



IPA

Request For Proposals (RFP)

No. IPA/RFP/FIP/006/2024

**RFP for Review and Analysis of Tanzania's Digital Financial
Services Tax Landscape**

Issue Date: (April 29, 2024)

ATTENTION: All clarifications and amendments to this solicitation will be promptly posted on IPA's [website](#) within 48 hours after the clarification window (*Deadline for Receipt of Questions*) expires.

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Synopsis of the RFP

RFP No.	IPA/RFP/FIP/006/2024
Issue Date	April 29, 2024
Title	RFP for Review and Analysis of Tanzania's Digital Financial Services Tax Landscape
Issuing Office	Innovations for Poverty Action 1701 Rhode Island Ave NW, Suite 3-124 Washington, DC 20036
Deadline for Receipt of Questions	Thursday, May 9, 2024 at 5 PM EDT
Point of Contact for Questions	global-procurement@poverty-action.org for emails, please include the RFP number in the subject line.
Deadline for Receipt of Proposals	Friday, May 17, 2024 at 5 PM EDT
Proposal Submission Address	global-procurement@poverty-action.org Please include the RFP Title and Number in the subject line.
Anticipated Award Type	Firm Fixed Price Subcontract
Basis for Award	The award will be issued to the responsible and reasonable offeror who provides the best value to IPA and its client using a combination of technical and cost/price factors.

1. Introduction and Purpose

1.1 Purpose

IPA (Global) invites qualified offerors to submit proposals to supply and deliver (Review and Analysis of Tanzania's Digital Financial Services Tax Landscape) in support of program implementation.

1.2 Background

About half of Tanzanian adults (52%) are included in the formal financial system, driven largely by the proliferation of mobile money accounts (44.5%) rather than traditional bank products. The latest Tanzanian National Financial Inclusion Framework (NFIF) 2023 - 2028 sets a target of 85 percent of the adult population having a formal transactional account by 2028. The NFIF also outlines priorities and enablers for the financial sector to advance financial inclusion; one of these enablers is access to affordable financial products and services.

Increasing affordability of digital financial services (DFS) is critical for Tanzania, where the cost of transacting using DFS is the highest in East Africa and among the highest in the world. The DFS ecosystem in Tanzania comprises mobile money providers, traditional banking institutions and an increasing number of Fintechs. Despite having a robust supply side ecosystem, individuals and businesses continue to face high transaction costs. The high costs are considered impeding for users, including individuals and businesses, while taxation on transactions is anticipated to be a challenge for supply side stakeholders; thereby creating obstacles for policy makers in advancing the financial inclusion agenda.

1.3 Objectives

Innovations for Poverty Action (IPA) is currently pursuing a research initiative to investigate the cost of DFS in Tanzania, called the 'Tanzania Affordable Digital Finance Research Initiative (TADFRI)'. TADFRI will generate, along with partners and key stakeholders, data and evidence around the drivers of DFS affordability. While the overall research program will pursue several lines of inquiry, we understand that taxation on payments is one of the most important components of DFS pricing in the country. Through conducting rigorous research, TADFRI will develop an analytical and evidence-based approach to DFS taxation policy in the country that takes into account tradeoffs between government objectives, and allows policy makers to construct taxation policies that take account of competing objectives including advancing financial deepening and inclusion (government), ensuring sufficient tax revenue is collected (government), enhancing revenue and profits (private sector) and ensuring welfare (consumers).

For ease, we refer to academics, individual offerors, and organizations as 'Offerors' for the remainder of this document.

1.4 Issuing Office

The Issuing Office and Contact Person noted in the above synopsis is the sole point of contact at IPA for purposes of this RFP. Any prospective offeror who fails to register their interest with

this office assumes complete responsibility in the event that they do not receive direct communications (amendments, answers to questions, etc.) prior to the closing date.

1.5 Type of Award Anticipated

IPA anticipates awarding a Firm Fixed Price Subcontract. This award type is subject to change during the course of negotiations.

2. General Instructions to Offerors

2.1 General Instructions

“Offeror”, “Subcontractor”, and/or “Bidder” means a firm proposing the work under this RFP. “Offer” and/or “Proposal” means the package of documents the firm submits to propose the work.

Offerors wishing to respond to this RFP must submit proposals, in English, in accordance with the following instructions. Offerors are required to review all instructions and specifications contained in this RFP. Failure to do so will be at the Offeror’s risk. If the solicitation is amended, then all terms and conditions not modified in the amendment shall remain unchanged.

Issuance of this RFP in no way obligates IPA to award a subcontract or purchase order. Offerors will not be reimbursed for any costs associated with the preparation or submission of their proposal. IPA shall in no case be responsible for liable for these costs.

IPA intends to onboard an individual (academic or consultant) or organization to lead the Tax Workstream under the TADFRI program. We are open to different entities forming partnerships to deliver the whole package of work, or for offerors to bid for Lot 1 or Lot 2 of the scope of work. In the case of partnerships, IPA will contract with one party only.

Proposals are due no later than **(Friday, May 17, 2024 at 5 PM EDT)**, to be submitted to global-procurement@poverty-action.org (Late offers will be rejected).

The submission of a proposal to IPA in response to this RFP will constitute an offer and indicates the Offeror’s agreement to the terms and conditions in this RFP and any attachments hereto. IPA reserves the right not to evaluate a non-responsive or incomplete proposal.

2.2 Proposal Cover Letter

A cover letter shall be included with the proposal on the Offeror’s company letterhead with a duly authorized signature and company stamp/seal using the [Proposal Cover Letter template](#) (see Attachments) for the format. The cover letter shall include the following items:

- The Offeror will certify a validity period of (90) days for the prices provided.
- Acknowledge the solicitation amendments received.

2.3 Questions Regarding the RFP

Each Offeror is responsible for reading and complying with the terms and conditions of this RFP. Requests for clarification or additional information must be submitted in writing via email

or in writing to the Issuing Office as specified in the Synopsis above. No questions will be answered by phone. Any verbal information received from an IPA (Global) employee or other entity shall not be considered as an official response to any question regarding this RFP.

Copies of questions and responses will be distributed in writing to all prospective offerors who are on record as having received this RFP after the submission date specified in the Synopsis above.

3. Instructions for the Preparation of Technical Proposals

Technical proposals shall include the following contents:

Technical Approach—the SoW includes details on the requirements of this exercise. The Offeror shall showcase understanding of the SoW and provide a comprehensive approach with a detailed workplan to undertake the exercise aligned with stipulated timelines provided in section 5 of this document. Generally, the proposal must include:

- Broad understanding of how high pricing of DFS products and services can impede growth in financial inclusion.
Clear understanding of each research component outlined below, with critique and suggestions wherever applicable (*see SoW*)
- Broad assessment of the Tanzanian DFS landscape and the historical context of DFS taxation in the country, which may include recognition of the various stakeholders involved in developing the taxation policy and other stakeholders who may be consulted/affected by the tax policy
- Research methodology to be employed for leading investigation into each component outlined below, specifically on how a taxation model can be developed to suit national level DFS tax policy development. This section should also include recommendations on how deliverables outlined in the SoW can be adjusted, if desired by the offeror.
- A workplan, which clearly lays out the strategy of the offeror, with associated timelines, in executing the overall exercise.
- Management approach
 - Description of the Offeror's staff assigned to the activity. The proposal should describe how the proposed team members have the necessary experience and capabilities to carry out the Technical Approach.
- Past performance
- Provide a list of at least three (3) recent awards of similar scope and duration. The information shall be supplied as a table (), and shall include the legal name and address of the organization for which services were performed, a description of work performed, the duration of the work and the value of the contract, description of any problems encountered and how it was resolved, and a current contact phone number of a responsible and knowledgeable representative of the organization. See Attachments.
- Description of Offerors experience of supporting policy makers in tax policy development, especially on DFS in other similar markets.

- Description of Offerors understanding and experience of the financial inclusion space and digital financial services. Having in-depth knowledge of Tanzania’s financial inclusion ecosystem would be a plus.

3.1 Services Specified

For this RFP, IPA is in need of the services described in Attachment: Scope of Work.

4. Instructions for the Preparation of Cost/Price Proposals

4.1 Cost/Price Proposals

Provided in the Attachments section of this RFP is a template for the [Price Schedule for firm-fixed price awards](#). For cost-reimbursable or time & material awards, the offeror shall provide a fully detailed budget. Offerors shall complete the template including as much detailed information as possible. Any required payment terms must be included in the cost proposal.

It is important to note that Value Added Tax (VAT) shall be included on a separate line. The Subcontractor is responsible for all applicable taxes and fees, as prescribed under the applicable laws for income, compensation, permits, licenses, and other taxes and fees due as required.

5. Basis of Award

5.1 Evaluation Criteria

Each proposal will be evaluated and scored against the evaluation criteria and evaluation sub-criteria, which are stated in the table below.

Evaluation Criteria	Evaluation Sub-criteria	Maximum Points/Weight
Technical Approach	Broad understanding of how high pricing of DFS products and services can impede growth in financial inclusion	30
	Clear understanding of each research component outlined above, with critique and suggestions wherever applicable	
	Broad assessment of the Tanzanian DFS landscape and the historical context of DFS taxation in the country, which may include recognition of the various stakeholders involved in developing the taxation policy and other stakeholders who may be consulted/affected by the tax policy	
	Research methodology to be employed for leading investigation into each component outlined above,	

	specifically on how the taxation model can be developed to suit national level tax policy development	
	Workplan with associated timelines	
Management Approach or Personnel Qualifications	Description of the Offeror's staff assigned to the activity. The proposal should describe how the proposed team members have the necessary experience and capabilities to carry out the Technical Approach.	20
Previous Experience	Understanding of the DFS Taxation landscape in Sub Saharan Africa, and/or specifically Tanzania	20
	Robust understanding of financial inclusion and digital payments	
	Significant experience of working with policy makers and an understanding of conflicting priorities within governments	
	Experience of developing taxation models for consumption and usage by policy makers	
Cost	Submission of a detailed, well-broken-down, realistic, and acceptable Financial Proposal.	30
Total		100

5.2 Proposal Submission Format

To facilitate the evaluation process by the Evaluation Committee, Offerors are strongly encouraged to submit their proposals in the following format:

- i. Cover Letter
 - Include a concise cover letter introducing your proposal. Use the provided template.
- ii. Introduction / Business Profile
 - Provide an overview of your organization, its history, and relevant experience.
- iii. Statutory and Compliance Documents
 - Include essential documents such as business registration, tax files, and any other relevant compliance documents.
- iv. Technical Proposal

- Refer to Section 3 for detailed instructions on preparing the technical proposal.
 - Ensure to provide all necessary supporting documentation and attachments as required by the Evaluation Criteria.
- v. Cost / Price Proposal
- Include detailed cost/price information as outlined in Section 4
 - Should be realistic and acceptable.
- vi. Implementation Timelines / Gantt Chart (if applicable)
- Include timelines or Gantt charts outlining project implementation schedules if relevant to your proposal.
- vii. Any Other Pertinent Information
- Include any additional information that you believe is essential to your proposal.

Please adhere to this format to ensure a structured and comprehensive submission that will aid in the evaluation process.

5.3 Best Value Determination

IPA will review all proposals and make an award based on the technical and cost evaluation criteria stated above and select the offeror whose proposal provides the best value to IPA. IPA may also exclude an offer from consideration if it determines that an Offeror is "not responsible", i.e., that it does not have the management and financial capabilities required to perform the work required.

IPA may award to an Offeror without discussions. Therefore, the initial offer **must contain the Offeror's best price and technical terms.**

5.4 Responsibility Determination

Please note the following:

The contract will be issued by IPA's Global Office in the United States.

IPA will not enter into any type of agreement with an Offeror prior to ensuring the Offeror's responsibility. When assessing an Offeror's responsibility, the following factors are taken into consideration:

1. If the successful bidder has presence in Tanzania, they will be required to confirm their legal eligibility to operate in the host country before contract execution. This includes obtaining necessary business licenses, adhering to tax obligations, and complying with local regulations. Submission of relevant documentation will be necessary before the contract is finalized.

2. The bidder, regardless of their presence in Tanzania, will be responsible to obtain the required research permits for executing this work in Tanzania. IPA will provide support in this process but the ultimate responsibility of obtaining the research permit lies with the bidder.
3. The source, origin and nationality of the products or services are not from a Prohibited Country.
4. Having adequate financial resources to finance and perform the work or deliver goods or the ability to obtain financial resources without receiving advance funds from IPA.
5. Ability to comply with required or proposed delivery or performance schedules.
6. Have a satisfactory past performance record.
7. Have a satisfactory record of integrity and business ethics.
8. Have the necessary organization, experience, accounting and operational controls and technical skills.
9. Have the necessary production, construction and technical equipment and facilities, if applicable.
10. Be qualified and eligible to perform work under applicable laws and regulations.

6. Anticipated Post-Award Deliverables

Upon award of a subcontract, the deliverables and deadlines detailed in the table below will be submitted to IPA. The Offeror should detail proposed costs per deliverable in the Price Schedule. Deliverables must be submitted to and approved by IPA before payment will be processed.

We expect the offeror to submit the following deliverables based on the scope of work. While some deliverables are mandatory, other deliverables are subject to change based on the proposed research design by the offeror, and can be finalized as part of the inception report after mutual agreement between the offeror and IPA.

The timelines against each deliverable are subject to the offerors capacity of completing the deliverables in the stipulated time frame. While the upper end of the timeline may be fixed, the offeror is open to providing deliverables earlier than expected.

Deliverable Number	Deliverable Title	Timeline
Deliverables Lot 1		
Deliverable 1	Tax Model (mandatory deliverable)	2 months from the date of contract
Deliverables Lot 2		
Deliverable 2	Inception Report (mandatory deliverable)	2 weeks from the date

		of contract
Deliverable 3	<ol style="list-style-type: none"> 1. Report / policy brief on Item 1 in SoW 2. Presentation submitted to IPA / given to members of relevant government authorities 	1 month from the date of contract
Deliverable 4	<ol style="list-style-type: none"> 1. Report / Policy brief on Item 3 in SoW 2. Presentation submitted to IPA / given to members of relevant government authorities 	Between 2-4 months from the date of contract
Deliverable 5	<ol style="list-style-type: none"> 1. Report / policy brief on Item 4 in SoW 2. Presentation submitted to IPA / given to members of relevant government authorities 	Between 4-5 months from the date of contract
Deliverable 6	<ol style="list-style-type: none"> 1. Report/ Policy brief on Item 5 in SoW 2. Presentation submitted to IPA / given to members of relevant government authorities 	Between 7-8 from the date of contract
Deliverable 7 - Optional	<ol style="list-style-type: none"> 1. Report/ Policy brief on Item 6 in SoW 2. Presentation submitted to IPA / given to members of relevant government authorities 	Between 8-9 months from date of contract

7. Inspection & Acceptance

The designated IPA staff will inspect from time to time the services being performed to determine whether the activities are being performed in a satisfactory manner, and that all equipment or supplies are of acceptable quality and standards. The subcontractor shall be responsible for any countermeasures or corrective action, within the scope of this RFP, which may be required by the IPA Country Director/Representative as a result of such inspection.

8. Compliance with Terms and Conditions

8.1 General Terms and Conditions

Offerors agree to comply with the general terms and conditions for an award resulting from this RFP. The selected Offeror shall comply with all Terms and Conditions listed in the accompanying [Attachment](#).

9. Procurement Ethics

Neither payment nor preference shall be made by either the Offeror, or by any IPA staff, in an attempt to affect the results of the award. IPA treats all reports of possible fraud/abuse very seriously. Acts of fraud or corruption will not be tolerated, and IPA employees and/or subcontractors/grantees/vendors who engage in such activities will face serious consequences.

Any such practice constitutes an unethical, illegal, and corrupt practice and either the Offeror or the IPA staff may report violations to the Toll-Free Ethics and Compliance Anonymous Hotline at +1 844 837 5445. IPA ensures anonymity and an unbiased, serious review and treatment of the information provided. Such practice may result in the cancellation of the procurement and disqualification of the Offeror's participation in this, and future, procurements.

By submitting an offeror, Offerors certify that they have not/will not attempt to bribe or make any payments to IPA employees in return for preference, nor have any payments with Terrorists, or groups supporting Terrorists, been attempted.

10. Attachments

10.1 Scope of Work for Services or Technical Specifications

IPA has laid out several components of research under the taxation workstream, split into Lot 1 and Lot 2 , below. These components are aimed at providing an in-depth analysis of the DFS taxation landscape in Tanzania. While the broad areas of investigation are fairly fixed, IPA invites offerors to modify, adjust or build on these areas using their experience and understanding of the taxation ecosystem and the objectives for this work.

It is important to recognize that since the DFS ecosystem in Tanzania is made up of Banks, Mobile Money providers and Fintechs, the impact of taxation and high costs may be different on each type of provider due to varying cost structures of the respective entities. As a result, the offeror will be required to disaggregate findings according to each type of provider (wherever applicable).

To support the offeror, IPA will aim to use its resources to connect the offeror to relevant stakeholders and to access the required data. However, ultimate responsibility of delivering on the identified components of the research lies with the offeror.

Components of Research:

Lot

1:

- 1. Developing a tax model to show the impact of different approaches to taxing the DFS sector in Tanzania**

The offeror will develop a tax model, using available data and assumptions, that can be used to forecast how government revenue would respond to different approaches to the design of taxes on DFS. The tax model will be developed in collaboration with the relevant government stakeholders to ensure that it provides insight into the dimensions that the stakeholders are interested in, including the effect on adoption and usage of DFS.

Lot

2:

- 2. Mapping the DFS taxation landscape of Tanzania**

The offeror will be required to understand the stakeholder ecosystem of DFS taxation in Tanzania. This will include mapping out government departments, private sector institutions, users, and other entities such as development finance institutions, civil society institutions, involved in the development of, or being impacted by, national DFS tax policies. The offeror will also investigate what competing priorities exist and how these are balanced between the various stakeholders in setting national level policies for DFS taxation.

3. Analysis of Taxation policies

The offeror will conduct an in-depth analysis of the current and previous tax policies for DFS in Tanzania. This will include, but is not limited to;

- Analyzing how taxation policies were developed, what tools/data/research were used to generate subsequent taxation policies
- Understanding how each taxation policy fared against intended targets by relevant government authorities.
- Investigating why these taxation policies were changed and what rationale/data/research influenced these changes.
- Commenting on the sustainability of the various taxation policies.
- Identifying the impact that subsequent taxation policies have had on financial service providers, individuals and small businesses, incorporating views of relevant stakeholders.

This analysis will cover a period of approximately 5 years up to, and including, 2024.

4. Tax policies for related digital products and services:

The Offeror will study how taxes on other goods and services (especially related products such as feature phones, smartphones, and internet services – seen as ‘enablers’) compare to DFS (payments) taxes in the country. The offeror will aim to surface insights on whether taxes on such products and services are supportive of or impede financial inclusion and deepening efforts.

5. Regional Comparison:

To review the DFS taxation policies through a comparative lens, the offeror will choose at least 2 markets in Sub Saharan Africa, or specifically, East Africa, and investigate how taxation policies in those markets have been designed and what impact those designs had on financial inclusion. The offeror will also share best practices from those markets in terms of tax policy formulation, structure and type of taxes and stakeholder consultation processes, which can be replicated by relevant authorities in Tanzania to build a more efficient tax policy ecosystem for DFS.

6. OPTIONAL - Taxes on DFS use cases

An optional component of the overall analysis is to understand how the DFS taxation policy affects different socio-economic and gender groups, and populations in urban / rural areas, from

among the users of DFS in Tanzania. This will ideally be in the form of a quantitative tool that allows stakeholders to visualize, in real time, which group of users pay what amount of tax via payment transactions on a regular basis.

**The offeror can propose how the quantitative tool will be developed and what data dependencies exist. However, the offeror has the option to include / exclude this area of investigation in their respective proposals as we recognize that data availability for such work may be challenging.*

Collaboration Across workstreams:

Throughout the implementation of the project, the offeror will be required to collaborate with other researchers and the IPA research team working on the broader TADFRI program, regardless of which Lot the bidder bids for. This will include but is not limited to:

- Cross analyzing findings from the tax workstream with results from other workstreams to develop joint/holistic outputs - contributing to medium and long term reports
- Regularly participating in strategy sessions with other researchers and IPA team, including but not limited to participating in the steering committee for the program
- Leading and/or participating in dissemination sessions with external stakeholders throughout the duration of this agreement

10.1 Proposal Cover Letter

[On Firm's Letterhead]

<Insert date>

TO: Innovations for Poverty Action

[Address]

We, the undersigned, provide the attached proposal in accordance with **RFP-**
(insert number). issued on (Insert date). Our attached proposal is for the total
price of (Sum in Words).

I certify a validity period of (enter number) days for the prices provided in the attached
Price Schedule/Bill of Quantities. Our proposal shall be binding upon us subject to the
modifications resulting from any discussions.

We understand that IPA is not bound to accept any proposal it receives.

Yours sincerely,

Authorized Signature:

Name and Title of Signatory: [Click here to enter text.](#)

Name of Firm: [Click here to enter text.](#)

Address: [Click here to enter text.](#)

Telephone: [Click here to enter text.](#)

Email: [Click here to enter text.](#)

Company Seal/Stamp:

10.2 Price Schedule

Item Number	Item Name	Description/Specifications	Quantity	Unit Price	Total Price
1	List the items that are to be supplied (enter additional lines as needed)				
2					
3	VAT				
GRAND TOTAL IN (currency USD).					

Delivery Period and Payment terms:

10.3 Past Performance Form

Include projects that best illustrate your work experience relevant to this RFP, sorted by decreasing order of completion date.

Projects should have been undertaken in the past three years. Projects undertaken in the past six years may be taken into consideration at the discretion of the evaluation committee.

#	Description of Activities	Location Province/ District	Client Name/Tel No/ email address	Cost	Start-End Dates	Completed on schedule (Yes/No)	Completion Letter Received? (Yes/No)	Type of Agreement (fixed price, cost reimbursable)
1								
2								
3								
4								
5								

10.4 Terms and Conditions

- a) The Request for Proposal is not and shall not be considered an offer by IPA.
- b) All responses must be received on or before the date and time indicated on the RFP.
- c) All proposals will be considered binding offers. Prices proposed must be valid for entire period provided by respondent.
- d) All awards will be subject to IPA contractual terms and conditions and contingent on the availability of donor funding.
- e) IPA reserves the right to accept or reject any proposal or cancel the solicitation process at any time and shall have no liability to the proposing organizations submitting proposals for such rejection or cancellation of the request for proposals.
- f) IPA reserves the right to accept all or part of the proposal when award is provided.
- g) IPA shall solely own all intellectual property (e.g. datasets, material, etc.) created under the resulting award.
- h) All information provided by IPA in this RFP is offered in good faith. Individual items are subject to change at any time, and all offerors will be provided with notification of any changes. IPA is not responsible or liable for any use of the information submitted by offerors or for any claims asserted therefrom.
- i) IPA reserves the right to require any bidder to enter into a non-disclosure agreement.
- j) The offerors are solely obligated to pay for any costs, of any kind whatsoever, which may be incurred by bidder or any third parties, in connection with the Response. All responses and supporting documentation shall become the property of IPA, subject to claims of confidentiality in respect of the response and supporting documentation, which have been clearly marked confidential by the bidder.