzania			
Hotel nights			
Daily subsistence (includes food, drink and local transport)			
Communications and internet access			
Total Expenses			
Total Cost			

Daily rates for hotels and subsistence are fixed by FSDT policies.

The FSDT's daily subsistence rates for Dar es Salaam and other parts of Tanzania are shown in Appendix A.

All proposals should be submitted electronically to:

procurement@fsdt.co.tz

Proposals are to be received not later than **1630 hours EA/Dar es Salaam time, on 20th September 2017.**

11.2 Payment Schedules

The FSDT will make payments for this assignment as follows:

- 20% of the fees upon signing of the contract
- 25% of the fees upon submission of the draft report, executive summary and methodology to guide rapid assessment of capacity needs.
- 25% of the fees upon completion of presentations to stakeholders.
- 30% balance of fees on completion of the final version of the report incorporating the comments made, acceptable to FSDT.

The FSDT will reimburse all agreed travel and other expenses upon submission of relevant receipts within ten days of approval of invoices submitted by the consultant.

12 Confidentiality Statement

All data and information received from client for the purpose of this assignment are to be treated confidentially and are only to be used in connection with the execution of these Terms of Reference. All intellectual property rights arising from the execution of these Terms of Reference are assigned to the client. The contents of written materials obtained and used in this assignment may not be disclosed to any third parties without the expressed advance written authorization of the client.

13 Conflict of Interest

Tenderers (and any sub-contractors) must disclose in their tender details of any circumstances, including personal, financial and business activities that will, or might, give rise to a conflict of interest, if they were awarded this contract. Where Tenderers identify any potential conflicts they should state how they intend to avoid such conflicts. FSDT reserves the right to reject any tender which, in its opinion, gives rise, or could potentially give rise to, a conflict of interest.

APPENDIX A: FSDT’S SUBSISTENCE ALLOWANCES

ACCOMMODATION CHARGES ON BED & BREAKFAST BASIS IN USD

ACCOMMODATION RATES ON BED & BREAKFAST BASIS **(in US\$)**

Group A		US\$
Dar es Salaam Arusha Mtwara		200.00
Group B		
Mwanza Zanzibar Mbeya		170.00
Group C		
Tanga Dodoma Morogoro Iringa		150.00
Group D		
Any other place not mentioned above		130.00

DAILY ALLOWANCES ON DAILY BASIS (in TSh)

Groups	Lunch	Dinner	Incidental	Total
A&B	25,000.00	40,000.00	35,000.00	100,000.00
C&D	20,000.00	30,000.00	25,000.00	75,000.00