TERMS OF REFERENCE

FINANCIAL INCLUSION GLOBAL INITIATIVE (FIGI) -BASED DIGITAL MERCHANT PAYMENTS (DMP) LANDSCAPE STUDY

FEBRUARY 2026

1. INTRODUCTION AND BACKGROUND OF THE ASSIGNMENT

The Financial Sector Deepening Trust Tanzania (FSDT), in partnership with the Bank of Tanzania (BoT), is implementing a research and evidence-generation initiative to accelerate the adoption of Digital Merchant Payments (DMP) in Tanzania.

FinScope Tanzania 2023 clearly showed a disconnect in the country's digital financial landscape. While 72% of Tanzanians reported actively using mobile money and other digital financial services, only 9% utilized merchant payments s in the past 12 months prior to the Survey. More recent Bank of Tanzania data reinforces this finding, showing that less than 15% of the total digital transaction volumes are attributed to person-to-person (P2M) payments. This clearly shows that despite high mobile money penetration, usage for retail purchases remains low, with awareness, trust, pricing perceptions, coordination failures, and ecosystem incentives limiting uptake. Building on these findings, FSDT and the Bank of Tanzania have committed to working together to identify the underlying challenges and design practical solutions aimed at scaling up the adoption and usage of merchant payments. Their shared objective is to elevate P2M transactions to levels comparable with the widespread uptake of person-to-person (P2P) payments.

This assignment represents Phase 1 (Landscaping) of a sequenced research design that includes:
- Phase 1: Financial Inclusion Global Initiative (FIGI)-based landscaping study
- Phase 2: Lab-in-the-field A/B testing and Randomized Controlled Trial (RCT)

The landscaping study will apply the World Bank FIGI Market Readiness Framework to diagnose systemic, market, regulatory, infrastructure, and behavioural barriers to DMP adoption and directly inform the design of subsequent Social and Behaviour Change Communications (SBCC) interventions, which will undergo A/B testing and a full-fledged RCT.

2. RATIONALE OF THE ASSIGNMENT

DMP adoption is a multi-sided market problem involving consumers, merchants, suppliers, financial service providers (FSPs), and regulators. Fragmented research cannot capture these interdependencies. A FIGI-aligned ecosystem assessment ensures:
- System-wide diagnosis beyond demand surveys
- Evaluation of infrastructure, regulation, market conduct, and user capability
- Identification of gender and rural inclusion gaps
- Prioritized, evidence-based recommendations for interventions and policy dialogue

This study will generate the foundational evidence required to design behaviorally informed and market-compatible SBCC interventions that can be tested both on-platform and off-platform.

As such, FSDT is seeking to recruit a consultant/firm to conduct a comprehensive FIGI-aligned DMP ecosystem diagnostic that:
1. Assesses Tanzania's market readiness for DMP scale-up
2. Identifies systemic, regulatory, market, and behavioral barriers
3. Develops merchant and consumer personas

4. Provides an overview of major FSPs offering DMP (volumes and unique value propositions)
5. Provides prioritized recommendations to inform A/B testing and RCT design
6. Assesses how ESCROW funds can be leveraged for value creation

3. SCOPE OF WORK

The consultant/firm will deliver a structured FIGI Market Readiness Assessment through the components below.

3.1. Desk Review and Ecosystem Mapping

The consultant/firm will undertake a structured review of existing evidence and documentation, including FinScope Tanzania, BoT National Payment Systems reports, IFC and IPA studies, FSDT research, and TIPS/TANQR documentation. Such a review will effectively map the existing regulatory and policy frameworks, institutional mandates, pricing structures, and fee disclosures, interoperability arrangements, and existing merchant acquisition strategies, as well as incentive models.

Further, the consultant/firm will document major DMP providers[1], product offerings, pricing, incentive schemes, interoperability status, and market concentration through a market review. This information will further be strengthened through subsequent key informant interviews with FSPs and PSPs (see 3.3).

3.2. FIGI Market Readiness Assessment

Using FIGI dimensions[2], the consultant will design a scoring framework and evidence matrix to assess the DMP ecosystem across the following dimensions:

FIGI Dimension	Key Focus Areas
Interoperability & Infrastructure	TIPS/TANQR functionality, network reliability, onboarding systems
Regulatory & Consumer Protection	Fee transparency, dispute resolution, KYC/onboarding requirements
Market Conduct & Competition	Merchant incentives, exclusivity practices, agent-merchant conflict
Inclusion & Accessibility	Rural access, women-led businesses, digital literacy
Usability & Experience	Transaction flow, reversal fears, trust, fee comprehension

---

[1] It is important to note that the study understands both mobile money-based DMP solutions as well as banks and payment service provider-based solutions as DMP.

[2] The Financial Sector Infrastructure Global Initiative (FIGI) Assessment Framework, developed by the World Bank in partnership with the Committee on Payments and Market Infrastructures (CPMI) and the International Telecommunication Union (ITU), provides a structured diagnostic tool to evaluate digital financial ecosystem readiness across infrastructure, regulatory environment, market practices, and consumer capabilities, with a focus on promoting inclusive, safe, and interoperable digital payments.

3.3. Stakeholder Research

The consultant will conduct **25–40 Key Informant Interviews (KIIs)** with various supply side, demand side, as well as regulatory or infrastructure providing stakeholders, which shall include, but are not limited to:

- Bank of Tanzania (BoT) - (National Payments System (NPS), Financial Deepening and Inclusion- DFDI)

- FSPs and PSPs integrated with TIPS

- Merchant aggregators

- Fast Moving Consumer Goods (FMCG) suppliers

- Merchant associations

- Consumer protection bodies, i.e. Fair Competition Commission

Focus will include operational barriers, interoperability realities, pricing incentives, onboarding frictions, and gender constraints.

3.4. Quantitative Surveys

To understand the demand side more effectively, a phone-based survey approach is recommended, which will reach out to existing mobile money or digital financial service users. The quantitative survey aims to measure awareness, usage patterns, trust, perceived fees, interoperability understanding, and cash vs digital preferences and drivers. The survey is expected to reach a minimum of 1,200 consumers, 600 merchants, and about 150 suppliers/wholesalers.

3.5 Qualitative Deep Dive

In addition to surveys and stakeholder interviews, the study will include an in-depth qualitative component designed to unpack the behavioural, social, and experiential drivers of Digital Merchant Payment (DMP) use and non-use. Through focus group discussions (minimum 12), merchant journey-mapping exercises (minimum 8), and segment-specific discussions with women-led and rural businesses, the deep dive will explore how merchants, consumers, and suppliers experience payment decisions in their daily economic activities. This includes understanding perceptions of risk and trust, social norms around cash use, coordination challenges along supply chains, practical usability issues (e.g., transaction flow, network reliability, reversals), and the incentives or disincentives created by merchant–agent dual roles.

The qualitative work will pay particular attention to gender-related constraints, informal business practices, and liquidity management behaviours that influence payment choices. Findings will be synthesized into detailed personas and behavioural archetypes that illustrate typical decision pathways, barriers, and trigger points for DMP adoption. These insights will be critical for informing the behavioural design of SBCC messages and ensuring that subsequent A/B testing and RCT interventions are grounded in real-world user realities rather than assumed barriers.

FSDT Terms of Reference: FIGI-Based Digital Merchant Payments (DMP) Landscape Study

3.6 Benchmarking

Lastly, the consultant/firm is expected to leverage the study results to perform a focused international benchmarking exercise aligned with the FIGI Market Readiness framework to position Tanzania's DMP ecosystem relative to peer and aspirational markets. Tanzania's performance across FIGI dimensions will be compared with selected countries that have advanced interoperable payment systems, QR ecosystems, or successful merchant adoption strategies under similar regulatory contexts. The benchmarking will draw on FIGI assessments where available, and otherwise use proxy indicators such as merchant acceptance density, interoperability architecture, pricing transparency, consumer protection mechanisms, and inclusion of women-led businesses.

The objective is not to rank countries but to identify structural and policy features associated with stronger DMP adoption and highlight gaps in Tanzania's ecosystem. The analysis will inform prioritization of reform actions, strengthen policy dialogue with the Bank of Tanzania, and guide the design of A/B testing and RCT interventions. It will also enhance the study's relevance for development partners supporting Tanzania's transition toward a cash-lite economy.

Further, the benchmarking should assess how ESCROW funds can be leveraged for value creation and how enabling regulation in comparable markets has led to value creation.

4. KEY DELIVERABLES

The consultant/firm is expected to deliver the following key outputs:

- Inception Report: including detailed methodology, tools, sampling, and FIGI scoring approach
- Data Collection Instruments: Survey, KII, FGD guides
- FIGI Scoring Framework: Evidence matrix and scoring logic
- Draft Landscape Report: clearly capturing barrier diagnosis, personas/archetypes, ecosystem assessment
- Validation Workshop: Conduct a stakeholder scoring validation.
- Final Landscape Report: Full landscaping report which includes the validated scoring and provides clear, prioritized recommendations for SBCC design, A/B, and RCT

5. DURATION, LEVEL OF EFFORT, AND GOVERNANCE MODALITY

The assignment is expected to run for approximately 12 weeks from contract signature. The work will follow a phased structure to ensure methodological rigor, stakeholder engagement, and timely

FSDT Terms of Reference: FIGI-Based Digital Merchant Payments (DMP) Landscape Study

validation of findings. The total level of effort is expected to be approximately 80–90 professional days, distributed across a multidisciplinary team.

Tentative Workplan:

Phase	Key Activities	Timing
Phase 1 – Inception	Methodology finalization, tool design, sampling plan, workplan agreement	Weeks 1–2
Phase 2 – Desk Review & Tool Finalization	Literature review, FIGI scoring framework design, instrument piloting	Weeks 2–3
Phase 3 – Field Data Collection	KIIs, surveys, FGDs, journey mapping	Weeks 4–8
Phase 4 – Analysis & FIGI Scoring	Quantitative and qualitative analysis, persona development, benchmarking	Weeks 8–10
Phase 5 – Validation & Reporting	Stakeholder workshop, finalization of report	Weeks 11–12

The consultant/firm will report directly to the FSDT Project Lead, with technical oversight provided jointly by FSDT and the Bank of Tanzania. Further, it is important to note that FSDT will serve as the contracting authority and overall coordinator, while BoT will provide technical guidance and facilitate stakeholder access. To ensure adequate project oversight, regular check-ins (bi-weekly) will be held, and all key milestones (Inception, Draft Report, Validation, Final Report) require formal approval. All raw data, tools, and analytical outputs will remain the property of BoT and FSDT.

6. REQUIRED QUALIFICATIONS AND EXPERIENCE

Firms or consortia are encouraged to apply. The team should demonstrate expertise and experience in digital payments ecosystems, financial sector diagnostics, and mixed-methods research.

Core Expertise Required:

Area	Required Experience
Financial Sector & Payments	Minimum 8 years in digital finance, payment systems, or financial inclusion
Ecosystem Diagnostics	Experience using FIGI or comparable market readiness/financial infrastructure frameworks
Quantitative Research	Design and implementation of large-scale surveys and statistical analysis
Qualitative Research	Experience with FGDs, KIIs, journey mapping, persona development

FSDT Terms of Reference: FIGI-Based Digital Merchant Payments (DMP) Landscape Study

Policy & Regulatory Analysis	Understanding of payment system regulation, interoperability, and consumer protection
Gender & Inclusion	Demonstrated experience integrating gender and rural inclusion lenses

Desirables:

- Experience in Tanzania or East Africa
- Experience working with central banks or regulators
- Experience in merchant or SME digitalization research

7. ASSESSMENT CRITERIA

Submissions will be evaluated using a Quality-and-Cost-Based Selection (QCBS) approach, with strong emphasis on technical expertise and relevant experience.

A. Technical Evaluation (80%)

Criteria	Description	Weight
Relevant Experience	Similar ecosystem diagnostics and digital payments research	25%
Technical Approach	Soundness of understanding the FIGI methodology, and tools	15%
Team Composition	Appropriateness and complementarity of expertise	15%
Research & Analytical Capacity	Demonstrated mixed-methods experience	10%
Regional Experience	East Africa/Tanzania familiarity	5%
Gender & Inclusion Lens	Ability to address women-led and rural business issues	5%
References	Quality and relevance of references	5%

FSDT Terms of Reference: FIGI-Based Digital Merchant Payments (DMP) Landscape Study

B. Financial Evaluation (20%)

Criteria	Description	Weight
Cost Reasonableness	Alignment with scope and LOE	15%
Value for Money	Balance between quality and price	5%

The final score will be calculated as: Final Score = (Technical Score × 80%) + (Financial Score × 20%). Only candidates achieving a minimum technical score of 65% will be considered for financial evaluation.

8. APPLICATION PROCESS

Interested firms/consultants should submit:

- Cover Letter
- Technical Proposal capturing methodology and workplan (maximum 5 pages)
- CVs for Key personnel (maximum 4 pages each)
- Relevant Work Samples (At least 2 comparable assignments)
- References (Minimum 2), please include current phone numbers and emails
- Financial Proposal, as a separate document, clearly indicating data collection costs and daily rates.

The budget for fees is limited to USD 50,000, equivalent to TZS 130,000,000, inclusive of all applicable taxes and duties. Vendors registered in Tanzania are required to submit their quotations in TZS.

All submissions should be made to the FSDT procurement by 5 pm EAT on the 8th of March 2026 via email below:

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

Questions and queries may be submitted to the same email not later than 5 pm EAT on the 5th of March 2026.

9. OTHER MATTERS

Confidentiality

- All information contained in the Terms of Reference is 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:

  o Take all reasonable measures to protect this confidentiality and avoid the unauthorized use, disclosure, publication, or dissemination of confidential information;

  o 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

  o 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 subcontractors) 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 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.

FSDT Terms of Reference: FIGI-Based Digital Merchant Payments (DMP) Landscape Study