

## **BANK OF TANZANIA**



### **PRIVATE SECTOR COMPETITIVE PROJECT (PSCP) – ACCESS TO FINANCE COMPONENT**

**CREDIT NO.5326 - TA**

#### **EXPRESSION OF INTEREST**

#### **CONSULTANCY SERVICES FOR ESTABLISHING FINANCIAL CONSUMER PROTECTION FRAMEWORKS FOR TANZANIA**

1. This request for expression of interest follows the General Procurement Notice for this project that appeared online in Development Business (UNDB) issue number 10944 of July 3<sup>rd</sup>, 2013.
2. The Government of United Republic of Tanzania has received a credit from International Development Association (IDA) towards the cost of the Private Sector Competitive Project (PSCP), and intends to apply part of the proceeds of this credit to payment under the contract for consulting services for Establishing Financial Consumer Protection Frameworks for Tanzania.
3. The World Bank conducted Diagnostic Review of Tanzania's Financial Consumer Protection and Financial Literacy in 2013. The review covered financial consumer protection initiatives in the banking, pension and microfinance sectors. Some gaps were identified and recommendations for addressing them were made.
4. Following the Diagnostic Review, the Bank of Tanzania (BOT) was accorded a window under the Private Sector Competitiveness Project (PSCP) for funding various reform activities including (i) establishing a coordination mechanism for financial protection among financial sector regulators, Fair Competition Commission and the Ministries of Finance (Tanzania Mainland and Zanzibar) to address the issues arising from a fragmented institutional framework in this area; (ii) strengthening and clarifying the consumer protection legal and regulatory

framework in all parts of the financial sector, including institutions outside the formal regulatory framework (e.g., microfinance); and (iii) improving the capacity of the regulators to better monitor compliance with market conduct regulations by financial institutions.

The Tanzanian financial system is regulated on a sectoral basis as follows:

- i. Banking sector as well as Payments and Settlements Systems, Credit Reference System are regulated by the Bank of Tanzania;
- ii. Insurance sector is regulated by the Tanzania Insurance Regulatory Authority;
- iii. Securities Market is regulated by the Capital Markets and Securities Authority;
- iv. Pension sector is regulated by the Social Security Regulatory Authority for Mainland Tanzania and Ministry of Finance for Zanzibar; and
- v. Savings and Credit Cooperative Societies is regulated by the Tanzania Cooperatives Development Commission for Mainland Tanzania and the Department of Cooperatives for Zanzibar.

Currently, the Ministry of Finance of the United Republic of Tanzania is in the process of developing a regulatory and supervisory system for microfinance institutions which are not deposit taking.

Apart from the above mentioned regulatory authorities, each sector has associations which foster self-regulatory mechanisms. Further, the Fair Competition Commission of Mainland Tanzania and the Ministry of Trade, Industry and Marketing for Zanzibar have a broader mandate for protection of consumers and competition in the economy.

5. The objectives of this assignment include the following:
    - ✓ To develop comprehensive Financial Consumer Protection policy frameworks<sup>1</sup> for each financial subsector (banking, financial leasing, credit reference, microfinance, payments and settlement, insurance, social security and securities) in Tanzania Mainland and Zanzibar; and
    - ✓ develop proposals for legal and regulatory framework to facilitate effective consumer protection in Tanzania.
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- ✓ Formulate proposals for a coordination mechanism between Fair Competition Authorities in Tanzania Mainland and Zanzibar and the financial regulatory authorities.
6. The Bank of Tanzania (Client) as an implementing entity of PSCP – Access to Finance Component now invites eligible consultants to indicate their interest in providing the services. Interested consultants must provide information indicating that they are qualified to perform the services. Such information may include brochures, description of similar assignments, experience in similar conditions and availability of appropriate skills among proposed staff. Consultants may associate to enhance their qualifications.
  7. This consultancy services requires Consulting firm with wide knowledge and experience in financial consumer protection related assignments, preferably in developing and emerging economies.
  8. A short list of consulting firms will be prepared on the basis of Expressions of Interest submitted to Bank of Tanzania in writing. The selection method will be in accordance with procedures set out by the World Bank Guidelines; Selection and Employment of Consultants by World Bank Borrowers, January 2011, Quality and Cost Based Selection (QCBS).
  9. Interested consultants may obtain further information at the address given below between 0830 hours and 1630 hours, Monday – Friday inclusive, exclusive of public holidays, before the deadline for the submission of Expression of Interest.
  10. Expressions of Interest in writing, with corporate capability statement should be sent to the Secretary, BOT Tender Board, Bank of Tanzania, P.O. Box 2939, Dar es Salaam, Tanzania. Physical address: 2<sup>nd</sup> Floor, South Tower, 2 Mirambo Street, 11884 Dar es Salaam, E-mail: [PMU@bot.go.tz](mailto:PMU@bot.go.tz), Telephone No.: +255 22 2235194/5, Fax No.: +255 22 2234053
  11. Deadline for submission of Expression of Interest is on Tuesday, 24<sup>th</sup> October, 2017 at 11.00 hours' local time.