BRINGING SMART POLICIES TO LIFE

MEMBER SERIES: FINANCIAL INCLUSION JOURNEY

TANZANIA: THE COORDINATION APPROACH

CONTENTS

INTRODUCTION

The Alliance for Financial Inclusion (AFI), a network owned and driven by members with a common objective of scaling up financial inclusion at country level, has been able to facilitate the implementation of impactful policy changes at country level through its cooperative model that imbeds peer learning and peer transformation. It has been a decade now since the network began this quest to address the global challenge of financial exclusion.We have witnessed tremendous achievements in financial inclusion from our membership, driven by practical policy solutions that draw on lessons across the network.

AFI members have been focusing on ways to support countries in designing and implementing high-impact, tailor made solutions that meet their needs and challenges. These country-led approaches have created ownership and a sense of pride as ever more ambitious targets are set and achieved. It is imperative that such lessons are highlighted from each member's perspective on how AFI's peer learning approach and in-country implementation have been instrumental in facilitating transformation. Thus, we feature such practical lessons in this Members Series publication.

The Members Series serves to elevate the members' financial inclusion achievements and bring to the fore, key policy lessons that will benefit other members who are pursuing similar objectives. AFI's ethos of cooperation and knowledge sharing is served better when the financial inclusion journeys of our members are recorded and shared amongst the network, and beyond.

AFI membership, which represents about 85% of global unbanked, is uniquely positioned to tackle the global financial inclusion challenges. We have enormous lessons from the network that need to be highlighted and amplified. These range from the effective use of technology, application of national and regional coordinating structures, to the pursuit of specific financial inclusion enablers that are unique to countries and regions.

We are proud of the leaders in our member institutions, who through their unwavering efforts have been able to steer national-wide support in addressing financial inclusion challenges.

This Member Series publication will continue to feature the unique journeys of our members in addressing their financial inclusion challenges. The diversity of the network has the advantages of highlighting multiple approaches to tackle the common goal of financial exclusion.

Join me in this Series and let's journey with our member Bank of Tanzania, as they champion the transformation of the financial inclusion landscape in Tanzania.

Dr. Alfred Hannig
Executive Director, Alliance for Financial Inclusion

FOREWORD

Tanzania joined the Alliance for Financial Inclusion (AFI) in 2009. Coincidentally, this was the period when a digital financial services revolution was picking-up in Tanzania. The story of mobile money and how it has incredibly deepened financial inclusion in Tanzania was only the beginning of the country's journey towards empowering low-income population through financial services.

Upon acknowledging the significance of financial inclusion, the country, through a coordinated mechanism led by Bank of Tanzania, formulated strategies to achieve measurable financial inclusion goals in cooperation with the development partner, most notably AFI. Tanzania has managed to successfully implement its first phase of National Financial Inclusion Framework (the Strategy), which ran from 2014 to 2016, and has now embarked on implementing the second National Financial Inclusion Framework from 2018 to 2022.

This narrative aims to give a glimpse of Tanzania's experience in coordinating financial inclusion initiatives through developing policies, setting targets, implementing plans, monitoring and evaluation, and expanding scope parallel with evolving dynamics. It offers a picture of the successes, lessons learned and how the country's financial inclusion stakeholders managed to join hands and work together, with coordination efforts playing a great role in achieving agreed objectives.

I hope that AFI members and others who aspire to make progress in their countries' financial inclusion efforts will find Tanzania's story resourceful.

On behalf of Tanzania's National Council for Financial Inclusion, I would like to thank the AFI and all AFI members for working together with us, in our efforts to achieve higher levels of financial inclusion on our path towards poverty alleviation.

Prof. Florens D.A.M Luoga
The Governor, BANK OF TANZANIA
Chair, National Council for Financial Inclusion

BACKGROUND

Tanzania's journey towards enhancing access and usage of formal financial services to the majority of the population started in the early 1990s, following the comprehensive reforms in the financial sector that began from 1991. The reforms addressed structural, policy and regulatory issues and encouraged financial innovations. These resulted in a competitive financial market with increased number of domestic and foreign-owned banks, and financial institutions.

With the growing banking sector, bank credit to the private sector as a percentage of GDP rose to 16.0 percent at the end of 2016, from the 4.0% registered in 1995, few years after the commencement of the financial reforms. These achievements notwithstanding, an evaluation of the progress conducted through demand surveys in 2006 and 2009 (FinScope) revealed, that in spite of all the efforts of financial sector reforms by 2009, only 17% and 27% of adults in the formal and informal sectors, respectively, were financially included, leaving out 56% of adults totally excluded from financial services.

The rural urban disparity was significant: the rural exclusion was 60% of adults compared with 45% in urban areas. Likewise, the micro, small and medium enterprises were excluded by 68 percent. In view of this, the government decided to reinforce efforts to address financial inclusion, with the aim of bridging the wide exclusion gap. We present Tanzania's experience on the coordination approach—which played a pivotal role in leapfrogging access and usage of financial services by the majority of adult population in the country.

THE NATIONAL FINANCIAL INCLUSION COORDINATION PLATFORM

MOTIVATION FOR COORDINATION PLATFORM

The financial inclusion coordination platform originated from the first National Financial Inclusion Framework (2014-16), which was developed and launched in 2013 as a result of an international commitment to achieve 50% of the adult population with access to financial services by the year 2016. The Bank of Tanzania made this commitment on behalf of Tanzania's financial sector stakeholders in 2011 during the AFI Global Policy Forum in Riviera Maya, Mexico. The same coordination approach has been maintained in the second National Financial Inclusion Framework (2018-22). Both Frameworks outlined strategies to address challenges to financial access and an action plan that articulated key priority areas for implementation by each stakeholder.

The priority areas for implementation included increasing proximity, ensuring robust electronic platforms, ensuring robust information and easy client onboarding, and ensuring customers are informed and protected. The main role of the coordination platform was therefore, to ensure proper implementation of the Framework to achieve set targets.

Bringing the platform into the picture was important because of the stakeholders' conviction that the realization of best outcomes of Tanzania's financial inclusion journey needed proper coordination and engagement of all relevant stakeholders. This journey is not a "one-man show"; it is dependent on the commitment and contribution of various stakeholders to make it successful.

COORDINATION STRUCTURE

Echoing the broad-based perspective and the need to uphold efficiency, the coordination of financial inclusion in the country takes a multi-sectoral approach, involving public and private sectors. The coordination structure involves four organs, namely the National Council, Steering Committee, Technical Committee and Secretariat, as depicted in Figure 1. The National Council is responsible for overall strategic direction and oversight; the Steering Committee handles coordination and quality control; while the Technical Committee implements and reports financial inclusion initiatives. The Secretariat, which is housed at the Bank of Tanzania, the country's central bank, is responsible for coordinating activities of the Framework, including collecting, compiling and distributing financial inclusion information, and organizing committee meetings.

The Bank of Tanzania's choice to assume a secretariat role was informed by the fact that it is the focal point on financial issues. In addition, it oversees and is one of the regulators in the financial sector. Furthermore, it has high reputation and capability, both financially and technically.

FIGURE 1: FOUR-ORGANS AND RESPONSIBILITIES WITHIN THE COORDINATION STRUCTURE

NATIONAL COUNCIL (NC)

> It has a responsibility for overall strategic direction and oversight of the financial inclusion agenda
> The Governor of Bank of Tanzania, chairs the NC.
> Formed by permanent Secretaries from relevant government ministries, heads of regulatory authorities and government agencies, and chairpersons of practitioners' associations
> NC meets twice a year and when there is any urgent matter that requires policy guidance or decision

STEERING COMMITTEE (NSC)

> The NSC reports to the NC. The NSC is responsible for quality control of the NTC deliverables
> Formed by director and commissioner levels from government ministries and agencies, regulatory authorities, and practitioners' associations
> NSC meets twice a year and or more where deemed necessary

TECHNICAL COMMITTEE (NTC)

> The NTC reports to the NSC. The NTC is responsible for providing technical advice/input and reporting progress on the implementation of financial inclusion initiatives in the country
> Formed by senior officers from relevant government ministries and agencies, regulatory authorities, and practitioners' associates
> NTC meets quarterly

SECRETARIAT (NS)

> The NS coordinate the implementation of the framework on behalf of the NC on a day-to-day basis
> Bank of Tanzania the lead and hosting Institution
> A dedicated unit

For effective discharge of secretariat function, a dedicated unit was established to handle financial inclusion issues.

Meanwhile, representation in the four organs is crosscutting constituting ministries, regulatory authorities, associations and networks - each playing a different role. The four-tier structure has served the country well since stakeholders with different expectations have come together under a shared vision, commitment and coordinated approach in driving the financial inclusion agenda. The approach is also ideal for planning, implementation, coordination and flow of information for the effective operationalization of the Framework's objectives.

STAKEHOLDERS' ENGAGEMENT

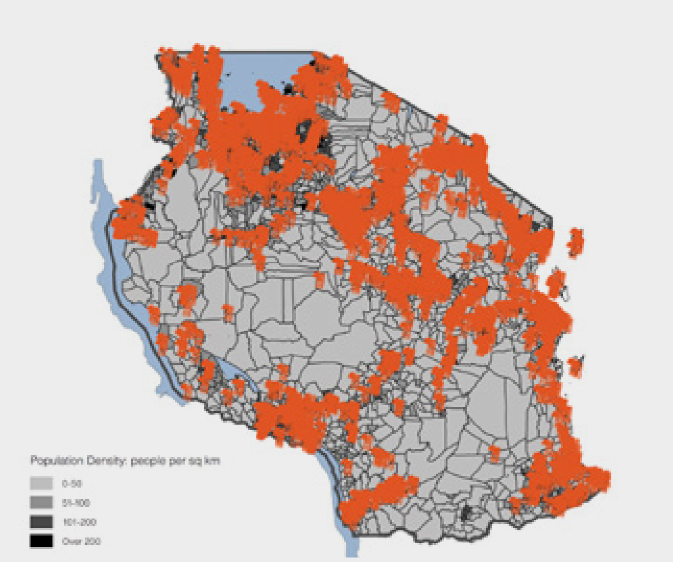
Equally important in this approach is effective engagement of the key stakeholders, both local and international, including relevant ministries, regulatory authorities, associations, and development partners. Ministries develop policies and put in place supportive environment to allow financial deepening, while regulators develop and enforce regulatory frameworks to support financial inclusion. Associations represent and coordinate their members in the implementation of Framework activities and development partners provide financial and technical support. The specific roles and responsibilities of each stakeholder are as summarized in Table 1.

TABLE 1: STAKEHOLDERS' ROLES AND RESPONSIBILITIES

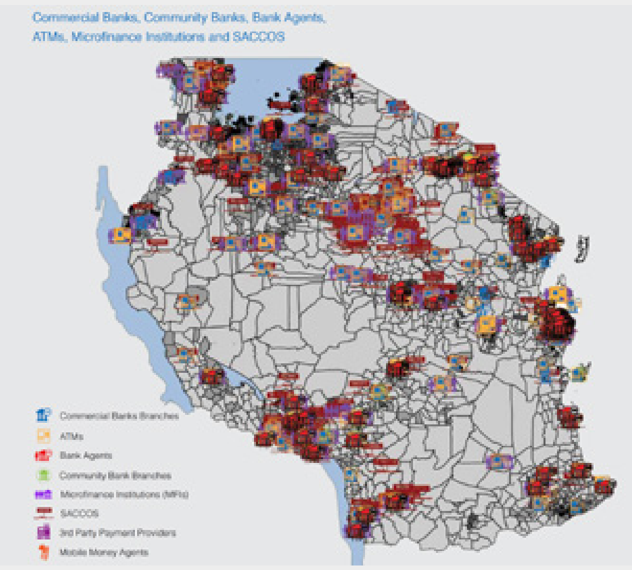
CATEGORY	ROLES & RESPONSIBILITIES
Ministries and Government Bodies/Agencies	> Develop policies and ensure enabling environment to support Financial Inclusion initiatives. > Coordinate initiatives within their mandate. > Set aside budget for implementation of the initiatives. > Ensure that the implementation of initiatives within their ministries complies with the policy statements and is in accordance with best practice.
Regulatory Authorities	> Ensure that regulatory and supervisory frameworks are in place to support Financial Inclusion initiatives. > Provide advice to the Government on issues related to Financial Inclusion initiatives. > Provide advice and guidance to institutions they regulate on achieving Financial Inclusion goals.
Associations & Networks	> Represent their members in Financial Inclusion committees. > Coordinate Financial Inclusion activities among member institutions. > Facilitate sharing of information between members and other stakeholders. > Encourage compliance with best practice among their members on matters related to Financial Inclusion.
Development Partners	> Provide Financial and Technical support. > Ensure compliance to Development Partners Support Guidelines on Financial Inclusion.

ACCESS MAP

MOBILE MONEY AGENTS NETWORK



TRADITIONAL FINANCIAL ACCESS INFRASTRUCTURE



Source: FSDT Tanzania

ACHIEVEMENTS UNDER NATIONAL COORDINATION APPROACH

The coordination approach significantly contributed in enhancing access to financial services by the adult population in a span of less than ten years; a level that could not be registered in 48 years of the country's independence. The achievements can be traced through the implementation of the first Financial Inclusion Framework, which focused more on expanding the opportunities for people to access financial services.

Consistent with the direction of the Framework, a number of activities drawn from the core enablers were implemented, namely: proximity to financial access points, store of value infrastructure, store of information infrastructure and payment systems infrastructure. Considerable progress has been registered in these areas, as follows:

PROXIMITY

The Geographic Information System (GIS) report of 2014 indicated that only 45% of adult Tanzanians were within 5 kilometers of a financial access point. Hence, one of the Framework's objectives was to increase proximity[1] of financial access points to people. The target of the Framework was to reach at least 72% by the end of 2016.

To achieve this, different initiatives were taken, including implementation of agency banking, expansion of mobile money services and other points of sale. Peer learning and technical support from Alliance for Financial Inclusion (AFI) network also played a critical role in developing regulatory frameworks to support these proximity initiatives. Following the implementation of the Framework, there was a substantial increase in the number of financial access points, as depicted in Figures 3.1 to 3.4. The number of mobile network operator (MNO) agents grew by 147% to 379,254 as at the end of May 2017 from December 2013 when the Framework was launched. Meanwhile, during that same period, the number of bank agents increased to 7,717 from 591; points of sale increased to 8,474 from 2,552; and the number of ATMs grew to 2,017 from 1,481.

Growth of financial access points was also noted in the insurance and investment in securities sub-sectors. The number of insurance brokers increased to 618 as of December 2016 from 420 in December 2013 when the Framework was launched. In the same period, the number of securities brokers increased to 12 from seven.

FIGURE 3.1: **NUMBER OF MNO AGENTS** ('000)

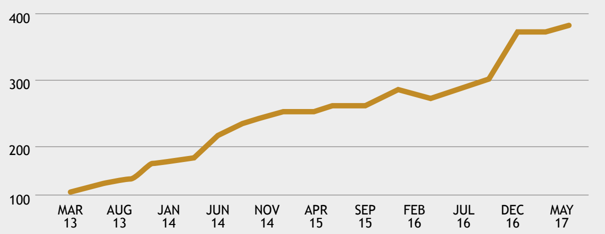


FIGURE 3.2: **NUMBER OF POS** ('000)

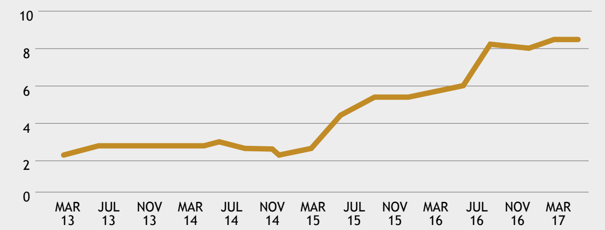


FIGURE 3.3: **NUMBER OF BANK AGENTS** ('000)

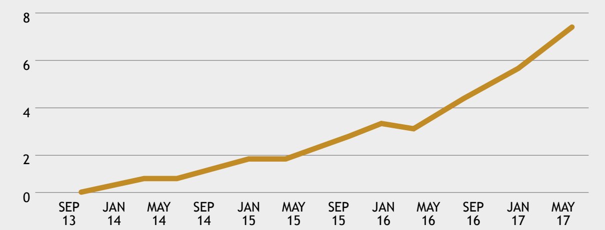
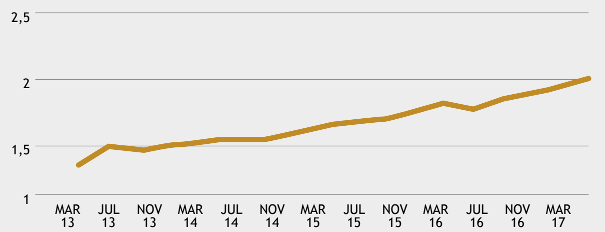


FIGURE 3.4: **NUMBER OF ATMs** ('000)



The noted growth of financial access points was also evidenced by the FinScope survey conducted in 2017, which revealed that the adult population living within 5 kilometers from a financial access point had reached 86%, surpassing the target that had been set.

The improved proximity to financial access points for the majority of Tanzanians was attributed to several actions, including: the "test and learn" approach in the adoption of developments in the market; implementation of Agent Banking Guidelines; capacity building for the supervisory function; enactment and implementation of the National

1 Proximity was measured by the percentage of adults within 5 kilometers of a financial access point.

Payment System (NPS) Act in 2015 and its related regulations (Payment Systems Licensing and Approval Regulations, 2015 and Electronic Money Regulations, 2015); and introduction of new micro insurance products using agents and mobile platform.

In addition, there were new entrants in the market, including banks and financial institutions (from 53 in December 2013 to 64 in June 2017), insurance companies (29 in December 2013 to 31 June 2017), electronic money issuers (from four in December 2013 to six in June 2017), and establishment of a Workers' Compensation Fund. The infrastructure development, including an optic fiber network, also supported the noted improvement in financial access points where the overall mobile connectivity was 80% (73% rural connectivity) by June 2017.

The increased range of financial services available through mobile platforms enabled the majority of Tanzanians owning m-wallets to perform financial transactions conveniently. The factors underlying this performance included the following:

a The decision by regulators and MNOs to remove two-stage registration requirements, allowing automatic registration of m-wallets at Sim card registration stage;
b New entrants of mobile network operators with a similar m-wallet product. This promoted outreach of mobile financial services and attracted more people to own m-wallets;
c Availability of identification documents led by voters' registration card, which enabled more people to register for m-wallets;
d Availability of low cost handsets, enabling majority of people, especially in rural areas, to own a mobile handset.

STORE OF INFORMATION INFRASTRUCTURE

Apart from the proximity issues, FinScope Tanzania 2009 identified information asymmetry within the financial sector as one of the barriers, which limited the provision of financial services. Therefore, there was a need to develop a centralized electronic information database that can capture, store, retrieve, and communicate clients' information. The considered three critical components of the store of information infrastructure were: identification of individuals and business profiles, infrastructure for sharing of borrowers' information, and centralization of collateral information. The Framework had the following targets in these areas by 2016:

a 60% of the adults registered in the national identification database;
B 45% of the adults to be issued with national identification cards; and
C 100% of bank borrowers' information to be in the credit reference system.

During the implementation of the first Framework, there was a slight increase in the registration and issuance of national identification cards. As at the end of June 2017, 7.4 million adults were registered in the national identification database, representing 23% of adult population, while 2.6 million identification cards were issued, which is about 9% of the adult population.

As for the number of borrowers' information registered in the credit reference databank, 1.4 million borrowers had been registered by June 2017, up from 0.7 million registered by March 2014. The performance was mostly associated with the mandatory reporting requirement and intensified enforcement. On the other hand, 95 non-regulated institutions voluntarily entered into agreement with credit bureaus to share credit information, following sensitization workshops carried out on microfinance institutions. Notwithstanding the progress, there were some community banks, which had not yet complied with the requirement to submit borrowers' information into the databank, due to costs involved in systems' configuration.

The completion of national identification project and its interface with other databases, including those of telecommunication authority, banks, mobile network operators, credit reference system, government agencies and other financial service providers, is expected to bring a new push towards financial inclusion.

STORE OF VALUE INFRASTRUCTURE

One of the areas in which the first Framework focused on was to encourage people to save, expecting that this will lead to capital accumulation and thereafter, facilitate more efficient use of financial resources in provision of credit. This brought a need for the development of a store of value infrastructure, i.e. electronic platforms, including mobile wallets, which enable storage of money and give access to other formal financial services, such as payments, credit, savings, insurance and securities. These platforms were considered an essential part of the financial system in achieving financial inclusion goals. The desired result of this initiative was to encourage the public to make savings in banks, saving groups and mobile wallets. The Framework set three targets for store of value infrastructure by the end of its implementation period, namely:

a 25% of adults to save in bank accounts with a baseline of 13.9% in 2013;
B 3% of adults to save in savings groups with a baseline of 2.5% in 2013; and
C 50% of adults to save in mobile wallets with a baseline of 25% in 2013.

The implementation of the first Framework led to an increase in the percentage of adult population with savings. Based on supply-side data, the percentage of adults saving in bank accounts increased to 24% by the end of 2017 from 13.9% in 2013. On the other hand, demand-side data from the FinScope survey indicated that, the percentage of adults saving through mobile wallets increased to 35% in 2017 from 21% in 2013, while the proportion of adults who save in saving groups remained at 2%. The achievement was a result of improved store of value infrastructure, introduction of new products by the financial service providers, increased competition amongst banks and advancement on product delivery technologies.

PAYMENT SYSTEMS INFRASTRUCTURE

Another area of emphasis in the implementation of the first Framework was to have in place appropriate payments systems infrastructure, i.e. hardware and software, network and processes required to facilitate the clearing and settlement of payments. It was considered vital to have in place, a payment infrastructure that is safe, affordable and reliable, in order to promote financial inclusion. The Framework required regulators to set standards to maintain the reliability of the real-time electronic systems that mitigate operational and technological risks related to value storage and means of payment.

During the implementation of the first Framework, there was a remarkable progress in the payment systems infrastructure, covering improvement on the existing infrastructure and introduction of new systems – both taking advantage of the developments in technology and other innovations. The new system developed during the Framework implementation was the Tanzania Automated Clearing House (TACH) in 2015, which allows banks to automatically clear a cheque without physical contact between bankers. The introduction of this system resulted in reduced settlement time and operational cost. For instance, the settlement time was reduced from an average of four to seven days to an average of 24 hours.

Moreover, improvements were recorded by providing local government authorities access to Tanzania Interbank Settlement System (TISS) in some regions. This simplified the transactions between local government authorities and their stakeholders. In addition, the government was enabled to pay salaries to public servants through the Electronic Funds Transfer (EFT) system, which increased efficiency in government payments and reduced transaction costs.

Overall, the improvements in payment systems resulted in real-time transactions in the banking system, mobile banking and providers of services such as water, electricity, TV subscription, insurance, tax, education and transport. These improvements, coupled with the development of private platforms, including Payment Services Aggregators and the interoperability of mobile financial services platforms increased the efficiency of the payment system. Efficiency will improve further if a national switch is acquired to facilitate interoperability among banks and other financial institutions.

THE IMPACT ON ACCESS AND USAGE OF FINANCIAL SERVICES

In aggregate, the achievement across the core enablers was a scale-up of outreach and usage of financial services, including savings, credit, insurance, pension, securities and Government payments. This was very clear in the latest FinScope survey of 2017 (demand side survey). For example, the percentage of adult population who save formally rose to 43% from 30% in 2013. The percentage of adult population who save in banks rose to 16% from 13%, while the percentage of those with non-bank formal savings (mostly mobile money) rose to 35% from 21% recorded in 2013. However, the majority of Tanzanians were still saving for cash-smoothing purposes rather than for asset building and productive investment. The impact on credit was not as huge as for savings, although there was growth. The percentage of people who borrow from formal financial institutions using mobile phones rose to 4% in 2017 from zero in 2013. In addition, the uptake of insurance services increased from 13% to 15% of the adult population (most of them taking health insurance), while the uptake of pension services increased from 3 to 4%. Based on supply side data, the percentage of adult population who invested in securities had reached 2% in 2017.

The efforts contributed to the decline in the exclusion rate of the adult population from access to financial services to 26% and 28% of the adult population, as indicated in the 2013 and 2017 FinScope surveys, respectively. The progress in financial access to micro, small and medium enterprises (MSMEs) is also worth noting. As per FinScope survey of 2017, about 79.9% of MSMEs had access to banking and non-banking financial services, up from 73% in 2013, driven by mobile money technology. Financial access to smallholder farmers increased from 14% in 2009 and 41% 2013 to 59.8% in 2017. This suggests that rural population whose main source of income is farming, is progressively transforming from using rudimentary means of payment, transfer and saving money to a somewhat sophisticated means. It is further worth pointing out that Tanzanians now have a wider range of instruments to put their savings. They are no longer limited to only cash and shilling bank deposits, but they can also place their savings in government securities, shares, foreign currency, and mobile money accounts, such as Mpesa, TigoPesa, and AirtelMoney.

In addition, the innovations that have been nurtured in the financial sector have transformed the way people transact and obtain financial services. The use of mobile telephone technology for financial services has enabled people to send and receive money, pay utility bills, taxes, and other charges and services through a process that takes only a few minutes by going through a simple menu. Most of these transactions were previously done physically and consumed significant amount of time and money.

With these accomplishments, Tanzania was ranked sixth out of 55 countries in the world, and the leading country in East and sub-Saharan Africa, in having an enabling environment for financial inclusion. Furthermore, it is the first country in the world to achieve mobile financial services platforms interoperability.

Source: FSDT Tanzania

THE NEED FOR SECOND FINANCIAL INCLUSION FRAMEWORK

The notable achievements notwithstanding, the evaluation carried out in 2017 and FinScope Survey of 2017 indicated that there was still a gap in usage of financial services, as access to financial services stood at 86% of adult population, while usage of formal financial services stood at 65% in 2017. In this respect, the second Framework (National Financial Inclusion Framework 2018-2022) was developed to address the gaps. In the new Framework, continued coordination efforts were emphasized, demanding for higher commitment and accountability across the key players.

The second Framework builds on the first Framework, with the vision of having financial products and services that meet the needs of individuals and businesses, consistent with supporting livelihood improvement, household resilient and creation of jobs. Given the remarkable progress the country has made in expanding the opportunities for people to access financial service, the second Framework focuses on the usage of financial services as the next phase of Tanzania's financial inclusion journey.

To achieve the desired outcomes on the usage of financial services, the second Framework identifies the demand side and supply side aspects to work on. On the demand side, the Framework puts emphasis on women, youth and micro, small & medium enterprises in the financial inclusion space. On the supply side, the Framework places emphasis on the requirements for a supply side ecosystem that implements solutions that are innovative, affordable and responsive to the needs of individuals and businesses.

Besides identifying the core enablers as it was in the first Framework, the second Framework identifies the drivers of financial services usage. The core enablers include building infrastructures that were conducive and enabling legal and regulatory frameworks, while drivers were: appropriateness, convenience, affordability, safety and reliability of financial services, and financial capability of users of financial services.

The priority areas towards which the second Framework directs its actions include: ensuring the existence of a robust electronic information infrastructure for individual and business profiles; credit history and collateral; ensuring that customers are informed and protected; and encouraging the design and development of demand-based solutions. Specifically, the following five key areas are expected to have been implemented and achieved by the end of the Framework plan period, namely: the provision of digital ID to all adult Tanzanians; a tiered Know Your Customer (KYC) regime to lower the KYC hurdles on opening low-value accounts; any-to-any digital payments to enable full interoperability between all bank accounts and mobile money wallets; driving rural agent growth to serve the cash in/cash out needs of all customers in their community, regardless of who their provider is; and driving service innovation for market awareness in the need to drive relevance in financial offers.

Source: FSDT Tanzania

LESSONS LEARNED

In the journey to financial inclusion, Tanzania has learned that with an efficient coordination structure the country can achieve a lot to reduce the exclusion rate of the adult population in the usage and access to financial services. This is because such coordination instills common understanding, openness and commitment among stakeholders. Effective coordination structure requires:

> Coordination mechanism formed by relevant stakeholders;
> Strong leadership;
> Dedicated unit for Financial Inclusion within the leading Institution, with a dedicated staff and budget to develop and implement the strategy;
> Monitoring and evaluation, which involves stakeholders' submission of data/information; and
> Involvement of private sector from the beginning.

Besides coordination, collaboration between public and private sectors ensures effective implementation of financial inclusion initiatives, while engagement of stakeholders in all levels and stages enhances accountability, knowledge sharing, and availability of funds for the implementation of different initiatives. In addition, external stakeholders, including International Communities and Development Partners, such as Alliance for Financial inclusion (AFI), World Bank, UNCTAD, Consultative Group to Assist the Poor (CGAP), Women World Banking, etc. are key platforms to peer engage for sharing experience, enhancement of knowledge, build ideas and adoption of international standards to enhance our coordination efforts. At the same time, national events on financial inclusion, such as conferences, exhibitions, and national financial inclusion week are very successful in increasing public awareness. Embracing technology with flexibility and adopting the "test and learn" approach also has a positive impact to financial inclusion.

FUTURE OUTLOOK

Coordinated approach will continue to be applied to leverage on cross-stakeholder's roles in driving financial inclusion in the country. Our experience has proved this to be an effective mechanism to elevate financial inclusion support across broader economic agents.

The second Framework has presented a list of unresolved issues that are critical to achieving full and meaningful financial inclusion in Tanzania. These issues require further scrutiny so that they are fully conceptualized by the end of the Framework period. The issues are: limits to financial inclusion; access to finance as a driver of business formalization; financial inclusion of forcibly displaced persons; front-end interoperability; role of digital fiat currency; IDs for people at birth; and digitizing money and not simply payments for positive implications on both fiscal and monetary policy agenda.

The implementation of these initiatives will require a deeper understanding on these critical aspects and might be incorporated in the action plans or into subsequent financial inclusion initiatives.

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