



**EXPRESSION OF INTEREST (EOI):**

**A STUDY ON USER FEES AND CHARGES IN THE NAMIBIAN FINANCIAL  
SECTOR FOR THE BANK OF NAMIBIA**

**CLOSING DATE: FRIDAY, 28 JUNE 2024 AT 12:00**

**EOI NUMBER ~~05/2024~~ 04/2024**

EXTERNAL AUDITORS ARE HEREBY INVITED TO SUBMIT AN EXPRESSION OF INTEREST TO CONDUCT A STUDY ON USER FEES AND CHARGES IN THE NAMIBIAN FINANCIAL SECTOR FOR THE BANK OF NAMIBIA.

ANY INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE AN EXPRESSED OR IMPLIED CONTRACT OR OFFER.

THE SUBMISSION MUST BE SEALED IN AN ENVELOPE CLEARLY MARKED "**EXPRESSION OF INTEREST: A STUDY ON USER FEES AND CHARGES IN THE NAMIBIAN FINANCIAL SECTOR**" AND MUST BE HAND DELIVERED TO:

**THE BANK OF NAMIBIA  
71 ROBERT MUGABE AVENUE  
WINDHOEK  
NAMIBIA**

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Kambinda'.

David Kambinda

**DEPUTY DIRECTOR: PROCUREMENT AND FACILITIES MANAGEMENT**

# TERMS OF REFERENCE FOR A STUDY ON USER FEES AND CHARGES IN THE NAMIBIAN FINANCIAL SECTOR

## 1. Introduction and background

In light of findings from a 2010 study by the Ministry of Finance, which highlighted the issue of high fees and charges associated with banking products and services in Namibia, there has been a concerted effort by the Bank of Namibia to tackle these barriers to financial inclusion. Despite regulatory initiatives aimed at standardizing fees and charges for payment services, public sentiment indicates that the financial system in Namibia remains burdened by exorbitant fees and charges. This situation contributes to the exclusion and underusage of formal financial services and products by Namibians, particularly those in the informal sector and rural areas. Given this context, the Bank of Namibia is set to undertake a comprehensive study on user fees and charges for financial services in Namibia to determine the root causes of high fees and charges and the impact it has on financial service consumers. Building upon the findings from the consumer payments behavior study undertaken by the Bank of Namibia in 2023, which confirmed consumer sentiments about the high fees and charges, particularly on banking and payment products, the study will complement the findings, by further probing into issues related to transparency and disclosure by the service providers and supplementing the findings with a comprehensive supply and demand side analysis as well as country case comparison to build a relevant case

## 2. Objectives

The service provider is tasked with delivering a comprehensive analysis of the fees and charges applied within the Namibian financial sector, with a focus on cost of services by both banking and non-banking financial institutions.

### **The specific objectives are:**

- Comprehensively analyse the current landscape of fees and charges in the Namibian financial sector (demand and supply-side factors).
- Analyse how fees and charges levied in the Namibian financial sector are determined and designed.
- Establish whether fees and charges in the Namibian financial sector are transparent.
- Evaluate the impact of these fees and charges on consumer behavior and financial inclusion.

- Benchmark Namibia's fee structures against selected jurisdictions (Lesotho, Kenya, India, Brazil) with notable achievements in financial inclusion.
- Develop recommendations for policy interventions to reduce excessive fees and enhance the accessibility of financial services.

The **Specific issues to be investigated** by the Study are:

1. *Demand side factors*: The study will investigate what the major issues related to fees and charges are, with a focus on transparency and disclosure issue. This section will specifically include a comprehensive consumer segment that will unpack the consumer needs and challenges concerning fees and charges of financial services.
2. *Supply-side factors*: This section will review the pricing structure of banking, remittances and payment services and products.
3. *Regulatory factors*: This section will review regulatory requirements/provisions related to fees of financial services
4. *Outcome and recommendations*: This section will outline products and services that are prohibitively expensive and recommend possible regulatory interventions

### **3. Outline of Activities**

The service provider will:

- Conduct desk research to review existing literature and regulatory frameworks related to financial fees and charges both within Namibia and in international contexts.
- Study and interview key stakeholders, including consumers, financial service providers and regulatory bodies.
- Analyse the cost structures of the financial services in Namibia and provide a summary of the key aspects of the costs of the financial services in Namibia.
- Conduct case studies and gather insights from successful international practices.
- Perform data analysis using advanced statistical tools to assess fee structures and their impacts.
- Engage in regular meetings and workshops with stakeholders to validate findings and gather additional inputs.

### **4. Cooperation and Working Scenarios**

The service provider will work closely with the Bank of Namibia and the Namibian Financial Institutions Supervisory Authority (NAMFISA) as the main regulatory bodies.

***Cooperation will also extend to:***

- Engaging with other relevant agencies and stakeholder groups as identified during the study.
- Facilitating workshops and focus group discussions to ensure comprehensive stakeholder engagement and feedback.
- Providing technical advice and updates during stakeholder meetings and through formal reports to ensure transparency and collaboration.

## 5. Deliverables and Outputs

The service provider is expected to deliver:

- Survey Questionnaires- Design a comprehensive questionnaire for conducting interviews with consumers, regulatory bodies and financial institutions. This will be carried out by the service provider.
- A detailed analytical report that includes a synthesis of findings, data analysis, and case study insights.
- Policy briefs targeted at regulatory authorities and financial institutions, detailing actionable recommendations and best practices.
- Presentation materials for workshops and stakeholder meetings.
- A final presentation to key stakeholders summarising the study findings, implications, and recommended policy measures.

## 6. Timelines

June 2024	<ul style="list-style-type: none"> <li>➤ Project initiation, team assembly, and commencement of literature review</li> </ul>
July 2024	<ul style="list-style-type: none"> <li>➤ Completion of literature review, planning, and conducting field visits.</li> <li>➤ Data collection and initial analysis</li> </ul>
August	<ul style="list-style-type: none"> <li>➤ Integration of findings, final analysis, and drafting of the report and policy briefs</li> <li>➤ Final review and presentation of findings to the Bank of Namibia and other stakeholders</li> </ul>

## 7. Qualifications of the service provider

The ideal service provider will possess:

- Advanced degree in Financial Accounting with a solid background in Economics, Finance, Public Policy, or a related field.
- Extensive experience (minimum of 8 years) in financial accounting and financial sector analysis, particularly in the area of fees and charges or similar.

- Proven track record in conducting regulatory and policy analysis in financial sectors.
- Strong investigative and analytical skills, with experience in both qualitative and quantitative research methods.
- Demonstrated ability to work effectively in multistakeholder environments and to engage senior regulators and policymakers.
- Excellent communication skills, both written and oral, with fluency in English.

## **8. Documents to be submitted**

Service providers are required to submit the following:

- (i) Certified copy of Certificate of registration or founding statement;
- (ii) Certified copy of shareholders identification document;
- (iii) Copies of the latest financial statements, not older than one (1) year;
- (iv) A certified copy of a valid good standing certificate Social Security Commission;
- (v) A certified copy of a valid good standing certificate Receiver of Revenue;
- (vi) Proof of NPPC certificate (if applicable);
- (vii) Fully completed supplier registration form (attachment)

## **9. Contact Information**

All correspondence and submissions related to this EoI should be directed to:

Ms. Delila Matengu

[Delila.Matengu@bon.com.na](mailto:Delila.Matengu@bon.com.na) or [procurement@BON.COM.NA](mailto:procurement@BON.COM.NA)