



## REQUEST FOR PROPOSAL (RFP)

### Consultancy for Developing Youth-Centric Financial Products in SACCOS

#### TERMS OF REFERENCE

##### 1.0 BACKGROUND

German Sparkassenstiftung Eastern Africa (DSIK) is an international NGO headquartered in Bonn, Germany, dedicated to combating poverty through sustainable financial inclusion. At the heart of its mission lies a commitment to partnering with local organizations to execute project activities collaboratively.

DSIK's interventions primarily focus on professionalizing and digitalizing the microfinance and Savings and Credit Cooperative Societies (SACCOS) sector. By prioritizing this sector, DSIK aims to enhance financial literacy, foster capacity development, and bolster institutional strength.

In Tanzania, DSIK is providing advisory services to the Savings and Credit Cooperative Union League of Tanzania (1992) Limited (SCCULT (1992) Ltd). Project activities in Eastern Africa are not limited to Tanzania, but also include Burundi, Kenya, Rwanda, and Uganda. In Tanzania, DSIK is a registered International Non-Governmental Organization under The Non-Governmental Organization Act, 2002 made under Section 11 (1) and 17 (2) of Act No. 24 in 2002 with Registration No. I-NGO/R1/005.

Within this initiative, DSIK is set to collaborate closely with SCCULT (1992) Ltd, the umbrella organization for SACCOS in Tanzania mainland. Established in 1992 under the Cooperative Act No. 15 of 19991, SCCULT (1992) Ltd is dedicated to empowering and advancing SACCOS through advocacy, financial assistance, and technical support. SCCULT (1992) Ltd is licensed under the Microfinance Act of 2018, holding license number MSP3-TCDC/2021/00374 issued in 2021.

##### 2.0 OBJECTIVES OF THE PROJECT

The main objective of this project is to foster sustainable development by enhancing access to financial products, particularly among rural populations, with a focus on youth in Tanzania. Tanzania boasts a significant proportion of young individuals, comprising approximately 64.8% of the total labor force. Despite efforts to ensure equitable financial access, the 2023 FinScope survey has highlighted a concerning trend: a notable increase in financial exclusion among youth, surging from 33% in 2017 to 51% in 2023. This exclusion disproportionately affects rural youth, especially those engaged in agricultural activities.

This initiative therefore aims to empower Savings and Credit Cooperative Societies (SACCOS) with the knowledge and resources necessary to design and develop youth-centric financial products. This involves raising awareness and developing financial solutions that align with the specific needs and preferences of the youth in targeted regions.

### 3.0 SCOPE OF WORK

This assignment, which should be completed within 30 working days, entails conducting focused training workshops on "Developing Youth-Centric Financial Products" for selected SACCOS established within Agricultural Marketing Cooperative Societies (AMCOS) in the Kagera and Tanga regions of Tanzania Mainland. The workshop duration in each region is approximated to take three (3) days. Preceding the workshop, the consultant is expected to have conducted a needs assessment, identifying the specific product requirements, challenges, and opportunities within the selected SACCOS and/or regions.

Furthermore, the workshops are to provide the consultant with the relevant input that will support the formulation and development of credit policies as well as loan manuals on youth-centric financing for the respective SACCOS in the specified regions.

Therefore, the workshop aims to address the following areas:

- (i) Presentation of identified product needs. Present the specific needs, challenges, and opportunities for youth-centric financing identified during the pre-workshop needs assessments.
- (ii) Product development. Engage SACCOS stakeholders in a collaborative process to develop youth-centric financial products. Ensuring a youth-centric approach is maintained throughout the conceptualization and design. This process shall include formulating effective pricing strategies, branding, loan manuals, policies, and detailed implementation plans, including appropriate piloting and evaluation frameworks.
- (iii) Regulatory compliance. Ensure that participating SACCOS are well-informed about the relevant regulatory frameworks and compliance requirements.
- (iv) Risk mitigation. Equip SACCOS with strategies for identifying, assessing, and mitigating financial risks associated with financing products targeting youth.
- (v) Monitoring and evaluation framework. Develop a practical and user-friendly monitoring and evaluation framework to track the progress and success of the developed financial products over time.

- (vi) Documentation and knowledge sharing. Ensure comprehensive documentation of workshop inputs and outcomes, providing participants with materials for knowledge sharing.

#### 4.0 KEY DELIVERABLES

The expected deliverables in this assignment are:

- (i) Inception Report – This will include the overall approach/methodology to be applied and the timing of activities. The report should be issued no later than three (3) days following the signing of the contract.
- (ii) Needs Assessment – A short report presenting the specific needs, challenges, and opportunities for youth-centric financing.
- (iii) A Draft Workshop Report: – This will include a presentation of findings and recommendations after completing the training workshop in each of the selected regions. The report should be produced within seven (7) days after completing the workshop in the respective region.
- (iv) Final Workshop Report – This report shall be produced within three (3) days after receiving remarks from DSIK and its partner (SCCULT) on the Draft Report. DSIK and its partner (SCCULT) shall be required to provide remarks on the draft reports within three (3) days of receiving the draft report.
- (v) Credit Policies/Loan Manuals on Youth-Centric Financing: Two policies/manuals, one in each region, shall be produced within ten (10) days after submitting the final workshop report. Once received, DSIK and its partner (SCCULT) shall review the document and provide remarks within three (3) days, and the consultant shall be given the same number of days (3) to produce respective final documents.
- (vi) Detailed Pilot Planning and Evaluation Framework – This document will provide an overall guidance on the methodology for piloting the developed financial products, along with a monitoring and evaluation framework to track their performance. This shall be produced five (5) days after submitting the Credit Policies/Loan Manuals on Youth-Centric Financing.
- (vii) Workshop materials and resources – This will include resources and materials used and shared during the workshop such as PowerPoint presentations, and reports among others. These shall be owned by DSIK and its partner and shall be shared along with the final report.

#### 5. QUALIFICATION AND EXPERIENCE OF THE CONSULTANT

The Consultant should have at least a master's degree in a discipline relevant to youth and finance, economics, agricultural finance, agribusiness, project

management, or other relevant discipline. Candidates with bachelor's degrees, possessing adequate experience in financial product development will also be considered.

The consultant should have relevant qualifications and working experience, particularly:

- (i) At least a master's degree in finance, Economics, Agribusiness, Agricultural Economics, Business Administration, Microfinance/Cooperatives or related field.
- (ii) At least 10 years of working experience in Rural Development, Microfinance, Financial Product Development, or Youth and Finance.
- (iii) Familiarity with youth-responsive approaches to product development and financial inclusion.
- (iv) Excellent training skills in youth-centric product financing, preferably in Cooperatives and Microfinance Institutions.
- (v) A comprehensive knowledge of the regulations, policy updates, and circulars within the cooperative sector, including The Microfinance Act 2018, The Microfinance Regulations 2019, as well as the Cooperative Societies Act 2013.
- (vi) Proficiency in project management, technical writing, capacity building, facilitation, and project implementation.
- (vii) Experience in communicating effectively with a diverse team of partners.
- (viii) High ability in producing concise and analytical reports.

An eligible consultant may either be an individual or a firm.

#### 6. MODE OF APPLICATION/BIDDING REQUIREMENTS:

Interested consultants should submit both Technical and Financial Proposals for this assignment. Financial Proposals should provide a breakdown of the training workshops per region, and the bidders should be VAT registered (if it is a firm) and must be able to provide Electronic Fiscal Device Receipts (EFDs). The proposals should be accompanied by the Company Profile (for firms), CVs of the responsible team, Address (PO Box), Phone Number, Email Address, Physical Address, and list of both the previous and current Corporate Customers.

The proposals should be submitted to the following e-mail by 10<sup>th</sup> June 2024 at 17:00 (EAT): [Office.Tanzania@dsik.org](mailto:Office.Tanzania@dsik.org)

Please be informed that candidates who will not hear responses by 20<sup>th</sup> June 2024 should consider themselves unsuccessful.



*For any enquiry you may contact: Ms. Jennifer Sisila via Tel: +255 716 4712 20 or E-Mail: [Jennifer.Sisila@sparkassenstiftung.de](mailto:Jennifer.Sisila@sparkassenstiftung.de)*