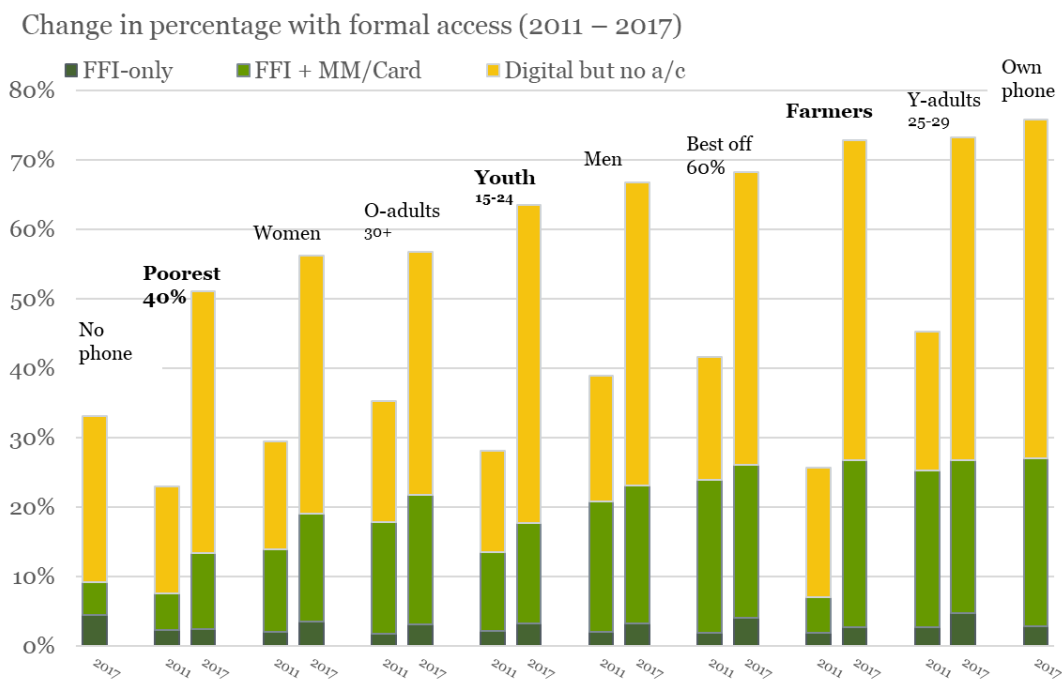


Savings at the Frontier (SatF)

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.



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 TPB Bank – by clicking on the links below. You can click on the illustrations to view larger scale versions online.

DMA

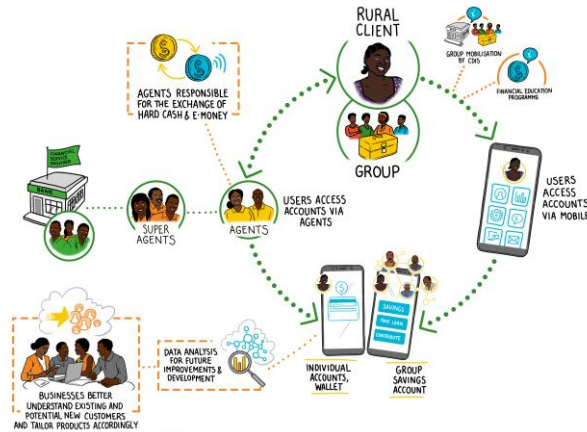
[DMA](#), in partnership with BizyTech, has been awarded SatF funding of up to \$800,000 to develop a platform for farmer group savings that will digitise the value chain in the Tanzanian agricultural sector.

Equity Bank

SatF is supporting [Equity Bank Tanzania Ltd. \(EBTL\)](#) to accelerate the growth of its rural customer base by overcoming some of the major constraints that prevent FSPs from becoming sufficiently relevant for savers in rural and otherwise underserved areas.

EQUITY BANK • Your Savings, Long Partner

IN TANZANIA, EQUITY BANK (EBTL) IS REJUVENATING ITS BASIC GROUP SAVINGS PRODUCT TO BETTER SUIT THE NEEDS OF RURAL CLIENTS - THIS INCLUDES A MOBILE AND CARD-ENABLED INDIVIDUAL SAVINGS ACCOUNT WITH FREE GROUP-TO-MEMBER AND MEMBER-TO-GROUP TRANSACTIONS.



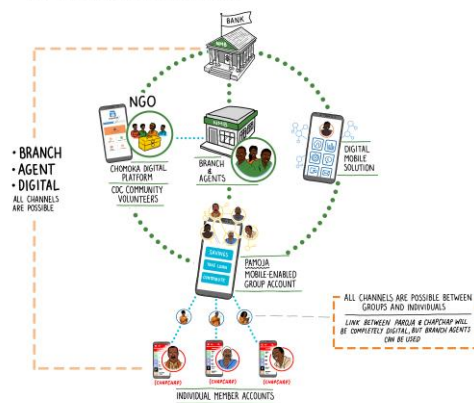
Savings at the Frontier A PARTNERSHIP BETWEEN @SavingsFrontier | www.opnl.co.uk/projects/savings-frontier

NMB

Tanzania's [NMB Bank Plc \(NMB\)](#) is receiving support of up to \$1,000,000 from SatF to bring formal financial services to some of Tanzania's most excluded communities.

NMB Close to you

NMB BANK PLC HAD A GROUP SAVINGS ACCOUNT CALLED 'NMB PAMOJA' THAT WAS NOT EASILY LINKED TO GROUP MEMBERS' INDIVIDUAL MOBILE-BANKING CHAIRSHIP ACCOUNTS. THE ENHANCED MODEL ALLOWS GROUPS AND GROUP MEMBERS TO USE THE BANK'S DIGITAL ADVANTAGE TO OPEN GROUP AND INDIVIDUAL ACCOUNTS ON THEIR OWN THROUGH THEIR PHONES INSTEAD OF VISITING THE BANK. MEMBERS CAN NOW ACCESS THEIR SAVINGS THROUGH THEIR MOBILE AND A GROWING NETWORK OF BANKING AGENTS. SATF HAS ENABLED NMB TO IMPROVE THE LINKAGE WITH SAVINGS GROUPS AND WAIVE ALL BANK FEES ON MEMBER-TO-GROUP AND GROUP-TO-MEMBER TRANSACTIONS AS WELL AS INTEGRATE THE NMB PAMOJA ACCOUNT TO OTHER DIGITAL CASH BOOKS THAT NGOs AND LOCAL APEX ORGANISATIONS MIGHT BE OFFERING TO GROUPS.



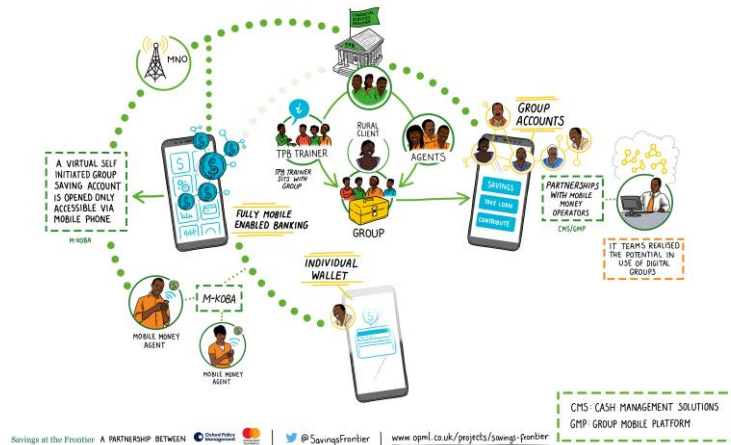
Savings at the Frontier A PARTNERSHIP BETWEEN @SavingsFrontier | www.opnl.co.uk/projects/savings-frontier

TPB Bank

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



TPB HAS CREATED A GROUP MOBILE PLATFORM THAT ALLOWS GROUPS IN TANZANIA TO SAVE, TAKE LOANS AND MAKE CONTRIBUTIONS TO THEIR SOCIAL FUND. PEOPLE CAN SET THIS UP FOR THEMSELVES USING THEIR MOBILE PHONE OR BE SUPPORTED TO DO SO BY A TPB TRAINER.



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.