



TERMS OF REFERENCE (ToR)

ECOSYSTEM ANALYSIS TO DRIVE FINANCIAL INCLUSION FOR WOMEN AND YOUTH IN TANZANIA

FEBRUARY 2022

1. INTRODUCTION

The Financial Sector Deepening Trust (FSDT) was established in Tanzania on 1st July 2004 with the objective of supporting the development of the financial sector in Tanzania. It aimed to contribute to poverty eradication measures in the country. To date, FSDT has undergone four strategic phases that have provided valuable contributions to the financial sector in Tanzania. Following the market entry phase (2004-2006), FSDT’s primary focus was on microfinancing (2006-2012). From 2013-2015, projects and initiatives were introduced that focused on overcoming fundamental access barriers to financial service provision. In the recently completed strategic period (2016-2021), the emphasis shifted to driving uptake and usage of formal financial services. This shift was in alignment with the direction of the National Financial Inclusion Framework 2018-2022 (NFIF II). The new FSDT strategy (2022-2026) has intentionally decided to prioritize women and youth. FSDT believes that focusing on these two underserved markets will provide the necessary weight and foundation required to contribute towards the country’s overall goal of *poverty reduction through improved wellbeing, livelihood, and empowerment of women and youth*. The table below summarizes the FSDT vision, mission, and strategic objectives

Vision	FSDT vision is to achieve a transformative financial sector, offering inclusive and sustainable financial solutions that improve the livelihood, wellbeing, and empowerment of Tanzanians.
Mission	FSDT mission is to support the financial sector in delivering inclusive, quality financial solutions (wide ranging, affordable, responsive, relevant to financial needs, reliable and delivered in a transparent manner) that will improve the wellbeing and livelihood of underserved Tanzanians, particularly women and youth.
Strategic Objectives	<p>The new FSDT strategy (2022-2026) aims to achieve the following strategic objectives:</p> <ul style="list-style-type: none"> • Advocate for Improved policies, legal and regulatory frameworks that promote gender equality as well as economic and financial opportunities for women and youth;

	<ul style="list-style-type: none"> • Promote more relevant market infrastructure that will equip the financial sector players and other stakeholders with the ability to meet the needs and aspirations of women and youth; • Stimulate Financial Services Providers (FSPs) to develop and scale innovative and responsive financial solutions/tools for women and youth to promote equality, empowerment, and wellbeing; • Improve confidence and capability of women and youth to demand and take up financial solutions.
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FSDT applies different key mechanisms to achieve its objectives as summarized below:

Demonstrating Thought Leadership - Thought leadership involves providing and promoting thought-provoking viewpoints, as well as usable evidence that reframes different stakeholders’ perception on critical issues or customer needs. This should help stakeholders generate new insights or solutions of their own. Thought leadership is crucial to FSDT, as it aims to create clarity on complex and critical issues, build new scenarios for the future, foster better outcomes for the market, and strengthen the credibility of the programme as an agent of change/innovation.

Insights Generation - This is a cornerstone of the work that allows FSDT to diagnose the status of financial inclusion in the country and determine its advantages as an input into the design of appropriate interventions. High-quality research also leads to an expansion of knowledge and improves the decision-making capabilities of FSPs and policymakers. Through research findings, public and private stakeholders can gain a better understanding of customer behavior (e.g. how they interact with financial products), as well as determine constraints and their impact on the target markets. Such insights support successful identification of market opportunities, development of appropriate financial solutions, and implementation of cost-effective delivery models, as well as appropriate regulatory frameworks.

Market Facilitation -This is achieved through a combination of convening, advocacy, and engagement support delivered to FSPs, industry associations, regulators, policymakers, and donors operating in the market. The facilitator serves as an agent/catalyst for positive and inclusive market change, but does not take on any direct market function. FSDT’s role as a market

facilitator is to guide different stakeholders, provide leadership, and act as a “third voice” connecting the private and public sectors without necessarily taking the reins of change in the market.

Financial Instruments - FSDT is determined to promote the provision of a broad range of financial instruments, including loans, guarantees, quasi-equity (returnable capital), and grants to spur innovation and drive the development of the country’s financial ecosystem. These financial tools can help mitigate market risks while spurring innovation to increase financial inclusion, reduce vulnerability, and improve welfare.

Strategic Partnerships - Strategic partnerships help FSDT deliver sustainable impact in the market. This speaks to the complexity of driving impactful financial inclusion measures focused on women and youth. FSDT forges strategic partnerships in both the financial and non-financial sectors in order to deliver technical assistance and nudge the development of solutions in products/services, policies, regulations, and other enabling environment.

Strategic Communication - This is a critical tool that links FSDT to the rest of the world. Its main objective is to position FSDT as a knowledge nucleus on financial inclusion in the market. Through appropriate communication, this objective is achieved through knowledge sharing, stakeholder engagement, and profile raising of FSDT as a thought leader in financial inclusion. This proper communication involves the mapping of key messaging with the right stakeholders and target audiences. These include beneficiaries, FSPs, regulators, industry associations, CSOs, development partners, and the media.

2. **BACKGROUND OF THE ASSIGNMENT:**

FSDT envisages that a well-established and vibrant financial sector will deliver an inclusive, quality financial solutions that will improve the well-being and livelihoods of underserved Tanzanians, particularly women and youth. However, with the financial sector’s performance in terms of its sectoral or market dimensions, it is evident that Tanzania’s financial system is yet to meet the needs of women and youth (FinScope 2017). FSDT works with market actors such as Financial Services Providers (FSPs), functions supporters, as well as public and private stakeholders to develop **quality financial solutions** for women and youth.

To organize its continued effort of supporting the establishment of a vibrant financial sector, FSDT developed its five (5) year strategy at the end of 2021. The FSDT 2022-2026 strategy has intentionally decided to prioritize women and youth financial inclusion. The primary outcomes that FSDT aims to achieve through the new strategy (2022-2026) are improved **policies and legal and regulatory** frameworks that drive the utilization of quality financial solutions; improved availability of relevant **financial sector infrastructures** that will equip the financial sector players with the ability to meet the needs and aspirations of women and youth, as well as aid **Financial Services Providers (FSPs)** in developing and scaling innovative and responsive financial solutions/tools for women and youth; and improved equality, livelihood, economic empowerment, as well as **capabilities** of women and youth in Tanzania.

FSDT anticipates that once the financial sector actors focus on unlocking access to finance and better financial management tools for women and youth, women and youth will **improve their livelihood** (*health, education, water, and decent housing*) and **economic empowerment** (*growth in economic activities and agency*) as a result of **increased income** brought about by **increased productivity, resilience to shocks, wealth creation, and better financial management**. FSDT is cognizant of the fact that access to finance will not, by itself, lead to increased income levels for women and youth. As a result, FSDT aims to partner with relevant stakeholders to resolve these other constraints.

To implement its strategy and achieve the financial sector aspirations mentioned above, FSDT needs baseline information that describes the current state of the financial sector ecosystem in terms of partners/market actors, financial services, consumer needs and behaviors, regulatory environment (policies, laws, guidelines, support functions to the sector, perceived gaps, and opportunities). For example, it is very important to understand which service providers supply what type of services, who their target clients are (age, gender, geographic disaggregation), how accessible these services are (especially for low-income households); how policies, regulations and other market forces impact on the supply of financial services, the ability of FSPs to serve low-income households (women and youth), the perceived gaps and opportunities from the FSP's and consumers' perspectives.

3. RATIONALE

FSDT is about to launch and implement its new five (5) year strategy (2022-2026). FSDT needs useful and current information about the financial sector ecosystem to understand who the valuable actors are, where they are, what roles they are playing in the ecosystem, what motivates (incentives) them to serve FSDT primary targets (women and youth), what challenges they face and what recommendations/solutions they suggest would enable them to serve the primary targets better, which rules/guidelines/laws are obstacles to their performance, who else is doing what they are doing, etc. Such information will paint a comprehensive picture of the market before implementation and help FSDT to make strategic decisions (choices) and set a baseline for the new strategy. However, at this juncture the available information from the State of Financial Sector Report 2017, Finscope 2017, Land scape Survey 2015 are outdated and do not answer some of the key questions.

OBJECTIVE OF THE ASSIGNMENT:

General Objective: Commission a study that will explore the current Financial Sector Ecosystem to paint a comprehensive picture of the market actors (supply side); regulatory environment (regulators, regulations, policy, guidelines); financial infrastructure (support functions); and partnerships or networks before implementation of the strategy. This will provide the basis for intervention design, stakeholder engagement and to measure changes attributed by FSDT's interventions.

Specific objectives: This assignment has 4 specific objectives categorized into below areas reflected in the FSDT strategy

Sn	Areas	Specific Objectives
1	Partnership/Network	<ul style="list-style-type: none"> To provide an understanding and profile of all the key actors in the financial services sector (including their roles/interventions, location, target group, incentives, and challenges)

		<ul style="list-style-type: none"> • To provide an understanding of all initiatives/campaigns aiming at financial capability and behavioural change of consumers (specifically women and youth) as well as their scope • To provide insights on opportunities in the market for scale
2	Development and scaling of innovative and responsive financial solutions	<ul style="list-style-type: none"> • To provide an understanding and profile of all financial products and services available in the market along with their providers, while also indicating those (products & services) specific for women and youth. • To provide insights from the market which will feed into innovation in the financial sector. This should include consumer feedback on the products/services and gaps; and FSP feedback on reach and potential for scale • To develop a registry of all financial products and services including their providers.
3	Policies, legal and regulatory frameworks guiding the players	<ul style="list-style-type: none"> • Provide an understanding of the available laws/guidelines/policy and how they support or affect the delivery of actors (specifically those gender and age sensitive)
4	Relevant financial sector infrastructures	<ul style="list-style-type: none"> • Profile the available relevant financial infrastructure in the financial sector that equip the financial sector players and other stakeholders with the ability to meet the needs and aspirations of women and youth

4. SCOPE OF WORK

The scope of this study will involve document reviews, key informant interviews (KII), focus group discussions (FGDs) and small survey with a sample of financial sector stakeholders in Tanzania. The KIIs will include selected financial service providers (banks, MFIs and insurance companies, Fin-Techs, and Innovation hubs), regulators and policy makers (Government officials from Ministry of Finance and Planning, Bank of Tanzania (BoT), Members of the Parliament of Tanzania). Small survey will include supply side (banks, Microfinance Institutions (MFIs), and insurance companies). The FGDs will be employed to demand side i.e. end users of financial services/products particularly women and youth. On the other hand, this study will involve review of documents such as BoT - Acts, Regulations, Circulars, Guidelines, and regular publications by BoT including Financial Sector Supervision Annual Report, research newsletters, World Bank reports and data analysis from Financial Service Registry dataset.

5. METHODOLOGY

Approach: This study will involve the use of both qualitative and quantitative research methods in assessing the financial sector ecosystem to provide a comprehensive picture of the market before implementation.

Sampling: A random and purposive sample of stakeholders to be consulted will be developed in consultation with FSDT. This will include but not be limited to a list of Government officials from the Ministry of Finance and Planning, Bank of Tanzania, formal MFIs and Community Microfinance Groups (CMGs). Also, representative of the consumers of financial services and products will be included for FGDs (refer to stakeholders listed in the scope of work above).

Methods: The interview methods will include a combination of face to face, telephone, email interviews with financial services providers (banks, MFIs and insurance companies, Fin-Techs, and Innovation hubs), regulators and policy makers (Government officials from Ministry of Finance and Planning, Bank of Tanzania, Members of the Parliament of Tanzania). The survey will include a small sample from supply side (banks, MFIs and insurance companies, Fin-Techs, and Innovation hubs). FGDs will include women and youth as representative of end users of financial services and products

6. DELIVERABLES FROM THE ASSIGNMENT

Below is the list deliverable expected for this assignment

- Inception report
- Data collection tools/instruments
- Final dataset (raw data)
- Stakeholder profile registry/matrix
- Financial sector ecosystem report

7. CONTENT OF BID PROPOSAL

The proposal should not exceed 20 pages, excluding appendices. The technical proposal should briefly set out the approach to the work and include in an appendix a work plan or Gantt chart showing the proposed schedule of activities and timing of deliverables. The bidder is invited to comment on the ToRs and suggest amendments. Only **relevant** corporate capabilities, reference projects and detailed CVs should be appended. The consultant must provide the following information: -

Section 1 – Security Consultant Information

- Company Information
- Approach and methodology
- Company/Firm/Business registration certificate
- VAT and TIN
- Tax clearance certification
- Other information the Consultant deems relevant.

Section 2 - Technical Requirements

- Understanding of the ToR and ability to deliver the services.
- Plan on how S/he plans to carry out the work based on his experience in financial sector Market in Tanzania
- Relevant experience with the sector, with FSDT and partners
- Previous work references; including a minimum of 3 references within the last 3 years with below details:

- ✓ Customer name
- ✓ Contact address.
- ✓ Contact phone number.
- ✓ Engagement starts and end dates.
- ✓ Description of engagement
- Experience in ecosystem analysis

8. EVALUATION CRITERIA AND SELECTION

Overall, the preferred consultant will be selected based on presenting the most technical and economically advantageous proposal. This means that the consultant will be evaluated on a combination of technical and financial submission. In this case the ratio between technical and financial scores will be 80/20.

The technical assessment will cover several key attributes. This is set out below.

8.1 TECHNICAL PROPOSAL SCORING GRID

The table below describes the criteria and weights to be used to score, assess, and select the best candidate to undertake this assignment. The evaluation committee will review all the submitted proposals (technical and financial) and score them based on the criteria below.

Criteria	Weight	Total Weight
<i>In-depth understanding of</i>		30%
<ul style="list-style-type: none"> • How financial sector operates in general with its transmission mechanisms to catalyse economic growth in the country and development in general. 	10%	
<ul style="list-style-type: none"> • Emerging dynamics in financial sector (such as technology, digital revolution, demand-supply issues, data markets) in emerging markets, prospects, opportunities, and challenges 	10%	

Criteria	Weight	Total Weight
<ul style="list-style-type: none"> In-depth knowledge of the financial sector/ financial inclusion in Tanzania and how it influences economic and social development 	10%	
<p><i>Proven and recent experience and professional competence of the nominated team in:</i> Carrying out detailed study/survey of large programmes similar to FSDT's in nature</p>		70%
<ul style="list-style-type: none"> Experience of the Team Leader and at least two support team members in carrying out detailed financial sector related studies in Tanzania, East Africa, or emerging markets. 	10%	
<ul style="list-style-type: none"> Experience in providing consultancy services to programmes adopting the Making Markets Work for the Poor Approach (M4P) 	10%	
<ul style="list-style-type: none"> Established relationships with appropriate agencies/government, private, and quasi 	15%	
<ul style="list-style-type: none"> Proven track record of undertaking similar studies related to ecosystem/stakeholder analysis or benchmarking of the financial sector 	15%	
<ul style="list-style-type: none"> Providing constructive comments/suggestions on the Terms of Reference. 	5%	
<ul style="list-style-type: none"> Quality of the proposal, Methodology proposed, availability of the team to start the assignment soon after awarding the tender 	15%	
Total		100%

For the technical proposal to be considered further, the bidder must attain a minimum of 70 marks out of 100. Only those bids that meet the technical threshold ***may be*** invited for a presentation by FSDT. The Technical score will be accorded a weight of 80%, while the financial proposal will attract a weight of 20%.

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

$$(\text{Lowest total financial cost} / \text{Bidder's total financial cost}) \times 0.2$$

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. FSDT will also separately inform the bidder of any proposal that fails to meet this threshold.

8.2 FINANCIAL PROPOSAL

This will be a reimbursable fee contract up to a maximum financial limit. Financial proposals should be quoted in US dollars. The FSDT requires a detailed and transparent budget breakdown in which all line items are clearly specified. Financial proposals should be in this format:

Component	Units	Rate	Total (US\$)
Man-days of consultant A			
Man-days of consultant B etc			
Total Fees			
Travel from home base to Dar			
Airport transfers (if any)			
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. The consultancy will be subject to local taxes. It is the sole responsibility of the Consultant to meet all the tax liabilities arising out of this assignment. Financial proposal will be evaluated on a basis net of any local taxes.

The deadline for submission of the proposal documents is 21st February 2022.

Any queries relating to this TORs should be submitted in writing to FSDT under the following address. The deadline for any queries is 2 days before the proposal submission deadline date.

procurement@fsdt.or.tz

9. PROCUREMENT AND IMPLEMENTATION PLAN

Sn	Activity	February		March		April	
1	Solicit proposal (request from potential consultants)						
2	Submission of Proposal (deadline)						
3	Evaluation (including presentations)						
4	Engagement (negotiation, contracting & Mobilization)						
5	Implementation of the Plan						
6	Reporting (draft and final report)						

10. OTHER MATTERS

10.1 Confidentiality

All information contained in the terms of reference and attachments is provided on a strictly confidential basis solely in connection with a provision of consultancy services for the above contract. It is a condition of this competition that consultant (and any sub-contractors) shall: take all reasonable measures to protect this confidentiality and avoid the unauthorized use, disclosure, publication, or dissemination of confidential information, not use this information other than for the purposes of preparation of a tender, and shall disclose it only to officers, directors, or employees on a specific need to know basis; and not disclose, publish, or otherwise reveal any of the information contained herein except with the specific prior written authorization of FSDT.

10.2 Conflict of Interest

Consultant must disclose in the proposal details of any circumstances, including personal, financial, and business activities that will, or might, give rise to a conflict of interest, if he/she was awarded this contract. Where Consultant identify any potential conflicts, he/she should state how they intend to avoid such conflicts. FSDT reserves the right to reject any proposal which, in its opinion, gives rise, or could potentially give rise to, a conflict of interest.

11: TAXATION MATTERS

The Consultant will be responsible to pay withholding tax and all other tax liabilities as per Tanzanian Tax laws. Any such tax amounts shall be the responsibility of the consultant