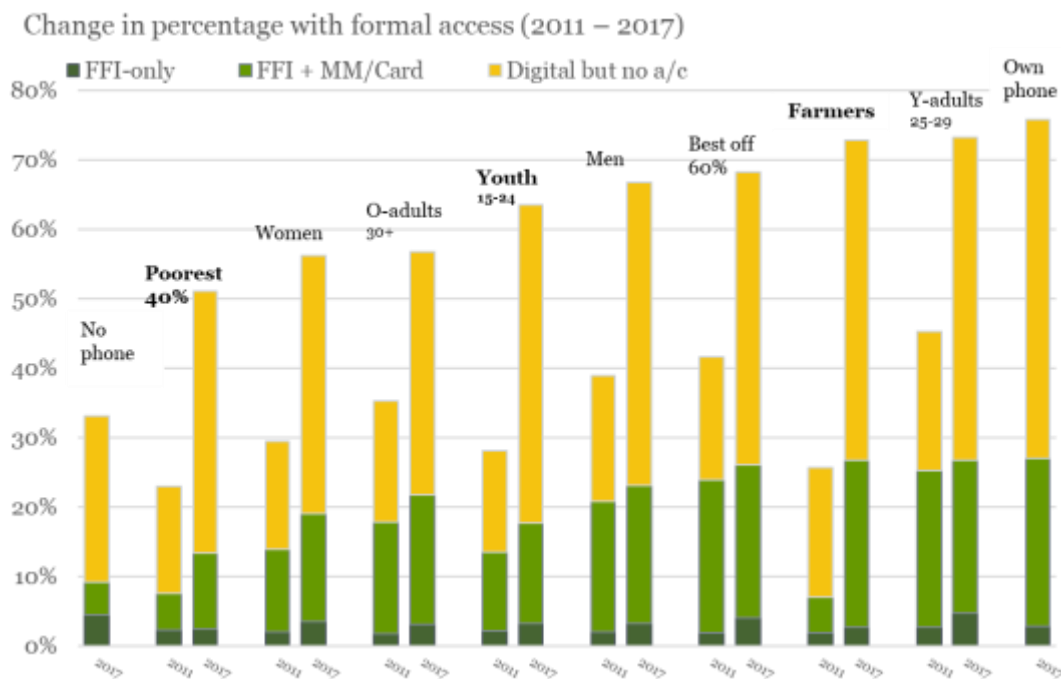


## Savings at the Frontier (SatF)

*A Mastercard Foundation partnership with Oxford Policy Management*

### Country profile: Tanzania

Today almost seven in 10 adults (69%) in Tanzania are financially included, many through mobile money services. 12.6 million adults have digital access to financial services but do not have a bank account and 5.5 million have both an account and use mobile money. 4.5 million make use of both formal and informal financial services and 1.1 million only use informal mechanisms (Findex 2017). The significant growth in use of digital financial services across different population segments is shown in the graph below:

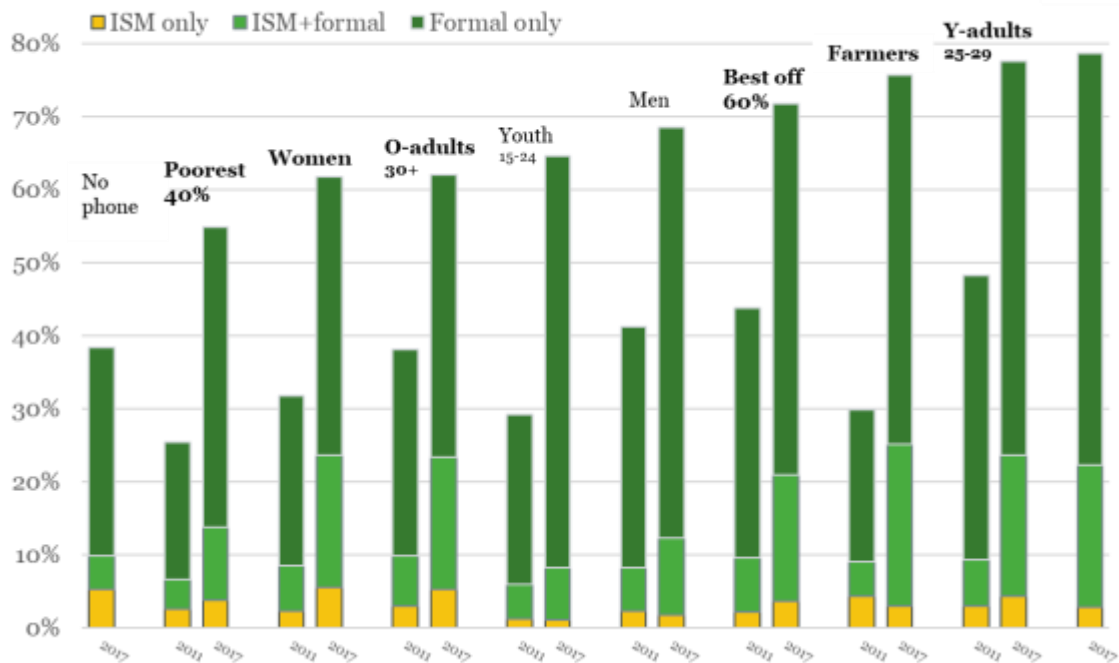


Source: SatF analysis of Findex microdata

Tanzania has a predominantly rural population (66% of the population lives in rural areas), which makes access to financial services a challenge and digital solutions ideal. In 2017, financial inclusion in Tanzania shows persistent gender, locality and income gaps; a smaller proportion of adults in the female, rural and below-poverty demographics are financially included compared to the male, urban and above-poverty groups.

According to FinScope data (2017), 48% of adults do not save. Of those that do save, 11% save in a bank account, 12% save in a non-bank formal account (e.g. with an MFI), 14% save informally (e.g. through a savings group) and 14% save at home. The graph below shows the extent to which different population segments mix formal and informal financial services.

## Change in formal/informal overlap (2011 – 2017)



Source: SatF analysis of Findex microdata

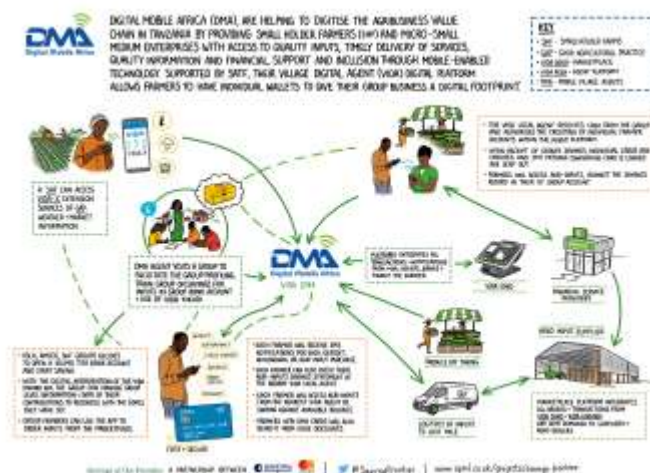
SatF is working in partnership with four financial service providers (FSPs) in Tanzania to help them test and deepen commercial relationships with ISMs and further even out the discrepancies in levels of financial inclusion. Between them, our partners in Tanzania are using innovative digital technologies to help close the gaps, particularly for women, small business owners and those working in the agricultural value chain, including in rural areas.

## Our partners

Read more about our partners – DMA, Equity Bank, NMB and TCB Bank – by clicking on the links below. You can click on the illustrations to view larger scale versions online.

### DMA

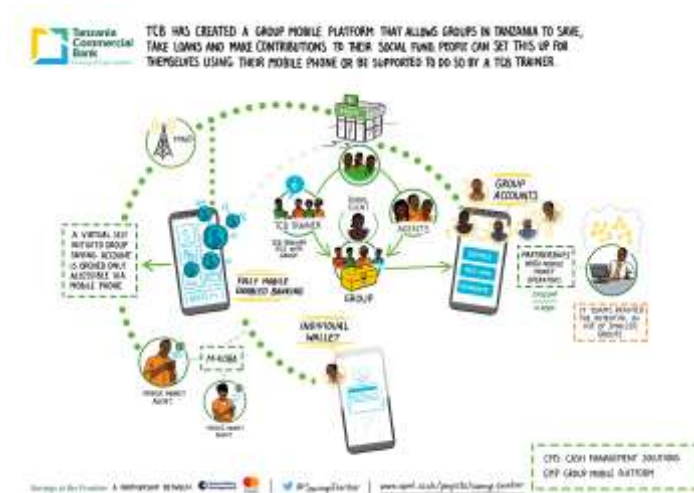
[DMA](#) has been awarded SatF funding of up to \$800,000 to develop a platform for farmer group savings that will digitise the value chain in the Tanzanian agricultural sector.





## TCB Bank

SatF is supporting [TCB Bank Plc](#) to enable more Tanzanians in rural and peri-urban areas to save money safely and conveniently through their mobile phones.



## Our research in Tanzania

**BLOG:** [Bridging the gap between formal and informal savings in Tanzania](#). In this blog, Steve Peachey explains how SatF sought to demonstrate to financial service providers the potential value of linking to ISMs, in a country where mobile money reaches more people than do formal financial institutions.

**RESEARCH:** [Insights into the preferences and usage of financial services by savings groups in Tanzania](#)

In 2017, SatF conducted a study of savings groups in Tanzania to identify the potential for linkages of savings groups to FSPs based on the needs, preferences, and usage of savings groups in Tanzania, and to explore the potential for sustainable commercial relationships between the two.

You can also read a [briefing note](#) on the research, and the following two blogs which brought out key aspects from the research:

**BLOG:** [What do Savings Group members in Tanzania really think about formal financial institutions?](#)

There are many theories as to why informal Savings Groups fail to form relationships with financial service providers (FSPs). For many people, one of the main reasons is that FSPs have a reputation of being unfriendly, expensive and hard to work with, and there are too few facilitating NGOs to help broker relationships with FSPs. This blog challenges those assumptions.

**BLOG:** [Unexpected messengers in Dar es Salaam – but what exactly is the message?](#) SatF's research revealed the phenomenon of deposit collectors in Tanzania. Sukhwinder Arora and Paul Rippey explore what this could mean for formal financial inclusion.