



TERMS OF REFERENCE

CONSULTANCY SERVICES FOR THE PROVISION OF TECHNICAL ASSISTANCE TO FINANCIAL SERVICE PROVIDERS

DECEMBER 2025

1. About FSDT

Established in 2004, the Financial Sector Deepening Tanzania (FSDT) is a donor-funded financial sector market facilitator that aims to achieve poverty reduction through a transformative financial sector that offers inclusive and sustainable financial solutions to improve the livelihood, wellbeing, and empowerment of underserved Tanzanians. FSDT's work is guided by the Market Systems Development (MSD) approach, which aims to develop market systems that benefit the poor, offering them capacities and opportunities to improve their lives.

Currently, FSDT's main target markets are women, youth and MSMEs, who have been identified as the most financially excluded market segments in the country. FSDT is dedicated to supporting the financial sector in delivering inclusive, quality financial solutions that meet the financial needs of women, youth and MSMEs.

Through its catalytic function, FSDT hopes to achieve the following changes in the market:

- Improved policies, legal and regulatory frameworks that promote gender equality, as well as economic and financial opportunities for women, youth and MSMEs.
- Improved availability of relevant financial sector infrastructures that will equip the financial sector players and other stakeholders with the ability to meet the needs and aspirations of women, youth and MSMEs.
- Financial service providers developing and scaling innovative and responsive financial solutions/tools for women, youth and MSMEs to promote equality, empowerment, and wellbeing.
- Improved confidence and capability of women, youth and MSMEs to demand and use financial solutions.

2. Background

The Financial Sector Deepening Tanzania (FSDT), with support from the European Union, under the *Inclusive Finance for the Growth of Women and Youth MSMEs* program funded by EU, is implementing the Institutional Strengthening and Innovation Support Project (ISISP): a comprehensive technical assistance initiative designed to enhance the operational capacity, resilience, and inclusiveness of Tier 2 Commercial Banks, Tier 1 Microfinance Banks, and Tier 2 Microfinance Service Providers in Tanzania. The project will provide technical assistance to twelve (12) participating financial institutions. ISISP aims to address systemic challenges facing the above-mentioned financial service providers, including weak risk management, low digital adoption, limited product innovation, and inadequate outreach to underserved MSMEs, particularly youth and women's enterprises in both rural and urban areas. The program is expected to deliver technical support leading to enhancing institutional capacity, promoting inclusive product innovation, strengthening risk management systems, and expanding digital financial services tailored to women and youth-led MSMEs.

3. Purpose and objectives of the assignment

FSDT seeks to engage qualified consulting firms to deliver technical assistance to mid-sized Commercial Banks, Tier 1 Microfinance Banks, and Tier 2 Microfinance Service Providers in:

- a. Governance and institutional strengthening
- b. Digital transformation and core banking upgrades
- c. Credit portfolio management and risk controls
- d. Product innovation for youth, women, and green/climate finance

- e. Compliance with regulatory standards
- f. Staff capacity development

4. Scope of Work

The selected service provider will:

a. Review and Refinement of TA Concept Note and FSP Market Assessment

- Undertake a comprehensive review and refinement of the existing Technical Assistance Concept Note and Market Assessment Report, identifying gaps, overlaps, and opportunities to strengthen programme coherence, sequencing, and overall implementation feasibility, and recommending improvements where necessary.
- In close collaboration with the Finance for Growth Project Team and the IGF Grant Manager, ensure programme design and sequencing are fully aligned with IGF grant milestones and post-award enterprise support requirements.

b. Conduct Institutional Diagnostics and Capacity Assessments of Financial Service Providers

- Assess organizational systems, governance, operational processes, digital readiness, and staff capabilities.
- Identify gaps in inclusive finance, product development, risk management, data use, gender/youth responsiveness, and climate-smart finance.
- Produce concise diagnostic reports highlighting priority capacity gaps.
- Translate diagnostic findings into customized TA plans covering priority areas such as product design, risk assessment, digitalization, and institutional capacity building.
- Define activities, timelines, responsibilities, and key performance indicators.

c. Provide Advisory and Technical Support

- Support the design, refinement, and piloting of inclusive financial products, services, or business models (loans, savings, microinsurance, climate-smart solutions).
- Strengthen risk assessment tools and frameworks, as well as portfolio monitoring practices.
- Provide targeted training, coaching, and mentorship to institutional teams.
- Enhance institutional capabilities in data analytics, digital tools, customer management, and market-driven innovation.

d. Facilitate Peer Learning and Knowledge Exchange

- Organize workshops, clinics, and peer-to-peer learning sessions to share practical insights, innovations, and best practices.
- Develop and disseminate short knowledge of products such as case studies and lessons learned.

e. Prepare Quarterly Progress Reports and a Final TA Report

- Submit quarterly updates, summarize activities, results, challenges, and next steps.
- Provide institution-specific progress assessments against TA plans.

- Produce a final report documenting outcomes, lessons, and recommendations for sustainability and scale.

5. Deliverables

The selected service provider will be responsible for producing:

- (i) Inception Report – outlining the work plan, methodology, timelines, and coordination arrangements with the Finance for Growth Project Team and the IGF Grant Manager.
- (ii) Final TA Concept Note and Market Assessment Report
- (iii) FSP's Institutional Diagnostic and Capacity Assessment Report (Outlining capacity gaps and priority interventions) and Implementation Plan, including milestones, timelines, and deliverables (e.g., systems, prototypes, tools, etc. - co-created with each FSP, including KPIs and M&E framework.
- (iv) Progress Reports – weekly, monthly, and quarterly performance reports on activities, outputs, and outcomes.
- (v) Final Completion Report – summarizing achievements, lessons learned, and sustainability recommendations.

6. Timeline

The consultancy is anticipated to be carried out between March 2026 and March 2027.

7. Evaluation and Selection

Any consulting firm interested in participating in this bid should submit a separate technical and financial proposal detailed in TZS to FSDT. The following format should be observed:

- Maximum 5-page technical proposal including the following:
 - i. Comments on the TOR
 - ii. Proposed implementation approach and work plan
 - iii. Company/Team/Consultant Profile
 - iv. Relevant previous similar work/assignment (include two references with email and phone number)
 - v. Annex with CV of key personnel (excluded from the 5-page count)
- Overall, the preferred bidder will be selected based on presenting the most economically advantageous tender. This means that bidders will be evaluated on a combination of technical and financial criteria. In this case, the ratio between technical and financial scores will be 80/20.
- The technical component of each proposal will be scored first using a grid that assesses several key attributes. This is set out below.

8. 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.

Evaluation Criteria	Marks
Required experience (Consulting firm)	
The consulting firm must demonstrate experience in designing and/or providing Technical Assistance to Financial Service Providers in SME financing to Commercial Banks, Microfinance Service Providers, and related institutions in the last 5 years. - <i>Provide at least 2 reference letters on previous assignments of related work in the last 3-5 years.</i>	25
Experience in similar assignment in Tanzania or Sub-Saharan Africa and substantial hands-on experience working on EU-funded programmes	10
Sub Total – Experience	35
Qualifications	
Consultant(s) The Team Leader must meet the following qualifications to be considered eligible to undertake the tasks laid out under the Scope of Services.	
<i>A Masters’ Degree in Banking, Finance, Accounting, Commerce, or Social Science or related field.</i>	5
<i>A minimum of (10-15) years of experience in banking, finance, and microfinance with 5 years in either governance and institutional strengthening, digital transformation and core banking upgrades, credit portfolio management and risk controls, product innovation for youth and/or women, compliance, and staff capacity development.</i>	20
<i>Demonstrated track record in financial sector work; expertise in SME financing, product development, gender-responsive and youth-focused financial inclusion.</i>	10
<i>Demonstrated knowledge of climate finance, circular economy, ESG integration or green product development is an added advantage.</i>	5
<i>Demonstrated analytical, reporting and communication skills.</i>	5
<i>Fluency in English both verbal and written. Ability to understand and speak Kiswahili is an advantage.</i>	5
Subtotal - Team Composition	50
Adequacy of Technical Approach, Methodology and Comments	
<i>Technical approach and methodology (demonstration of clear understanding of TORs, detailed methodology)</i>	10
<i>Adequacy of the comments on the TOR</i>	5
Sub-Total – Methodology	15
Total	100

- For the technical proposal to be considered further, a minimum total technical score of 70 out of 100 is required. Only financial proposals from bidders scoring at least that level will then be evaluated.
- The total financial cost in Tanzanian shillings 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.
- The winning bidder will be notified of their selection, and other bidders will be informed of the outcome.

9. Financial Proposal

- This will be a reimbursable fee contract up to a maximum financial limit. Financial proposals should be quoted in TZS. FSDT requires a detailed and transparent budget breakdown in which all line items are clearly specified.
- Financial proposals should be in TZS and must be submitted electronically **separately** from the technical proposal.
- Provide a daily rate for work within Dar es Salaam for the main consultant and potential co-facilitators.
- It is assumed that in case of any transport expenses or remote facilitation FSDT will directly facilitate the same. If the consultant is based outside Tanzania FSDT will not cover travel cost in and out of Tanzania.

Financial proposals should be in this format:

Detail/Item	Rate (TZS)	Total (TZS)

This 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 proposals will be evaluated on a basis net of any local taxes.

10. Submission of Bids

The deadline for submission of the proposal documents is 5 pm, 19th January 2026.

Any queries relating to this ToRs should be submitted in writing to FSDT under the following address, all questions and the answers will be shared with all short-listed bidders. The deadline for any queries is 2 days before the tender submission deadline date.

Procurement Manager,

The Financial Sector Deepening Tanzania,

2nd Floor De Ocean Plaza,

Plot 400 Toure Drive,

P.O. Box 1559 Oyster Bay, Dar es Salaam, Tanzania

+255 222 602 873/5/6

procurement@fsdt.or.tz

11. Other Matters

Confidentiality

- All information contained in the Terms of Reference and attachments are provided on a strictly confidential basis solely for the use of tenderers in connection with the competition for the supply of services. It is a condition of this competition that tenderers (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.

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.

Taxation

The winning bidder will be responsible for paying withholding tax and all other tax liabilities as per Tanzanian Tax laws. Any such tax amounts shall be the responsibility of the consultant.