



PoWER Women and Girls Financial Inclusion Country Assessment Tanzania



Prepared by Dalberg Global Development Advisors
22nd June 2017 (Revised December 2017)



Executive summary – Introduction (1/3)



In Tanzania, financial inclusion increased by 26% between 2013 and 2015, driven by the growth of mobile money¹. However, the gender gap stood at 9% in 2015, down from 11% in 2014². This matters because women's financial inclusion can contribute to women's and girls' economic empowerment with evidence from Tanzania showing that financial product usage leads to an increase in self-confidence and greater involvement in household spending, investment in productive resources such as education, and economic opportunities through investment in business set-up and growth.

To address the gender gap, UNCDF has developed a global “PoWER”³ strategy to drive women's and girls' economic empowerment through improving their access to, usage of and control over financial services. UNCDF has carried out multi-country assessments to gain a deeper understanding of the country specific constraints that women and girls face in , Ethiopia, Myanmar, Senegal and Tanzania. The PoWER country assessment toolkit is available as a public good to deepen understandings of these constraints in other countries.

[1] Intermedia, Financial Inclusion Insights (2014), Financial inclusion refers to registered financial service use; [2] Ibid. Digital divide is the likely cause: registered mobile money grew by 80% between 2014-2015, yet only 4% of women have registered accounts vs 13% for men; [3] Participation of Women in the Economy Realized

Executive summary – Introduction (2/3)



This document presents the results of UNCDF's country assessment in Tanzania which brings together evidence collected from the toolkit: desk research, 25 key informant interviews, 5 focus group discussions and a survey of 400 women and girls¹. Together, this analysis seeks to understand key constraints and enablers of women's and girls' access, usage, control and agency over finance in Tanzania across supply, demand and the enabling environment. The structure of the report is as follows:

- **Introduction.** What are the key macro-trends in financial inclusion in Tanzania? What are the micro-insights about the target women and girls and their needs?
- **Access.** What are the key constraints and enablers of women's and girls' access (access points and requirements)?
- **Usage, Control and Agency.** What are the key constraints and enablers effecting women's and girls' usage, control and agency over products and services?
- **Stakeholder analysis.** Who are the key stakeholders in the financial inclusion ecosystem, what is their focus and where are the gaps?
- **Recommendations.** Based on the constraints and stakeholder analysis, what opportunities exist?

[1] Girls refers to adolescents between 12-24 years of age; Country research engaged in- as well as out-of-school adolescent girls.

Executive summary – Introduction (3/3)



Who is she?

Women and girls can be segmented based on (a) their lifecycle stage and (b) their economic activities. The key lifecycle stages identified in Tanzania are (i) school transitions, (ii) employment, (iii) childbirth and building a family. The financial needs at these stages are largely unmet by formal products with informal coping mechanisms often filling product gaps. For example, 3 of 10 teenage girls are or soon will be a mother, causing them to drop out of school, often without parental support.¹ Given that the average age of marriage is 20, this is often out of wedlock.² Women also occupy economic roles, which expose them to various financial needs and challenges. For example, women entrepreneurs often borrow informally to set up a business, but these businesses remain small and informal (1-2 employees)³, given lack of growth capital and non-financial support services.

This report focuses on (i) farmers (ii) adolescent in-school girls (iii) adolescent out-of-school girls (iv) MSME entrepreneurs & (v) informal employees. All women and girls face barriers in accessing, using and having control over finance. Women and girls also occupy important roles as household contributors or managers as well as consumers regardless of their other economic roles and throughout their lifecycle, but these roles have not been explicitly analysed in this report.

[1] World Bank Gender Databank [2] ibid [3] ILO: Women's Entrepreneurship Development in Tanzania (2014)

Executive summary – Access considerations (1/2)



In terms of access points, women benefit from Tanzania's mature mobile money market where the number of mobile money agents outstrips traditional brick and mortar access points by 200x¹. Agent banking has grown by 80% since 2013 but is still low (6.2 agents per 100,000 adults)². Beyond limited bank access points (although linked), **the key constraint women face accessing banks is the perception that banks are for the wealthy or for large sums of money.** Women cite **lack of money** (48% of responses) as **the top reason for not having a bank account³**, despite low or no minimum balance requirements. This reveals a strong and common perception that **banks are for the wealthy, or for saving large sums of money rather than smaller amounts that might accumulate.** This perception is compounded by the view that travelling long distances to deposit small savings is unjustified, especially given the time foregone on domestic activities.

While growth in mobile money has expanded financial accessibility, 30% of women do not own a phone, compared to 15% of men (15% gap); this increases to 39% among rural women compared with 18% of rural men⁴, implying that **not all women benefit equally from the mobile money revolution.**

[1] IMF: Financial Access Surveys (2016) [2] Bank of Tanzania, 2015, Annual Report [3] Finscope (2017) [4] Intermedia: Financial Inclusion Insights (2015)

Executive summary – Access considerations (2/2)



In terms of access requirements, the Bank of Tanzania (BoT) has shown exemplary leadership both in terms of flexible ID requirements (range of IDs accepted at retail banking level and tiered KYC for mobile) as well as uncollateralized loans under \$350,000¹. However, lack of supporting government systems inhibits implementation. For example, BoT permits the use of any verified ID to open an account, but lack of a national ID system (the current system is experiencing delays in roll out) mean **banks require two or three IDs in practice to get the data they need**. This is particularly problematic for women as 69% own 1 piece of ID only (voter registration card) and only 15% own two or more,² with women citing lack of awareness as the top constraint to securing another.³ Beyond account opening, women SMEs do not have the required collateral or business registration to secure a loan. Banks in practice require up to 265% of loan amounts in fixed collateral⁴, which women struggle to meet given **unequal customary land titling regimes** (28% women own land versus 47% men).⁵ By contrast, MFI requirements are less stringent e.g. by accepting moveable collateral and group guarantees, and Mobile Money which accepts tiered KYC. Asset financing and warehouse receipts are emerging best practice in alternative collateral.

[1] Bank of Tanzania, Banking Regulations [2] [5] FSDT: Finscope data (2017) [3] UNCDF Dalberg PoWER Surveys (2017) [4] World Bank Enterprise Surveys (2012)

Executive summary – Usage considerations (1/2)



In terms of product usage, mobile has brought more women into the formal sector (mostly for savings), but formal gender gaps still remain in credit, insurance and business support services.

Women mostly borrow informally to start businesses; mobile loan sizes and tenures are not suited to business investment, access to retail bank loans are prohibitive given collateral requirements (up to 265% fixed collateral) and MFI loans high in interest (~50%)¹. Women are also sourcing loans to set up businesses, rather than to grow them, suggesting a need for non-financial services for growth stage businesses to help them move beyond the 1-2 employee stage. Insurance is also key gap, given 72% of women turn to friends and family for support during crises such as health shocks, and 22% rely on savings². Women generally feel less comfortable using basic mobile money functions, and have less awareness of advanced functions. Similarly, they are less likely to be aware of interest rates on savings accounts at formal institutions³. Per UNCDF Dalberg's survey of 400 women, lack of control over the use of financial products is not a key constraint in Tanzania – more than 75% of women report control over savings and loans, however, men still control major household purchase decisions⁴. Anecdotal evidence suggests control varies by segment e.g. entrepreneurs are more empowered.

Executive summary – Usage considerations (2/2)



While Tanzania's overall financial system is weak, there are pockets of innovation for women, including women commitment savings (e.g. CRDB), linkage banking (e.g. range of CSOs), asset financing (e.g. Selfina and M-Kopa), gender sensitivity training to bank staff (Equity Bank and CRDB). Opportunities exist to scale these pockets of gender sensitive innovation to the broader Tanzanian financial system.

While sex disaggregated data does not present a binding constraint to product innovation; poor data prevents gender-specific innovation among MNOs. The Bank of Tanzania has signalled its intent to collect sex disaggregated data, and is in the process of expanding its financial inclusion database collecting data similar to Findex 2014. Likewise, recent discussions on updating the measurement framework for the National Financial Inclusion Framework highlight that gender targets and indicators will be included.¹ For MNOs, however, the quality of data available constrains targeting customer base by demographic given human errors in sim card registration early in the market's maturity, and the lack of a unified database for different types of ID².

Women's perceived agency² differed from many comparator countries. Women often felt that they had control over their day-to-day financial lives – which may be a result of the high labour force participation. Where agency did sharply emerge as a constraint is in the larger financial decisions, in travelling without permission, and in their ability to enforce the application of formal inheritance law.

[1] AFI (2017), 62 Dalberg Key Informant Interviews (2017)

[2] The definition of agency in the financial inclusion context refers to controlling the benefits of financial product & service use.

Executive summary – Stakeholder analysis



In the **stakeholder landscape**, (i) **civil society and international organizations** are focused on building women's and girls' capabilities in addition to advocacy for gender sensitive policy. Other clusters of activity revolves around facilitating linkage banking where there is room for coordination and sharing of learnings; (ii) **there are pockets of innovation in the supply side landscape** particularly around savings, asset financing and linkage banking within the retail banking sector; more can be done to target specific women segments and to scale in the broader financial system (iii) **amongst government stakeholders**, the Bank of Tanzania is proactively expanding financial inclusion, but there is room for greater coordination across agencies such as Ministry of Community Development, Gender and Children and private/ civil society (iv) there is some gender inclusive best practice among **private sector actors** in agricultural supply chains who have partnered with CSOs and financial institutions to give business and financial literacy training and extend credit; further companies with women supply chains can be targeted to advocate for uptake of best practice.

Executive summary - Recommendations (1/4)



The recommendations are intended to be collectively implemented to be effective. UNCDF can play a critical role in bridging silos and bringing stakeholders together across spheres of influence. At a high level, our analysis has identified (i) **the supply of products and services tailored to women** and (ii) **promotion of the use of sex-disaggregated financial inclusion data** as broad strategic focus areas, and women MSME owners and employees as target segments. To deliver on these, we recommend the following:

1. Supply-side recommendations:

Access

- Build capacity and advocate to retail banks, especially those with agency banking such as Equity Bank and NMB to pilot gender-sensitive marketing through agents to shift the perception that banks are for the wealthy/large deposits among women and girls.
- Learn from best practice on innovations in alternative collateral such as NMB's warehouse receipt system (for smallholder farmers) and Selfina's asset financing model (for SME owners) and advocate to and build capacity within FSPs to pilot these approaches or scale further. Undertake market sizing for these products as a tool for advocacy. Explore opportunities to incentivize bundling with other products
- Advocate to FSPs to innovate on onerous identification requirements, through, for example, technology such as biometric systems that allow unique identification of customers

Executive summary - Recommendations (2/4)



1. Supply-side recommendations (cont.):

Usage

- Support the convening of CSOs developing and supporting savings and loans groups such as Care, Aga Khan Foundation and VICOBA Sustainable Development Agency – and of FSPs developing linkage products – such as NMB and Akiba. Provide a forum to share the learnings and best practices of each set of actors, and document the content as a public good and advocacy tool
- Launch challenge fund or target FSPs that have a strong presence and established record of innovation to develop targeted product bundles for the micro-entrepreneur segment. Potential product features include micro-asset financing and financial/digital literacy training. Linking the FSP to demand side actors – such as SIDO, or Aga Khan Foundation – would provide more holistic support. Similarly, linkages could be made to the supply chain initiative suggested in the demand side recommendations.
- Facilitate partnerships between mobile insurance operators and savings group aggregators to raise awareness on the value and functionality of insurance on the demand side, while encouraging and incentivizing insurance operators to incorporate gender friendly features. Weather insurance would be valuable for smallholder farmers, while medical insurance would be valuable for women as household managers and unemployment insurance for employees

Executive summary - Recommendations (3/4)



2. Demand-side recommendations:

Access/Usage

- Launch a challenge fund to call for approaches to delivering non-financial services for women via mobile channels such as digital and financial literacy, and business skills, building on innovation emerging from companies such as PVI. Where potentially viable options emerge, pilots with FSPs being supported under the usage initiatives would help establish a use case
- Identify & advocate to key supply chain actors (beginning with those with a strong social mandate) to link with FSPs & demand support actors to integrate women in supply chains learning from Coca-Cola's 5by20 initiative. Alternatively, identify existing partnerships – such as the work being done under the SAGCOT initiative or Agrifin (poultry and banana value chains)- where UNCDF could incentivize FSPs to play a bigger role in targeting women
- Engage with government and civil society education actors on incorporating a specific financial literacy and small business management component into secondary school curricula
- Partner with UN Women's entrepreneurship support initiative to scale and link to FSPs being supported that are developing gender sensitive products
- Identify specific actors that are investing in the expansion of women's cellphone ownership and offer targeted support. Examples could include advocacy on behalf of GSMA's Connected Women initiative, or linking demand side CSOs to act as distributors for Kidogo Kidogo

Executive summary – Recommendations (4/4)



3. Enabling environment recommendations:

Access/Usage

- Advocate to donors to fill the financing gap for the National Identification Authority (NIDA) and build capacity to accelerate rollout of national identification system which will solve issues across the board (account opening, credit bureau and data gaps in MNO customer bases); UNCDF to also leverage experience to ensure the rollout of the ID System is gender sensitive
- Invite MFI representative bodies such as Tanzania Association of Microfinance Institutions (TAMFI) and Tanzania Informal Microfinance Association of Practitioners (TIMAP) to put forward proposals on how UNCDF can offer targeted financial or technical support on first advancing the progression of the Microfinance Regulatory Bill through parliament, and then on ensuring its timely implementation
- Under the ambit of AFI's Denarau Action Plan and in collaboration with AFI's Gender Women and Financial Inclusion Committee, submit recommendations to the Bank of Tanzania on targets and provide relevant capacity building and/ or technical assistance to incorporate Action Plan recommendations

4. Control

- Convene actors targeting household roles, mobility and control over assets across sectors e.g. TNS and Care International, document lessons learned and best practice and coordinate roadmap development for a joint response
- Collaborate with and build on the work by SIDA, DfID, DANIDA and the MLHSD in communicating information on land records and processes of allocation. Leverage networks developed by UN Women to communicate through women oriented CSOs
- Alongside UN Women, commission research on the unique constraints and financing needs facing women owned SMEs in Tanzania

Executive summary – Research questions (1/2)



Finally, a number of research questions have also emerged, pointing towards a broad learning agenda for Tanzania:

Supply

- What is the **impact of agent banking on women's uptake of retail banking services** and **how can agent banking be supported to encourage higher engagement of women**, particularly by increasing digital literacy to encourage usage?
- What are the **drivers** of the relatively **low penetration of MFIs for women** in relation to comparator countries?
- How can the **popularity of savings and loan groups be leveraged** to expand access to formal financial products, **without losing key features** driving the popularity of the groups?
- How can FSPs incorporate the **customer centric approach that women value** at scale?

Enabling Environment

- What best practices and enabling policies are required to ensure the development of a gender-sensitive ID system?
- What are the **systemic constraints** holding back women owned SMEs relative to men's?
- What is the best way that civil society can support the effective implementation of existing gender sensitive financial inclusion policy?

Executive summary – Research questions (2/2)



Demand

- What **best practice** is emerging from the corporate sector **in terms of women inclusive supply chains with regards to financial inclusion**, and what is the context specific business case for doing so in Tanzania among identified supply chains?
- What is the **impact of women's time and mobility constraints** on financial access and usage? What **interventions can circumnavigate these constraints** to enable greater financial inclusion?
- What is the **impact of formal financial services versus informal product usage on women's and girls' economic empowerment** e.g. involvement in household spending and self-confidence?

Table of Contents



Context, background and methodology

Introduction

Access

Usage, Control and Agency

Stakeholder analysis

Recommendations

Annex

UNCDF existing mandate in Tanzania focuses on inclusive finance



Background

- UNCDF has been present in Tanzania since 1982, with a focus on promoting financial inclusion, local economic development, and enhancing local governments' access to funding to finance local infrastructure
- Currently, UNCDF Tanzania is under the aegis of the United Nations Development Assistance Framework (UNDAF) framework for coordinated, cooperative action among different UN agencies. The UNDAF 2017-2020 framework works in close collaboration with the Government's 7th Five Year Plan 2016-2020, to advance the Sustainable Development Goals.
- UNDAF's operative agenda includes policy and advocacy, capacity development, technical assistance and facilitation of partnership building, which keeps the government central to its efforts.

UNCDF's current focus in Tanzania

UNCDF in Tanzania has a major strategic focus on inclusive finance, particularly with 'last mile' finance models that further the use of public and private resources domestically to ensure economic development

- The Financial Inclusion practice is currently implementing three programs:
 - **Microlead**, where it is working with a variety of financial institutions developing, piloting and scaling deposit services for low-income, rural populations, particularly women;
 - **Youthstart**, a global programme focusing on increasing access to financial services for low-income youth, with an emphasis on savings and financial education; and
 - **Cleanstart**, where it is supporting policy development for clean energy, and is providing risk capital and technical assistance to competitively selected financial service providers and energy enterprises
- The Local Development Finance practice is also supporting two programs:
 - The **Local Climate Adaptive Living Facility (LoCAL) programme**, which finances climate resilient infrastructure at the local levels
 - The **Local Finance Initiative (LFI)** which matches infrastructure needs with available funds

UNCDF is seeking to understand country access, usage & control issues affecting women & girls



CONTEXT AND BACKGROUND

- **UNCDF is seeking to gain a deeper understanding of country specific issues that women and girls face to access and use financial and non-financial services to enhance their economic opportunities**
- This assessment examines **access and agency** as well as the **supply, demand-side and structural barriers** that women and girls face when accessing and using financial services.
- The outputs of this results focused research are **(i) country assessment toolkit and ii) the individual country assessments** conducted using that tool. These will be considered public goods

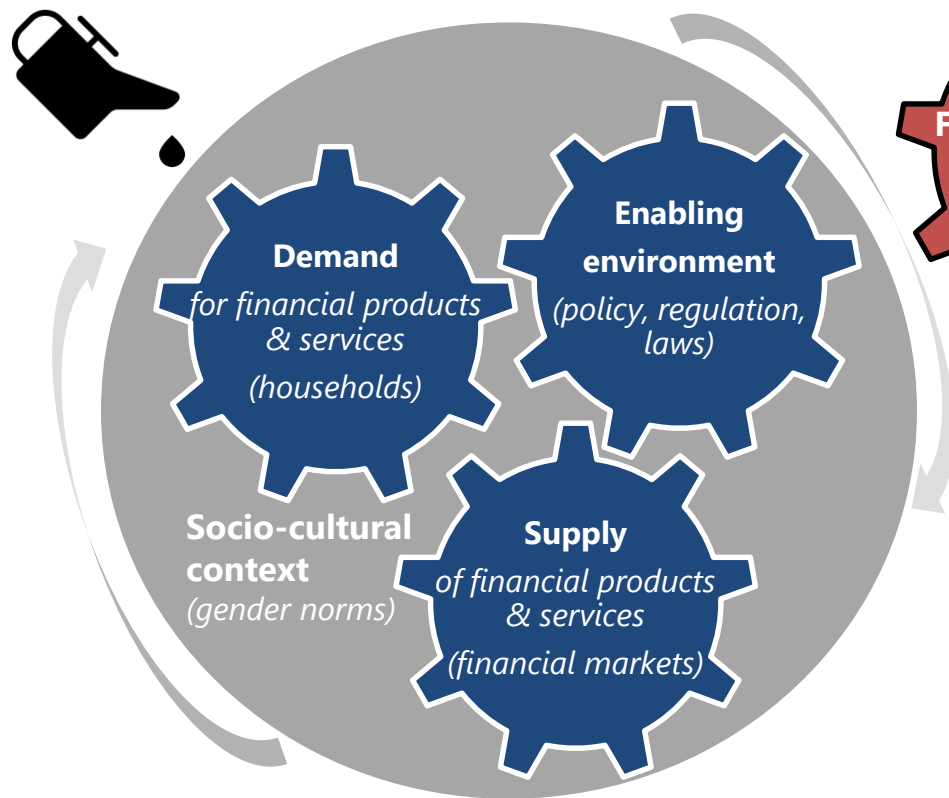
OBJECTIVES OF STUDY

- This study is focused on **conducting country specific assessments** in 5 countries including Tanzania, Senegal, Ethiopia, Bangladesh and Myanmar. The present **Tanzania** report:
 1. **Identifies** key macro-trends in financial inclusion in Tanzania related to women's and girls' financial needs, as well as micro-insights on various segments of women and girls¹
 2. **Formulates** key constraints and enablers of women's and girls' access, as well as key constraints and enablers effecting women's and girls' usage, control, and agency over products and services
 3. **Identifies** key stakeholders in the financial inclusion ecosystem, their focus and their gaps
 4. **Determines** opportunities for UNCDF to intervene and engage with stakeholders to further advance women's and girls' financial inclusion

[1] Girls are defined as 10-24 year olds in this study.

The PoWER analytical framework anchors on supply, demand, & enabling environment

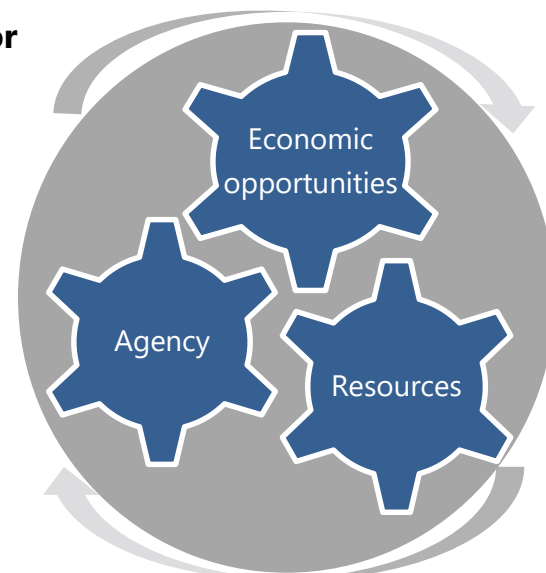
1 Interventions across three spheres of influence, adapted to women's lifecycle needs and economic roles....



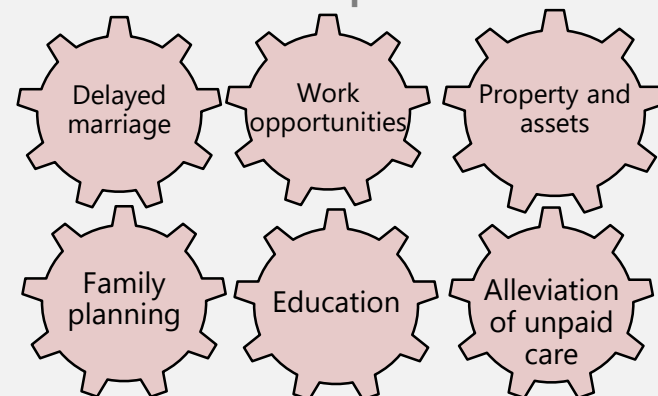
2 ...Drive financial inclusion for individual women and girls....



...Leading to their economic empowerment

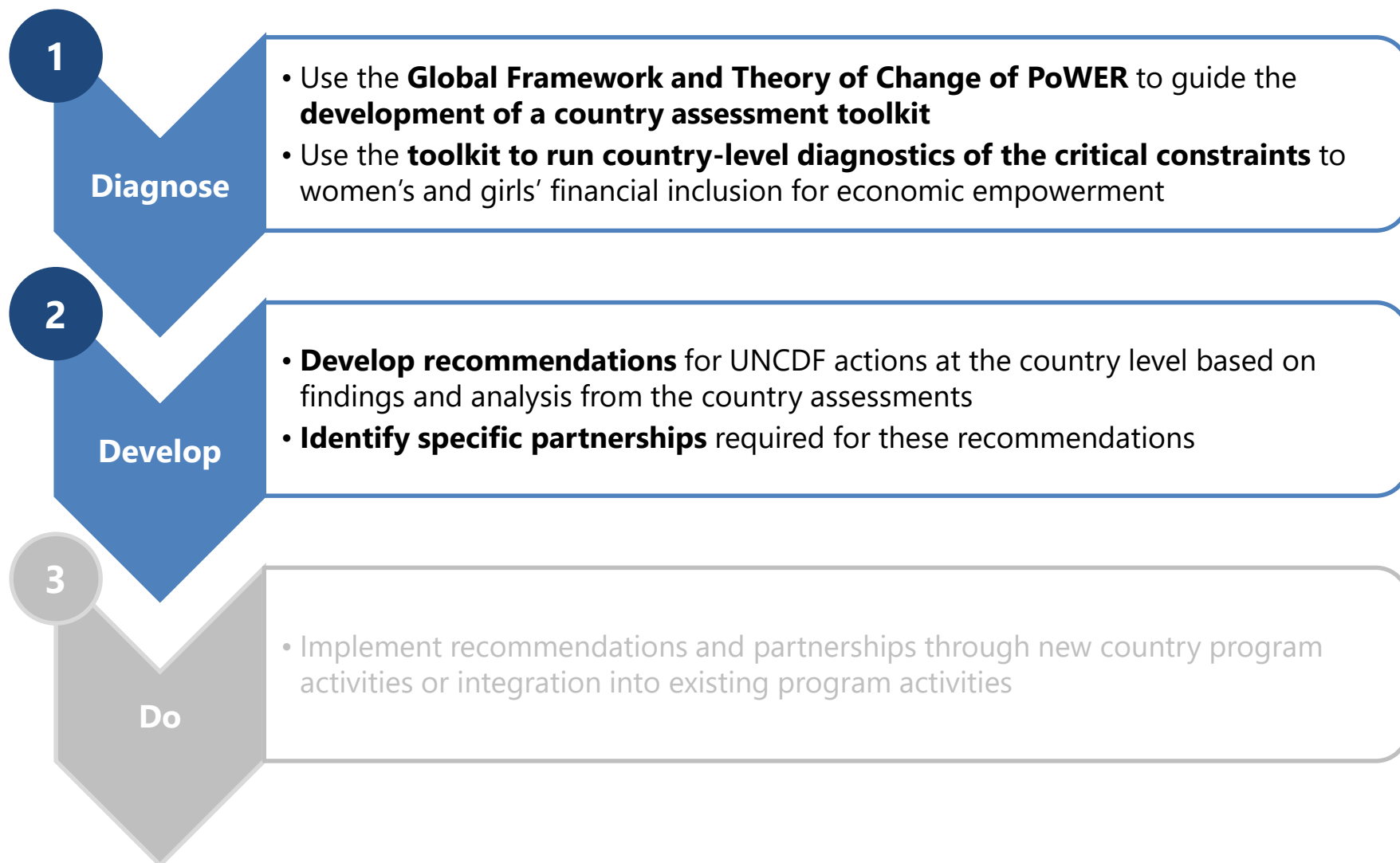


Other drivers of women's economic empowerment¹







[1] A recent Gates Foundation study highlighted 6 other key drivers of WEE.

The operationalization of PoWER will be part of a 3 stage process; this report focuses on stages 1 & 2



The PoWER country assessment toolkit has been built to bring together insights across 4 sources

	Tool	Description	Source
	DESK RESEARCH	Secondary data capture tool to collect existing public information	Country level research and datasets by international/ local financial inclusion actors
	KEY INFORMANT INTERVIEWS	Semi-structured interview tool to validate and poke holes in desk research information	25 interviews with FSPs, governments, civil society and industry associations, conducted in May 2017
	HCD INSPIRED FOCUS GROUP DISCUSSION	Primary qualitative interview tool to elicit a conversation around needs, barriers and motivations	5 FGDs with women farmers, entrepreneurs, employees and adolescent girls (in and out-of-school) conducted in May 2017
	QUANTITATIVE SURVEY	Primary quantitative survey tool to quantify key indicators of constraints and enablers building off of existing Findex/Finscope/Financial Inclusion Insights questionnaires	Survey with 400 women and girls (rural/urban, married/unmarried, age) conducted between May and June, 2017

The PoWER toolkit methodology combines and prioritizes the insights gained from each of the four tools into evidence-based findings and recommendations. KIs help frame inquiries/ identify key areas to target, HCD FGDs provide nuanced, personalised insights and help develop stories, and desk research and the survey provide an evidence base to validate and build on the interview insights.

A survey was conducted among 400 women across Tanzania, representative of geographical distribution

Regions	Sample size
Dar es Salaam	92
Mwanza	29
Dodoma	28
Geita	9
Kigoma	26
Manyara	28
Mbeya	59
Pwani	31
Shinyanga	40
Simiyu	28
Tabora	30
Total	400

Age group (years) Percentage



<26

33%



26-50

61%



50+

7%

Geography Percentage



Urban

50%



Rural

50%

Table of Contents



Context, background and methodology

Introduction

Financial inclusion macro snapshot

Financial inclusion micro snapshot: "who is she?"

Access

Usage, Control and Agency

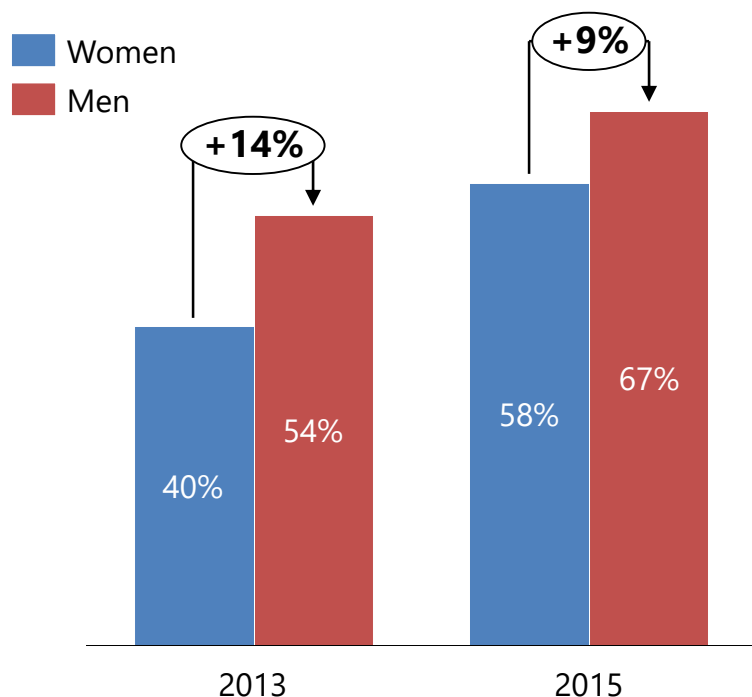
Stakeholder analysis

Recommendations

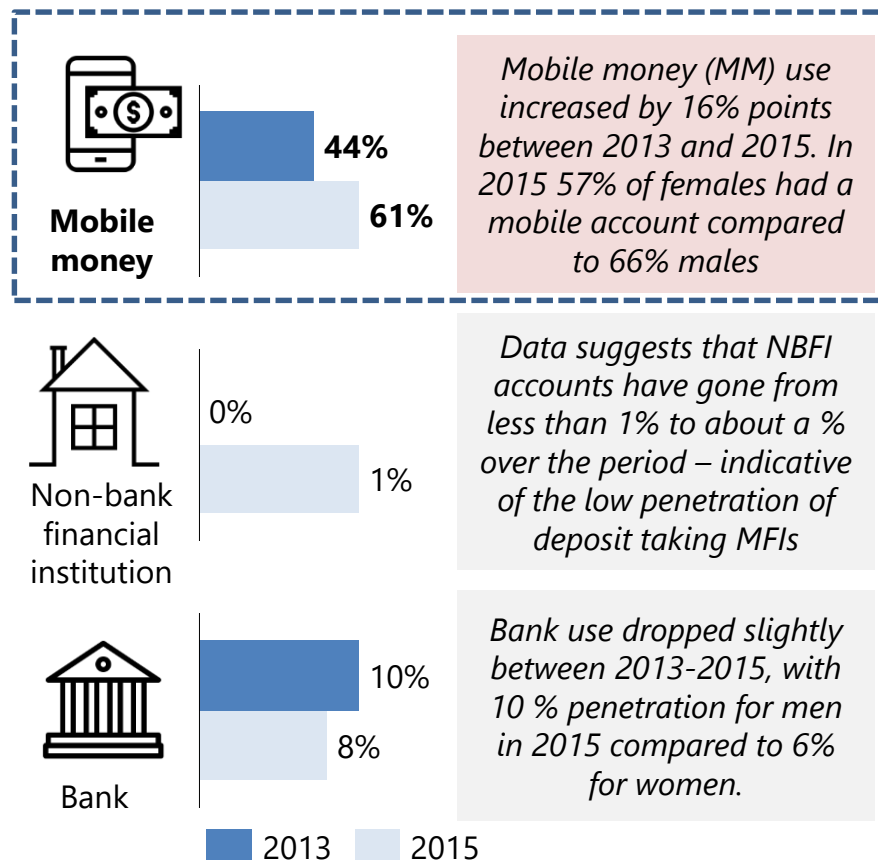
Annex

There is a 9% gender gap in financial inclusion, mostly driven by the gap in mobile money¹

Registered financial service use by gender (% of adults)²



Growth in financial product accounts by channel (% of adults)¹



Overall financial inclusion has increased by 15% points between 2013-15 driven by large growth in mobile money. At the same time the gender financial gap has fallen from 14% to 9%

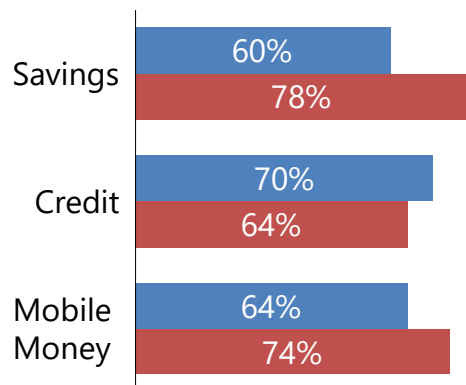
This matters because greater financial inclusion can contribute to women's and girls' economic empowerment

Measuring how financial inclusion relates to three components of women's economic empowerment: agency, resources, economic opportunities*

Agency

How has use of financial products affected household spending and affected your self-confidence?¹

% n=288 women (credit) 140 (savings), 65/67 (mobile money)

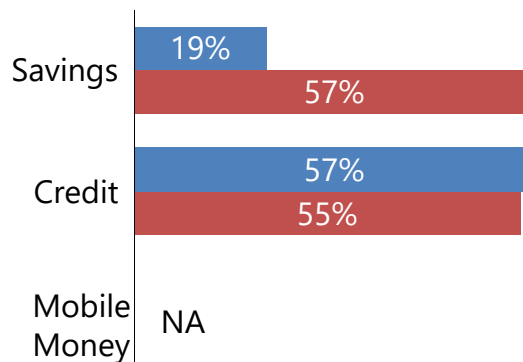


More involvement in HH spending
More self-confidence

Resources

What do you save or borrow for?¹

% n=143 women (savings), 120 women (credit)

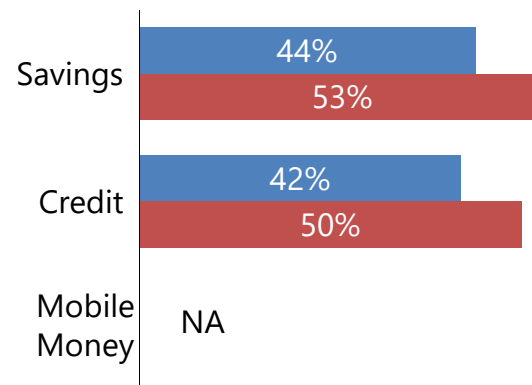


Education
Living expenses

Economic opportunities

What have you been able to do as a result of savings/credit?¹

% n=143 women (savings), 120 (credit)



Start a business
Grow a business

Table of Contents



Context, background and methodology

Introduction

Financial inclusion macro snapshot

Financial inclusion micro snapshot: “who is she?”

Access

Usage, Control and Agency

Stakeholder mapping

Recommendations

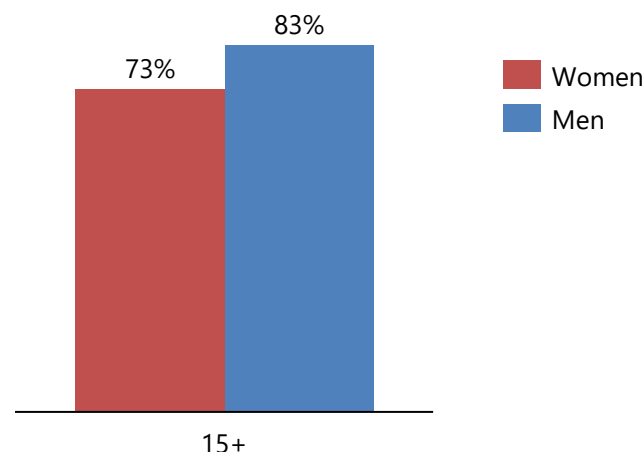
Annex

In Tanzania, women's workforce participation is 73%; 71% of women work in agriculture

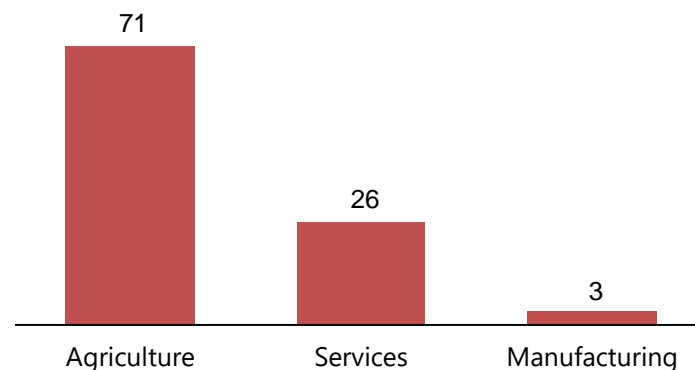
Key country statistics

- **Population:** 53 million
- **Religion:** 61% Christian, 35% Muslim
- **Ethnicities:** 95% Bantu, across 130 tribes¹
- **Poverty rate:** 28% of total population live under the National poverty line²
- **Female Demographic:** 50.3% female; 45% of the population is below the age of 14, half of which are girls³
- **Age at marriage:** The average age of marriage for women is 21, 31% of women were married by 18⁴
- **Age at childbirth:** A Tanzanian mother's median age at first birth is 19.6. Tanzania has the 10th highest rate of childbirth among adolescent women aged 15-19 in the world (118 births per 1000 women)³
- **Sex ratio:** 1.03 male births per female births³
- **Female legislators and managers:** 36% of seats held by women in national parliaments³
- **Comparative income:** 46% of women earn less than \$23 per month compared to 33% of men⁵
- **Life expectancy at birth:** women's life expectancy is 67 compared 64 for men³

Labor Force Participation by gender (2016)⁶

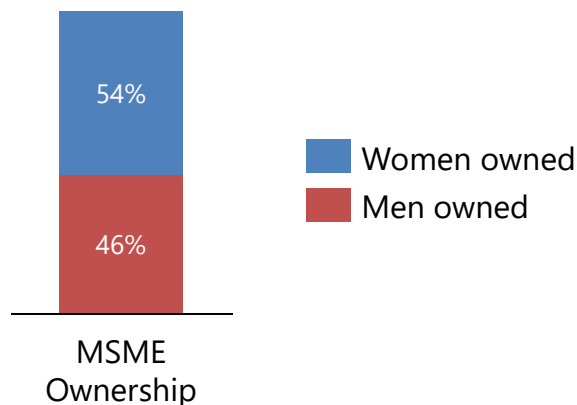


Female employment by sector age 15+ (2016)⁶

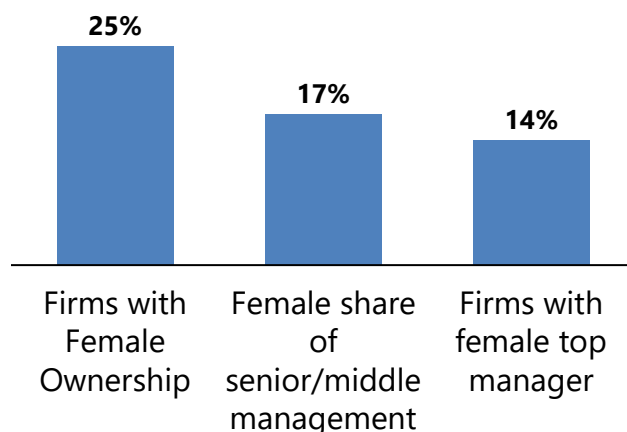


54% of MSME are owned by women in Tanzania, but their businesses tend to be smaller than men's

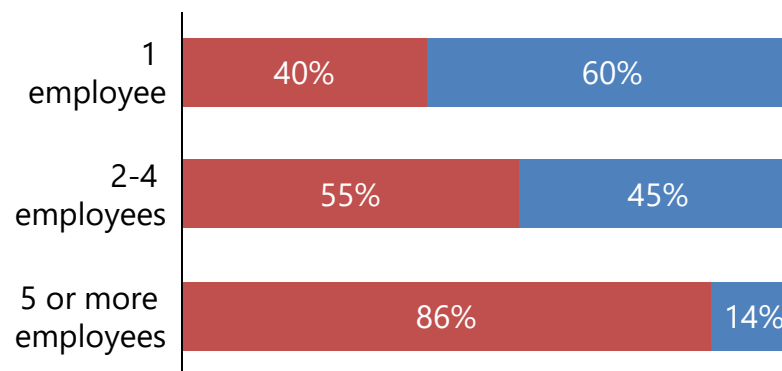
Overall ownership of MSMEs by gender (% MSMEs)¹



Women's status in business firms² (2013, 2014)



Gender breakdown in MSME ownership by number employees (% MSMEs per segment)³



- Most women-owned businesses in Tanzania are small: 54% of MSMEs are owned by women and only 14% of businesses with 5 or more employees are owned by women
- Most women-owned enterprises are informal businesses in the retail and services sectors, and include businesses such as small shops, food vending, textiles (tailor and garment shops), and beauty salons⁴
- Women indicate they start businesses to supplement current incomes; or as an alternative to unemployment³, indicating that women start businesses as a means of last resort rather than as planned career choices.

Key stages where women face financial challenges are school transitions, childbirth and building a family

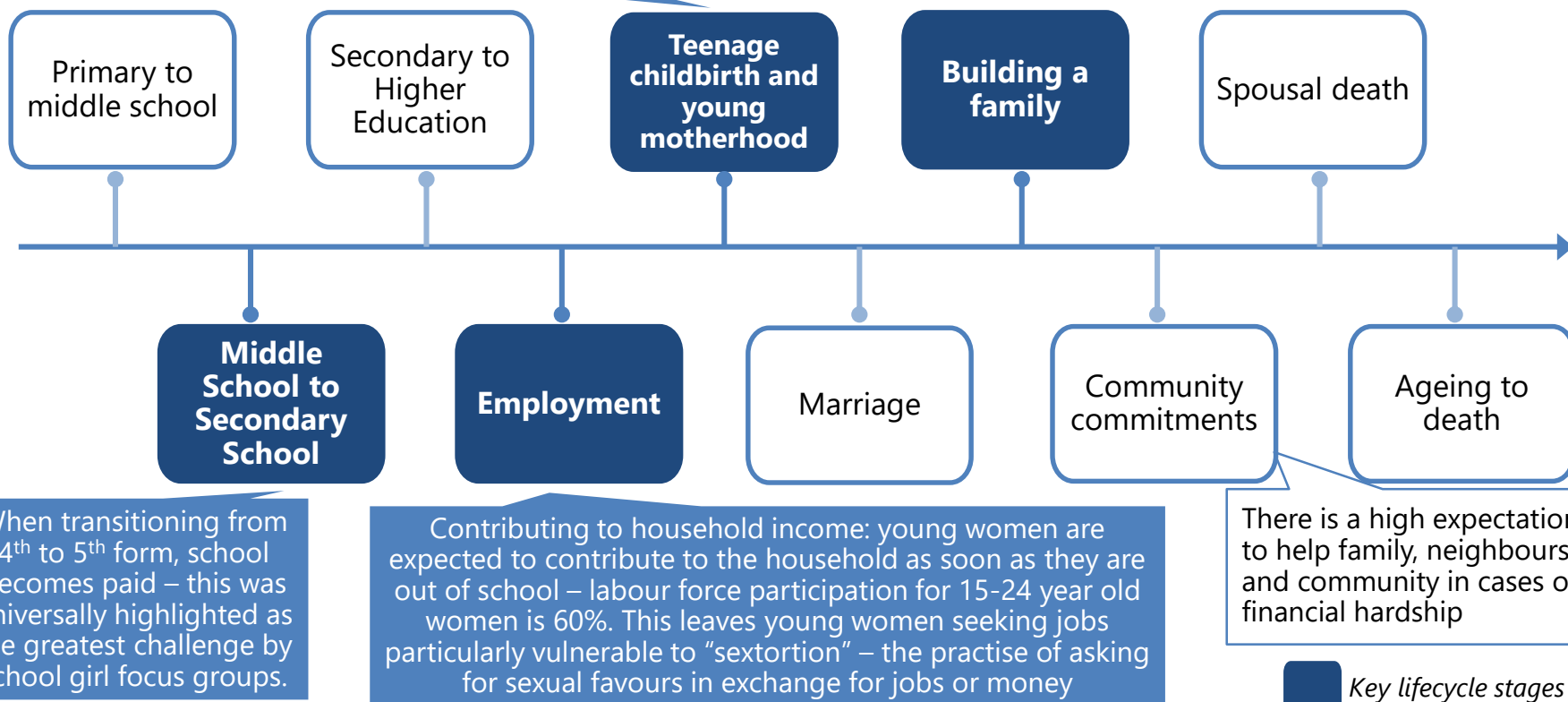
Stages do not all occur in order e.g. teenage pregnancy precedes income generation and some are skipped e.g. secondary to higher education

Typical lifecycle stages and financial challenges for women





Meeting maternal and new-born expenses: 3 in every 10 teenage girls is or soon will be a mother. With the average age of marriage at 20, many of these are unplanned.

Meeting educational expenses (school fees) and medical expenses: women play a disproportionate role in caring for the sick as the primary caregivers

Many widows struggle to find a replacement for former income from spouse: 38% of women in Tanzania consider their primary source of income to be their husband



Their lifecycle financial needs are largely unmet; as reflected in product gaps and coping mechanisms

	Middle to secondary school	Employment	Teenage childbirth and young motherhood	Building a family
Key Financial Needs	 <ul style="list-style-type: none"> Education expenses beyond (free) form 4 threshold: tuition fees, exam fees, books, uniforms, fees for remedial/private education 	 <ul style="list-style-type: none"> Income to support household and extended family immediately after finishing education Capital to scale businesses 	 <ul style="list-style-type: none"> Funds for adequate prenatal, childbirth support and antenatal care 	 <ul style="list-style-type: none"> Daily household expenses (e.g. food) Education expenses of children Medical expenses of husbands, children and other family members
Usage of financial products/ coping mechanisms	<ul style="list-style-type: none"> Mothers/girls taking up informal jobs Girls savings from chores Common for girls to drop out of school Isolated use of formal youth savings accounts 	<ul style="list-style-type: none"> Unstable informal employment and entrepreneurship Mobile money savings Merry go round savings groups 	<ul style="list-style-type: none"> When out of wedlock, girls primarily rely on parents and extended family for support Informal work during/ after pregnancy 	<ul style="list-style-type: none"> Save and borrow using mobile money services Borrow informally from social networks (neighbours and friends) Use informal savings and borrowing mechanisms
Unmet needs/ product gaps	<ul style="list-style-type: none"> Low interest education loans Commitment savings products to meet education expenses Greater awareness of existing formal youth saving mechanisms 	<ul style="list-style-type: none"> Tiered pricing on mobile money transfer services Small, inexpensive capital injections for initial working capital Financial literacy and strategic direction for small businesses 	<ul style="list-style-type: none"> Awareness raising with young women on use of contraceptives Early childhood development day care centres Mechanisms for child-care support from partners 	<ul style="list-style-type: none"> Products to smooth consumption in times of financial shocks such as sudden illness, desertion by husbands/other family members Medical insurance Low interest education loans



Mainly formal products



Mix of formal products and informal coping mechanisms



Mainly informal coping mechanisms

In addition to lifecycle stages, women and girls occupy economic roles that have distinct financial challenges

78% of girls attended primary school in 2015 compared to 73% of boys. In secondary school this drops to 24% and 22% respectively¹



In-school girls

Limited opportunities for economic participation result in unstable, low income jobs and a high vulnerability to sexual exploitation^{3,4}



Out-of-school girls

Women owned enterprises are concentrated in the informal and low profit areas, where entry barriers are low but price competition is intense - women own 54% of the MSMEs with just one employee compared to 14% with 5 or more employees



MSME entrepreneurs



Employees

Labour force participation of women is high at 73%, but still lower than that of men at 89%⁹; more so, 92% of women work in the informal sector, characterized by low earnings and seasonality of jobs¹⁰



Farmers

The narrowing of the gender attendance rates from primary to secondary schools indicates higher drop off rates for girls. This is related to high adolescent pregnancy rates, expectations of domestic chore support, and in some ethnic groups, early marriage²

Access to loan capital from formal institutions is extremely low. A 2010 survey found that 66% of women entrepreneurs funded their start-up from personal savings or borrowed from family and friends. Just 5.5 per cent obtained their working capital from MFIs, while 11 percent used formal banks⁵

75% of women are engaged in agriculture (90% of women in rural areas)⁶, requiring access to inputs and equipment for farming; but lack assets (only 15% of women report owning land solely, compared to 41% of men⁷) and capacity to convert inputs into outputs; leading to women producing 23% less than men⁸

[1] Ministry of Health, Community Development, Gender, Elderly, and Children: Tanzania Demographic and Health Survey (2015-2016), A recent policy change saw free schooling extended from just primary school to include lower secondary school. In future datasets, one would expect attendance for lower secondary to be higher with a sharp drop-off from lower to upper secondary education. [2] UN Women FII (2017) [3] Silberschmidt & Rasch (2001) [4] McCleary-Sills et al. (2013) [5] ILO (2014) [6] FAO (2014) [7] World Bank: Living Standards Measurement Study—Integrated Surveys on Agriculture (2011) (not including joint ownership) [8] UN Women, et al: The Cost of the Gender Gap in Agricultural

Each segment can be characterized by persona highlights of their financial hardships¹

In-School Girls



"If secondary school was not free right now, many of us would not even be here"

Esther is currently in secondary school and aspires to be a pilot, however, she **worries about the ability to pay for university**, especially having seen **how her single mother struggles to pay for school fees**. She has therefore decided to help her mother, and **take odd jobs** like selling mandazi to help with her daily expenses like fare to school

Out-of-School Girls



"We stay with our parents because we just don't have anywhere else to go, but we have to contribute to putting food on the table"

Nasla **dropped out of school** after form 4 because **her father could not afford to pay for her school fees to join form 5**, she decided to **become a hair braider** as it did not require a high level of education, **however without her own salon, she has to rely on irregular customers** to call on her to braid their hair, and often goes for multiple weeks without having earned an income

Employees



"Most of us are employed at the moment but if we had means we would all have our own businesses"

Ashira is currently **employed as a tailor** and although she enjoys making clothes for customers, they do not always pay on time. Her employer therefore often misses paying her weekly salary on time, which **makes her miss her weekly contributions to her neighbourhood's savings group**. She wants to start her own tailoring shop but **cannot afford the sewing machine**

MSME entrepreneurs



"We cannot take loans because our businesses are small, but we also can't borrow from friends because they think we are the ones with the money"

Mwajuma owns a small retail shop which sells a wide range of household items. **She is also a mobile money agent**. She has to wake up at 5am so that she can cook for her husband and children and **make it to the shop by 8am**. She **wants to expand her shop, and is saving in her mobile money account**. She hopes that by the end of the year she will have saved enough

Rural farmers



"We try to save to buy inputs, but sometimes drought forces us to buy food, making us use the limited savings we have"

Veronica is a farmer and lives with her two children. Her husband passed away four years ago. She needed to earn an income and **took up farming, which she enjoys**. She **rents the land she farms on since her husband's land was taken back** by his family. She farms twice in a week and on the other days cooks and sells snacks like mandazi to neighbours

Women segments face nuanced financial needs, with limited formal financial mechanisms to draw upon

	In-School Girls	Out-of-School Girls	Employees	MSME entrepreneurs	Rural farmers
Key Financial Needs	<ul style="list-style-type: none"> Education expenses beyond (free) form 4 threshold Travel expenses to school Medical support in onset of puberty 	<ul style="list-style-type: none"> Support in the case of out of wedlock children School fees of younger siblings Family and medical expenses 	<ul style="list-style-type: none"> Stable incomes even when employer is unable to pay Ability to deny sexual advances of employers without recrimination 	<ul style="list-style-type: none"> Need larger loans to expand business as well as working capital Lower fees to transfer payments 	<ul style="list-style-type: none"> Expenses of renting farm land and inability to use as collateral; women are less likely to own land Less time to invest in farming activities due to household chores
Usage of financial products/ coping mechanisms	<ul style="list-style-type: none"> Girls savings from chores Isolated use of formal youth savings accounts 	<ul style="list-style-type: none"> Unstable employment or entrepreneurship Limited savings using mobile money and groups 	<ul style="list-style-type: none"> Typically borrow from friends or family if employer fails to meet payment Save with informal groups 	<ul style="list-style-type: none"> Save with mobile money accounts and a few with bank accounts Borrow from formal institutions more compared to other groups 	<ul style="list-style-type: none"> Save with mobile money, at home or informally Borrow from mobile money, friends or family to meet expenses
Unmet needs/ product gaps	<ul style="list-style-type: none"> Low interest education loans Greater awareness of and access to existing formal youth saving mechanisms 	<ul style="list-style-type: none"> Guidance on starting and managing small businesses Small, inexpensive easily accessible capital to start businesses 	<ul style="list-style-type: none"> Low transfer fees for mobile money to receive wages Small loans with low interest rates to meet gaps in receiving wages Insurance in case of job injury 	<ul style="list-style-type: none"> Loans with lower interest rates and longer tenures than informal or mobile loans Larger offering of micro-leasing financing Business development skills 	<ul style="list-style-type: none"> Seasonal loans targeted to farmers, e.g. offered during planting season and is due at harvest Crop and weather insurance Asset financing for farm equipment



Mainly formal products



Mix of formal products and informal coping mechanisms



Mainly informal coping mechanisms

These women and girls face barriers accessing, using and having control over finance

ACCESS

ACCESS POINTS

Aisha is aware of two major banks, both in Morogoro, an hour from where she lives. She is trying to save Tzs 1000 per day in case business doesn't do well, but in between work and cooking there is just no time to make the trip. She was saving with mobile money on her husband's phone, but he got irritated at the amount of time she was using it. Now she just saves under her bed.

USAGE

USAGE

Khadija has been saving in her mobile money account, mainly because she wants to start a clothes business, but also because she is worried about her husband's health. She recently got an SMS about a loan, and is thinking about taking one out for the business, but she would have to pay the loan back in 30 days, and she knows this will not be long enough to make enough money to pay it back.

CONTROL & AGENCY

REQUIREMENTS

Wema is an informal food vendor whose roadside business provides lunch to employees from a nearby company. She wants to expand her business and set up a permanent food spot, but every time she goes to the bank they tell her that she needs to provide at least two pieces of ID, or one ID and a letter of introduction from her village chairman, however she has lost her voter's ID and has also heard that the chief may ask for other favors to get the letter

SOCIAL NORMS

Zuhura is a small-scale farmer who also sells 'mandazi' to neighbors informally. She has three children, two in school and one not in school. She wishes to travel to town and buy a phone and register for a mobile money account but her husband won't approve such travel since there will be no one home to take care of the children

This country assessment report will take access, usage, control and agency issues in turn

Table of Contents



Context, background and methodology

Introduction

Access

Access points and delivery mechanisms

Requirements for account opening and credit

Usage, Control and Agency

Stakeholder analysis

Recommendations

Annex

These women and girls face barriers accessing, using and having control over finance

ACCESS

ACCESS POINTS

Aisha is aware of two major banks, both in Morogoro, an hour from where she lives. She is trying to save Tzs 1000 per day in case business doesn't do well, but in between work and cooking there is just no time to make the trip. She was saving with mobile money on her husband's phone, but he got irritated at the amount of time she was using it. Now she just saves under her bed.

USAGE

USAGE

Khadija has been saving in her mobile money account, mainly because she wants to start a clothes business, but also because she is worried about her husband's health. She recently got an SMS about a loan, and is thinking about taking one out for the business, but she would have to pay the loan back in 30 days, and she knows this will not be long enough to make enough money to pay it back.

CONTROL & AGENCY

REQUIREMENTS

Wema is an informal food vendor whose roadside business provides lunch to employees from a nearby company. She wants to expand her business and set up a permanent food spot, but every time she goes to the bank they tell her that she needs to provide at least two pieces of ID, or one ID and a letter of introduction from her village chairman, however she has lost her voter's ID and has also heard that the chief may ask for other favors to get the letter

SOCIAL NORMS

Zuhura is a small-scale farmer who also sells 'mandazi' to neighbors informally. She has three children, two in school and one not in school. She wishes to travel to town and buy a phone and register for a mobile money account but her husband won't approve since there will be no one home to take care of the children

This country assessment report will take access, usage, control and agency issues in turn

While access to traditional access points remains a challenge, mobile and agent banking are bridging the gap



RETAIL

MICROFINANCE

Brick-and-mortar

Agent banking

Mobile agents

Loans + savings + micro-insurance

ENABLING ENVIRONMENT

- High capital requirements from BOT (15 billion TSH) and poor infrastructure limit expansion especially to rural areas

- Agents are required to have business licenses, to have been in operation for a minimum two years, and to operate at permanent premises

- Only a business license and tax documents are required to become a mobile agent

- Central Bank has lower capital requirements for microfinance institutions compared to banks (5 billion TSH), facilitating expansion

SUPPLY

- There are 3 branches & 6 ATMs per 100,000 adults compared to 8 & 15 SSA average
- High overhead and staffing costs limit expansion of branches and ATMs

- Agent access points are low (6.23 per 100,000 adults, but are growing: agents have increased by 82% since they were legalized in 2013, leading to more banks adopting the model)

- Mobile money agents have tripled to 924 per 100,000 adults in the last 5 years given entry of 2 new MNOs and increased marketing efforts; sex of agent is a non-issue for women

- MFI access points are the fewest among FSPs (0.5 per 100,000 adults), but where they exist, MFIs are proactive in reaching out to women directly in their communities

DEMAND

- There is a strong perception that banks are for the wealthy, partly fuelled by the lack of bank presence, especially in rural areas dissuading women from going to banks in the first place

- The strong perception of banks being for the wealthy prevails even when agents make banks accessible, women view bank products and services as not for them

- More than two-thirds of women in Tanzania own a phone, but this is still an issue for 30% of urban women, and 40% for women in rural areas

- Due to increased efforts to reach communities, women are more aware of MFIs

Not a constraint

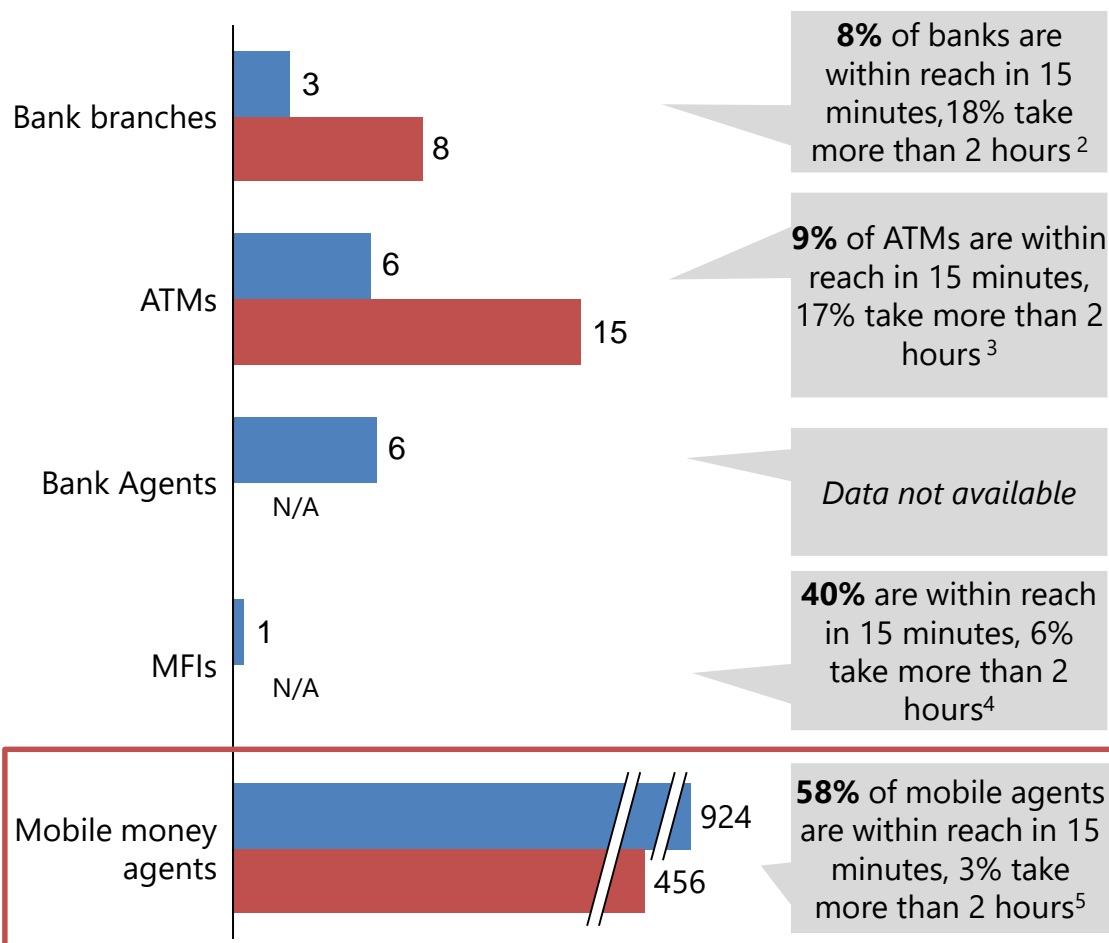
Relatively moderate constraint

Relatively acute constraint

Grouped constraints

Tanzania's brick and mortar access points are lower than its peers; mobile money has outstripped all others by 200X

Financial services providers' access points per 100,000 adults¹



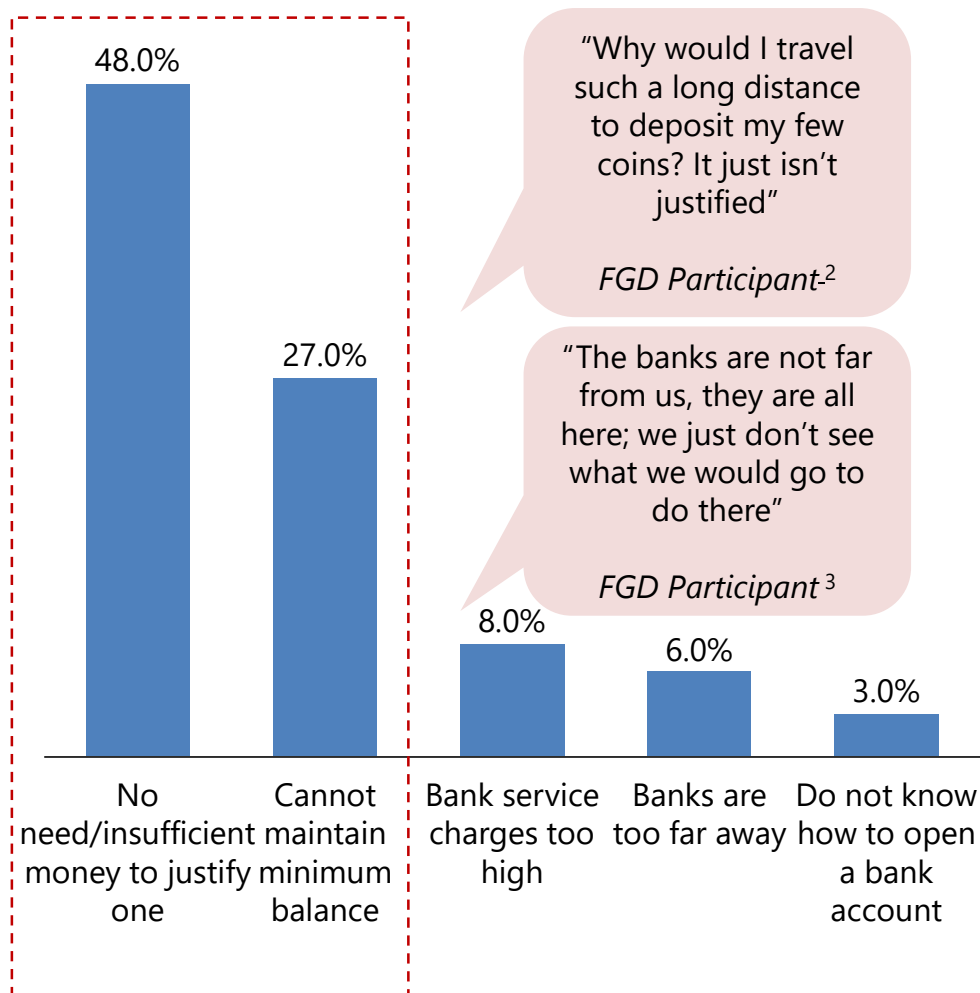
■ Tanzania ■ Sub-Saharan Africa average

- Traditional brick and mortar access points in Tanzania are **limited even by continental standards**
- While agent banking has tried to bridge the gap, **bank agents are still limited** (6.2 agents per 100,000 adults) but **are growing rapidly** (82% growth since 2013); similarly, **MFI access points are low**, at only 0.5 per 100,000 adults⁶
- According to women's responses, **the sex of the agent**, whether mobile or bank, does not make a difference to women, as long as good customer service is provided⁷
- 18% more women have signed up for mobile money accounts in the last 3 years**, compared to bank accounts, which decreased by 1% this is mainly due to increased marketing by MM providers⁸
- However, accessing mobile agents is still challenging for some: women indicated **not having an agent close to where they live as the top reason they had not signed up for a mobile money account**⁹
- Distance is compounded by **social norms**, whereby **37% of women feel that a husband is justified in beating his wife if she goes out without telling him**¹⁰

[1] [2] [3] [4] [5] IMF: Financial Access Survey (2016), Financial access maps (for MFIs) (2013), Bank of Tanzania,: Annual Report (for Bank Agents) (2015) [6] Currently non-deposit taking MFIs are unregulated. There is a bill in parliament that provides the framework for their regulation [7] UNCDF Dalberg Focus Group Discussions [8] GSMA Unlocking the Potential [9] Intermedia: Financial Inclusion Insights (2015) [10] World Bank Global Gender Database (2010 data)

Lack of funds and the perception that banks are for the wealthy limit women's demand for bank account access

Reasons for not having a bank account¹



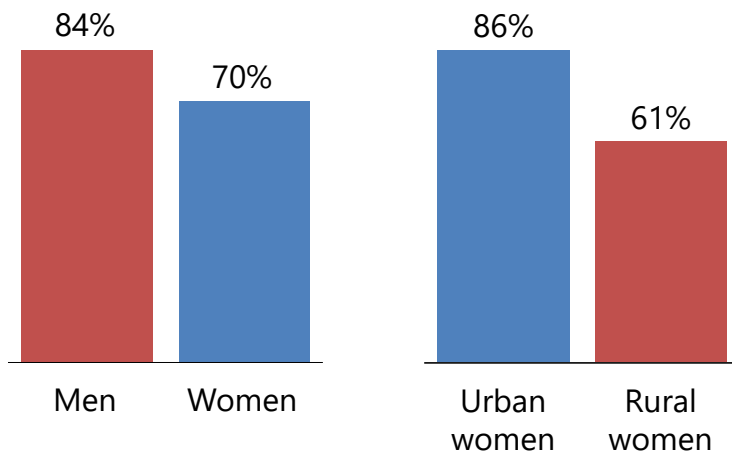
- **48% of women indicate that not having enough money is the key reason for not opening a bank account, compared to only 6% of women who indicate lack of banks close by as the key constraint⁴**
- This could be explained by the low incomes of women: **56% of women earn less than 50,000 TSH (30 USD) per month⁵**
- **However, some banks allow opening accounts with low minimum balances (e.g. Equity Bank, Tanzania Women's Bank and some community banks), indicating that women can open accounts even with little money⁶; despite this, 27% of women cite minimum balances as a limiting factor to having a bank account**
- **This reveals a strong and common perception that banks are for the wealthy, or for saving large sums of money rather than smaller amounts that might accumulate⁷;**
- This perception is compounded by the view that **travelling long distances to deposit small savings is not justified**, especially given time foregone on care responsibilities

[1] [4] FSDT: Finscope (2017) [2] [3] UNCDF Dalberg Focus Group Discussions, 2017 [5] FSDT: Financial Capability Tanzania (2014) [6] [8] Dalberg Key Informant Interviews (2017) [7] GSMA: Unlocking the Potential: Women and Mobile Financial Services in Emerging Markets (2014)

Mobile money has accelerated access, but phone ownership is not universal (70% all women, 60% rural women)

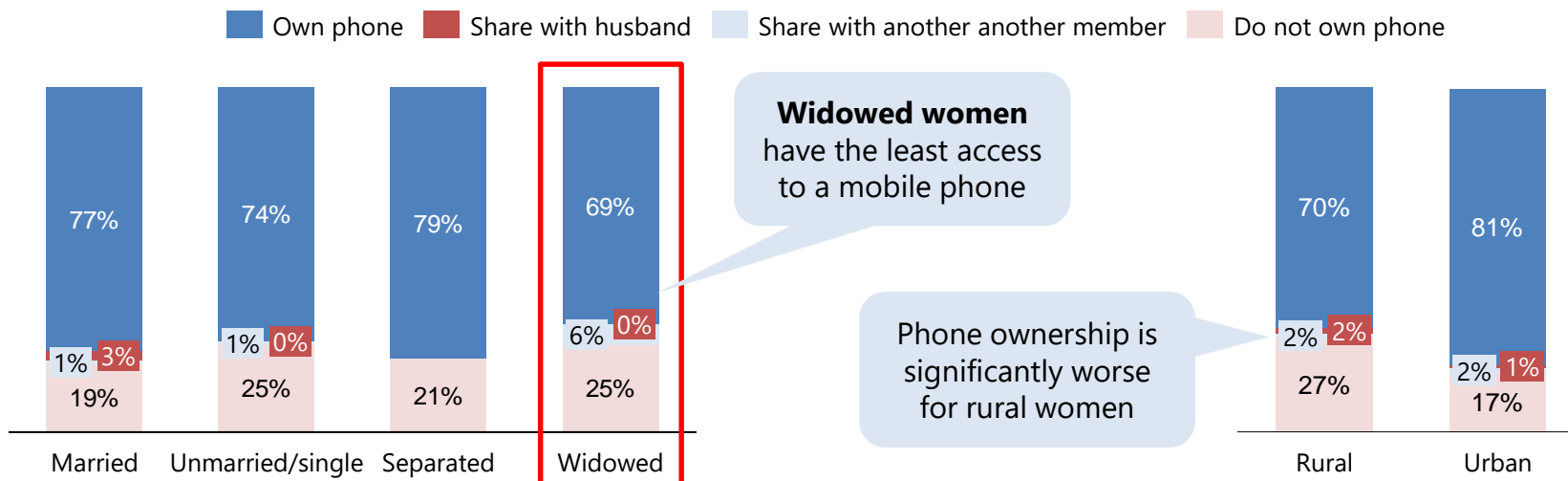


Mobile phone ownership and access by gender (n=3001)¹



- Of the women surveyed, **51% of respondents without a mobile money account indicated not having a phone as the key barrier** to opening a mobile money account³
- The 14% gap in phone ownership between men and women is **mainly due to low phone ownership of women in rural areas (61% compared to 86% for urban women)**⁴
- **30% of survey respondents without a mobile phone cited the cost of the handset as the largest constraint** in owning a phone⁵

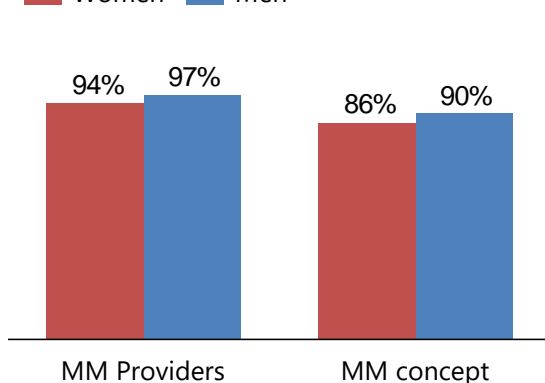
Mobile phone ownership by women segment (n=400)²



Awareness and digital literacy are high/moderate among women; perceived lack of need is the main barrier

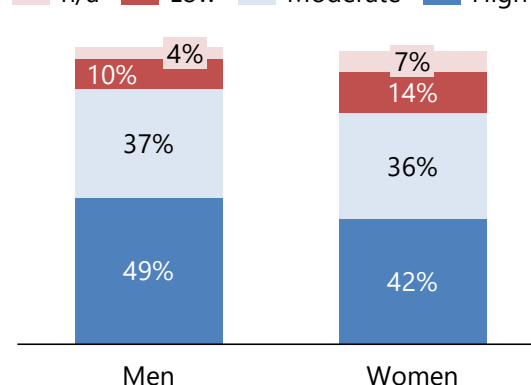
Awareness of mobile money providers and concept (n=3001)¹

Women Men

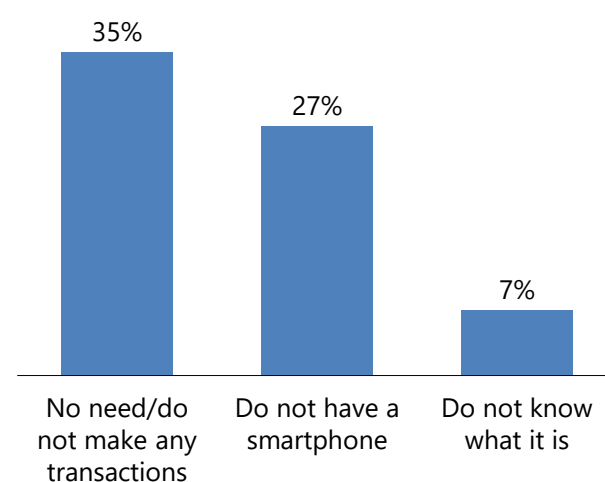


Digital literacy levels by gender (n=3001)²

n/a Low Moderate High



Women's reasons for not using mobile money (n=2685)³



- **Awareness of mobile money is high in Tanzania and is almost equal between men and women** (only a 3% gap)
- **This can be attributed to increased marketing from mobile network operators** – 79% of women indicate that they learned about mobile money from marketing on radio and TV⁴
- **Tanzania is also a mature market with many women having already tried mobile money, consequently referring their family and friends** – 81% of survey respondents indicate they learned about mobile money from family and friends⁵; only 7% of women cite not knowing what mobile money is as a barrier
- **Digital literacy levels are also high, with 78% of women having moderate to high levels of digital literacy⁶**; this is also reflected in survey responses – only 9% of women indicate not having skills or confidence to use mobile money accounts as a key barrier⁷
- The **principal barrier to accessing mobile money is perceived lack of need to make mobile transactions⁸**

Lessons can be learned from MFIs and mobile money on gender sensitive marketing and increasing access points



Gender-Sensitive marketing

- ✓ **Targeted marketing campaigns:** Although limited in general (0.5 access points per 100,000 adults)¹, MFIs in Tanzania actively reach out to women through various promotional activities, such as holding roadside and neighbourhood campaigns to increase awareness about the institutions and their products; in addition, MFIs ensure they are using language that women are more receptive to².

"Messaging is very important when it comes to women; we tell them to come (to the campaigns) to listen, rather than 'we are offering loans'"
FINCA²

- ✓ **Below the line marketing:** Mobile money providers have moved from mostly above the line marketing (use of mass media to promote mobile money and brands to a wide audience) to below-the-line marketing: Vodacom attributes part of its success in uptake by promoting and demonstrating one-on-one how M-Pesa works, when it might be used, and how to sign up, mainly through agents. This is especially useful for women who have lower digital and financial literacy levels as it enables them to develop the trust, confidence and skills to use mobile money³

Agent expansion

- ✓ **Investing in agent expansion:** Vodacom attributes its investment in the use of the aggregator model as the key factor contributing to its success in multiplying its agents: The aggregator model involves entering an agreement with large and medium-sized retailers with multiple outlets to act as agents in the outlets; this helped Vodacom leverage the manpower and strong relationships with communities that such retailers had, increasing their penetration, visibility and acquiring trust from users⁴

Table of Contents



Context, background and methodology

Introduction

Access

Access points and delivery mechanisms

Requirements for account opening and credit

Usage, Control and Agency

Stakeholder analysis

Recommendations

Annex

These women and girls face barriers accessing, using and having control over finance

ACCESS

ACCESS POINTS

Aisha is aware of two major banks, both in Morogoro, an hour from where she lives. She is trying to save Tzs 1000 per day in case business doesn't do well, but in between work and cooking there is just no time to make the trip. She was saving with mobile money on her husband's phone, but he got irritated at the amount of time she was using it. Now she just saves under her bed.

USAGE

USAGE

Khadija has been saving in her mobile money account, mainly because she wants to start a clothes business, but also because she is worried about her husband's health. She recently got an SMS about a loan, and is thinking about taking one out for the business, but she would have to pay the loan back in 30 days, and she knows this will not be long enough to make enough money to pay it back.

CONTROL & AGENCY

REQUIREMENTS

Wema is an informal food vendor whose roadside business provides lunch to employees from a nearby company. She wants to expand her business and set up a permanent food spot, but every time she goes to the bank they tell her that she needs to provide at least two pieces of ID, or one ID and a letter of introduction from her village chairman, however she has lost her voter's ID and has also heard that the chief may ask for other favors to get the letter

SOCIAL NORMS

Zuhura is a small-scale farmer who also sells 'mandazi' to neighbors informally. She has three children, two in school and one not in school. She wishes to travel to town and buy a phone and register for a mobile money account but her husband won't approve since there will be no one home to take care of the children

This country assessment report will take access, usage, control and agency issues in turn

BOT* has favourable KYC and collateral requirements, but lack of some government systems inhibits implementation



		RETAIL		MOBILE MONEY	MICROFINANCE
		Accounts/Savings	Loans	Mobile money	Loans + credit-linked savings
ENABLING ENVIRONMENT	BOT	<ul style="list-style-type: none"> BOT allows a variety of IDs to open an account as long as information is verified Businesses need to be registered to take loans 	<ul style="list-style-type: none"> BoT allows unsecured loans of up to 750 million TSH (375,000 USD) 	<ul style="list-style-type: none"> Only one form of government-approved ID is required BOT allows tiered KYC for mobile money accounts: lower KYC is required to make transactions of less than 1 million TSH 	<ul style="list-style-type: none"> Only one form of government-approved ID is required BOT allows group guarantee model as well as moveable collateral
	OTHER GOVT	<ul style="list-style-type: none"> There is no unified ID database; those that exist are unreliable (e.g. voter's database) and can therefore not be used to verify information provided 	<ul style="list-style-type: none"> Lack of a national ID system and credit bureaus make it difficult for banks to monitor and mitigate risk of default Lack of an effective court system hinders banks from recovering collateral 		
	SUPPLY	<ul style="list-style-type: none"> Banks require two or three pieces of IDs to retrieve and verify identify information 	<ul style="list-style-type: none"> Banks require high-value, fixed collateral, sometimes as high as 265% of loan amounts 	<ul style="list-style-type: none"> MNOs implement BOT rules and only ask for one ID to register 	<ul style="list-style-type: none"> MFIs allow group guaranteeing as collateral to take loans
	DEMAND	<ul style="list-style-type: none"> Women often do not have the two or more pieces of ID as required 	<ul style="list-style-type: none"> Women lack collateral (only 15% women own land) and business registration documents required (only 1.2% of women-owned SMEs are registered) 	<ul style="list-style-type: none"> Most women have the ID required: 88% of women have a voter's ID and can therefore meet ID requirements to open account 	<ul style="list-style-type: none"> Women do not face barriers forming groups and nor getting guarantors to meet MFI requirements

Not a constraint

Relatively moderate constraint

Relatively acute constraint

Grouped constraints

BOT permits any verified ID to open an acc., but in practice banks require 2-3 IDs which most women do not have

Enabling Environment

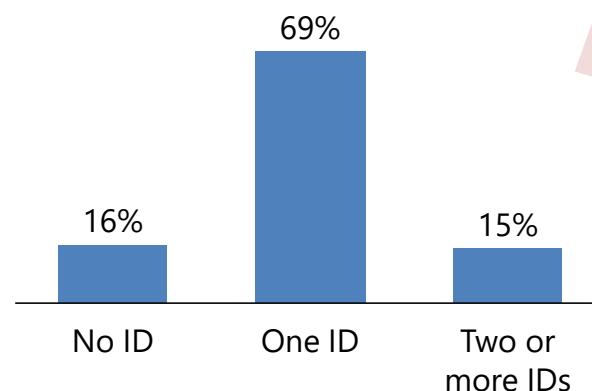
- **BOT allows flexibility on the types of identification documents that Tanzanians can use to apply for an account at a financial institution, as long as the information on the IDs is verified:** national IDs, voter cards, driver's licenses, passports, birth certificates, employee, school and village IDs are all acceptable
- However, with the exception of a national ID, passport, and driver's license, **many of the other ID documents do not contain all the information required for banks to meet KYC and CDD requirements**
- The National Identification Authority (NIDA) is making efforts to roll out a national ID system which would contain comprehensive information: national IDs would have 72 fields of data, meeting requirements for KYC and CDD¹
- However, **numerous delays and the high costs of developing the underlying information for the national ID system, has derailed the rollout of the IDs²**

Supply

- Due to limited information on most IDs, **banks require two or sometimes three pieces of IDs** to collect all the information required for KYC³
- In addition, **many of the IDs do not have reliable databases to verify information provided on IDs, resulting in high costs** for banks to verify information to meet KYC requirements⁴

Demand

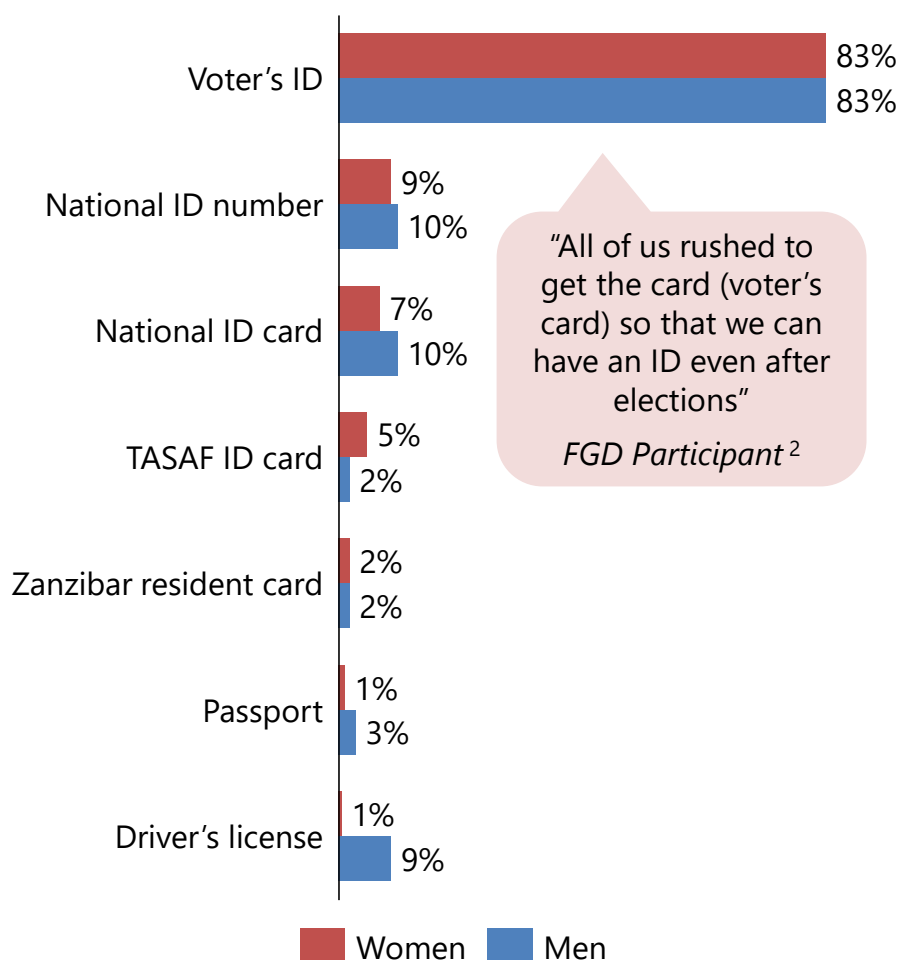
Ownership of ID Documents⁵



Only 15% of women have the two or more IDs often required to open a bank account

The same proportion of men and women have voter IDs; lack of awareness is the key barrier to securing other IDs

Ownership of ID Documents by gender¹



Key highlights

- **Recent 2015 elections drove uptake of voter IDs**, particularly among women, which has helped **drive gender parity in voter ID ownership**³
- However, **voter's cards are only available every five years during election period**⁴ and the **voter's ID database is not usable by banks to verify identity** given incomplete biometrics
- Women can therefore benefit from having another form of ID, but they **indicate lack of awareness on how to get other forms of IDs, not seeing their value, and costs, as the top three reasons** for not acquiring other IDs⁶
- Consequently, women are required to obtain a letter of introduction from a local government authority, which is meant to be free, but authorities often charge (3,000 TSH)⁷ for it, and from anecdotal evidence, also puts women at risk of sextortion⁸

[1] [3] Finscope data (2017) [2] UNCDF Dalberg Focus Group Discussions (2017) [4] [5] [7] World Bank: Money Within Reach: Extending Financial Inclusion in Tanzania (2017) [6] UNCDF Dalberg PoWER Survey Data (2017) [7] Dalberg Key Informant Interviews (2017)

BOT allows unsecured loans but banks require high-value collateral e.g. land; women SMEs struggle given land titling

Enabling Environment

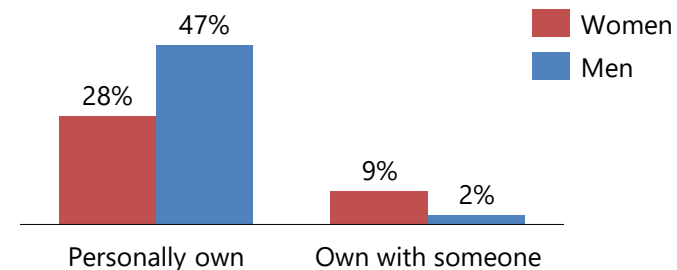
- **BOT has a relatively high ceiling for unsecured loans:** it allows banks to issue unsecured loans of up to 750 million TSH (350,000 USD)¹
- **However, other government systems required to work in tandem** to enable successful implementation of this regulation **are lacking or ineffective:**
 - **The lack of a universal national ID system sometimes results in** Tanzanians taking loans from multiple institutions, increasing risks for banks²
 - **The credit bureau system in Tanzania is ineffective,** mainly due to lack of national IDs to track borrowers, making it difficult for banks to monitor borrowing and mitigate risk of default³
 - **Tanzania's court system is slow and unpredictable,** making it difficult for banks to recover their collateral in case of default⁴

Supply

- **Consequently, banks require high-value, fixed collateral** such as land and property in 97% of cases for MSMEs, of up to 265% of loan amounts⁵

Demand

Ownership of Land by gender⁶



Despite the formal system that enable women to inherit from husbands/ fathers, customary laws often inhibit women from inheriting land and property⁷ Exception are women who have been married longer. Oftentimes they can inherit property from husbands, as they have more influence and social capital within the community⁸

[1] Tanzania Anti-money Laundering Act, 2012 [2] [3] [4] [5] [7] World Bank: Money Within Reach: Extending Financial Inclusion in Tanzania (2017), Dalberg Key Informant Interviews (2017) [6] FSDT: Finscope data (2017) (not including joint ownership of land) [8] UNCDF Dalberg Focus Group Discussions (2017)

Lessons can be learned from Mobile Money on risk-based KYC and retail actors' use of alternative collateral



Risk-based KYC

- ✓ KYC for mobile money accounts is tied to transaction limits:
 - **Tier 1 customers:** Transactions are limited to 1 million TSH (450 USD) per day – only one form of ID is presented (most women fall into this category)
 - **Tier 2: Daily transaction limit is 5 million TSH** (2,200 USD) – Agent is required to keep a copy of the ID presented
 - **Tier 3: Daily transaction limit is 50 million TSH** (22,750 USD) – Customer needs to show ID, Tax Identification Number, and business license

Group lending

- ✓ MFIs use group lending to reduce collateral constraints: Individuals are required to be part of a group, which guarantees the borrower: this helps to reduce risk among borrowers, and also increases accountability from borrowers

Alternative collateral

- ✓ **Asset financing:** Selfina uses the asset-financing model to mitigate collateral constraints: Assets (e.g. a tractor) are issued on credit and borrowers are expected to put the assets into productive use, increasing the chances of repayment
- ✓ **Moveable assets¹:** In a bid to reach women and populations in rural areas, CRDB's microfinance unit allows the use of moveable assets (e.g. furniture and fridges) to act as collateral
- ✓ **Warehouse receipts:** NMB issues loans to farmers, farmer groups, traders and business men and women using commodity stored in warehouses authorized and controlled by NMB as collateral

[1] Movable collateral is governed by the Chattels Transfer Act of 1942. The law allows individuals and businesses to grant possessory rights in relation to moveable assets as a means of security for loans. Examples include crops, inventory and machinery

Table of Contents



Context, background and methodology

Introduction

Access

Usage, Control and Agency

Stakeholder analysis

Recommendations

Annex

These women and girls face barriers accessing, using and having control over finance

ACCESS

ACCESS POINTS

Aisha is aware of two major banks, both in Morogoro, an hour from where she lives. She is trying to save Tzs 1000 per day in case business doesn't do well, but in between work and cooking there is just no time to make the trip. She was saving with mobile money on her husband's phone, but he got irritated at the amount of time she was using it. Now she just saves under her bed.

USAGE

USAGE

Khadija has been saving in her mobile money account, mainly because she wants to start a clothes business, but also because she is worried about her husband's health. She recently got an SMS about a loan, and is thinking about taking one out for the business, but she would have to pay the loan back in 30 days, and she knows this will not be long enough to make enough money to pay it back.

CONTROL & AGENCY

REQUIREMENTS

Wema is an informal food vendor whose roadside business provides lunch to employees from a nearby company. She wants to expand her business and set up a permanent food spot, but every time she goes to the bank they tell her that she needs to provide at least two pieces of ID, or one ID and a letter of introduction from her village chairman, however she has lost her voter's ID and has also heard that the chief may ask for other favors to get the letter

SOCIAL NORMS

Zuhura is a small-scale farmer who also sells 'mandazi' to neighbors informally. She has three children, two in school and one not in school. She wishes to travel to town and buy a phone and register for a mobile money account but her husband won't approve since there will be no one home to take care of the children

This country assessment report will take access, usage, control and agency issues in turn

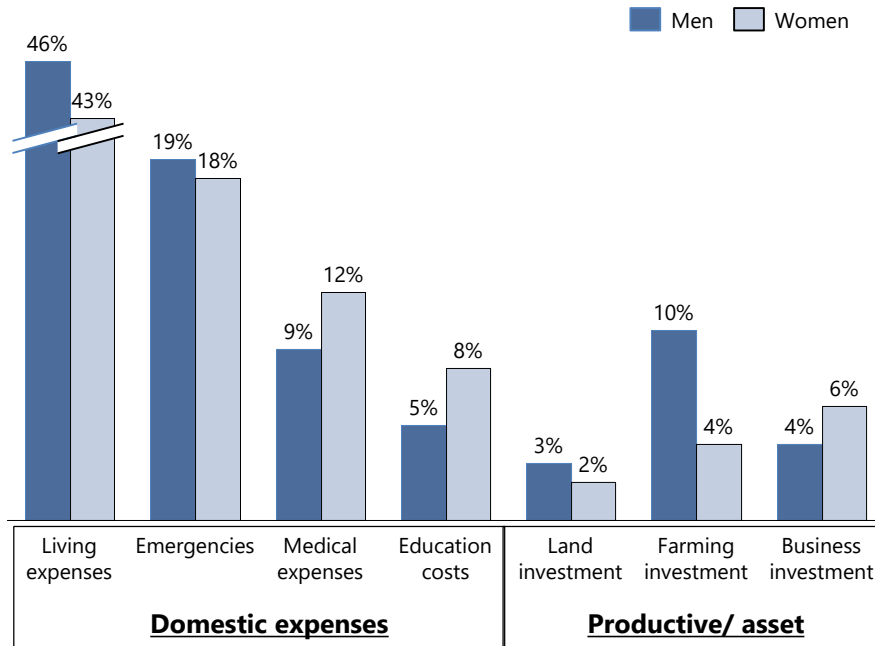
Mobile has increased women's formal FI; but gaps in credit, insurance and support services remain

Needs	Usage headlines ¹	Segment nuance on key needs	Mismatches/gaps ³
Everyday expenses	47% of surveyed women have saved formally compared to 15% of rural women to smooth living expenses or for emergencies, which is reflected in the popularity of highly accessible channels such as savings groups, mobile and home	<ul style="list-style-type: none"> Farmers – travel costs from farm to second job MSME entrepreneurs – working capital for businesses 	<ul style="list-style-type: none"> While mobile money provides a safe channel to save, fees limit women's willingness to manage small day to day transactions with the platform⁴
Emergency expenses	72% of women turn to friends and family for support during crises such as health shocks, and 22% of them relying on savings ² Government medical insurance has gained some traction, but limited awareness limits uptake.	<ul style="list-style-type: none"> Farmer women – household fires and crop failures Household managers- medical expenses for relatives Girls – financial support over teen pregnancy 	<ul style="list-style-type: none"> While mobile insurance is highly accessible, and relatively affordable, the fact that it is a post-paid product limits its attractiveness to women⁵ Awareness of government's NHIF is limited
Long term financial goals	11.2% of women highlight growing their business as their most important financial goal compared to 9.6% of men. This is reflected in higher borrowing, mostly from informal sources, to start businesses. Despite this, few women's businesses reach more than 1-2 employees	<ul style="list-style-type: none"> Household managers – education for children Farmers – old age savings MSME entrepreneurs – capital for business investment Girls – savings for secondary school education 	<ul style="list-style-type: none"> Credit available from traditional commercial banks is limited, and because of small size and short tenure, mobile loans are not suited to business investment Non-financial services supporting business development are a gap

[1] Intermedia: Financial Inclusion Insights (2015) [2] UNCDF Dalberg Country Assessment Survey (May 2017) [3] Non-exhaustive. See later slides for further nuance [4] Economides and Jeziorski (2016) [5] insurance payout is reimbursed to the insurance holder

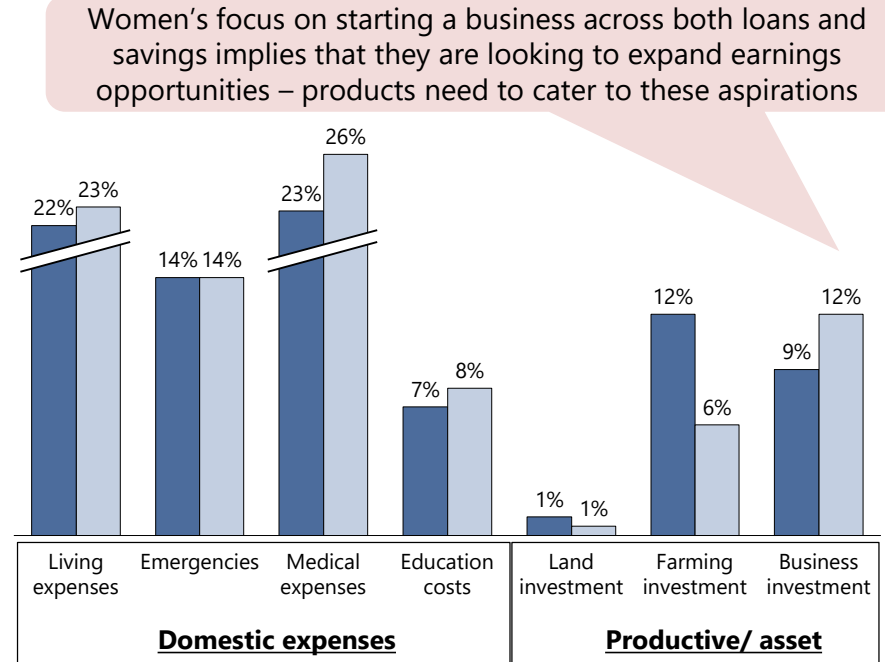
Across both channels, women are more likely to be using savings and loans for domestic expenses

Purpose of saving (2013)¹



- Interviews consistently highlighted women's priorities being around looking after the household, education and managing emergencies – this is reflected in savings patterns
- 89% of female employment is either as own account workers or contributing family workers, in which income is unstable and low. Women frequently have to draw on savings, and struggle to put away significant amounts.²
- The high levels of saving for living expenses and emergencies, which by their nature are unpredictable and/ or frequent, imply the need for very easily accessible funds

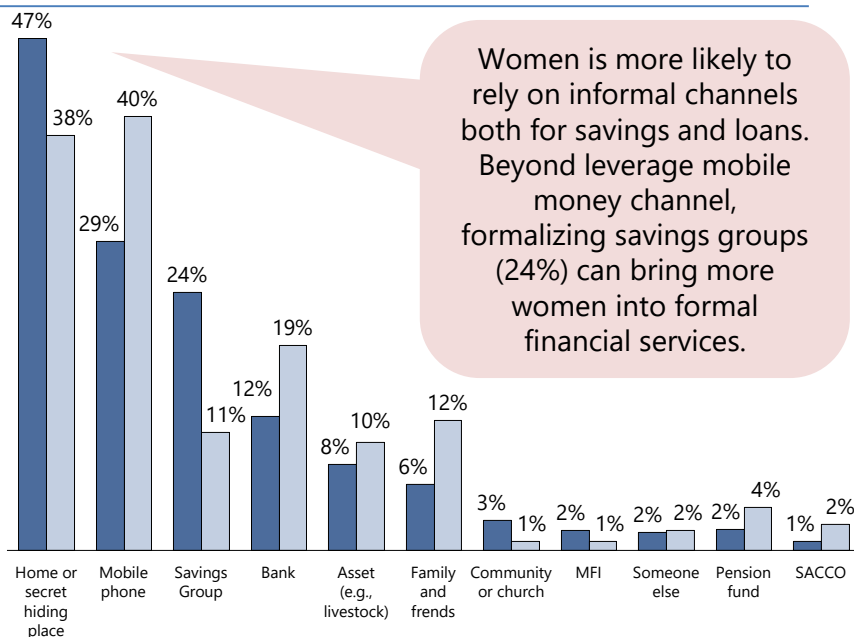
Purpose of loans (2013)¹



- Women are consistently borrowing more to fund short term living expenses and emergencies – potentially reflecting poorer financial literacy
- Women are far less likely to borrow to invest in their farms – potentially reflecting collateral constraints not faced by men
- Women are borrowing more to start businesses; **however these are not growing** – just 14% of SMEs with 5 or more people are owned by women³. FGDs and KIs suggest this is related to time constraints and women's propensity to spend earnings on household expenses as opposed to reinvesting

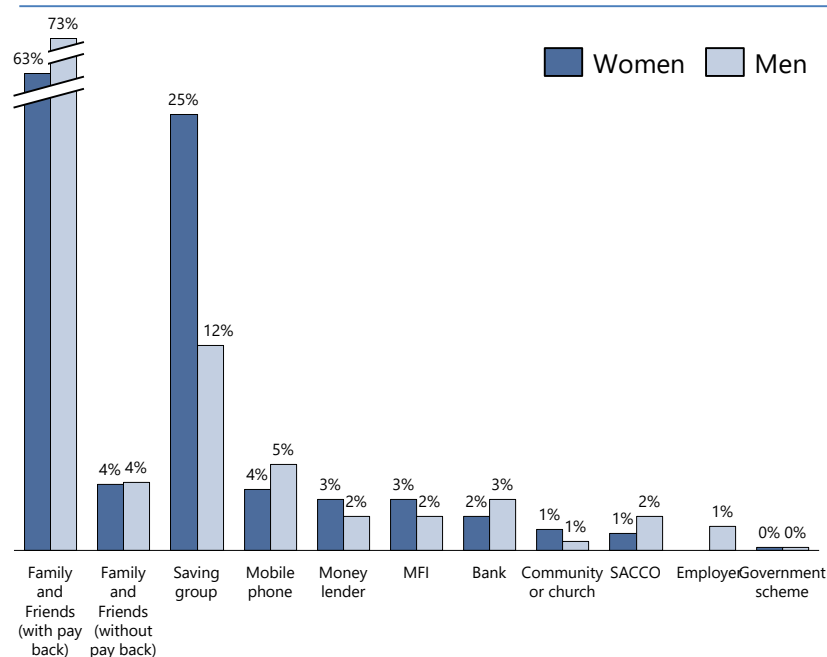
33% of urban women have used mobile channels to save; credit is mainly informal across all women

How did you save/where did you keep money in the past 12 months? (% women)¹ (n=2090)



- Women know less about formal savings benefits - women did not know the interest rate on savings for banks and mobile money respectively.
- Around 50% of rural women savers are using more than one savings channel, FGD's suggest these channels are related to specific purposes depending on how accessible they are

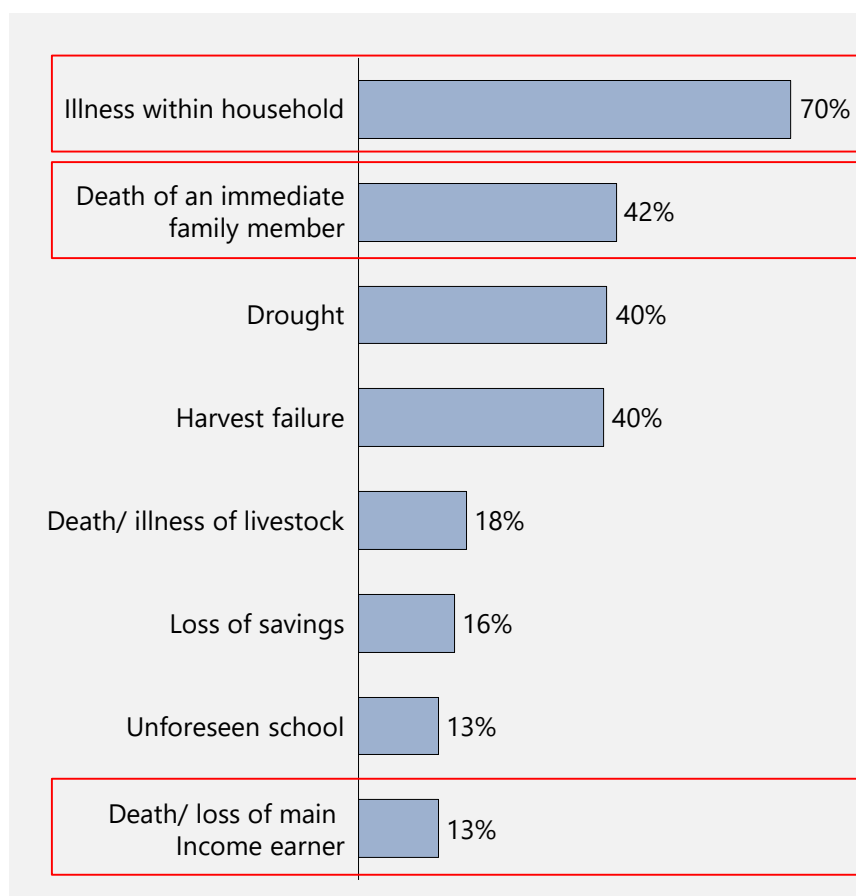
Where/from whom you borrowed money in the past 12 months? (% women)¹ (n=2090)



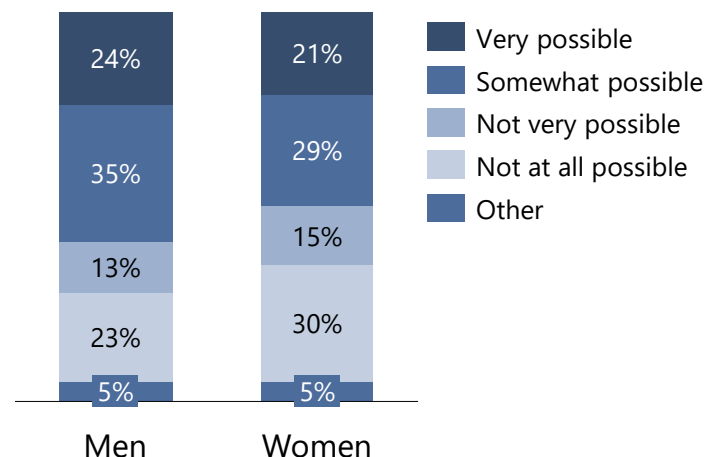
- For rural women, groups are the most important institution from which they can access loans
- Many women are using savings and loans groups as an insurance mechanism – one of the most commonly cited reason for using them is as a source of funds in case of emergency
- Just 6% of rural women report having borrowed money from a formal institution, this number climbs to 18% for urban women²

Health is a key concern for surveyed women; 72% turn to friends and family for emergency funds

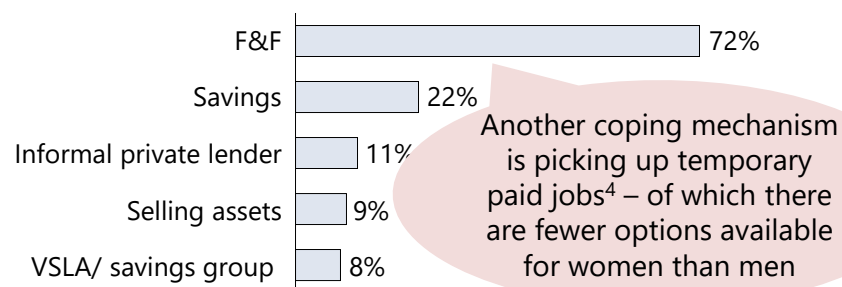
In the past 12 months have you experienced any of these events? (n=400)¹



Likelihood of being able to come up with emergency funds (2014)²



Sources for emergency funds (n=400)¹

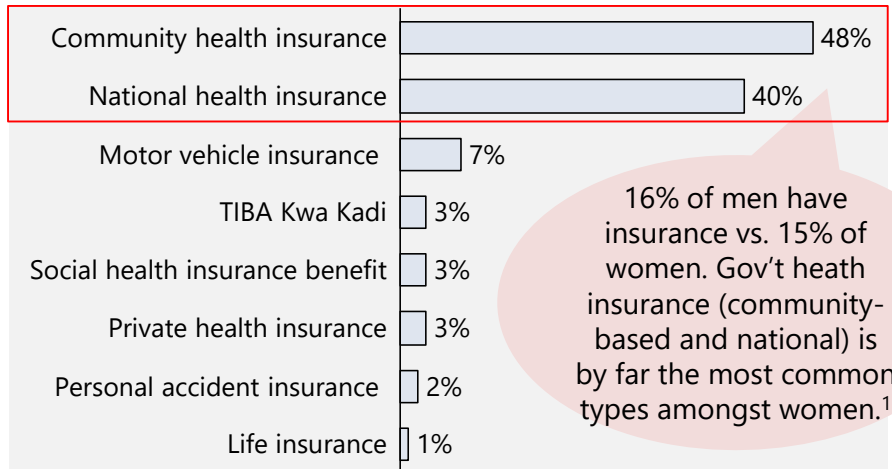


In this environment insurance could play a valuable role, however insurance penetration for women is just 16%³

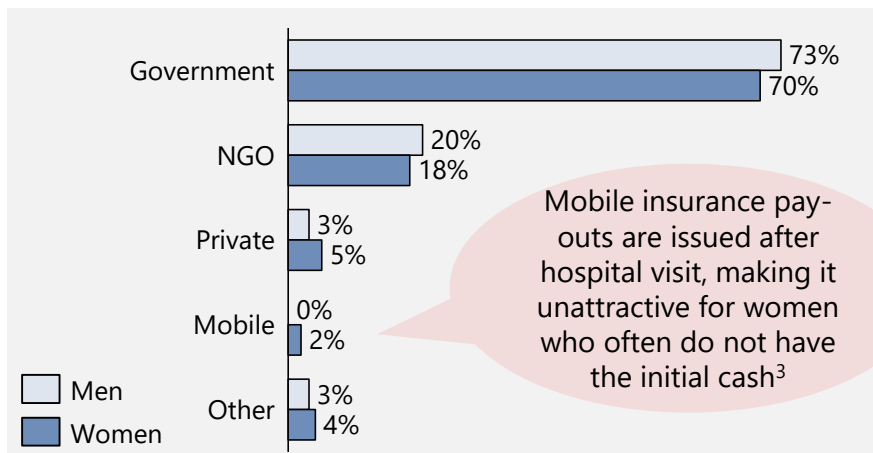
[1] Data from UNCDF Dalberg Country Assessment Survey (May 2017) [2] World Bank Global Gender Database [3] Intermedia: FII survey (2015), penetration for men is 17% [4] Examples of which would be working in a food vendor or waitressing on busy nights

Surveyed women suggest low insurance uptake due to perceived high costs; gov't health insurance dominates

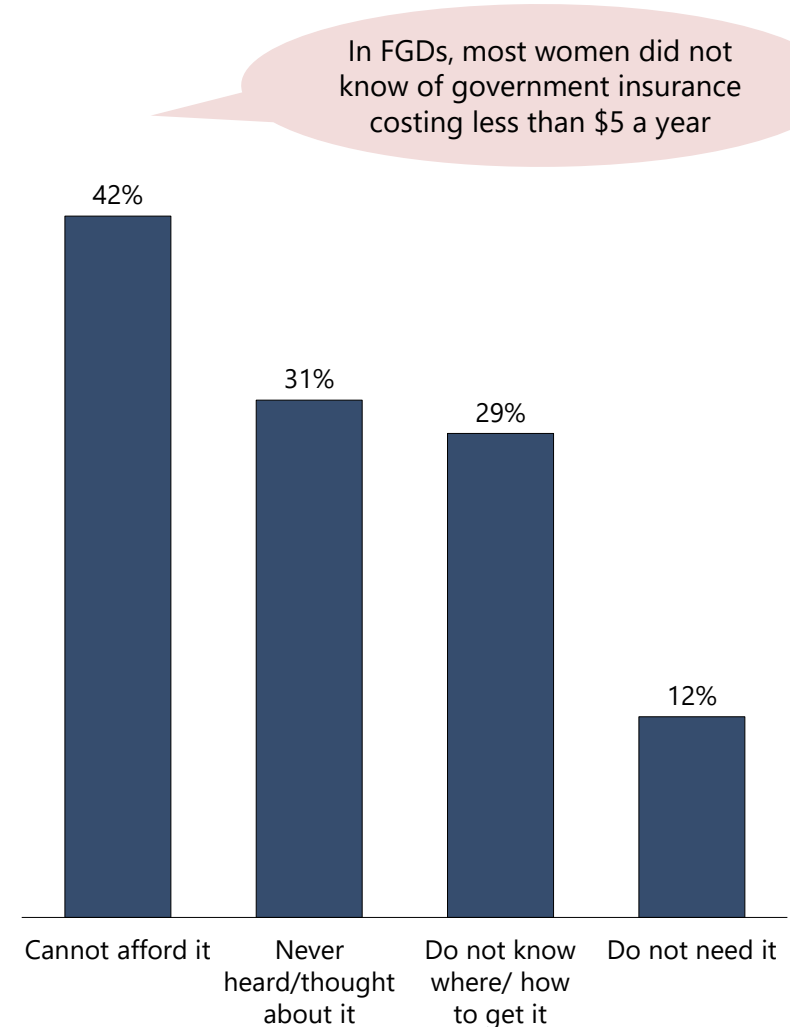
Common types of insurance¹ (n=625 women)



Channels for medical insurance² (n=3001)



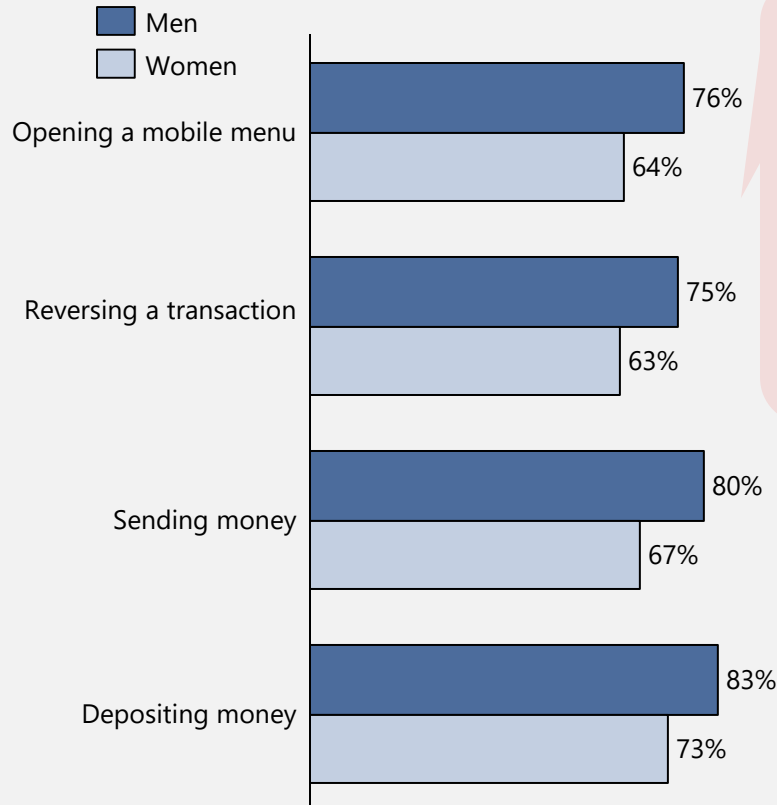
Common reasons for not accessing insurance (n=306 women)²



[1] FSDT: Finscope data (2017) [2] Intermedia: FII survey (2015) [3] Data from UNCDF Dalberg Country Assessment Survey (May 2017) [4] Note: Microinsurance regulations exist for life and general insurance and a broad range of channels are allowed to extend microinsurance

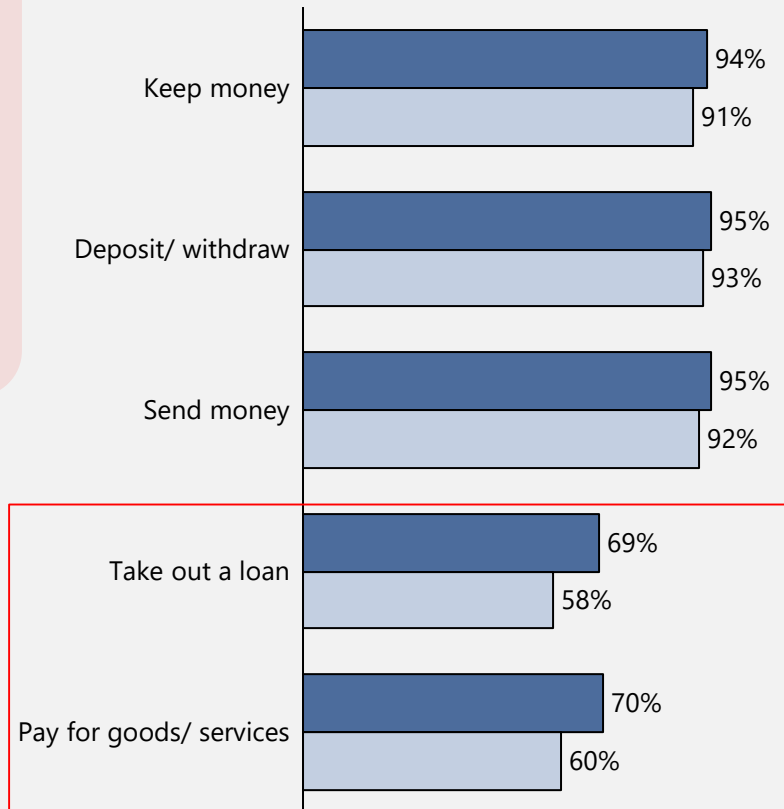
Women are less likely to find mobile money easy to use, and have lower awareness of advanced products

Ease of use of basic mobile money functions (% mobile money users ranking easy/ very easy by gender)¹



Overall mobile use among women is lower than men – of people with access to a phone, 64% of women sent an sms in the week prior compared to 74% of men

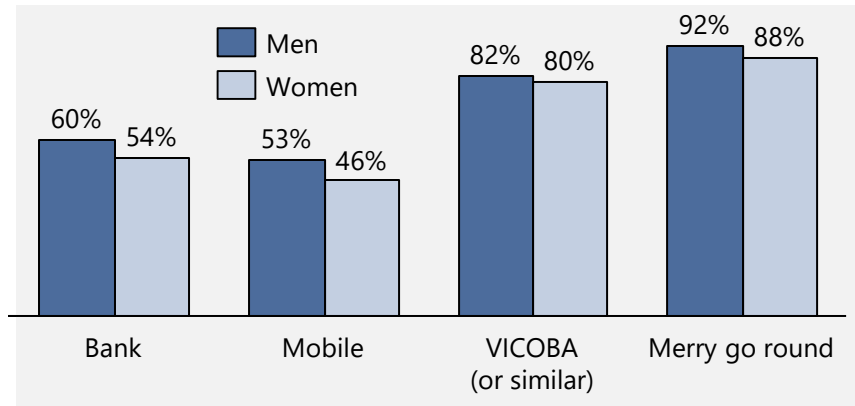
Can you undertake the following activities using your mobile phone (% mobile money users agreeing by gender)¹



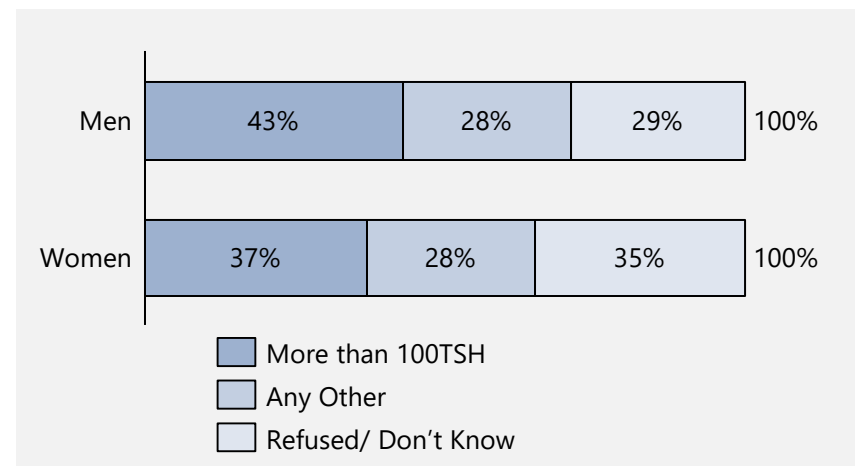
Women mobile money users are markedly less comfortable using mobile money services, and are less likely to be aware of more advanced offerings

Women are less likely to be aware of interest rates on savings; they are also less likely to plan effectively

Do you know the interest rate on your savings at the following institutions? (% people with account)¹



If you deposit 100TSH and earn interest of 2%, how much money will you have in 5 years if you don't withdraw (n=2890)¹



Women and men's financial planning, and ability to keep to plans (% men/ women 15+) (n=2890/2432)

How often do you plan?



When you plan, how often do you keep to it?



☐ Never
☐ Rarely
☐ Sometimes
☐ Always

Across men and women, planning rarely takes a longer view than a month

Lower awareness of savings interest rates, and a smaller focus on planning limit the value that women would see in saving through formal, interest bearing institutions

[1] Intermedia: FII survey (2015), n=221 for banks; n=643 for mobile; n=28 for VICOBA's; n=70 for merry go rounds

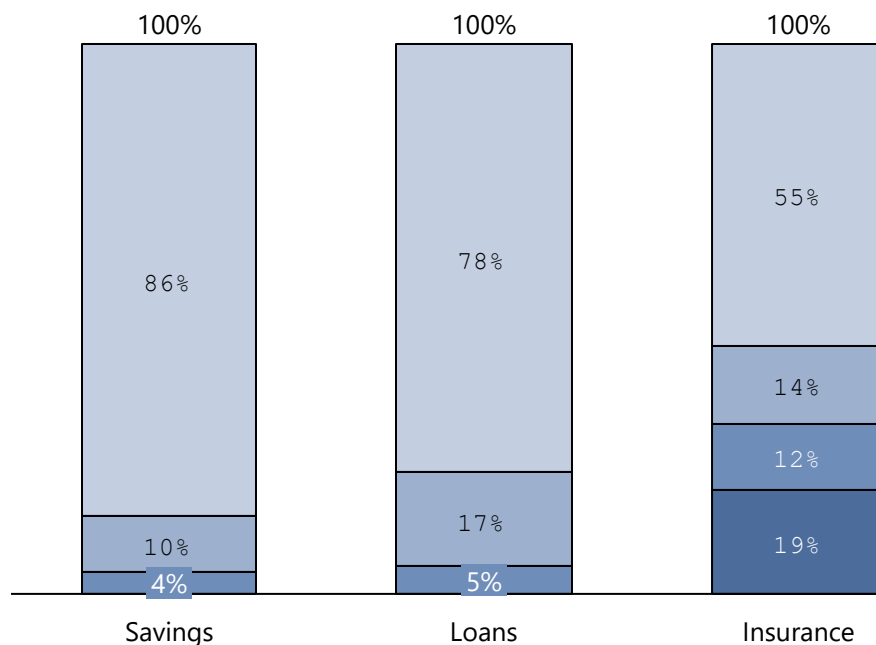
Majority of surveyed women report control over savings & loans; yet, men still dominate major purchase decisions



Who controls decisions on usage of financial products¹

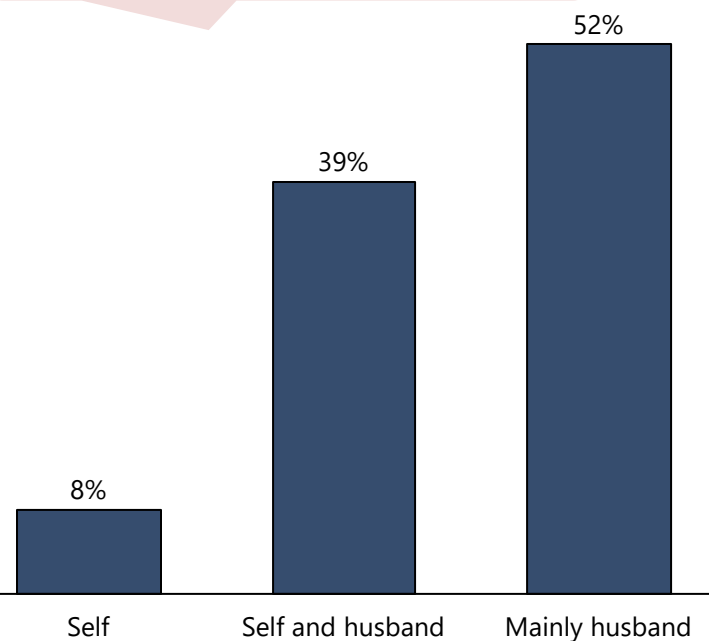
- Self
- Self and husband
- Other
- Did not know

Typically women are saving or borrowing for living expenses, emergencies education or personal business investment



How major household purchase decisions are made (%women age 15-49)²

An off-grid solar company highlighted how ~75% of customers are men. Women typically delay sales agents until the men return to make the decision to purchase



Surveyed women feel that they control the use of their savings, loans and insurance, but acknowledge that husband's often have a bigger say in large household decisions

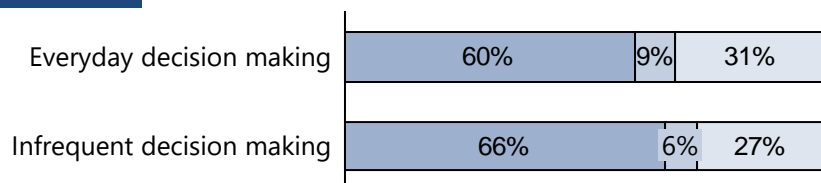
[1] UNCDF Country Assessment Survey (May 2017), Savings (n=143), Loans (n=120); Insurance (n=94); for insurance, 19% of women do not know who controls the payout [2] World Bank Global Gender Database (2016 data)

Financial services empower women to participate in decision making at home and build confidence

Effect of product usage on decision-making based on who controls product usage¹

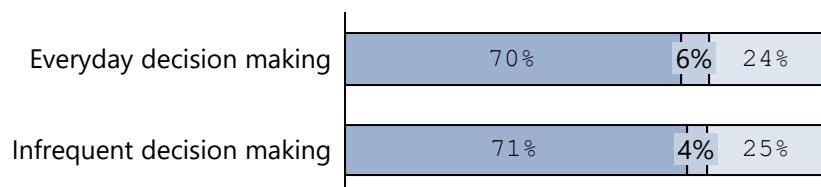
SAVINGS




% of responses from 140 women



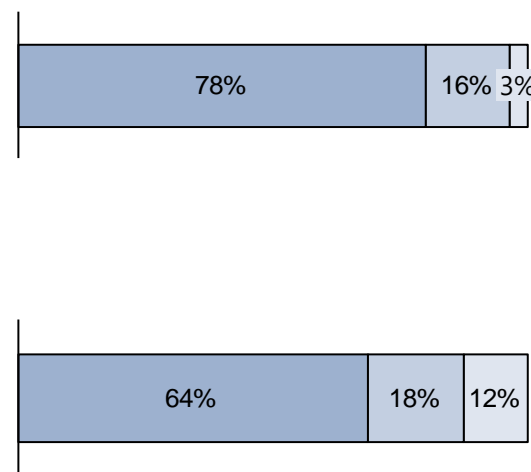
LOANS




% of responses from 115 women



 Increased involvement
  No effect
  Decreased involvement

Effect of product usage on self-confidence based on product usage¹



 Increased self-confidence
  No change
  Decreased self-confidence

A large proportion of women that access and use savings and credit that reported that it improved their decision making and self-confidence suggests that financial inclusion can act as an important lever for economic empowerment. These findings differ to many comparator countries, and research into the relative drivers of this agency, and how these perceived differences play out in reality for women across countries – for example through financial diaries – could help provide valuable insights into nuances of financial inclusion and women's and girls' economic empowerment.

While there has been innovation, high interest rates and limited awareness constrain deeper inclusion (1/2)

	Accounts/savings	Credit
Product features	<ul style="list-style-type: none"> Cheap flexible transaction accounts do exist e.g. NMB's Chap Chap account is free to open, has no service fees, requires a \$5 opening balance and is linked to mobile money¹ Similarly, savings accounts targeting education for youths are a common feature across FSPs, most have low minimum balance and service fee requirements² 	<ul style="list-style-type: none"> Typical retail loans require high levels of collateral and/ or proof of salary Micro mobile-loans allow for accessible, collateral free micro loans Group loans are common across MFIs and women oriented banks. They typically come with financial literacy training and are collateral free
Constraints to product uptake	<ul style="list-style-type: none"> Awareness of these types of products is extremely constrained, especially among the rural population where access points are limited – "Banks need to be demystified" – Women oriented FSP In FGDs, the unified opinion of commercial banks was that they were for the rich, had high service fees and required high initial balances Similarly, about half of women surveyed did not know the interest rates offered on savings by banks and mobile savings, suggesting a broader lack of knowledge about the value proposition formal institutions offer 	<ul style="list-style-type: none"> Broadly access to credit from the formal sector in Tanzania is very constrained, and that which does exist is expensive and of a short duration³ High interest rate disproportionately affects women, as their income tends to be lower. Lending more available to women, e.g., group lending, is costly, which leads to higher interest rate. While micro mobile loans are well suited to smoothing consumption, investing in working capital or in case of an emergency, short tenures, small amounts and high interest rates mean they cannot be used to invest in productive assets
Implications for future product design	<ul style="list-style-type: none"> Proactive marketing, the expansion of agent networks and investment in the training of agents to effectively deliver nuanced products 	<ul style="list-style-type: none"> Research into ways mobile money loan amounts and tenures can be extended Further efforts to expand linkage banking for savings and loan groups

[1] National Microfinance Bank (NMB) is Tanzania's second largest bank by assets and largest by access points; information from NMB website and Mix Market; [2] e.g. NMB, CRDB, Equity, Commercial Bank of Africa [3] This is driven by government borrowing in the domestic sector, short term deposit products and poor customer information; see [World Bank Economic Update, 2017](#)

While there has been innovation, high interest rates and limited awareness constrain deeper inclusion (2/2)



	Insurance	Mobile money
Product features	<ul style="list-style-type: none"> Medical insurance is dominated by the government led NHIF. From which, basic medical insurance can be purchased for less than \$5 a year Mobile insurance platforms provide cheap, highly accessible microinsurance 	<ul style="list-style-type: none"> Tanzania is an advanced mobile money market. Beyond offering basic deposit, withdrawal and transfer functionalities, users can pay for utilities, school fees and other private and public services Second generation services linking mobile money to insurance, credit and savings are gaining market traction Innovative banks are using mobile money as a platform to link consumers to their fuller suite of services
Constraints to uptake	<ul style="list-style-type: none"> For government medical insurance, awareness of the availability and features of the product is a key constraint¹ Poor service delivery from government hospitals limits the attractiveness of government insurance When mobile insurance is post paid, this limits attractiveness for women struggling with cashflows² 	<ul style="list-style-type: none"> While basic functions – withdrawing, depositing, buying airtime, transferring to money and saving – are relatively common among women, more advanced uses are not This is likely linked to awareness and literacy – in FGDs most women were unaware of the more advanced products available Transaction fees, while low compared to many countries, are still a disincentive for poor women
Implications for future product design	<ul style="list-style-type: none"> Proactive marketing of government insurance and improvement of delivery channels Identifying and addressing constraints to pre-paid microinsurance 	<ul style="list-style-type: none"> A limited set of low cost, small transactions available per customer may drive women uptake Proactive marketing and education of products, potentially through linking to existing civil society initiatives would help drive uptake

[1] See slide 39 on insurance [2] Insights driven by UNCDF Dalberg FGDs and KII interviews (2017)

While Tanzania's overall financial system is weak, there are pockets of innovation for women

Key constraints in the financial system



Tanzania's commercial banking sector is too small¹ for the needs of the country. This is most notable in the overall scarcity of credit – Tanzania's ratio of domestic credit to the private sector is 15%. The average for SSA is 45%²



Short term deposits limit loan tenure. In a cash heavy economy, the turnover of deposits is very high. This limits banks willingness to make long term loans, in turn making it very difficult to get credit for longer term investment



Borrowing by government in the domestic market means that major banks can get very attractive risk free returns. This limits their incentive to innovate around lending to a potentially risky women's market, and pushes up overall interest rates.

Pockets of gender sensitive best practice



Simplification

The Tanzania Women's Bank cut account opening documents to two pages, available in Swahili³



Gender training to bank staff

Equity Bank and the CRDB Women's division provide training to staff to provide additional support to women



Youth savings

NMB has developed a low cost, minimal balance youth savings and transaction account coupled with financial literacy training



Women commitment savings

CRDB has developed a women SME targeted commitment savings product, against which loans can be taken in an emergency



Asset financing

Selfina and M-Kopa are providing assets upfront, which are then used as collateral against which a loan is taken



Linkage banking

CSOs are working with savings and loans groups to mitigate risks and improve available services

While underlying constraints hold back the ability of the formal financial sector to cater to women's needs, multiple organisations are innovating to drive women's financial inclusion

While sex disaggregated data does not present a binding constraint; poor data prevents MNO innovation



Enabling environment³

The Bank of Tanzania has signalled its intent to collect sex disaggregated data, and is in the process of expanding its financial inclusion database. Data will include usage and quality stats similar to Findex 2014¹. For this database, it will be compulsory for FSPs to submit sex-disaggregated data. At present however the only sex disaggregated data being collected is in the credit bureau.²

Financial inclusion areas covered by sex-disaggregated data collection policy

Account ownership

Credit

Savings

Mobile banking & money



Credit bureau

Financial literacy

Payments

Microinsurance

Supply side

Commercial banks and regulated MFIs

In interviews, CRDB, NMB, Equity Bank and Central Bank of Africa all indicated that they were all able to distinguish personal account ownership by gender. NMB moved to do so after working with Women's World Banking, whereas the other FSPs all included gender as a basic data point captured in KYC.

However, while CRDB confirmed that when deciding to develop a women specific savings account they had compared registered male/female accounts to identify a market gap, for the most part those institutions that had decided to target women did not appear to rely on analysis of internal data to do so.

Mobile money operators

Tanzanian mobile loan providers rely on usage statistics, savings and transaction amounts to evaluate the creditworthiness of a potential loan recipient.

A key constraint to going beyond this, and targeting the customer base by demographic, is the quality of data available. This is a result of two problems. Agents selling sim cards, especially early in the market's maturity, often did not collect accurate demographic data. The second relates to the lack of a unified database for different types of ID, and the inability to access data on sim card ownership through their ID.

[1] AFI: Tanzania narrows the financial inclusion gender gap (2016); KII interviews in 2017 confirmed that the bank is still in the process of this [2] AFI: Leveraging sex-disaggregated data to accelerate progress towards women's financial inclusion (2017) [3] It remains to be made clear as to exact datapoints that will be collected by FSPs,

Table of Contents



Context, background and methodology

Introduction

Access

Usage, Control and Agency

Stakeholder analysis

Recommendations

Annex

Across the Tanzanian ecosystem, a variety of actors are working to advance financial inclusion and WEE

Civil society and international organizations

A major focus for CSOs is on demand-side capabilities, particularly for farmers and entrepreneurs. From the supply side, there are multiple different actors working on developing savings and loans groups, and linking them to the formal sector; there is room for coordination and sharing of learnings. In a broader focus on WE, a number of CSOs play a strong advocacy and research role on gender sensitive policy at the national and local levels. At the regulatory level, support is being given through the national financial inclusion steering committee, additional support could be given in effectively implementing on goals.

Government stakeholders

The MoCDGC and NEEC¹ have taken steps to extend credit to women, either through groups or village level funds. In addition to this, SIDO offers direct support to women entrepreneurs in partnership with civil society, and TASAF provides livelihood support to women headed households. In the regulatory environment, the BoT is a proactive body in expanding financial inclusion. Greater coordination across agencies, and additional support in implementation will improve effectiveness

Financial service providers

There are pockets of innovation in the supply side landscape particularly around savings, asset financing and linkage banking within the retail banking sector; more can be done to target specific women segments, to scale outreach and awareness of relevant products, and to improve the ability of FSPs to bundle non-financial services with traditional financial offerings. Current MNOs have limited gender sensitive offerings, and given weak data opportunities could exist to drive gender behavior analysis through big data (call records)

Private sector actors

Innovative private sector actors are taking advantage of accessible, popular technology to deliver interactive education to rural populations. While there are examples of supply chain companies that have partnered with CSOs and financial institutions to provide support to women, there is greater scope to identify and support women working across agricultural value chains.

Actors are working across spheres to support women's and girls' economic empowerment and financial inclusion. Greater coordination across different types of stakeholders could have positive outcomes in sharing learnings and leveraging resources.

[1] Ministry of Community Development, Gender and Children, National Economic Empowerment Council, Small Industries Development Organisation, Tanzania Social Action Fund

Civil society and int'l organizations are working across demand, supply and enabling environment (1/4)



Organization ¹	Demand	Supply	Enabling environment	Social norms
WFT				
TGNP				
TWCC				
UN Women				
CAWAT				
VICOBA SDA				
CARE				
FSDT				
TNS				
AFI				
DFID				
Hakiardhi				
Landesa				
Sygenta				
One Acre Fund				
ANSAF				
Women Lawyers' Association				
Aga Khan Foundation				
RATIN				

Non-exhaustive, refer to excel file for more details

[1] *Acronyms:* Women's Fund Tanzania; Tanzania Gender Networking Programming; Tanzania Women's Chamber of Commerce; UN Women; Centre for the Advancement of Women in Agriculture in Tanzania; VICOBA Sustainable Development Agency, Care, Financial Sector Deepening Trust, Technoserve, Alliance for Financial Inclusion, Department for International Development, Agricultural Non-State Actors Forum, Regional Agricultural Trade Intelligence Network

Civil society and int'l organizations are working across demand, supply and enabling environment (1/5)




	Demand	Supply	Enabling environment	Social norms
Stakeholder activity trends and analysis	<ul style="list-style-type: none"> Activity is centered on developing women's financial and business capabilities: This is primarily oriented around entrepreneurs, although isolated efforts have been made to support women agricultural activities through extension training and access to inputs. A key gap is the limited number of actors leveraging mobile access advancements to extend financial literacy support and training. 	<ul style="list-style-type: none"> Multiple actors are supporting some form of savings and loans groups as a means to expand and deepen financial services. There are also efforts to either digitize these groups, or link them to formal service providers. While there have been efforts by civil society to engage with banks on tailoring product offerings for women, this is less the case for digital service providers. 	<ul style="list-style-type: none"> From a broader policy position, actors such as WFT¹ have taken stances on the role that gender biased customary law has in undermining the formal law system, and there has been some coordination through coalitions targeting constitutional amendments pertaining to inheritance. Focusing on regulatory features, FSDT and AFI have played important roles in shaping the financial inclusion agenda. Both have given indications that they will bring a bigger gender focus moving forward, with FSDT recognizing this as an important research agenda in the new Finscope. 	<ul style="list-style-type: none"> Actors such as CAWAT and TGNP² have undertaken research and advocacy on sexual exploitation and gender based violence, and advocating on women's rights more broadly. Independent actors are advocating for women's leadership across government and private spheres. There has also been an investment in identifying time saving innovations for women; work in this space is also often packaged with economic independence initiatives.

The next section outlines in more detail the activities of a sub-set of actors selected for innovative programs; the full list of actors is provided in the annex

[1] Women's Fund Tanzania [2] Tanzania Gender Networking Programming, Tanzania Gender Networking Program

Civil society and int'l organizations are working across demand, supply and enabling environment (2/5)





CSOs/Int. orgs	Description ¹
	<p>Women's Fund Tanzania (WFT) through grant making, strategic support, resource mobilization and coalition building, WFT supports grass root CSOs targeting women's empowerment. It also acts as an advocacy body, promoting rights based initiatives at the local and constitutional level</p> <p><i>Enabling environment:</i> convenes stakeholders to engage on women's rights in the constitution</p> <p><i>Agency:</i> Advocates against sexual extortion by government representatives and in the workplace</p>
	<p>Tanzania Gender Networking Programming (TGNP) undertakes research gender relevant research in key sectors, and holds training for relevant bodies on gender sensitivity and gender responsive budgeting. It also provides support to community, regional and national level gender advocacy movements.</p> <p><i>Enabling environment/ demand:</i> advocates on land rights and economic empowerment for women rural farmers, and by promoting the generation of income earning opportunities in the extractive industry</p> <p><i>Agency:</i> advocates for the increasing participation of women in public policy decision making and in leadership positions at the national, district and ward levels</p>
	<p>Tanzania Women's Chamber of Commerce (TWCC) is an umbrella organization uniting sectoral women associations, companies, and individuals to form a united front to advocate, for the well being of women entrepreneurs</p> <p><i>Enabling Environment:</i> plays an active role lobbying on behalf of our members and women in general on policies, procedures, laws and constraining women entrepreneurs</p> <p><i>Demand:</i> provides capacity building for women entrepreneurs, including access to finance and business registration assistance</p>
	<p>UN Women works across 3 areas; the policy environment pertaining to women's empowerment, capacity building for women entrepreneurs and the strengthening of women-focused associations. Capacity building support included literacy programmes, business and marketing training, support navigating business regulations</p> <p><i>Demand:</i> advocates and develops research on policy shaping women's economic opportunities, and provides direct support to women entrepreneurs</p>

[1] Non-exhaustive descriptions of all of these stakeholders' programming; highlights as they relate to metrics of financial inclusion are presented. The two principal lenses of analysis are (i) supply/demand/enabling environment and (ii) access/usage/agency (referring to controlling the benefits of financial product & service use)

Civil society and int'l organizations are working across demand, supply and enabling environment (3/5)








CSOs/Int. orgs	Description ¹
	<p>VICOBA Sustainable Development Agency works with Coca-Cola and Tanzania Postbank to provide entrepreneurial, financial literacy and life skill training to women, develop savings and loans groups and link them to accounts at formal institutions.</p> <p><i>Supply:</i> brings women into the formal financial sector by developing and linking groups to low fee bank accounts</p> <p><i>Agency:</i> incorporates a life skill component in its support targeting greater control and agency</p>
	<p>CARE works across multiple spheres of women's empowerment, including market access, maternal health and agriculture. In financial inclusion, CARE is a leading proponent of savings and loans groups, and has been integral in developing a new linkage product with NMB</p> <p><i>Supply:</i> has supported over 23,000 savings and loans groups across Tanzania, and works with established FSPs to link them to formal institutions</p> <p><i>Demand:</i> increases women's incomes through support provided in market access and agriculture, while limiting the negative outcomes of shocks through maternal health support</p>
	<p>Financial Sector Deepening Trust (FSDT) takes a market systems development approach to improving financial inclusion in Tanzania. This includes working closely with the BoT and other government actors to develop and implement strategic frameworks, and to shape regulation. In the National Financial Inclusion Framework, for example, FSDT played a key capacity building and technical assistance role for the BoT, and helped establish a coordination structure for donors. It also runs independent projects in agriculture and SME finance, digital innovation and insurance, and collects detailed financial inclusion data. One particularly relevant project is the BIMA challenge. In it, the FSDT co-finance innovative business models and distribution channels for microinsurance.²</p> <p><i>Enabling Environment:</i> through research and TA, helps shape the regulatory and policy agenda alongside the BoT</p>

[1] Non-exhaustive descriptions of all of these stakeholders' programming; highlights as they relate to metrics of financial inclusion are presented. The two principal lenses of analysis are (i) supply/demand/enabling environment and (ii) access/usage/agency (referring to controlling the benefits of financial product & service use) [2] the challenge is part of a broader set of interventions in the microinsurance development process. Currently spearheaded by a multi-stakeholder [Microinsurance Technical Working Group](#).

Civil society and int'l organizations are working across demand, supply and enabling environment (4/5)






CSOs/Int. orgs	Description ¹
 AGA KHAN FOUNDATION	<p>Aga Khan Foundation-- Supports the formation of >5,000 savings groups in collaboration with the Government, under the MKUKUTA poverty alleviation program. Also trains government extension officers and "lead farmers" to apply new techniques. Trains groups on marketing and business practices. Evaluations find over 75% of groups continue after ADF support ends</p> <p><i>Supply:</i> Savings groups provide a platform from which women are able to access basic financial services</p> <p><i>Demand:</i> By supporting extension officers, and bringing training through groups, AGF support women farmers and entrepreneurs earnings potential</p>
 TECHNOSERVE <small>BUSINESS SOLUTIONS TO POVERTY</small>	<p>Technoserve Introduce women micro-entrepreneurs to mobile savings and business training to increase business income through an initiative called business women connect. In partnership with the World Bank an RCT will be run evaluating the impact of the intervention.</p> <p><i>Demand:</i> through linking women with mobile savings and business training, women are better able to earn an income</p>
 <small>from the Department for International Development</small>  <small>SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY</small> 	<p>DfID, DIDA and DANIDA together launched a new land tenure support programme in Tanzania. The programme will support the Ministry of Land, Housing and Human Settlements Development to make information on land record and processes of land allocation publicly available, and clarify and address current constraint to protecting legitimate land claims.</p> <p><i>Enabling Environment:</i> By improving land tenure processes, the programme allows women better control over land they have, improves their ability to use it as collateral and supports them when inheritance is disputed</p>

[1] Non-exhaustive descriptions of all of these stakeholders' programming; highlights as they relate to metrics of financial inclusion are presented. The two principal lenses of analysis are (i) supply/demand/enabling environment and (ii) access/usage/agency (referring to controlling the benefits of financial product & service use). [2] The Deputy Governor of the BoT is the chair of the Denarau Initiative

Civil society and int'l organizations are working across demand, supply and enabling environment (5/5)



CSOs/Int. orgs	Description ¹
	<p>Swiss Capacity Building Facility (SCBF) co-funds the development, testing and launching of both client-oriented financial products and product distribution channels that meet the needs of low-income households, smallholders and MSMEs, with a particular focus on women and rural areas. Tanzania is a priority country of theirs, and they have already funded several projects targeting women.</p> <p><i>Supply:</i> targets the developing of products that are beneficial for specific women segments, including women in small businesses and agricultural insurance for smallholder farmers</p>
	<p>Centre for the Advancement of Women in Agriculture in Tanzania (CAWAT) supports women in agriculture across three spheres; promoting and disseminating time and labour saving technology, building and promoting women leadership capacity in agriculture and advocating on policy changes in relation to gender equality in agriculture</p> <p><i>Enabling environment:</i> advocates on the role that customary law plays in undermining gender equality in the formal law system</p> <p><i>Agency:</i> by focusing on time saving technology for women farmers, CAWAT supports increased financial independence and mobility</p>
	<p>AFI is a membership body, of which Tanzania is part of. BOT has been a member of AFI since 2010. Over that time it has received technical and financial support from AFI. Technically, AFI has been supported BOT through capacity building and review of strategies that have implication in promoting Financial Inclusion in the country. Financially, AFI has helped funded BOT staff to attend capacity building programs as well as develop of Financial Inclusion products. Alongside Women's World Banking, it has also published research highlighting the role that policy has in shaping the gender gap in TNZ.²</p> <p><i>Enabling Environment:</i> AFI recently developed the Denarau Initiative, of which Tanzania is a signatory. The initiative is a commitment to prioritising women's equality in financial inclusion at the policy level.²</p>

[1] Non-exhaustive descriptions of all of these stakeholders' programming; highlights as they relate to metrics of financial inclusion are presented. The two principal lenses of analysis are (i) supply/demand/enabling environment and (ii) access/usage/agency (referring to controlling the benefits of financial product & service use) [2] The Deputy Governor of the BoT is the chair of the Denarau Initiative

Across FSPs there are pockets of innovation in which there are opportunities to scale

Key supply-side providers		Product offerings for women	Delivery mechanisms	Non-financial services
Retail FSPs ¹	National Microfinance Bank (NMB) ²	Free to open current account, with no maintenance fees and mobile access. Youth education savings products. Linkage product for savings and loan groups	All three institutions are proponents of agent banking, and have been taking steps to expand their networks.	Youth savings products come with financial literacy training for the youth and family
	CRDB	Women SME oriented savings account alongside loans with flexible collateral provisions	Each also uses some form of mobile money product linked to their accounts, allowing for basic transactions	Women's entrepreneurship products come with financial literacy training
	Equity Bank	Loans targeting women, both through groups and individual. Youth education savings product.		Fanikisha loans come with additional support and financial literacy training
Microfinance	FINCA	Group loans, mainly of women, where members act as guarantors.	Loan officers are the primary delivery mechanism; the focus is to build a close relationship with loan takers	FINCA and Selfina provide additional business training alongside their loan products
	Pride			
	Selfina	Micro-leasing organisation targeting women. Rent to own agreement with women entrepreneurs.	Branches in 5 regions	
MM Providers	MNOs	Advanced market, with a full suite of deposit, withdrawal, transaction and payment services	Mobile phones and mobile money agents	Sms's with details on products and implications of missed payments
	Second generation services(e.g. CBA, JUMO, Milvik Bima)	Microloans for working capital and to smooth consumption. Alongside microinsurance, also valuable in case of emergency		
Insurance	NHIF	Tiered insurance scheme, compulsory for formal employees and optional for informal	Offices by region	N/A

[1] NMB, CRDB and NBC are 3 of the 4 largest banks. FBME is the 4th, but has been recently shut down over links to terrorism. These 4 banks account for 50% of loans and deposits in the banking system; Equity is much smaller but included due to innovative approaches. [2] NMB is a member of the Women's World Banking Network

There are opportunities to raise women's awareness and provide incentives to deepen access and usage (1/2)



Potential partnership opportunities and rationale

Retail banks



NMB is a top two bank, with a large and growing agent network and an established reputation for being willing to work with civil society to target underserved segments. Recent evidence of this includes their work with Care to develop a group linkage product, and their work with Women's World Banking to develop a youth account. Additional support can be given to equip and incentivise agents to market gender sensitive products, and support vulnerable women when engaging.



The largest bank in Tanzania, CRDB has a division targeting women finance. The division has specific loan products targeting women, either through flexible collateral provisions – IE allowing for a relative to act as a guarantor, or allowing for more flexible proof of ownership. It also has a long term savings account for women entrepreneurs, and incorporates financial literacy components. However, both the loan and savings products cater to slightly more advanced women entrepreneurs. Working with the division to develop and extend a product that caters to smaller, informal women would help fill a gap

Microfinance institutions



Selfina provides micro-asset financing for women entrepreneurs. Women apply for a financing for some productive asset – a sewing machine for example – and use the money earned from it to pay back the loan. Financing is coupled with financial literacy and business skill training. A major constraint to growth for Selfina is financing, at present it provides guarantees and uses bank loans to finance assets. Pushing up interest rates above what the bank is asking to cover its own operating costs. An injection of capital alongside support in improving efficiency would improve its ability to extend affordable financing more broadly

There are opportunities to raise women's awareness and provide incentives to deepen access and usage (1/2)

Potential partnership opportunities and rationale

Mobile money



CBA is the FSP behind the M-Pawa savings and loan product offered over the M-Pesa network. The product, has gained significant traction already – with mobile loans overall now the most popular form of formal credit. Despite this, consumer awareness is low. In 2015 just 1% of active mobile money users report having taken out a loan through their mobile¹. Supporting awareness of the product, while at the same time advocating for and incentivising longer tenor loan products would improve access to quality credit.

Insurance



Milvik Bima is a leading provider of microinsurance products in the country. While mobile provides an excellent platform to cheaply deliver microinsurance, customer education is a challenge. Grassroots CSOs targeting gender and/ or health, and which have strong community roots, could present a strong consumer education channel in this regard. Convening and linking these actors could be a valuable channel to expand access to microinsurance.

[1] Intermedia: Financial Inclusion Insights: Tanzania (2015)

Government stakeholders are making efforts to enhance women's financial inclusion, but implementation is weak



Key government stakeholders		Description ¹
Government Departments/Ministries	Ministry of Community Development, Gender and Children	Allocates funds to local government authorities through the Mwananchi Empowerment Fund, of which 5% are earmarked to support women's enterprises; however, funds are not always used for women's lending as required
	National Economic Empowerment Council	Coordinates and monitors Women's Empowerment Fund and ensures local government authorities are allocating funds to women as required; Aggregates women's groups in districts and regions to organize women's forums through which financial education programs and activities are delivered
	Tanzania Social Action Fund	Coordinates the Productive Social Safety Net program (PSSN) which disburses cash transfers to poor and vulnerable houses – 51% of households under the program are headed by women; Also coordinates other programs with a focus on women such as the Public Works Program (PWP), which focuses on promotion of job creation related to infrastructure – 47% of recipients are women
	Small Industries Development Organisation	The main government arm for promoting SMEs in the country; partners with Tanzania Women's Chamber of Commerce to provide training and capacity building support to women entrepreneurs and to enhance their access to international markets and cross-border trade, for example, educating women on international buyer requirements, rights and duties of exporters and importers and custom procedures
Regulatory Bodies	Bank of Tanzania	Recently developed and launched the National Financial Education Framework for 2016/17 to 2020/21 which targets financial education for youth and women; Is currently leading efforts to revise the National Financial Inclusion Strategy to include targets specifically for women's financial inclusion; Is currently conducting a risk assessment study for banks to assess the case for tiered KYC for commercial banks to extend financial inclusion
	Tanzania Insurance Regulatory Authority	Facilitated/allowed National Health Insurance Fund (NHIF) to provide health insurance specifically targeting pregnant women to lower the mortality rate of mothers and infants; health insurance cards can be used during pregnancy and up to 3 months after delivery

While Bank of Tanzania is leading efforts to extend financial inclusion to women, there is need for coordination and collaboration from other government agencies to ensure successful implementation, for example on financial education

[1] Non-exhaustive descriptions of all of these stakeholders' mandates and programs; highlights as they relate to financial inclusion are presented.

Strong capacity and commitment can be identified in some of the best practices of private sector actors



Peripheral Vision International

– Media Company

What are they doing?

PVI is a media company capitalizing on existing technologies to scale learning. Two main products:

- **Wanji Games** is a last mile media platform that turns mobile phones into learning devices for marginalized, low literacy and remote populations that traditional training cannot easily reach. It delivers edutaining interactive narratives in spoken local languages that can be tailored to support a variety of health and development topics
- **Kibanda Boda** can screen content during the day/ in bright sunlight, therefore, not limiting the exposure to evening hours. This self powered mini-mobile cinema can be transported to areas where there is low TV saturation, and screen focused edutainment.

What can we learn?

While research is still limited as to the effectiveness of the products as educational tools, they do give examples of how accessible technology can be used to extend education. In doing so, the opportunity to leverage the company's approach too deliver financial and digital literacy emerges.



Coca-Cola

– Global retailer

What are they doing?

Through it's 5by20 initiative, Coca-Cola has committed to enable the economic empowerment of 5 million women across the company's value chain.

In Tanzania, this initiative has focused primarily on the empowerment of retailers and small scale food vendors, though distributors and recyclers also receive some support. Since the program's start it has reached 42,000 women.

In providing support, Coca-Cola has partnered with a local CSO and Tanzania Post Bank. The CSO formulates groups of women entrepreneurs, and provides entrepreneurship, life skills and financial literacy training. Group bank accounts are then linked to Post Banks, which provides access to credit for entrepreneurs.

What can we learn?

Partnerships across CSOs, FSPs and value chain companies, in which each actor has a comparative advantage and a business case to engage, provide high potential opportunities to empower women.



Our stakeholder analysis has a number of implications for UNCDF in Tanzania

Working with innovative education organisations, and sharing best practise with FSPs provides an opportunity to rapidly scale outreach

Several organisations have used the spread of feature phones and radios to share educational, interactive content. Bringing the learnings of these organisations to CSOs and FSPs provides an opportunity to rapidly scale outreach of financial literacy programmes

Existing products show that leading FSPs and MNOs are willing to innovate on product and access constraints

A range of products from leading FSPs and MNOs that are either tailored explicitly to women, or cater to specific constraints, show that providers are willing to innovate around issues to expand women's financial inclusion. Examples include incorporating non-financial services, commitment savings and flexible collateral regimes. Documenting and sharing best practises across these innovations, and showing how they can increase market penetration, can help improve uptake.

While the Bank of Tanzania plays a crucial role in shaping the financial inclusion agenda, additional support may be valuable

The Bank has played a crucial role in shaping a highly supportive regulatory environment and acts as the secretariat for the financial inclusion framework. However, a long turn over time for key policies on sex disaggregated data is indicative that additional effort to identify and support on constraints to implementation could be valuable

Multiple organisations are independently innovating to support savings and loans groups, and link them to the formal sector

Multiple organisations have independently identified savings and loans groups as a high potential channel to expand and deepen financial inclusion for women and are taking steps limit the risks and improve the services attached to them; often through steps to link them to the formal banking sector. Convening these actors to share best practises, and coordinate efforts could help expand uptake.

Table of Contents



Context, background and methodology

Introduction

Access

Usage, Control and Agency

Stakeholder analysis

Recommendations

Annex

RECAP: Our analysis has revealed critical issues across women's and girls' access, usage, control and agency



ACCESS: Lack of access points of retail brick-and-mortar, bank agents as well as MFIs are key constraints for women

Given their more limited discretionary time and mobility, accessing retail brick-and-mortar bank branches, where staff can sometimes be discriminatory, can be a challenge for women. Mobile money is making efforts to bridge gap, but this is still a constrain in rural areas: women cited not having mobile agents nearby as the key reason for not opening a bank account.

ACCESS: KYC requirements to validate IDs with second IDs or databases and to register businesses before accessing loans is constraining

National databases of most IDs do not exist, and banks do not have access to the voter ID database, which is the most commonly used ID. As a result, individuals are required to have two IDs, which most women do not have. As a result of the poor customer information, although BOT allows unsecured loans, banks require high-value and fixed collateral, which most women are unable to meet.

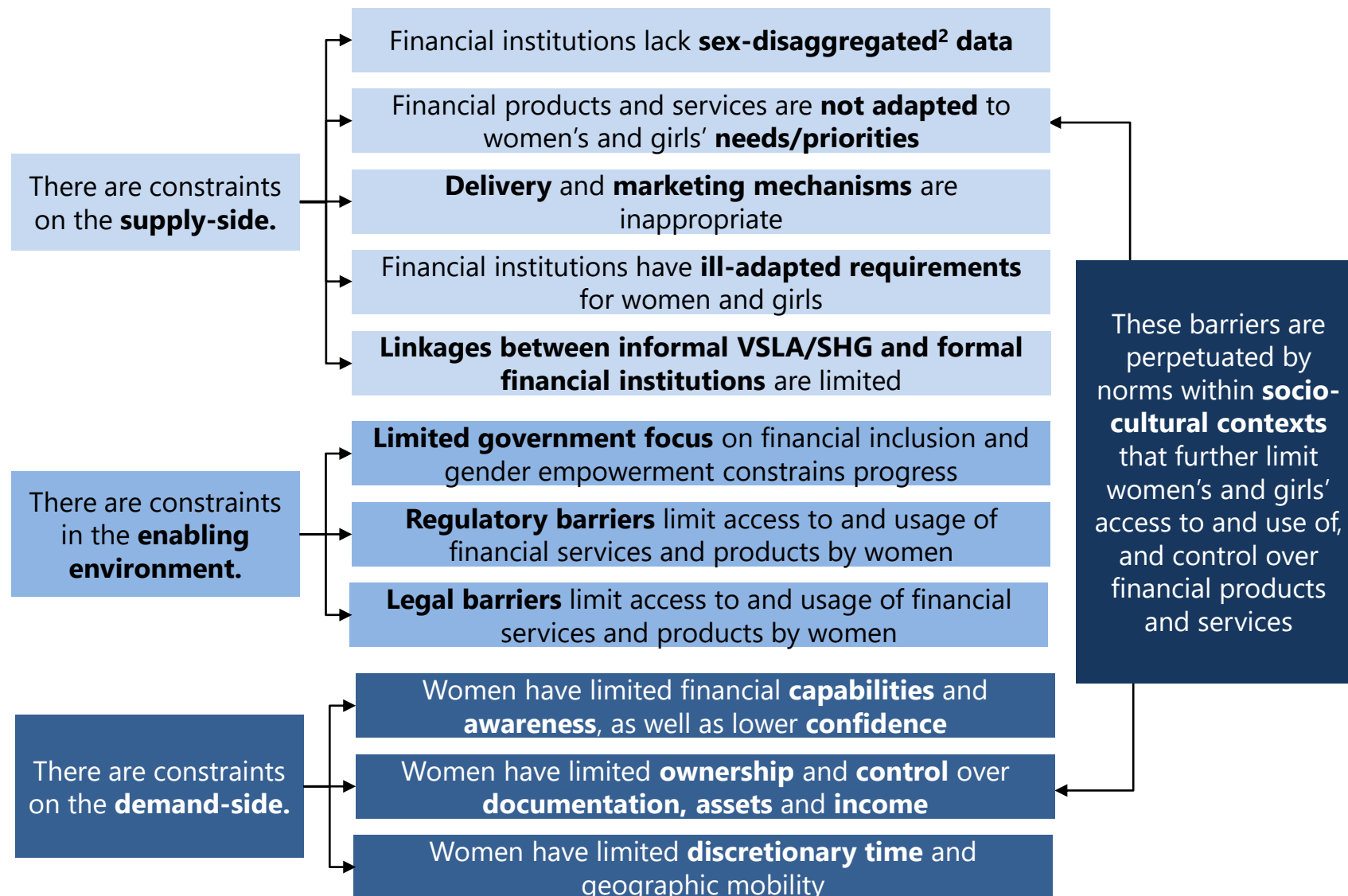
USAGE: A mismatch between women's needs & products drive use of mostly informal basic formal financial products

Women in Tanzania are highly sensitive to fees and charges due to their low incomes (more than half of women earn less than 50,000TSH a month (c.30USD)), but products e.g. mobile money has high fees, while loans have high interest rates, which limit uptake and usage. Loan amounts offered on mobile are also very small amounts with short tenures, which are unsuitable for growing businesses. Mobile insurance is post-paid, but women often do not have the hospital fees to pay beforehand. More generally, women have lower financial and digital literacy compared to their male counterparts, which limits them from taking up and using tailored financial products.

CONTROL & AGENCY: While most women feel they have control over their day-to-day funds, major financial and travel decisions lie with the husband

Results from the survey indicated that a large portion of women feel that they have control over their finances – a result that likely can be linked to the fact that many Tanzanian women working and earning income independently. Despite this, anecdotal evidence from interviews and World Bank survey data² indicates that major household financial decisions are still made primarily by men, and that married women's mobility is still highly dependent on permission from their husband

In developing recommendations we framed constraints across supply, demand, EE¹ and social norms



In the short to medium term, a number of opportunities emerge to address key constraints (1/2)



At a high level, our analysis has identified (i) **the supply of products and services tailored to women** & (ii) **promotion of the use of sex-disaggregated financial inclusion data** as broad strategic focus areas. Please note, many of these activity recommendations need to be collectively implemented to be effective. UNCDF can play a critical role in bridging silos and bringing stakeholders together.

		UNCDF key functions				
Recommendations		D	CB	PA	IF	C
Supply side	Access					
	1 Build capacity and advocate to retail banks, especially those with agency banking such as Equity Bank and NMB to pilot gender-sensitive marketing through agents to shift the perception that banks are for the wealthy/large deposits among women and girls.		×			
	2 Learn from best practice on innovations in alternative collateral such as NMB's warehouse receipt system (for smallholder farmers) and Selfina's asset financing model (for SME owners) and advocate to and build capacity within FSPs to pilot these approaches or scale further. Undertake market sizing for these products as a tool for advocacy. Explore opportunities to incentivize bundling with other products		×		×	
	3 Advocate to FSPs to innovate on onerous identification requirements, through, for example, technology such as biometric systems that allow unique identification of customers			×		
	Usage					
	4 Support the convening of CSOs developing and supporting savings and loans groups such as Care, Aga Khan Foundation and VICOBA Sustainable Development Agency – and of FSPs developing linkage products – such as NMB and Akiba. Provide a forum to share the learnings and best practices of each set of actors, and document the content as a public good and advocacy tool	×		×		×
	5 Launch challenge fund or target FSPs that have a strong presence and established record of innovation to develop targeted product bundles for the micro-entrepreneur segment. Potential product features include micro-asset financing and financial/digital literacy training. Linking the FSP to demand side actors – such as SIDO, or Aga Khan Foundation – would provide more holistic support. Similarly, linkages could be made to the supply chain initiative suggested in the demand side recommendations.		×		×	
		Data and research	Capacity building	Policy and advocacy	Innovation funding	Convening

In the short to medium term, a number of opportunities emerge to address key constraints (2/3)



Recommendations		D	CB	PA	IF	C
Partners	Usage					
	5 Facilitate partnerships between mobile insurance operators and savings group aggregators to raise awareness on the value and functionality of insurance on the demand side, while encouraging and incentivizing insurance operators to incorporate gender friendly feature. Weather insurance would be valuable for smallholder farmers, medical insurance would be valuable for women as household managers and unemployment insurance for employees		×			
Partners	Leading FSPs (NMB, CRDB, Equity Bank etc) (1-5), Care, VICOBA SDA, AGF (3), Milvik Bima, Microensure (4), UN Women, Care, WFT, TGNP, CAWAT (4) Selfina (5) Other grassroots organisations					
Demand	Access/Usage					
	1 Launch a challenge fund to call for approaches to delivering non-financial services for women via mobile channels such as digital and financial literacy, and business skills, building on innovation emerging from companies such as PVI. Where potentially viable options emerge, pilots with FSPs being supported under the usage initiatives would help establish a use case		×		×	
	2 Identify & advocate to key supply chain actors (beginning with those with a strong social mandate) to link with FSPs & demand support actors to integrate women in supply chains learning from Coca-Cola's 5by20 initiative. Alternatively, identify existing partnerships – such as the work being done under the SAGCOT initiative or Agrifin (poultry and banana value chains)- where UNCDF could incentivize FSPs to play a bigger role in targeting women				×	×
	3 Engage with government and civil society education actors on incorporating a specific financial literacy and small business management component into secondary school curricula			×		×
	4 Partner with UN Women's entrepreneurship support initiative to scale and link to FSPs being supported that are developing gender sensitive products					×
	5 Identify specific actors that are investing in the expansion of women's cellphone ownership and offer targeted support. Examples could include advocacy on behalf of GSMA's Connected Women initiative, or linking demand side CSOs to act as distributors for Kidogo Kidogo			×		×
Partners	National Microfinance Bank(1-2), Equity Bank (1-2), AKM Glitters (2), Coca-Cola (2), Care (2), (1-3)					
	Other government stakeholders , (4) UN Women, Kidogo Kidogo, (2) GSMA Connected Women,					

In the short to medium term, a number of opportunities emerge to address key constraints (3/3)



Recommendations		D	CB	PA	IF	C
Enabling Environment	Access/Usage					
	1 Advocate to donors to fill the financing gap for the National Identification Authority (NIDA) and build capacity to accelerate rollout of national identification system which will solve issues across the board (account opening, credit bureau and data gaps in MNO customer bases); UNCDF to also leverage experience to ensure the rollout of the ID System is gender sensitive		×	×		
	2 Invite MFI representative bodies such as Tanzania Association of Microfinance Institutions (TAMFI) and Tanzania Informal Microfinance Association of Practitioners (TIMAP) to put forward proposals on how UNCDF can offer targeted financial or technical support on first advancing the progression of the Microfinance Regulatory Bill through parliament, and then on ensuring its timely implementation			×	×	
	3 Under the ambit of AFI's Denarau Action Plan and in collaboration with AFI's Gender Women and Financial Inclusion Committee, submit recommendations to the Bank of Tanzania on targets and provide relevant capacity building and/ or technical assistance to incorporate Action Plan recommendations		×	×		
Partners	(1) NIDA, (1) World Bank, FSDT, (2) TIMAP, (2) TAMFI, (3) AFI, (3) BOT					
Social norms	Control					
	1 Convene actors targeting household roles, mobility and control over assets across sectors e.g. TNS and Care International, document lessons learned and best practice and coordinate roadmap development for a joint response	×				×
	2 Collaborate with and build on the work by SIDA, DfID, DANIDA and the MLHHSD ¹ in communicating information on land records and processes of allocation. Leverage networks developed by UN Women to communicate through women oriented CSOs.			×		×
	3 Alongside UN Women, commission research on the unique constraints and financing needs facing women owned SMEs in Tanzania			×		×
Partners	(1,3) UN Women, (1) Care, (1) WFT, (1) TGNP, (1) CAWAT, (1) religious institutions, other grassroots organizations <i>tbd.</i> (2) SIDA, DfID, DANIDA and MLHHSD					

[1] Ministry of Land Housing and Human Settlements Development

Furthermore, a number of key research questions remain unanswered



Finally, a number of research questions have also emerged, pointing towards a broad learning agenda for Tanzania:

Supply

- What is the **impact of agent banking on women's uptake of retail banking services** and **how can agent banking be supported to encourage higher engagement of women**, particularly by increasing digital literacy to encourage usage?
- What are the **drivers** of the relatively **low penetration of MFIs for women** in relation to comparator countries?
- How can the **popularity of savings and loan groups be leveraged** to expand access to formal financial products, **without losing key features** driving the popularity of the groups?
- How can FSPs incorporate the **customer centric approach that women value** at scale?

Enabling Environment

- What best practices and enabling policies are required to ensure the development of a gender-sensitive ID system?
- What are the **systemic constraints** holding back women owned SMEs relative to men's?
- What is the best way that civil society can support the effective implementation of existing gender sensitive financial inclusion policy?

Demand

- What **best practice** is emerging from the corporate sector **in terms of women inclusive supply chains with regards to financial inclusion**, and what is the context specific business case for doing so in Tanzania among identified supply chains?
- What is the **impact of women's time and mobility constraints** on financial access and usage? What **interventions can circumnavigate these constraints** to enable greater financial inclusion?
- What is the **impact of formal financial services versus informal product usage on women's and girls' economic empowerment** e.g. involvement in household spending and self-confidence?
- Why is it that **women in Tanzania consistently rated themselves as having a greater sense of agency** than comparator countries?

Table of Contents



Context, background and methodology

Introduction

Access

Usage, Control and Agency

Stakeholder analysis

Recommendations

Annex

Additional detail from PoWER Global Strategy

Our definition of WEE considers women's resources & skills, economic opportunities & their agency



Women's economic empowerment (WEE)

Women's economic empowerment is achieved when women and girls, first and foremost in Least Developed Countries, gain the **resources and skills** to **equally access economic opportunities** in the market, as well as the **agency** to use and control the benefits of participating in the market. This is determined by the **enabling** (policy & regulatory) **environment, equitable markets** and the **socio-economic context** that allow women and men to reach their potential.

Women's and girls' subjective understanding of their own empowerment will vary by context

We have converged on specific definitions of financial inclusion & women and girls



Financial inclusion

Financial inclusion is achieved when all individuals and businesses have access to and can effectively use a broad range of quality, adapted financial services that are provided responsibly, and at reasonable cost, by sustainable institutions in a well-regulated environment.

Three critical components to consider when measuring financial inclusion are **access, usage, control and agency**.¹

Women and Girls

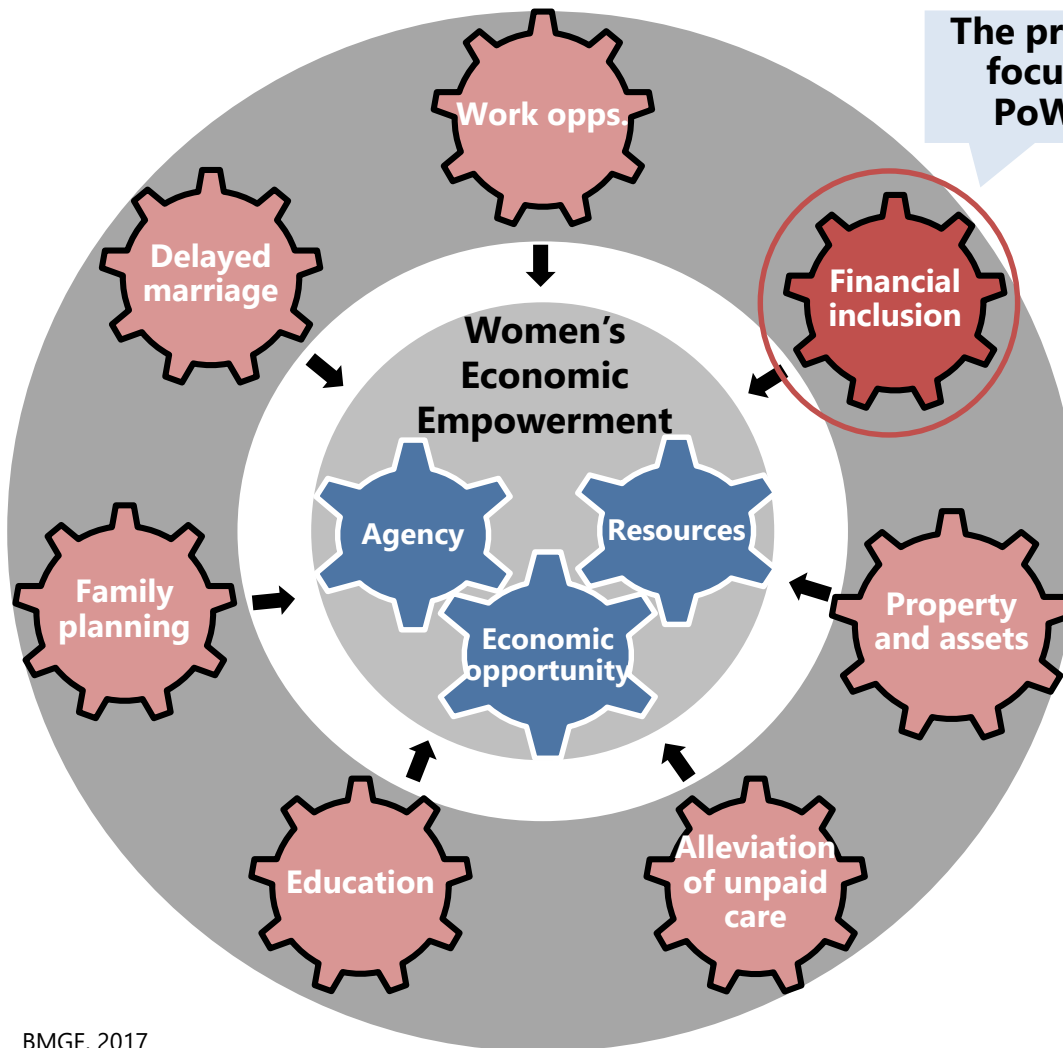
The gender identity to which a person holds, which is typically identified by their biological sex. The distinction between women and girls is age; girls fall between the age of 12 and 24.

Women and girls living in Least Developed Countries will be the focus of the PoWER Program.

[1] Principal focal areas for UNCDF

Financial inclusion is one critical enabler of women's and girls' economic empowerment and is the focus of PoWER

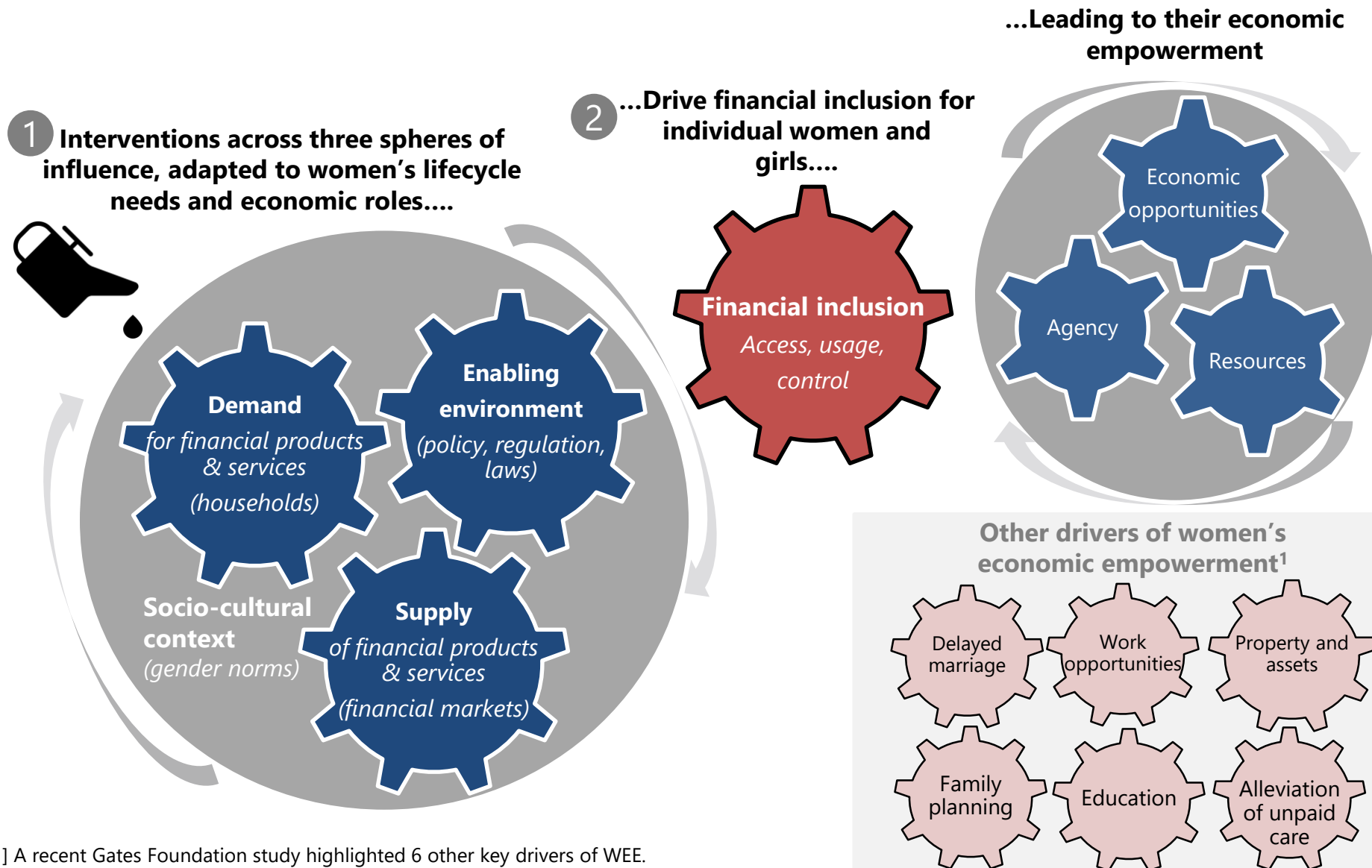
Transformation pathways to WEE: priority elements



A recent BMGF study highlights thirteen key enablers and conditions for WEE. Of these seven were prioritised as key levers to be focused on when driving WEE. Other drivers include:

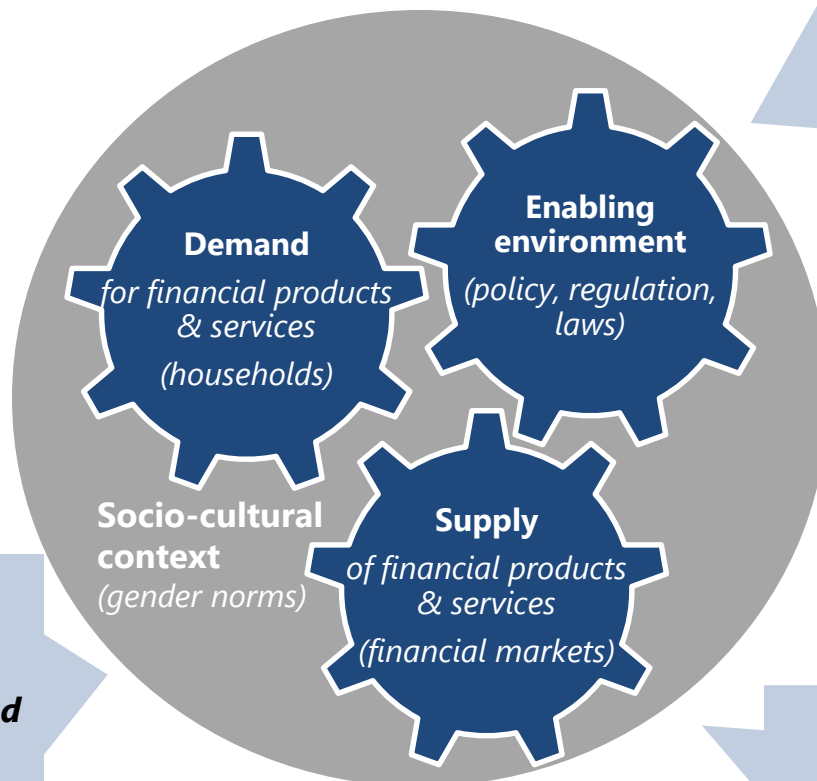
-  **Mobility and safety**
-  **Right to work**
-  **Workplace equality**
-  **Social programs**
-  **Vocational skills and programs**
-  **Digital inclusion**

The selected framework was adapted from 7 other frameworks & refined through stakeholder consultation



The adapted framework anchors around four spheres of influence, including the household

Women's and girls' demand for financial products and services is shaped by **intrahousehold decision-making, behaviour, division of labour and lifecycle needs**. e.g. time poverty that women face as a result of women's **unpaid care work**

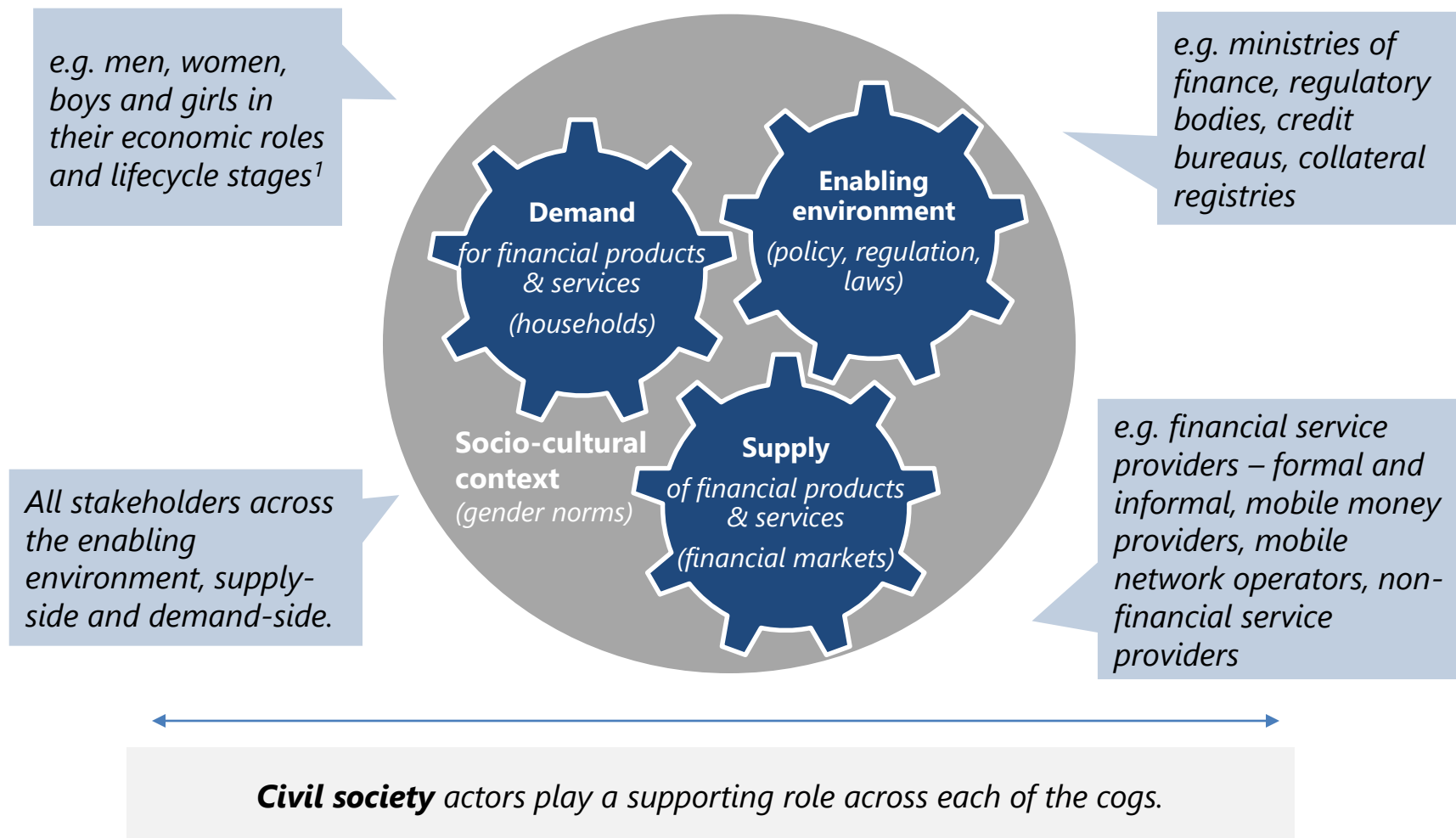


The existence and implementation of **laws, regulatory frameworks, and services** that the state provides, which are influenced by international regulations.¹ These in turn shape the **business environment** in which market actors operate. This sphere of influence covers elements of indirect relevance to FI e.g. inheritance law

Within socio-cultural contests, specific norms **shape social interactions, define gender roles and inform women's and girls' agency**. Norms are enforced by informal social sanctions. Such dynamics underpin biases across each of the other spheres and influence women's participation across each cog.

The **suppliers of financial products and services**, and supporting market actors. Markets can be influenced and shaped by policy, infrastructure and socio-cultural contexts.

There are a range of actors in each sphere of influence with whom PoWER could engage

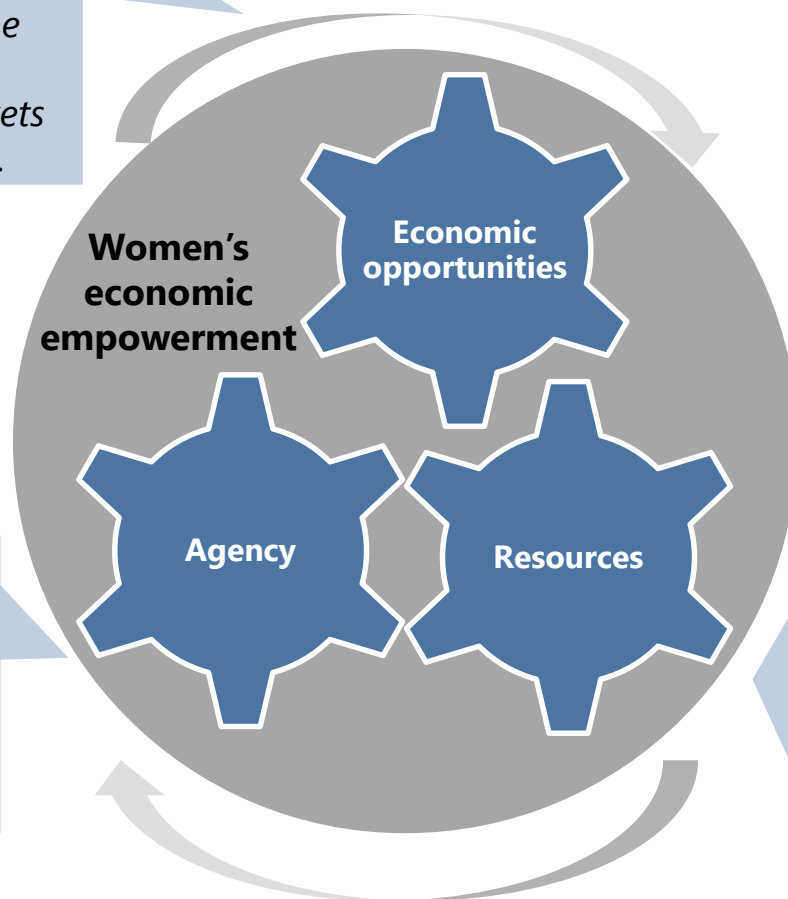


1. Within the household, certain family members have particular influence over women's economic decision-making e.g. husbands, parents-in-law etc.

Financial inclusion is an accelerator of WEE, defined as agency, resources & economic opportunities

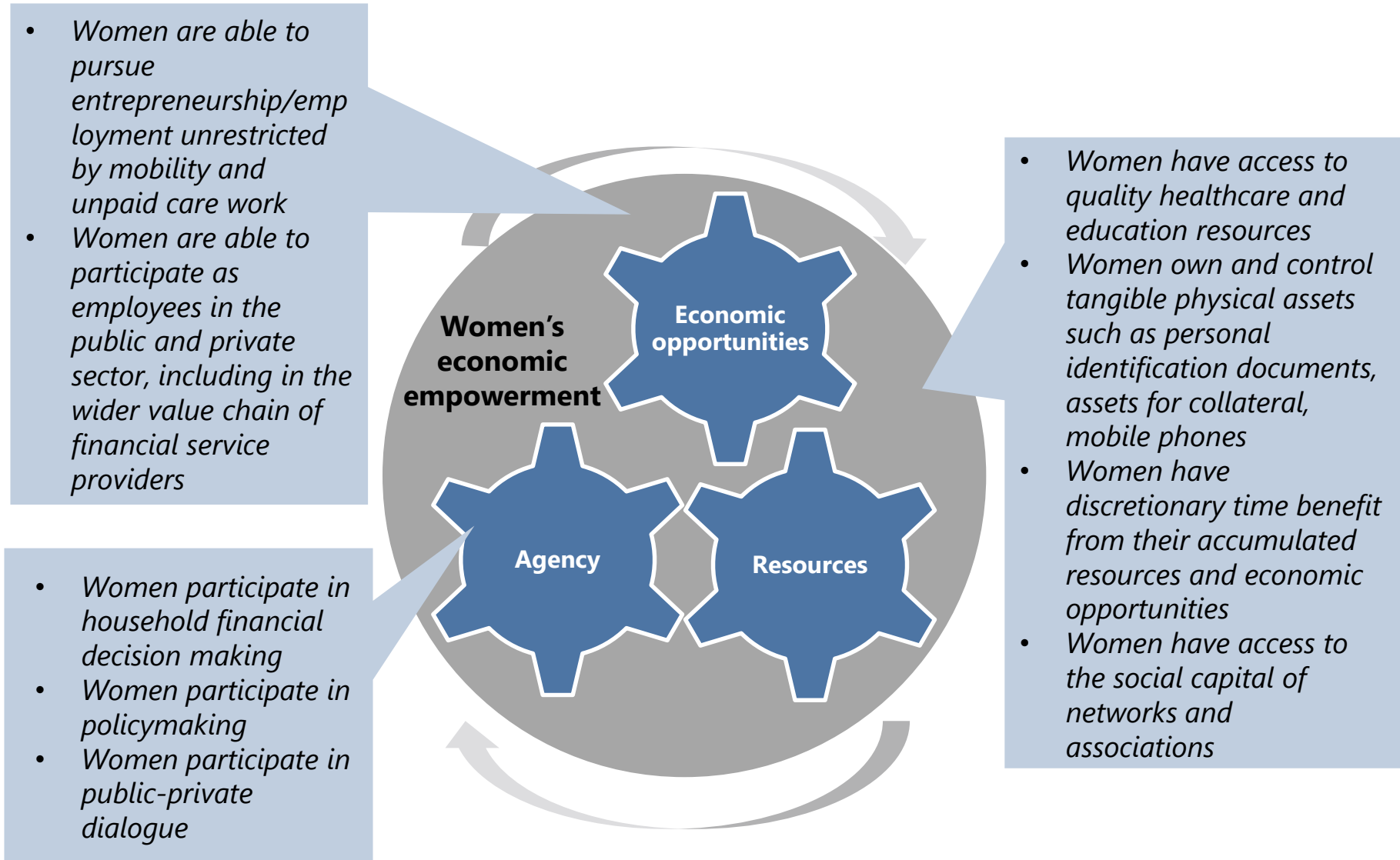
Economic opportunities: a woman's opportunity to **earn income from work she wants to do** is determined by the intersection of norms, institutions, access to markets and individual resources.

Agency: A woman's ability to **pursue economic goals, express voice, and make decisions** free from negative consequence.



Resources: A woman's resources can be broken down into four components. **Health** – a woman's state of physical, mental and social wellbeing. **Education** – a woman's knowledge and skills. **Physical assets** – a woman's control or ownership over monetary or tangible assets **Time** – a woman's options for and control over allocation of time. **Social networks** – the networks that assist a woman interacting in the economy

Various enablers can be identified within each sub-component of women's and girls' economic empowerment¹



1. Note: These 'enablers' are non-exhaustive.






Constraint scorecards and further constraints analysis

Across spheres, constraints can be prioritized based on country-level detail to produce scorecards





In the slides that follow, scorecards are constructed following country-level analysis of categories of constraints across enabling environment, supply and demand, listed below. Constraints are prioritized for severity based on a qualitative assessment of insights from the Dalberg/UNCDF Country Assessment Toolkit.

Policy Commitment	There are no sex-disaggregated Government financial inclusion targets/objectives, or no gender-sensitive or women-targeted focus areas within the financial inclusion strategy if it exists	Sex-Disaggregated Data Availability and Use	FSPs are not aware or do not see the value in collecting or analysing sex- and age-disaggregated data	Financial Capabilities, Awareness and Confidence	Financial and digital literacy are limited
	There is no national gender strategy or the gender strategy does not mention financial inclusion and is not aligned with the national financial inclusion roadmap where it exists	Products Adapted to Women's Needs and Realities	Even when they are aware, they may not have the capacity or resources to effectively collect and analyse this data		Business management skills (including pitching skills) are limited
	Female representation in the central bank or policy-making bodies is weak overall and/or in the leadership positions		FSPs lack awareness of the 'women's market' which can feed into biased/prejudiced attitudes of FSP staff		Access to market information and vertical social networks are limited
Gender and Age-sensitive Financial Regulations			FSPs may not know how to develop adapted products	Documentation, Ownership and Control over Assets and Income	Lack of confidence/risk aversion can inhibit use of financial products
	The central bank neither incentivize nor publishes the collection of sex disaggregated data	Gender-sensitive Delivery Mechanisms	Products not delivered in tandem with non-financial services		Paid work is often poorly paid and precarious
	Consumer protection regulations are underdeveloped		Marketing is not targeted to women and girls		Household work is unpaid
	Product/delivery regulation constrains private sector innovation e.g. agent banking, mobile financial services, collateral requirements		Physical financial service access points and agent network are limited/inappropriate and do not cater to time and mobility constraints	Time and Mobility	Land ownership, and control/usage of land is limited
	KYC regulations place a heavy burden on opening and managing an account for women and girls	Gender-sensitive Requirements to Open and Manage Accounts	Credit scoring processes are not adapted to women's and girls' limited credit histories		Mobile phone ownership in own name is limited
	Financial infrastructure such as payment systems, credit bureaus and collateral registries do not exist or function effectively		KYC regimes are not adapted to women's and girls' identification documents		ID ownership to meet account opening requirements is limited - including ownership of multiple forms of ID
		Member-ship of Self Help	Independent management of accounts may be limited by age or requirement for husband approval		Mobility is restricted to the home or to a limited geography for multiple factors including husbands' permission, security and household responsibilities
			There is a lack of coordinated effort to scale SHG and VSLA networks		Family responsibilities and lack of affordable childcare solutions contribute to time poverty

Prioritizing constraints: Enabling environment scorecard / heatmap (1/2)







	Constraint	Detail on constraints in Tanzania	Constraint severity
Policy Commitment	There are no sex-disaggregated Government financial inclusion targets/objectives, or no gender-sensitive or women-targeted focus areas within the financial inclusion strategy if it exists	<ul style="list-style-type: none"> Tanzania has just concluded implementing its National Financial Inclusion Framework for 2014-16, where Tanzania surpassed the financial inclusion targets set in the framework of 50% adults using a financial access point. However, the Framework has no specific targets for women and girls, rather, general reference is made to women and girls as part of groups to extend financial inclusion to. A new Financial Inclusion Framework is currently being developed, which is aiming to make specific targets for women and girls¹ 	
	There is no national gender strategy or the gender strategy does not mention financial inclusion and is not aligned with the national financial inclusion roadmap where it exists	<ul style="list-style-type: none"> Tanzania has a National Strategy for Gender Development which together with the National Gender Development Policy, aim at mainstreaming gender into all national policies, programs and strategies. The Strategy also aims to strengthen institutional mechanisms for gender development, ensure adequate resources are allocated to gender initiatives, and enhance partnerships and collaboration to enhance gender equality² 	
	Female representation in the central bank or policy-making bodies is weak overall and/or in the leadership positions	<ul style="list-style-type: none"> Tanzania's constitution directs that 30% of members of parliament should be women and at least five of the ten members appointed by the President should be women: this has been implemented to a large extent³; currently, 37% of members of parliament are women. Local Government Acts also require that one-third of the members of the District and Village Councils should be women, however, monitoring mechanisms are weak to enforce quotas at the district and village level, therefore laws are not always followed in practice⁴ 	
Gender and Age-sensitive Financial Regulations	The central bank neither incentivize nor publishes the collection of sex disaggregated data	<ul style="list-style-type: none"> As of May 2016 the Bank of Tanzania was in the process of updating its Financial Inclusion database to include data by gender. Data collected will mirror 2014 Global Findex data in terms of access, usage and quality. However, this process is not complete and the timeline of completion is not specified⁵ 	
	Consumer protection regulations are underdeveloped	<ul style="list-style-type: none"> There is no universal framework for financial consumer protection, with different types of financial institutions following different rules. Rules for internal complaints mechanisms do exist, however these do not apply for non-deposit taking MFIs, which traditionally serve women. Third party recourse is available at the complaints desk at the BoT, though accessibility is limited⁶ 	

Prioritizing constraints: Enabling environment scorecard / heatmap (2/2)

	Constraints	Detail on constraints in Tanzania	Constraint severity
Gender and Age-sensitive Financial Regulations	Product/ delivery regulation constrains private sector innovation e.g. agent banking, mobile financial services, collateral requirements	<ul style="list-style-type: none"> Tanzania shows leadership in pioneering regulations to create an enabling environment for innovative products: BOT allows the use of e-money by both banks and MNOs; MNOs can issue e-money as long as they have a trust account with a bank; the bank is responsible for safeguarding customer funds and consumer protection, while the MNO is responsible for product and business development, BOT also allows for interoperability between MNOs. Agent banking is also permitted and regulations allow for a wide range of actors to be agents; Microinsurance regulations also exist for life and general insurance and a broad range of channels are allowed to extend microinsurance; an important weakness is the limited monitoring of consumer protection. Collateral free lending is allowed up to 750 million TSH¹. 	
	KYC regulations place a heavy burden on opening and managing an account for women and girls	<ul style="list-style-type: none"> KYC regulations allow for a wide range of IDs to be used to open accounts given the lack of a universal national ID system in Tanzania, however, the regulations also require information on the IDs to be verified with no linked databases for the IDs, women have to seek two pieces of ID or a letter of introduction from local government authorities². KYC requirements for business accounts in banks also disproportionately exclude women as only 1.2% of women-owned MSMEs are registered³. 	
	Financial infrastructure such as payment systems, credit bureaus and collateral registries do not exist or function effectively	<ul style="list-style-type: none"> Payment infrastructure in Tanzania is modern and reliable. Interbank payments are regulated by the Tanzanian inter-bank settlement system, for which there are reasonable participation criteria for banks. In mobile financial services, Tanzania is one of the first countries to achieve full interoperability between mobile money providers. However no progress has been made in setting up a centralized collateral registry. In addition, while Tanzania's credit bureaus are able to collect a wide variety of information including on small loans, and use retail and utility bill data, reviews imply data quality is poor, and awareness of the value of credit bureaus by financial institutions is low. In addition to this credit bureau coverage remains limited, especially among MNOs and MFIs⁴ 	
Non-Discriminatory Laws	Laws hinder (married) women's ability to: travel outside the home, obtain a national ID card, sign a contract open a bank account or control marital property	<ul style="list-style-type: none"> At the national level, the legal environment is gender-sensitive, with many laws demanding for gender equality. For instance, the National Land Act requires equitable distribution and access to land, participatory decision-making, and dissemination of information. However multiple and contradictory legal frameworks exist in tandem in Tanzania, which often leave room for discrimination and marginalization of women and girls, for instance, while customary rules vary by community and region, in most instances they prevent women, particularly widows from inheriting land⁵ 	






Note: Scorecard/heatmap is based on qualitative assessment of desk research; Sources [1] Bank of Tanzania Regulations [2] [4] AFI: Tanzania narrows the financial inclusion gender gap (2016); Dalberg Key Informant Interviews (2017) [3] ILO: Women's Entrepreneurship Development in Tanzania (2014) [4] World Bank: Tanzania Economic Outlook (2017) [5] Landesa: Women's Land Rights Guide for Tanzania (2014)

Prioritizing constraints: Supply-side scorecard / heatmap (1/2)

	Constraints	Detail on constraints in Tanzania	Constraint severity
Sex-disaggregated Data Availability and Use	Financial Service Providers are not aware or do not see the value in collecting or analysing sex-and age-disaggregated data	<ul style="list-style-type: none"> Most FSPs do collect sex-disaggregated data and are quickly able to highlight portfolio distribution by gender, however, beyond this, there is limited use of sex-disaggregated data to inform product design particularly due to poor awareness of the business case for serving women with tailored products¹ 	
	Even when they are aware, they may not have the capacity or resources to effectively collect and analyse	<ul style="list-style-type: none"> Most FSPs highlighted that capacity or resources were not a constrain to collecting and analysing sex-disaggregated data² 	
Products Adapted to Women's Needs and Realities	FSPs lack awareness of the 'women's market' which can feed into biased/prejudiced attitudes of FSP staff	<ul style="list-style-type: none"> Attitudes of staff towards women vary by FSP, but are overall positive: MFIs are aware and sensitive of women's financial needs and are proactive in using language that appeals to and does not intimidate women³; similarly, mobile agents are trained to provide below-the-line marketing, demonstrating one-on-one how to use mobile money products, which is more appealing and less intimidating to women⁴; similarly, major banks are making efforts to train their staff to be more sensitive to women customers⁵ 	
	FSPs may not know how to develop adapted products	<ul style="list-style-type: none"> The larger banks have begun developing tailored products for women, however, they are not fully bought in on the business case for developing products specifically for women⁶ 	
	Products not delivered in tandem with non-financial services	<ul style="list-style-type: none"> Most FSPs offering tailored products for women do bundle the products with training programs focusing on financial literacy and business development skills; however, this is limited to the larger banks with financial capacity to develop and deliver the trainings⁷ 	
Gender-sensitive Delivery Mechanisms	Marketing is not targeted to women and girls	<ul style="list-style-type: none"> Some marketing is focused on women, particularly from MNOs, MFIs and banks with tailored products for women; however, this is not a consistent picture, especially among banks⁸ 	








Note: Scorecard/heatmap is based on qualitative assessment of desk research; Sources [1 – 3, 5 – 8] Dalberg Key Informant Interviews (2017) [4] GSMA: 'What makes a successful mobile money implementation? Learnings from M-Pesa in Kenya and Tanzania

Prioritizing constraints: Supply-side scorecard / heatmap (2/2)

	Constraints	Detail on constraints in	Constraint severity
Gender-sensitive Delivery Mechanisms	Physical financial service access points and agent network are limited/inappropriate and do not cater to time and mobility constraints	<ul style="list-style-type: none"> Access points are significantly limited in Tanzania, even by continental standards: there are only 3 branches and 8 ATMs per 100,000 adults, compared to an average of 8 branches and 15 ATMs per 100,000 adults in Sub-Saharan Africa¹. This is particularly worse in rural areas: 12% of rural respondents indicated distance to banks as a constrain to using bank accounts compared to 7% of urban respondents². With multiple household responsibilities, women have limited time to travel long distance to use the banks. However mobile agents have enabled access, with an average of 924 agents per 100,000 adults³ 	
Ill-adapted requirements to open and manage accounts	Credit scoring processes are not adapted to women's and girls' limited credit histories	<ul style="list-style-type: none"> The credit information system is generally weak in Tanzania and covers a limited share of the population: this is due to a number of factors, particularly, lack of national IDs and a unique identifier for persons makes it difficult to track borrowers; inaccurate information is often reported by the credit bureaus; and MFIs and MNOs are not required to submit their credit information; this affects women since women use MNOs and MFIs more than other FSPs, hence their credit information remains secret and is not shared with the financial system⁴ 	
	KYC regimes are not adapted to women's and girls' identification documents	<ul style="list-style-type: none"> KYC norms are restrictive on opening bank accounts as more than two pieces of ID are required to open an account in order to obtain all the information needed for KYC. Only 20% of women have more than two pieces of ID. In addition, KYC requires businesses to be registered to open bank accounts. However, most women have small, informal businesses and can therefore not meet requirements. For MFIs and MNOs, one ID is sufficient to meet KYC requirements, a requirement which most women (88%), are able to meet. BOT has also shown leadership in allowing tiered KYC for mobile money, allowing flexibility of KYC requirements depending on the tier⁵ 	
	Independent management of accounts may be limited by age or requirement for husband approval	<ul style="list-style-type: none"> Independent management of accounts is restricted to ages above 18. Husband approval/guarantor approval can be difficult for retail and microfinance loans⁶ 	
Membership of Self Help Groups (SHGs)	There is a lack of coordinated effort to scale VSLA and SHG networks effectively	<ul style="list-style-type: none"> The Ministry of Gender and NEEC realize the value of semi-formalizing VSLAs both to add cash to the formal economy and protect those saving in the VSLAs from theft and are therefore making efforts to encourage VSLAs to get registered and open bank accounts, however, many VSLAs are still unregistered⁷ 	





Note: Scorecard/heatmap is based on qualitative assessment of desk research; [1] [3] IMF: Financial Access Surveys (2016) [2] UNCDF Dalberg PoWER Survey (2017) [4] World Bank: Tanzania Economic Update (2017) [5] Intermedia: Financial Inclusion Insights (2015) [6] [7] Dalberg Key Informant Interviews (2017)

Prioritizing constraints: Demand side scorecard / heatmap (1/2)

	Constraints	Detail on constraints in	Constraint severity
Financial Capabilities, Awareness and Confidence	Financial and digital literacy are limited	Financial literacy of women is weaker than that of men across all levels. Digital literacy is a significant challenge, particularly for usage, rather than access of financial products. This is more prevalent for older and rural women ¹	
	Business management skills (including pitching skills) are limited	IT skills and business management skills are critical bottlenecks in women-owned MSME development: most women do not have the skills and capital required to scale their businesses ²	
	Access to market information and vertical social networks are limited	Women have limited mobility compared to men, and are time-poor due to household responsibilities and therefore have less networks and access to information to identify economic opportunities, compared to their male counterparts ³	
	Lack of confidence/risk aversion can inhibit use of financial products	Tanzania has a strong patriarchal society where the man is perceived as the breadwinner and is responsible for the financial resources of the home. However, there is also a high expectation for women to contribute to household income. Women therefore engage in small businesses and although they are risk averse, they are better savers and financial managers than their male counterparts ⁴	
Documentation, Ownership and Control over Assets and Income	Paid work is often poorly paid and precarious	Most women employees are employed in informal businesses where work is poorly paid, with more than half of women (56%) indicating they earn less than 50,000 TSH (30 USD) a month ⁵ . For girls who have dropped out of school, work opportunities are often short-term, unstable, and with less pay ⁶	
	Household work is unpaid	Traditional, patriarchal divisions of labor typically lead women and girls to spend more time on unpaid household duties; women spend four times as much time on unpaid household work compared to men ⁷	
	Land ownership, and control/usage of land is limited	Only 15% of women own land, despite favourable land regulations at the national level ⁸ . This is mainly due to the existence of customary and religious laws which inhibit inheritance of land for women and girls. These laws are observed more widely at the village levels rather than national laws.	

Note: Scorecard/heatmap is based on qualitative assessment of desk research; Sources [1] Intermedia, Financial Inclusion Insights (2015) [3] [7] Tanzania Gender Networking Programme, Time Use Patterns in Tanzania (2008) [5] FSDT: Tanzania Financial Capabilities Survey (2014) [2] [4] [6] Dalberg Key Informant Interviews; UNCDF Dalberg Focus Group Discussions (2017) [8] World Bank: Living Standards Measurement Study—Integrated Surveys on Agriculture (2011) (not including joint ownership)

Prioritizing constraints: Demand side scorecard / heatmap (2/2)

	Constraints	Detail on constraints in	Constraint severity
Limited documentation, ownership and control over assets and income	Mobile phone ownership in own name is limited	Phone ownership remains a challenge in Tanzania, with 30% of urban women and 40% of rural women not owning a phone ¹ . This remains the top barrier for women without mobile money accounts (51%) ² . However, women without a phone often share the phone with their husbands or another family member, which compromises their privacy	
	ID ownership to meet account opening requirements is limited - including ownership of multiple forms of ID	Only 20% of women are able to meet ID requirements to open a bank account (two or more pieces of IDs) ³ . Most women have to seek a letter of introduction to get the second piece of ID, which from anecdotal evidences, puts them at risk of sextortion. However, most women (93%) ³ have the ID required to open a mobile money account or an account with an MFI	
Limited time and mobility	Mobility is restricted to the home or to a limited geography for multiple factors including husbands' permission, security and household responsibilities	Women's mobility in Tanzania is limited, mostly due to household responsibilities. Consequently, most women in rural areas are unable to travel long distances to banks, which are often located in urban centres ⁴ . However, the expansion of mobile money has increased access for women to mobile money access points	
	Family responsibilities and lack of affordable childcare solutions contribute to time poverty	Social norms in Tanzania require women to be the primary caregivers and responsible for household responsibilities like cleaning, cooking, fetching water and firewood, tasks which are quite time-consuming: estimates show women spend four times as much time on household tasks compared to men; this leaves them with limited time to travel long distances to access banks ⁵ ; most, however, can access mobile agents	

Note: Scorecard/heatmap is based on qualitative assessment of desk research; Sources [1] [3] Intermedia: Financial Inclusion Insights (2015) [2] UNCDF Dalberg PoWER Survey (2017) [4,5] Tanzania Gender Networking Programme, Time Use Patterns in Tanzania (2008), Dalberg Key Informant Interviews, UNCDF Dalberg Focus Group Discussions (2017)

Desk Research Summary: Enabling Environment

The Bank of Tnz. recently put forward a Financial Education Framework, which targets women (1/2)



Financial inclusion strategy

There is a 2014-2016 National Financial Inclusion Framework (NFIF), a multiple stakeholder public private strategy that is in the process of being implemented. The body responsible for implementing is the Financial Inclusion National Council, which is chaired by the Bank of Tanzania. The Council is made up of 27 individual bodies, supported by FSDT, AFI, World Bank and IFC through technical and financial support. Notably however, the Ministry of Community Development, Gender and Children does not sit on the council.

Targets (*Maya declaration commitments*)

- To achieve 85% of financial access to Small and Medium Enterprises (SMEs) by 2017
- Increase financial access and usage up to 70% of the population by 2017

Strategy focus areas

- Increasing proximity of financial access points
- Ensuring robust electronic payment platforms
- Ensuring robust electronic information infrastructure for credit history and collateral through:
 - *Establishment of effective Know Your Customer (KYC) process*
 - *Increase engagement of the credit reference bureau*
 - *Establishment and use of a central collateral database*
- Ensuring that customers are informed and protected

Regulator capacity

The Bank of Tanzania is an award winning body that regulates the majority of FSPs effectively. Importantly though, it does not regulate non-deposit taking MFIs and SACCOs which are key providers of finance to women.

National Financial Education Framework (NFEF) (2016-2020)

Recent efforts by the National Council, in collaboration with FSDT, have resulted in the NFEF. The framework, implemented under the NFIF, provides a guide for the implementation and coordination of financial education initiatives in Tanzania. It comprises three components namely: a consumer strategy; a national coordinating and implementation structure; and a results-based monitoring and evaluation framework. Women are explicitly identified, with the framework highlighting vulnerable women farmers, enterprise owners, spouses and widows as an individual segment, and articulating interest groups and potential channels to reach them.

[1] The Government of Tanzania is not yet a member of the Better than Cash Alliance, a partnership of governments, companies, and international organizations that accelerates the transition from cash to digital payments in order to reduce poverty and drive inclusive growth. Sources: Economist Intelligence Unit Global Microscope (2016). Financial Inclusion Framework (2014-2016)

The Bank of Tnz. recently put forward a Financial Education Framework, which targets women (2/2)



Strategy gender commitments

Reference is made to women and girls through the definition of financial inclusion, where low income women, youth and children are identified as key groups to extend financial services to. In addition to this, the focus areas of the strategy – promotion of branchless banking, risk-based tiered KYC processes, national ID database and enhancing protection of small unsophisticated borrowers – all enhance women's access.

Moving forward, a process to update the NFIF and the related results framework is underway. One of the key objectives of the process is to develop and measure gender specific targets.

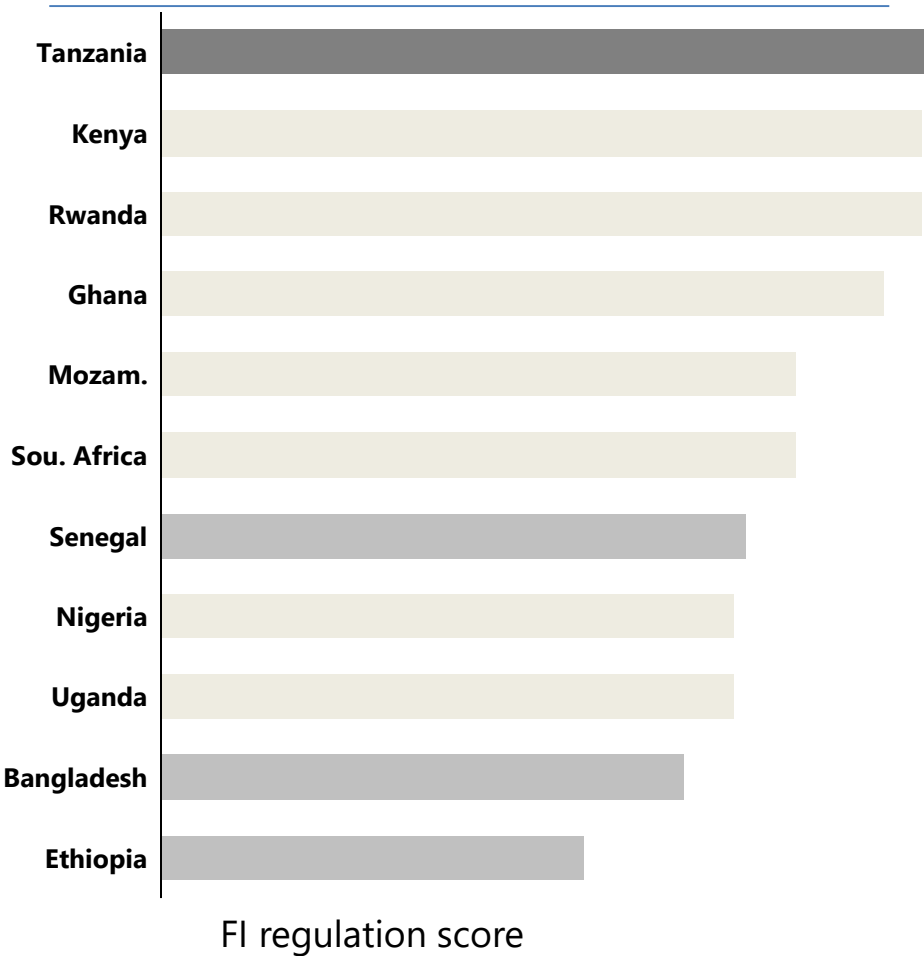
Implications for UNCDF

- The recent shift to explicitly incorporate gender targets by the BoT and National Financial Inclusion Council indicates a willingness to focus on women's financial inclusion. Engaging with key non-governmental actors – such as AFI and FSMT – on where gaps are in implementation of the financial inclusion strategy, and coordinating with them and the National Financial Inclusion Council on providing targeted technical assistance and/ or advocacy can assist with implementation
- There has been no coordination between the National Council and the MoCDGC. Advocating to bring them into the planning process could help bring a bigger gender focus into the implementation of the strategy
- The recent publishing of the NFEF, and its explicit focus on women provide an opportunity for UNCDF to coordinate programming with other actors targeting women's FI, particularly on linking the support it provides FSPs with on the ground demand-side programming.

Tanzania's overall FI regulations are strong, however key enablers of women and girls FI are lacking



EIU Global Microscope 2016 FI regulation score



Source: Economist Intelligence Unit: Global Microscope (2016). This scores country's financial inclusion regulation across indicators covering: government support and capacity; regulation of products, services and delivery channels; mobile money and financial infrastructure.

Greyed out countries reflect PoWER focus countries. Data for Myanmar do not exist.

Within Tanzania's regulatory framework, the effectiveness of key regulations influencing women and girls financial inclusion vary:

- *Consumer protection*
- *KYC (commercial banks)*
- *KYC (mobile money)*
- *Sex disaggregated data*
- *Agent banking (non-mobile money)*
- *Mobile financial services*
- *Microinsurance legislation*
- *Credit bureaus*
- *Collateral registries*
- *Payment systems*

Green: Area is appropriately* regulated and regulation is being implemented.

Orange: Area is appropriately regulated, but regulation not being effectively implemented or area is somewhat appropriately regulated and it is being implemented.

Red: Area is inappropriately regulated or unregulated

Appropriateness of regulation is based upon EIU standards and elaborated on in the slides below

Regulation and practises pertaining to consumer protection, KYC, and data are mixed



Regulation	Description
Consumer protection	There is no universal framework for financial consumer protection, with different types of Fin. institutions following different rules. Rules for internal complaints mechanisms do exist, however these do not apply for non-deposit taking MFIs, which traditionally serve women. Third party recourse is available at the complaints desk at the BoT, though accessibility is limited.
KYC (Commercial Banks)	For commercial banks a passport photograph, two forms of formal identification and proof of residence are required. While voter IDs are common, the second source of formal identification, which doubles as proof of residence, is a letter of introduction from a local government representative. These typically cost a small fee, and anecdotal evidence suggests that women may be subjected to sexual coercion when applying for.
KYC (Mobile Money)	For mobile money a tiered system exists, depending on the form of ID available, and the extent to which it can be verified, a customer can open different types of account, with different limits on transaction size. A valid sim card is a necessary additional requirement, but there are no restrictions relating to age.
Sex disaggregated data	As of May 2016 the Bank of Tanzania was in the process of updating its FI database to include data by gender. Data collected will mirror 2014 Global Findex in terms of access, usage and quality. However, a 2017 review of published data and papers suggests that the process is not yet complete.
Agent banking (Non-Mobile Money)	Comprehensive guidelines on agent banking allow for a wide range of actors to be agents, prevent exclusive relationships between an agent and a bank, and allow for a wide range of services to be provided by the agent.
Mobile financial services	The BoT has been lauded for creating an enabling environment for e-money. To issue e-money, an MNO must partner with a bank. In the partnership the bank is responsible for safeguarding customer funds and consumer protection, while the MNO is responsible for product and business development. The BoT provides "letters of no objection" that stipulate KYC, delivery and consumer protection provisions governing the role out of e-money. Comprehensive regulation governing the sector is in the proves of being developed.

Regulations governing product design and delivery have played a key role in extending W&Gs FI



Regulation	Description
Insurance legislation	Comprehensive microinsurance regulations exist, and initial steps towards implementation have been undertaken by the Tanzanian Insurance Regulatory Authority. Life and general insurance can be offered, and the regulations allow for a broad range of channels to be used to extend microinsurance. An important weakness is the limited monitoring of consumer protection by the regulator.
Credit bureaus	Tanzania's credit bureaus are able to collect a wide variety of information, including on small loans, and use retail and utility bill data. Data captured by credit bureaus is also, in theory, disaggregated by sex. However reviews by the BoT suggest that data quality are poor, and awareness of the value of credit bureaus by financial institutions is low. In addition to this credit bureau coverage remains limited, at just 6.5% of the adult population.
Collateral registries	A bill on using movable assets as collateral had been drafted by the BoT as of 2013, however no progress has been made in setting up a centralized collateral registry.
Payment systems	Payment infrastructure is modern and reliable. Interbank payments are regulated by the Tanzanian inter-bank settlement system, for which there are reasonable participation criteria for banks. In mobile financial services, Tanzania has been one of the first countries to achieve full interoperability between mobile money providers.

Gendered legal environment is mixed; customary inheritance laws discriminate against women



CATEGORY	SUB-CATEGORY	Score	DESCRIPTION
Apply for ID ¹	Apply for a passport	<div></div>	Equality in the law
	Apply for a national ID	<div></div>	National ID system not yet functioning
Property ¹	What is the default marital property regime?	<div></div>	Separation of property
	Who administers marital property?	<div></div>	Original owner
	Do female and male surviving spouses have equal inheritance rights?	<div></div>	Equal inheritance rights legislated, but in practise unequal customary law applies ² .
	Do sons and daughters have equal inheritance rights?	<div></div>	Equal inheritance rights legislated, but in practise unequal customary law applies ²
	Equal rights to property	<div></div>	Yes

Spotlight on inheritance

The constitution of Tanzania highlights multiple features supporting gender equality. At the same time however, it recognises customary law as valid. For inheritance, customary law discriminates against women. In the Second Schedule-laws on Inheritance, customary law places a priority on male relatives inheriting from the deceased. Widow(s) are considered last, while daughters can only inherit under special circumstances. Furthermore, their access is confined to only small plots for producing food for the family with no guaranteed security (even over access) of such land for the children of such women.

Beyond this, in clans strongly patrilineal norms exist to ensure that land is kept within the custody of the clan. If a women were to inherit, and then marry outside the clan, she would be obliged to move in with the husband, and in so doing transfer land from one clan to the other. An outcome that isn't considered desirable.³

Gendered legal environment is mixed; quota's supporting women's leadership are lacking



CATEGORY	SUB-CATEGORY	Score	DESCRIPTION
Discrimination	Constitution protects for gender equality		Specifically guaranteed. However, same constitution recognises the validity of customary law, which has discriminatory provisions ¹
Violence	Sexual harassment legislation covers employment		Legislative provisions in place ²
	Domestic violence is legislated against		Provisions lacking
	Marital rape is legally criminalized		Explicit legal exemptions for marital rape ²
Work	Paid leave for mothers of infants		Paid leave guaranteed for children's health needs, Maternity leave guaranteed but <14 weeks ⁴
	Paid leave for fathers of infants		Paid leave guaranteed for children's health needs, leave guaranteed but <3 weeks ⁴
	Legal protections against gender discrimination in hiring / pay		Both hiring and pay ²
	Protects against discrimination in access to credit		No protections ²
Family	Gender disparity in legal age of marriage		15 yr old girls can marry with parental consent and under religious/customary law ⁵
	Convey citizenship to a non-national spouse in the same way as a man		No distinction between men and women ²
Targets supporting women's leadership	Women on corporate boards		There are no targets/ quotas for women ²
	Women representatives in parliament		30% of representatives in parliaments ²
	Women representatives in local government		There are no targets/ quotas for women ²
	Women representatives in village councils		There are targets/ quotas in place, however interviews suggest they are ineffective

Desk Research Summary: Demand

Key comparative statistics on economic and social factors shaping WEE and financial inclusion (1/2)

Key dynamics shaping women's empowerment and financial inclusion	Data
Tanzania overall development performance	
Ranking in the Human Development Index (UNDP) ¹	151
% of population living below the income poverty line (ppp \$1.25) ²	43.5%
% of population living in multi-dimensional poverty ²	66.4%
% GDP contribution of key sectors to the economic growth of the country	Agriculture: 25.1% Industry: 27.6% Services: 47.3%
Global Gender Gap Data for Tanzania ³	Rank: 49 Score: 0.718
Women's participation in the economy and society	
% women headed households ⁴	33.4%
Literacy rate (broken down by males/ females) (UNESCO)	Overall: 80.30% Male: 84.8% Female: 75.9%
Paid employees	Male – 18% Female – 10%
Self employed with employees ⁵	Male – 4% Female – 2%
Self employed without employees ⁵	Male – 15% Female – 16%
Unpaid family helper ⁵	Male – 1% Female – 2%
Agriculture ⁵	Male – 62% Female – 70%

[1] Census Info (2012) [2] UNDP (2015) [3] WEF (2016) [4] CIA (2015) [5] DFID and ODI (2016)

Key comparative statistics on economic and social factors shaping WEE and financial inclusion (2/3)



Key dynamics shaping women's empowerment and financial inclusion	Data
Employment by sector and gender	
Agriculture, forestry, and fishing	Male – 64% Female – 69.9%
Mining and quarrying	Male – 1.7% Female – 0.4%
Manufacturing	Male – 3.6% Female – 2.6%
Construction	Male – 4% Female – 0.1%
Wholesale and retail trade	Male – 12.4% Female – 12.8%
Transportation and storage	Male – 5% Female – 0.2%
Accommodation and food service	Male – 1.4% Female – 6.5%
Administrative and support service	Male – 1.4% Female – 0.3%
Education	Male – 2.1% Female – 2.1%
Health and social work	Male – 0.7% Female – 1%
Other	Male – 4.1% Female – 4.1%

[1] DfID and ODI (2016)

Key comparative statistics on economic and social factors shaping WEE and financial inclusion (3/3)

Key dynamics shaping women's empowerment and financial inclusion	Data
Representation in firm leadership and ownership¹	
Percent of firms with female participation in ownership	24.7%
Percent of firms with a female top manager	14%
Percent of firms with majority female ownership	9.9%
Characterization of women owned firms in Tanzania²	
<p>The proportion of women owned enterprises is reported to have increased from 35% in early 1990s to 54.3% in 2012. The current estimated number of these enterprises in the country is 1.716 million, of which 99% are likely to be microenterprises with fewer than five employees. Most of these are concentrated in the informal sector where opportunities for growth and profit are low. This is because these markets show low entry barriers but pose intense price competition. Sectors include trade, food vending, tailoring, batik making, beauty salons, decorations, local brewing, catering, pottery, food processing and charcoal selling. The market is typically local with a very small percentage selling regionally.</p>	
Ownership of assets (age 15-49)³	
House; male	Men owning alone: 26%
	Men owning jointly: 8%
	Men owning alone and jointly: 7%
House; female	Women owning alone: 7%
	Women owning jointly: 29%
	Women owning alone and jointly: 1%
Progression to secondary school¹	
Progression to secondary school, female (%)	54%
Progression to secondary school, male (%)	59%

[1] World Bank (2013) [2] DfID and ODI (2016) [3] DHS (2015-2016)

Desk Research Summary: Supply

Across FSPs there are pockets of innovation in which there are opportunities to scale

Key supply-side providers		Product offerings for women	Delivery mechanisms	Non-financial services
Retail FSPs ¹	National Microfinance Bank (NMB)	Free to open current account, with no maintenance fees and mobile access. Youth education savings products. Linkage product for savings and loan groups	All three institutions are proponents of agent banking, and have been taking steps to expand their networks.	Youth savings products come with financial literacy training for the youth and family
	CRDB	Women SME oriented savings account alongside loans with flexible collateral provisions	Each also uses some form of mobile money product linked to their accounts, allowing for basic transactions	Women's entrepreneurship products come with financial literacy training
	Equity Bank	Loans targeting women, both through groups and individual. Youth education savings product.		Fanikisha loans come with additional support and financial literacy training
Microfinance	FINCA	Group loans, mainly of women, where members act as guarantors.	Loan officers are the primary delivery mechanism; the focus is to build a close relationship with loan takers	FINCA and Selfina provide additional business training alongside their loan products
	Pride		Branches in 5 regions	
	Selfina	Micro-leasing organisation targeting women. Rent to own agreement with women entrepreneurs.		
MM Providers	MNOs	Advanced market, with a full suite of deposit, withdrawal, transaction and payment services	Mobile phones and mobile money agents	Sms's with details on products and implications of missed payments
	Second generation services(e.g. CBA, JUMO, Milvik Bima)	Microloans for working capital and to smooth consumption. Alongside microinsurance, also valuable in case of emergency		
Insurance	NHIF	Tiered insurance scheme, compulsory for formal employees and optional for informal	Offices by region	N/A

[1] NMB, CRDB and NBC are 3 of the 4 largest banks. FBME is the 4th, but has been recently shut down over links to terrorism. Together these 4 banks account for 50% of loans and deposits in the banking system; Equity is much smaller but included due to innovative approaches.

Key themes from Key Informant Interviews¹

[1] Please refer to full notes of key informant interviews for further details.

Summary: High-level insights from Dalberg's 25 key informant interviews in Tanzania (1/2)

Enabling environment

- **A dual legal system supported by the constitution** means that strong gender provisions in formalized law are undermined by local customary law and practices
- **A weak court system** makes it difficult for FSPs to follow up on bad debt. Increasing the risk of lending, and thereby pushing up collateral requirements and the cost debt
- **The lack of a single ID and unified database** is a consistent, crosscutting constraint to the extension of credit. Funding support for the ID agency (NIDA) was pulled to support voter registration. Following the election efforts are being made to rollout unique individual identity numbers

Supply-side

- **Women are considered good borrowers.** Banks consistently highlight the fact that women are more disciplined borrowers than men
- **Simplifying products and incorporating training** are common features of FSPs that have made special efforts to target women
- **Low touchpoints limit awareness and make monitoring difficult.** Limited touchpoints, and low outreach limit women's awareness of banks value add, while making it difficult to follow up on credit
- **Groups self-regulated nature improves compliance.** Because women are integral to the regulation of groups pertaining to interest and payout, understanding is strong

• Problem women face, which emanates from the cultural situation. When it comes to inheritance, it is usually the boy that inherits economic assets of family. Boy carries name, women gets married and gets new name. So want to protect the family name/land.

- Women FSP

Banks use advanced language which women find intimidating. So key to serving women is simplifying the opening process. Translate the opening docs and limit to 1-2 pages

-FSP

Please refer to full notes of key informant interviews for further details.

Summary: High-level insights from Dalberg's 25 key informant interviews in Tanzania (2/2)

Demand-side

- **FSPs consistently highlight a difference in women's financial capabilities** despite limited evidence from surveys, a consistent theme from FSPs was the need to invest more in support and financial literacy training when targeting women
- **Women's businesses tend to be small and have high cash flows** to pay for day to day household needs. Business skills are often weak, and limited money is reinvested to expand capital
- **Banks are perceived as for the wealthy.** Even where banks are accessible, a combination of limited self-confidence, limited awareness of banks value proposition and perceived high costs means that women do not use them

Women have trust issues with banks - they don't know banks - especially digital banking - "It's a 100-year leap"

-CSO

Social norms/cross-cutting

- **An expectation to justify movements to husband's limits bank access.** When out of the house for extended periods of time women are expected to justify this to their husband. This is difficult when trips are to the bank to deposit savings.
- **Women are expected to run the household and look after the children.** In term limiting their time available for leisure or to invest in economic activities
- **Husbands play an important role in making big financial decisions.** Where large purchases are being made, women are far less likely to act independently of the husband

Men can make decisions by themselves, women have to get approval from the man –

FSP

Please refer to full notes of key informant interviews for further details.

Focus Group Discussions: Key themes and further detail per segment

Summary: High-level insights from Dalberg's five focus group discussions in Tanzania (1/2)

In-school girls	Out-of-school girls	Employees
<ul style="list-style-type: none"> • Form 5 is critical junction; In 2015, school was declared free in Tanzania, but only until Form 4; girls were significantly worried about their ability to pay fees as from Form 5 • Consequently, although most girls had dreams of being doctors, pilots, etc., they had no idea how they would pay fees for higher education • There was a very strong savings culture: most girls would try and save a small amount from their daily allowances, and either save in schools' savings clubs or give their mothers at the end of the week; for those from well-off families, their parents had opened savings accounts for them at banks 	<ul style="list-style-type: none"> • Most girls had dropped out after class 7: Before 2015, school was only free until class 7, most girls had dropped out then due to inability to meet school fees for Form 1 • Due to low family incomes, girls were under high pressure to contribute to household income by whichever means; this left many of them vulnerable to sextortion to get jobs and teenage pregnancies • Girls out-of-school found it more difficult to get job opportunities compared to their male counterparts who had more networks to leverage for job opportunities • Most girls ended up with jobs that were unstable and with very low incomes, leaving them even more vulnerable to sextortion to earn an income 	<ul style="list-style-type: none"> • Most employees were in informal, low-paying jobs as many had dropped out of school due to income shocks, particularly the death of a parent • Formal/semi-formal employment was an enabler for opening accounts: most employees with a bank account indicated they had opened the accounts to receive their wages • Incomes from employers were often irregular, making it difficult for employees to meet deadlines to make deposits with informal savings groups (often weekly) • Most employees were employed informally, with no contract, making it difficult for them to hold employers accountable to pay on time as agreed, or to meet minimum wages

Summary: High-level insights from Dalberg's five focus group discussions in Tanzania (2/2)

MSME entrepreneurs	Rural farmers
<ul style="list-style-type: none"> • Entrepreneurs seemed to be the most empowered/have the most control of the FGD groups: they expressed having more decision-making power in the households, mostly due to their higher ability to contribute to household income • Theft was a common concern especially for entrepreneurs acting as mobile money agents, however none had theft insurance • Entrepreneurs had advanced knowledge of the pros and cons of financial products, for example, they were aware that health providers actually preferred patients with cash rather than health insurance, due to the long process of being reimbursed by insurance providers, and also that while mobile loans were available, their tenure was too short to benefit them • There was a high demand for loans, primarily to expand businesses, however, most had a high aversion to interest rates and fees charged by FSPs, including on mobile money, and there was a strong perception that banks were not fully transparent on their charges 	<ul style="list-style-type: none"> • Access to land was high among women, but ownership remained low: most farmers rented the land they were using for farming and did not own the land; most were unable to inherit land from their parents/husbands due to social norms; for those who managed to inherit or buy land, none of them had formal title deeds due to the time and expenses involved in titling land • There was a high desire for loans to purchase agri-inputs, but most women were aware they cannot meet requirements due to collateral constraints • The need for flexible loan terms was highest among farmers due to the seasonality of farming • Besides farming, all farmers in the group had one or more other ventures to supplement incomes; this was explained as due to the seasonality and irregularity of incomes associated with farming, but also due to low incomes, especially after drought

"We try to save to buy inputs, but sometimes drought forces us to buy food, making us use the limited savings we have"

*Veronica is a farmer and lives with her two children. Her husband passed away four years ago. Since he was the breadwinner, she needed to earn an income after he passed away and **she therefore took up farming, which she enjoys**. However, the land she and her husband used previously was taken back by his family; although she tried to protest, **it was explained that she can get re-married and get land from her new husband**. She therefore decided to look for a different piece of land to rent. She grows maize on her farm and a few vegetables like cabbages, carrots and tomatoes. These crops only require her to check on the farm two to three times in a week, and has therefore decided to take up cooking and selling mandazi to neighbours to make use of the free time, and also to supplement her income from farming. **Last year, she harvested very little maize due to drought, and all her tomato plants were infected by some disease and died as well**. She worries that if the dry conditions continue she will no longer be able to even provide sufficient food for her children.*

"Farming is hard work, so you can't say that you will farm just by yourself: you need to get two or three strong men to help, but they come at a fee"

Farmers struggle to access capital for inputs, leaving them stuck in low-productivity farming



Key financial needs

- **Access to factors of production** e.g. land (rental expenses) and equipment e.g. tractors
- **Funds to buy agri-inputs** e.g. fertilizer, seeds and pesticides
- Expenses to **pay farm laborers**
- **Flexible agricultural loans** to match irregularity of incomes due to planting/harvesting cycles
- **Crop insurance** to protect from crop failure
- **Household-related expenses** e.g. food, medical expenses, school fees, etc

Financial products and strategies used:

- **Taking up multiple jobs:** Farming is typically part time, with most smallholder farmers doing some additional economic activity
- **Borrowing from friends and family:** this was by far the most common coping strategy
- **Saving small amounts** at home, with informal savings groups or through mobile money
- **Taking small loans** from mobile money
- For expenses like school fees, **negotiating with school authorities to allow partial payments** rather than the full amount at once

Constraints

- **Low access to machinery** (e.g. tractors) to boost productivity
- **Lack of collateral** to take loans – most rent rather than own land
- **Low supply of crop insurance** to insure against drought
- **Low flexibility of loans** especially from formal FSPs on repayment terms
- **Low incomes** from farming, limiting expansion of farms/mechanization

"Even though I'm a business owner, some of the documents banks ask for, I've never even heard of them"

Mwajuma owns a small retail shop which sells a wide range of household items. **She is also a mobile money agent.** She has to wake up at 5am so that she can cook for her husband and children and make it to the shop by 8am. She initially **wanted to set up her shop in the nearby town as it has more customers but found that she could not manage to be so far away** as she needs to meet her children when they come home from school. She also wishes she can work late, until 8pm, but she has to be home earlier to make dinner for her family. Recently, **she has been thinking of expanding her shop**, and tried to take a loan but was told she needs to have land or a house, which she currently does not have. In addition, she was informed she needs to pay the loan back with interest in a year, which she does not think she can manage. **She was also asked to provide records of her annual revenues, but she has never kept such records.** She is therefore saving in her mobile money account, and is hoping that by the end of the year she will have saved enough, but her saving keeps being interrupted by other financial needs for the home.

"We cannot take loans because our businesses are small, but we also can't borrow from friends because they think we are the ones with the money"

MSME entrepreneurs struggle to get affordable loans, usually leveraging MFIs or VICOBAs for capital



Key financial needs

- **Supporting expansion of businesses** to larger, more stable MSMEs – this includes business registration support, developing a long term vision and managing cashflows
- **Access to affordable loans**, to invest in expanding business capacity

Financial products and strategies used:

- **Savings** occurs at home, through savings groups, using mobile money and very occasionally through a bank account
- **Use of MFI group loans and VICOBAs** more common with SME owners – often have interest rates of 40-50% per annum
- **Mobile loans** used to smooth household spending, however short tenures mean they have little value for investing in business assets
- **Insurance understood**, by experienced entrepreneurs, but dismissed due to poor experiences with government managed NHIS. **Mobile insurance** not favoured as a result of it being post-paid
- **Small SMEs remain small and informal**: most avoid becoming registered and the requirement to pay taxes

Constraints

- **Domestic/household duties limit time** available to invest in business and/or travel to better markets
- Loans available have **high interest rates and short tenures**, unsuitable for business expansion
- **Low business development skills** also limit ability to scale businesses
- In absence of collateral and/ or an established bank history, women entrepreneurs get **loans through VICOBAs or MFIs**. This exposes them to the risk of the **treasurer stealing the cash in the case of VICOBAs**, or of having to cover **defaulting group member in the case of MFIs**

Ashira is currently employed as a tailor and **although she enjoys making clothes for customers, they do not always pay on time**. Her employer therefore often misses paying her weekly salary on time, which makes her miss her weekly contributions to her neighbourhood's savings group. **She does not have an employment contract, and therefore has no way of holding her employer accountable** to making payments on time. She therefore often has to borrow from friends to meet the weekly contributions, but she finds it embarrassing. She therefore wants to start her own tailoring shop but **cannot afford the sewing machine**. She has considered taking a loan, but is not sure she will earn enough to make the payments required. Her parents and younger siblings also rely on her to support them financially occasionally, which she finds difficult given her low earnings. In addition, **she finds it expensive to send the money through mobile due to the fees, but appreciates that she can remit the money faster that way**.

"Most of us are employed at the moment but if we had means we would all have our own businesses"

"You reap what you sow: if you keep saving only small amounts in the group (VICOBA), then you'll only get a small amount at the end of the year, compared to those who made efforts to save a lot"

Employees are in vulnerable jobs, with few opportunities to transition to higher earning activities



Key financial needs

- **Secure savings channels** – different needs require different types. Short term, highly accessible channels are important for dealing with emergencies. Longer term oriented savings that have some commitment mechanism are valuable for bigger ticket items
- **Small capital injections** to start businesses – access to guarantors or lower/targeted thresholds on mobile money loans would support this

Financial products and strategies used:

- **In vulnerable, uncontracted jobs** such as food vending or informal store counter clerk – wages are paid in cash, and usually less than \$25 a month
- **Saving** is prioritised, though amounts saved are low. Channels include at home, through merry go rounds and using mobile money
- **Insurance is poorly understood**, but value proposition of health insurance immediately recognised and prioritised
- **Bank accounts** are opened mostly to receive wages for formal employment, but have minimal use outside wage deposits/withdrawals

Constraints

- **Low salaries** make it difficult for women employees to meet immediate financial responsibilities and put money away to save
- **Men demanding sexual favours** in return for jobs is a common occurrence
- **Low education** limits women's ability to approach the formal sector for jobs

"We really need education loans; we need someone to take a risk on us and trust that we will get jobs to pay back the loans"

*Esther is currently in secondary school and aspires to be a pilot, however, she **worries about the ability to pay for university**, especially having seen **how her single mother struggles to pay for school fees**. She has three other siblings, two of whom are in high school (Forms 5 and 6), which is making her mother struggle to pay for their fees. Esther is glad that currently school is free for her, but is not sure how she will be able to pay fees when she graduates to form 5. To minimize expenses for her mother, she has decided to help her mother, and **take odd jobs** like selling mandazi to help with her daily expenses like fare to school. Her aunt and uncle who are better off have promised to help pay for her fees, but she is not sure they mean it. **She wishes there was a loan she could take that she can pay back once she has a job**. Even if she does not become a pilot she will make sure she gets another job to pay the loan*

"If secondary school was not free right now, many of us would not even be here"

In-school girls face a key financial hurdle after form 4, when schooling moves from being free to paid



Key financial needs

- **Savings to meet education expenses** or smooth shocks on parents' incomes to ensure continuity of own and siblings' education
- **Cheaper school transport**, or **more accessible schools** would allow more savings to be put aside
- **Financial literacy** and **practical business skills** would improve the ability of those girls leaving school early to succeed

Financial products and strategies used:

- **Informal money savings** through home savings, or in merry go round savings groups
- A minority of parents have opened **youth focused savings** accounts on behalf of their children
- Turning to **extended family** – aunts and uncles for example – is common when parents are unable to afford school fees
- Taking up **occasional odd jobs** e.g. cooking and selling mandazi (snacks)

Constraints

- **Parents lack of awareness** and multiple financial responsibilities hinders use of school banking accounts
- **Teenage pregnancy** is a common occurrence, and often results in early school leaving and loss of parental support
- **Access to mobile phones** is constrained relative to boys by lack of trust from parents. Many parents believe that girls can be more easily seduced with access to a phone

"We stay with our parents because we just don't have anywhere else to go, but we have to contribute to putting food on the table"

Nasla dropped out of school after form 4 because her father **could not afford to pay for her school fees** to join form 5, **she decided to become a hair braider as it did not require a high level of education**, however without her own salon, **she has to rely on irregular customers to call on her to braid their hair, and often goes for multiple weeks without having earned an income**. She **got pregnant soon after dropping out of school**: while she was looking for a job she met a young man who promised that his family would employ her at their restaurant in the city, however, once she fell pregnant she never saw or heard from the young man again. Her parents supported her throughout her pregnancy, but now she has to also help them to get enough money for food and clothes for her baby. **She saves some money on her mobile phone, but expenses are high, so she is unable to save consistently**. She wishes she could get a better job, but her low education limits her from getting better-paying and more stable jobs.

"Nothing comes free, most men will expect some form of payment if you ask for their help"

Out of school girls are incredibly vulnerable to sexual extortion in return for income earning opportunities



Key financial needs

- **Small capital injections** to start businesses – access to guarantors or lower/targeted thresholds on mobile money loans would support this
- **Cheaper money transfer** facilities to send to and receive support from family members
- **Education on the interesting bearing** savings accounts available from mobile money providers

Financial products and strategies used:

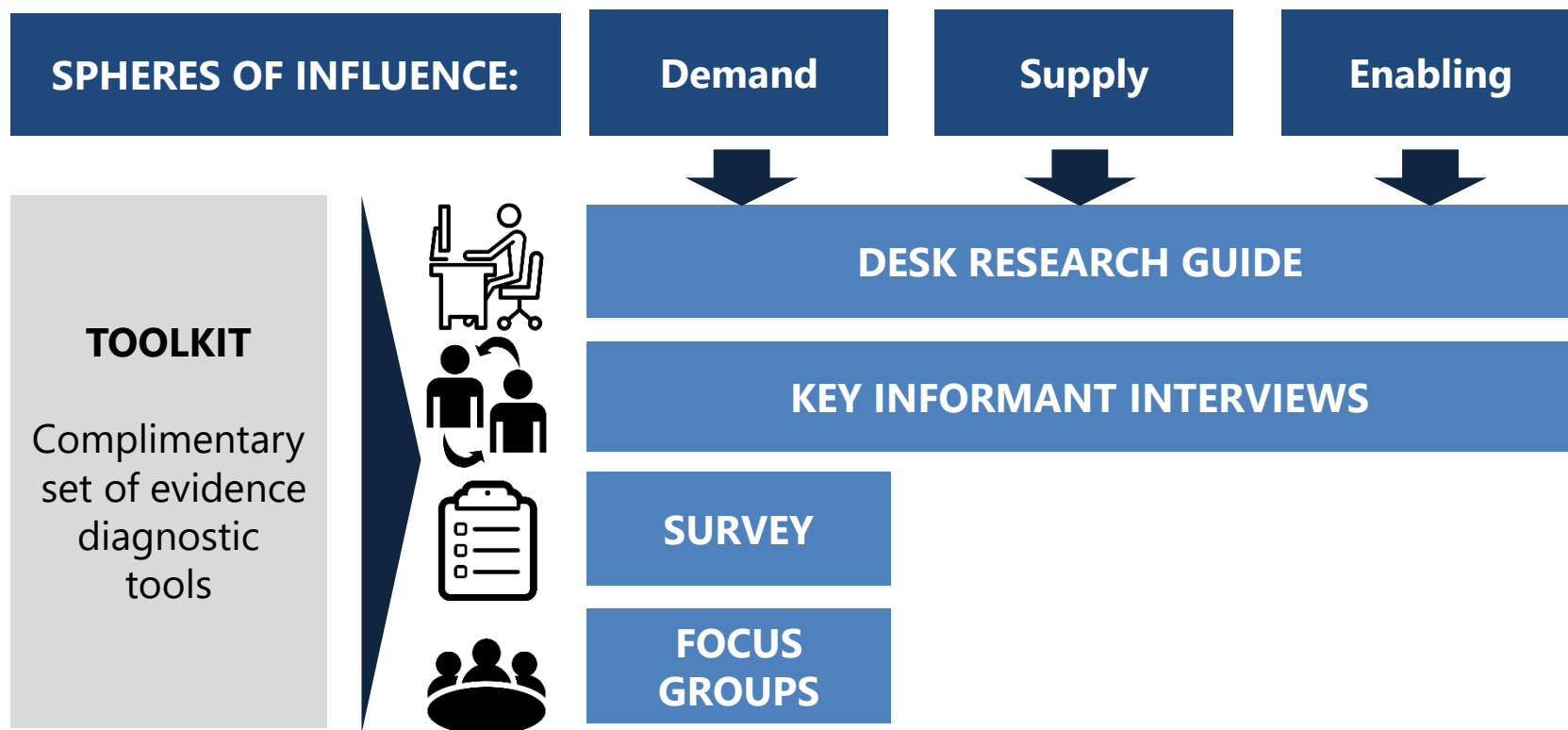
- **Starting low-capital businesses** such as hairdressing from home
- **Highly irregular employment**, acting as an additional employee over busy days for food vendors or informal retail outlets
- **Saving, although small amounts**, almost entirely on mobile phones
- **Parents provide limited support**, however unless girls are actively attempting to earn an income parents are likely to push them to get married
- **Relying on established men** for support in return for favours

Constraints

- **Lower education** hinders income earning opportunities
- **Immediate responsibility to contribute** to the household limits freedom and limits ability to take entrepreneurial risks
- **High occurrence of teenage pregnancy** places additional responsibility on women
- **Men demanding sexual favours** in return for income earning opportunities is a common occurrence

Methodological considerations

The toolkit provides insight across the key spheres of influence defined in the framework



The full toolkit is publicly available on **[insert link]** for use by anybody who wishes to dig into constraints and enablers of women's and girls' financial inclusion in a given country

The quantitative data tool will anchor around mining existing data and filling gaps



Mine existing data*			Collect new data
	1 Use descriptive data	2 Exploit micro-data	3 Collect new data
Our purpose	Snapshot of access and usage across nationally representative sample	Carry out cross-tabulations between different variables e.g. gender, age, income, to get a more nuanced snapshot of access and usage across nationally representative sample	Fill select gaps to dig into the dynamics of access, usage, control and agency, as well as gaps on the empowerment effects of financial inclusion
+	>1000 observations Nationally representative	> 1000 observations Nationally representative. Can cut gender by other variables e.g. rural/urban, age, income, education level	Can explore areas as yet unexplored in existing databases
-	Lack of standardized segmentation criteria. Sex-disaggregation not consistent across all data sets. Country coverage of data sets does not exist for all priority countries	Greater sub-segmentation criteria e.g. economic roles. Understanding of enabling factors and constraints that drive dynamics of access, usage, control and agency	N=400 and therefore limited cuts are possible without reducing confidence interval. Some social norms gaps will need to be filled by FGDs

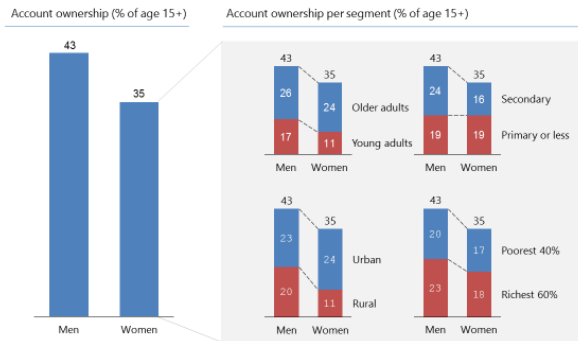
The implications for the tool mean providing instructions on compiling existing datasets, pulling microdata, and identifying which variables might be useful to cross-tabulate

* Where publically available micro-data available e.g. Findex, LSMS etc.

This approach provides opportunities to leverage a larger sample size, while adding nuance to existing data

ACCESS

35% of women have an account compared to 43% of men; younger, rural women are particularly underserved



Source: World Bank, Global Findex data 2014

Latest Finscope data triangulated with Intermedia and Findex, using **cross tabulations** of **survey segments**.

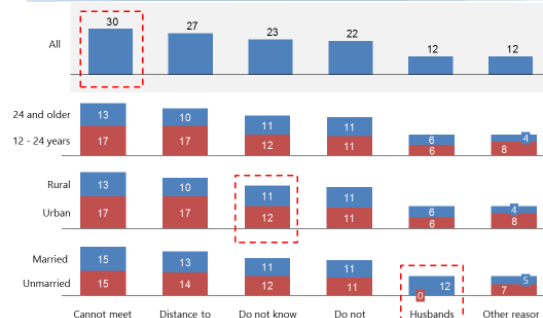


ACCESS

For those without an account, lack of funds, know-how & spousal prohibition constrain segments



Key reasons for not having an account (% of UNCDF/Dalberg survey respondents who do not have an account)

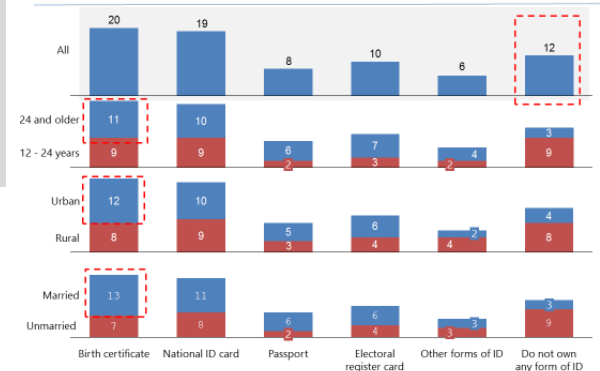


ACCESS

12% of women and girls do not have any ID; urban, married and older women are more likely to have ID



Forms of ID owned (% of UNCDF/Dalberg survey respondents)



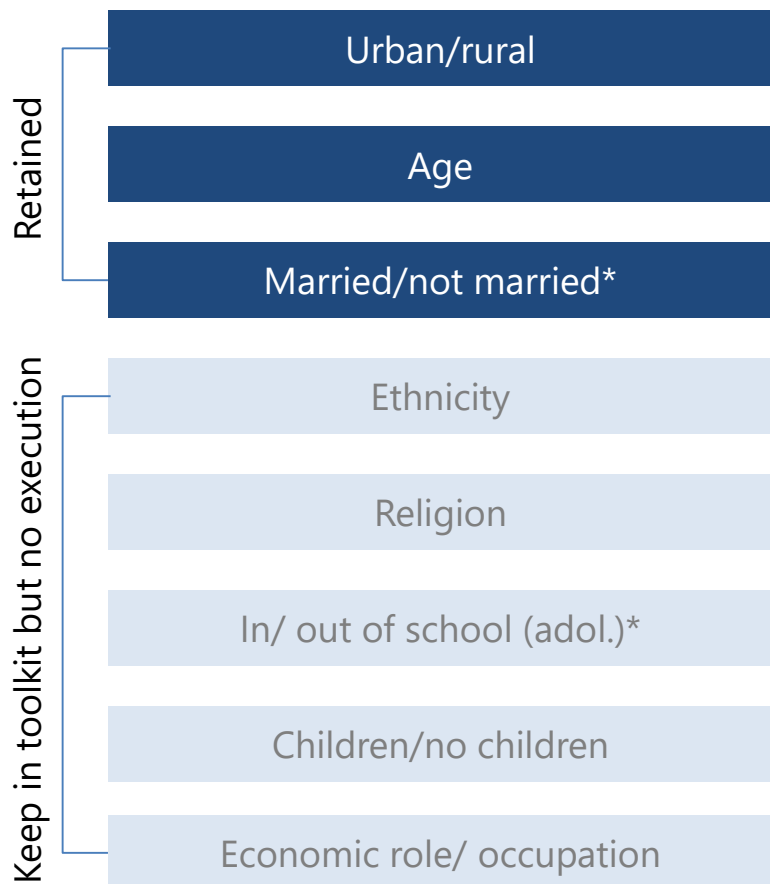
Deepening understanding of **constraints and enablers** through **UNCDF/Dalberg survey**

Findings will have implications for program design

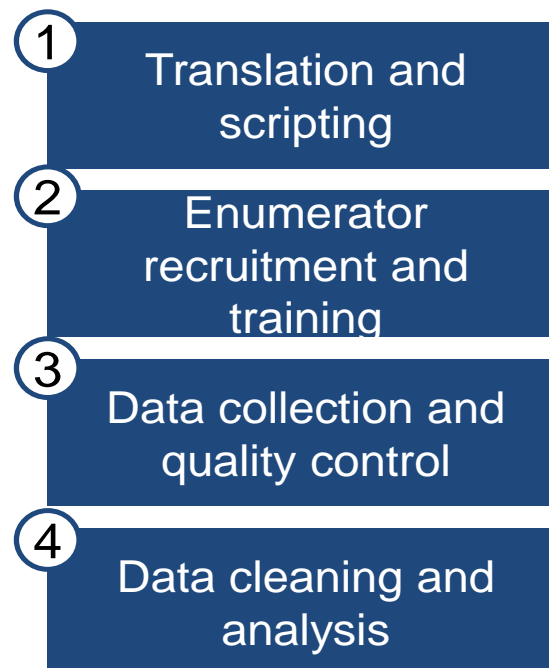
The UNCDF survey tool of N=400 will target <3 segments of women and girls across >2 geographic regions



Sampling strategy



Research execution process



*We are looking at the sample distribution in more detail to understand what sub-cuts could be done within this e.g. never married versus married versus divorced/separated/widowed

Reference List

References (1/2)



Source	Title	Year
AFI	Tanzania Narrows the Financial Inclusion Gender Gap	2017
AFI	How to leverage sex-disaggregated financial inclusion data to accelerate women's financial inclusion	2017
AFI/ BoT	Tanzania National Financial Inclusion Framework	2014-16
BoT	Banking and Financial Regulations	-
Brookings	Advancing Equitable Financial Ecosystems	2016
CAWAT	Changing customary law for enhancing promotion of gender equality in Tanzania	2015
CGAP	National Survey and Segmentation of Smallholder Farmers in Tanzania	2016
CIA World Factbook	Ethnicities in Tanzania	2010
EIU	Global Microscope: The enabling environment for financial inclusion	2015
Economides and Jeziorski	Mobile Money In Tanzania	2016
Economist Intelligence Unit	Global Microscope	2016
Finmark	Analysis of financial inclusion of women in the SADC region	2016
FAO	Gender Inequalities in Rural Employment in Tanzania Mainland	2014
FSDT	Finscope data	2013
FSDT	Financial Capability Tanzania Baseline Survey Findings	2014
FSDT	National Baseline Survey Report: Micro, Small and Medium Enterprises	2012
FSDT	National Financial Education Framework (2016-2021)	2016
GSMA	Enabling Mobile Money Policies in Tanzania	2014
GSMA	Unlocking the potential: Women and mobile financial services in emerging markets	2014
GSMA	What makes a successful mobile money implementation? Learnings from M-Pesa in Kenya and Tanzania	
Intermedia	Financial Inclusion Insights Tanzania	2014/15

References (2/2)



Source	Title	Year
ILO	Women's Entrepreneurship Development in Tanzania	2014
IMF	Financial Access Survey	2016
Landesa	Responsible Investments in Land: New Insights from Tanzania	2017
MIX	Financial Inclusion Lab	2015
McLeary-Sills et al.,	Gendered norms, sexual exploitation and adolescent pregnancy in rural Tanzania.	2013
Ministry of Health, Community Development, Gender, Elderly and Children	Demographic and Health Survey and Malaria Indicator Survey	2015-2016
National Bureau of Statistics (NBS)	Integrated Labor Force Survey; Household Budget Survey	2014; 2012
PWC	Know Your Customer: Quick Reference Guide	2016
Silberschmidt & Rasch,	Adolescent girls, illegal abortions and "sugar-daddies" in Dar es Salaam: vulnerable victims and active social agents	2001
UN Women	Mapping study on gender and extractive industries in mainland Tanzania	2016
UN Women, et al	The Cost of the Gender Gap in Agricultural Productivity in Malawi, Tanzania and Uganda	2015
World Bank	Global Findex data	2014
World Bank	Tanzania Economic Update: Money Within Reach	2017
World Bank	Living Standards Measurement Study—Integrated Surveys on Agriculture	2011
World Bank	Enterprise Surveys	2013
World Bank	Global Gender Database	mixed
WORLD Policy Analysis Centre	Education Database	2016