TERMS OF REFERENCE

CONSULTANCY TO UNDERTAKE MSME FINANCING STUDIES

JULY 2026

1. About FSDT

Established in 2004, the Financial Sector Deepening Tanzania (FSDT) is a donor-funded market facilitator that focuses on the financial sector. FSDT's main goal is poverty reduction through the transformation of the financial sector to ensure it offers quality, inclusive, and sustainable financial solutions that improve the livelihood, well-being, and empowerment of underserved Tanzanians.

The work done by FSDT is guided by the Market Systems Development (MSD) approach, which aims to create lasting improvements in income, access to jobs, services, and products for people living in poverty by focusing on transforming economic systems and addressing the root causes of market failures.

The FSDT 2026-2030 strategy is designed to support an inclusive financial sector with effective regulation, infrastructure, evidence use, and solutions that reach underserved groups—especially women, youth, and MSMEs—enhancing resilience, livelihoods, and empowerment in Tanzania. The strategic goal is to achieve a transformative and inclusive financial sector, ultimately improving the financial health of Tanzanians.

2. Background

FSDT, with support from the European Union under the Inclusive Finance for the Growth of Women and Youth MSMEs programme, is implementing the Policy Impact Evaluation and Reform (PIER)/Regulatory and Policy Impact Assessment and Reform (REPAIR) initiative. The initiative is designed to strengthen the effectiveness, inclusiveness, and responsiveness of Tanzania's financial sector policies, regulations, and market systems through structured evidence generation, impact assessment, and policy reform support.

A core pillar of the initiative is the generation of robust evidence on MSME financing constraints, opportunities, and market dynamics to inform policy and regulatory reforms, financial product innovation, and institutional responses. Although Tanzania has made notable progress in financial inclusion, access to appropriate, affordable, and growth-oriented finance remains constrained for many MSMEs, especially women- and youth-led enterprises. Financing gaps persist across enterprise segments and sectors, while market information on the demand side, supply side, policy environment, and financial infrastructure remains fragmented.

FSDT recently completed data collection for the 2026 FinScope Tanzania MSME Survey, which will provide a comprehensive understanding of the Demand-side dimension. This study will close the MSME 360-degree assessment loop by providing insights into the other three parts of a functioning market system: supply, rules, and support infrastructure. As such, the study complements the insights emerging from the 2026 FinScope Tanzania MSME Survey.

The SME Financing Study initiative is structured around three core analytical pillars.

a) **Supply-Side Analysis:** Assessing the availability, outreach, product offerings, risk appetite, performance, and constraints of financial service providers, including commercial banks, MFIs, fintechs, SACCOs, credit guarantee schemes, and other funders.
b) **Policy, Legal, and Regulatory Environment** Evaluating the effectiveness of existing policies, laws, regulations, strategies (e.g., NFIF 2023–2028, SME Policy, FAST Growth Project components), and institutional arrangements in enabling or constraining MSME financing.
c) **Market Infrastructure and Ecosystem** Reviewing the broader support systems, including credit information bureaus, collateral registries (movable assets), digital platforms (e.g., MSME Financing Gateway), business development services (BDS), market linkages, value-chain financing mechanisms, and public-private partnerships.

These three pillars will form the foundation for all data collection, analysis, gap identification, and development of recommendations across policy changes**,** financial product development**,** capacity development**,** and MSME ecosystem/market development**.**

In this context, FSDT seeks to engage a qualified consultant or consulting firm to undertake a package of MSME Financing Studies that will generate actionable evidence to support policy reform, product development, market innovation, and improved financial sector responsiveness to the needs of MSMEs, particularly women and youth.

3. Purpose of the Assignment

The purpose of this assignment is to conduct a series of 6 market- and policy-relevant MSME financing studies to identify financing gaps, market failures, institutional constraints, and opportunities for innovation, and to inform evidence-based interventions, policy and regulatory reforms, and the design of inclusive financial instruments for youth and women MSMEs in Tanzania.

4. Objectives of the Assignment

Main Objective

To generate high-quality evidence and practical recommendations that improve access to finance for MSMEs, with a specific focus on women- and youth-led enterprises, through studies that inform policy reform, financial sector innovation, and market development.

Specific Objectives

The consultant shall:

i. Assess MSME financing needs across enterprise lifecycle stages, sectors, and geographic locations.
ii. Examine barriers that affect women and youth in accessing and using financial services, and identify practical solutions.

iii. Analyze the behavior, risk appetite, product offerings, and business models of financial service providers serving MSMEs.
iv. Assess the role of digital financial services, fintech, alternative finance, and market infrastructure in expanding MSME finance.
v. Review the policy, legal, and regulatory environment affecting MSME financing and identify priority reform areas.
vi. Benchmark Tanzania's MSME financing ecosystem against regional and international good practices.
vii. Produce evidence-based recommendations for policy, regulatory, institutional, and market-level action.

5. Scope of Work and Deliverables

Phase	Scope of Work	Key Deliverables	Timeline
Phase 1	Inception and Desk Review • Review existing reports and data • Stakeholder mapping • Develop detailed methodology, sampling, and tools	(i) Inception Report (methodology, workplan, tools, risk matrix)	20th - 30th Aug 2026
Phase 2	Primary Data Collection & Stakeholder Engagement • Quantitative survey • Qualitative KIIs and FGDs • Focus on gender, youth, sectors, digital & climate finance	(i) Interim Progress Report (ii) Raw & processed dataset (anonymized)	5th - 25th Sept 2026
Phase 3	Data Analysis, Insights & Recommendation Development • Mixed-methods analysis • Finance gap assessment • Develop policy proposals, product prototypes, capacity programs, and ecosystem strategies	(i) Draft Final Study Report (ii) Preliminary findings presentation	26th Sept – 5th Oct 2026
Phase 4	Validation, Finalization & Dissemination • Stakeholder validation workshops • Incorporate feedback • Prepare dissemination materials	(i) Final Study Report + Executive Summary (ii) Prioritized Implementation Roadmap (costed, with KPIs & M&E) (iii) 3–5 Policy Briefs & Product/Capacity Prototypes (iv) Presentation materials &	15th - 30th Oct 2026

		workshop facilitation (v) Data dashboard (Excel/Power BI)	

6. Duration and Level of Effort

The assignment is expected to be completed within approximately 6 to 8 months, with the exact timeline to be agreed upon during contracting. The consultant shall propose a detailed work plan showing sequencing, level of effort, and staffing inputs.

7. Required Qualifications and Experience

A consultant should demonstrate:

i. At least 10 years of experience in financial sector research, MSME finance, policy analysis, or market systems development
ii. Proven experience conducting large-scale studies or diagnostics in financial inclusion, MSME finance, women's economic empowerment, youth enterprise development, or related fields
iii. Strong experience in mixed-methods research, data analysis, and policy-oriented studies
iv. Demonstrated knowledge of Tanzania's financial sector, policy environment, and MSME ecosystem
v. Experience in producing high-quality reports for development partners, regulators, or government institutions.

8. Eligibility Requirement for Bidders

To be considered for this assignment, bidders must meet the following minimum eligibility requirements and submit documentary evidence as part of their technical proposal

- Submit **at least three (3) client reference letters** confirming successful completion of similar assignments.
- Submit the following **KYC documents**:
  - Certificate of Incorporation/Registration(where applicable);
  - Valid Business Licence (where applicable);
  - TIN and Tax Clearance Certificate;
  - VAT Registration Certificate (where applicable);
  - Personal/Company Profile;
  - Ownership/Beneficial Ownership information (where applicable);

9. Evaluation Criteria

Technical Proposal Evaluation (Total 100 points)

No.	Evaluation Criteria	Key Aspects Evaluated	Maximum Points

1	**Understanding of the Assignment**	Depth of understanding of MSME financing challenges in Tanzania, FSDT's MSD approach, gender/youth focus, and the policy-reform linkage.	15
2	**Proposed Methodology & Technical Approach**	Quality, rigor, and innovation of the mixed-methods design; appropriateness of quantitative and qualitative tools; sampling strategy; integration of demand, supply, policy, and thematic analyses; clear linkage to policy recommendations.	25
3	**Work Plan & Sequencing**	Realism, logical sequencing, clear milestones, and efficient use of time within the 6–8 month period.	10
4	**Team Composition, Qualifications & Experience**	Relevance and strength of the proposed team (Lead Consultant + specialists); demonstrated expertise in MSME finance, financial inclusion, gender/youth analysis, and policy research in Tanzania or comparable countries.	20
5	**Relevance of Past Experience & References**	Quality and similarity of at least 3 previous assignments in MSME financing diagnostics, policy impact studies, or market systems research; demonstrated ability to deliver actionable, high-quality outputs for donors/government.	15
6	**Stakeholder Engagement & Facilitation Approach**	Strategy for engaging regulators, financial institutions, MSMEs, and other stakeholders; approach to validation workshops and policy dialogue.	10
7	**Quality Assurance, Risk Management & Innovation**	Quality control mechanisms, risk mitigation, ethical considerations (data privacy, gender sensitivity), and any innovative elements proposed.	5

- 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:
    - (Lowest total financial cost/ bidder's total financial cost) x 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.

10. 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 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.

11. Submission of Bids

The deadline for submitting the proposal documents is 5 pm on 13th August 2026. All submissions must be made electronically through the procurement email provided below. Physical submissions will not be considered. All KYC documents must be submitted on or before the stated proposal submission deadline. Failure to submit the required KYC documentation by the deadline will result in the proposal being deemed non-responsive and it will not be considered for evaluation.

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

12. 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.