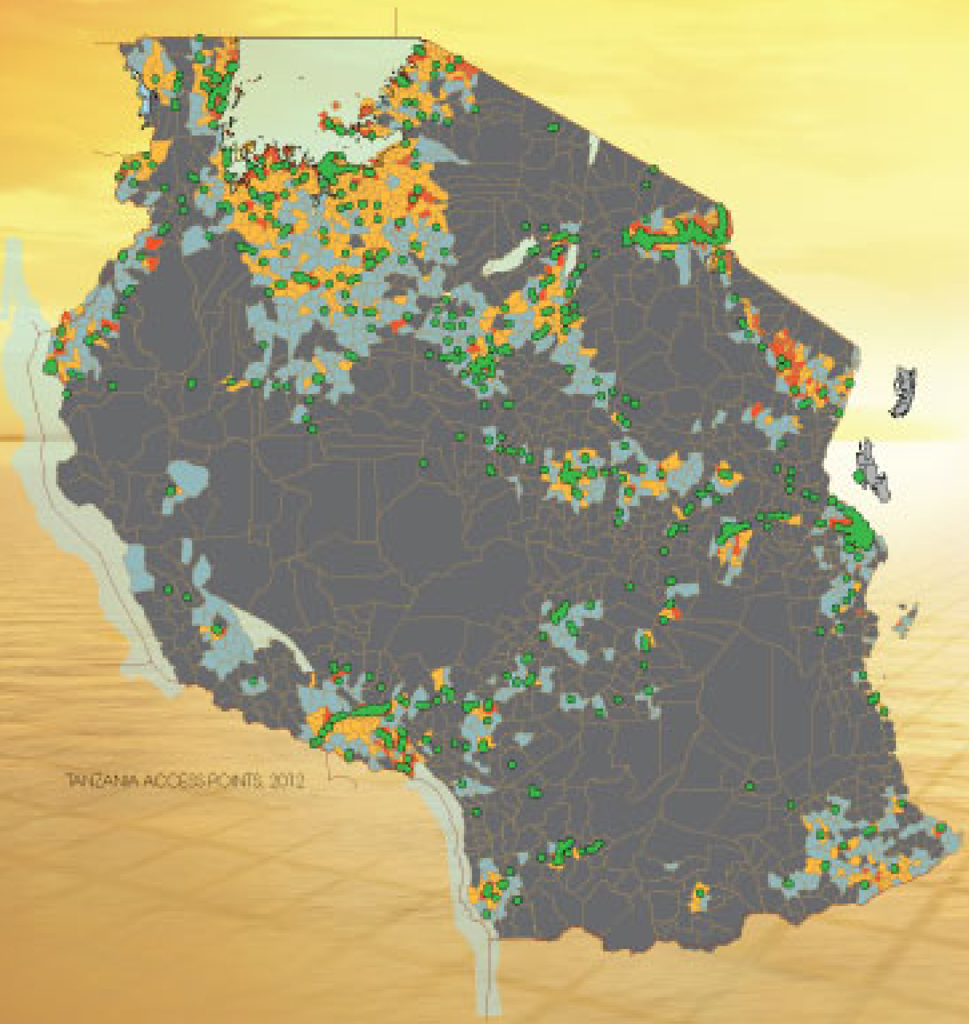
TANZANIA NATIONAL COUNCIL FOR FINANCIAL INCLUSION



NATIONAL FINANCIAL INCLUSION FRAMEWORK

A Public - Private Stakeholders' Initiative

(2014 – 2016)

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Contents

FOREWORD

Tanzania acknowledges Financial Inclusion, which formally encompasses all sections of the citizenry, as one of the key drivers of economic growth leading to reduced economic vulnerability for individuals and households, poverty alleviation, and improved quality of life for all people in Tanzania.

This Framework aims to address the fundamental broad barriers that limit Financial Inclusion by establishing a broad and robust infrastructure to support growth of appropriate financial services and use of technologically driven delivery channels. In particular, the Framework targets to enable 50 percent of adults to access formal financial services by 2016. This is an important basis for achieving other important dimensions of Financial Inclusion such as: regular usage quality services and improved welfare of users. The 50 percent target is in line with the international commitment that the Bank of Tanzania, on behalf of financial sector stakeholders, made in Riviera Maya, Mexico in 2011 under Alliance for Financial Inclusion Global Initiative known as "the Maya Declarations".

The Framework has been developed through a comprehensive stakeholders' consultative process. It involved in-depth reviews of Financial Inclusion related studies in Tanzania and other developing countries. It also involved synthesis of national policies that are in line with the identification of fundamental barriers for Financial Inclusion and strategic solutions to enable widespread availability and usage of basic financial services. Such services include savings, credit, payments, insurance, and more advanced financial services such as pensions, securities and government transfers through formal mechanisms.

Moreover, the Framework will be implemented over three years from 2014 to 2016. It will be guided by the shared vision and commitment from all the relevant stakeholders in developing coordinated initiatives between the public and private sectors Essentially, it is a rolling plan that will be reviewed and updated to reflect the vision beyond 2016.

On that note, on behalf of the National Council for Financial Inclusion, I wish to thank all members of various committees for their commitment and tireless efforts to produce this Framework in a fairly short time. Equally, I wish to thank the Financial Sector Deepening Trust for its valuable role in facilitating this process.

My hope is that this Framework will build impetus to rapidly increase the level of Financial Inclusion in Tanzania through sustainable partnerships with all relevant stakeholders.

BNdulu:

Prof. Benno Ndulu
Chair, National Council for Financial Inclusion

LIST OF ABBREVIATIONS

AFI	Alliance For Financial Inclusion
AGC	Attorney General's Chambers
AML/CFT	Ant-Money Laundering/Combating the Financing of Terrorism
AMPI	African Mobile Phone Financial Services Policy Initiative
ATM	Automated Teller Machine
BOT	Bank of Tanzania
BRELA	Business Registrations & Licensing Agency
CDD	Cooperative Development Department
CMSA	Capital Markets and Securities Authority
DIB	Deposit Insurance Board
DSE	Dar es Salaam Stock exchange
EAC	East Africa Community
FATF	Financial Access Task Force
FES	Financial Education Secretariat
FIU	Financial Intelligence Unit
FSAP	Financial Sector Assessment Program
FSP	Financial Services Providers
FSDT	Financial Sector Deepening Trust
GIS	Geographic Information System
GOT	Government of Tanzania
IFC	International Finance Corporation
IIT	Institute of Insurance of Tanzania
KPI	Key Performance Indicator
KYC	Know Your Customer
MAFSC	Ministry of Agriculture, Food Security and Cooperatives
MFI	Microfinance Institution
MGWC	Ministry of Gender, Women and Children
MIT	Ministry of Industry and Trade
MKUKUTA	Mpango Kukuza Uchumi na Kupunguza Umaskini Tanzania Bara
MKURABITA	Mpango wa Kurasimisha Rasilimali na Biashara Tanzania
MKUZA	Mkakati wa Kukuza Uchumi Zanzibar
MLYE	Ministry of Labour, Youth and Employment
MSME	Micro, Small and Medium Enterprises
MOF (RGZ)	Ministry of Finance (Revolutionary Government of Zanzibar
MOF (URT)	Ministry of Finance (United Republic of Tanzania)
MOAT	Mobile Operators Association of Tanzania

MNGO	Non Government Organization
NIDA	National Identification Authority
NC	National Council
NSC	National Steering Committee
NTC	National Technical Committee
PMO (RALG)	Prime Minister’s Office (Regional Administration & Local Government
POS	Point of Sale
OAPN	Operators Association of Postal Network
OECD	Organization of Economic Co-operation and Development
SACCOS	Savings and Credit Cooperatives Society
SSRA	Social Security Regulatory Authority
TAMFI	Tanzania Association of Microfinance Institutions
TBA	Tanzania Bankers’ Association
TCRA	Tanzania Communication Regulatory Authority
TCAS	Tanzania Consumers’ Advocacy Society
TIE	Tanzania Institute of Education
TIMAP	Tanzania Informal Microfinance Association of Practitioners
TIRA	Tanzania Insurance Regulatory Authority
TRA	Tanzania Revenue Authority
TSSA	Tanzania Social Security Association
UN	United Nations
URT	United Republic of Tanzania
VSLA	Village Savings and Loans Association
VICOBA	Village Community Bank
ZNZ	Zanzibar

EXECUTIVE SUMMARY

The National Financial Inclusion Framework sets the stage for the Financial Inclusion vision based on the concrete improvements that the country would like to see in the lives of all Tanzanians through the use of financial services. It galvanizes all relevant stakeholders in financial services under one common vision of success and provides strategic direction for all initiatives for Financial Inclusion in the country. The working definition of Financial Inclusion for Tanzania entails the "**regular use of financial services, through payment infrastructures to manage cash flows and mitigate shocks, which are delivered by formal providers through a range of appropriate services with dignity and fairness**".

The level of Financial Inclusion in Tanzania is still low despite various initiatives hitherto deployed by public and private sectors. By 2012, only 17 percent of adult population (about 3.7 million) has access to bank accounts. However, leveraging on mobile telephony technology with 30 million subscribers has significantly enabled nearly 43 percent of the adult population (9.8 million) to have active mobile payment accounts by September 2013.

Building on the country's recent successful experience with mobile money services and other technology-driven financial services, the Framework sets an elaborate plan to increase Financial Inclusion in Tanzania. This is in terms of achieving 50 percent formal access, 50 percent formal usage, 25 percent of adult population with two weeks worth of income in formal savings, and 25 percent of adult population with electronic information records on personal profile, collateral and credit history by 2016.

In working towards the long-term vision and achieving set targets in the medium term, the Framework has identified fundamental barriers that limit the growth of Financial Inclusion in Tanzania. These include supply side barriers ranging from high interest rates, inappropriate services that do not meet demand-side needs, and high costs due to inefficiencies of service delivery. There are also demand side barriers such as information asymmetry, irregular income patterns, and financial literacy. In addition, structural and regulatory barriers include, stringent or lack of proportionate requirements for client on-boarding, lack of regulatory framework for broad based micro-finance services, and delays in rolling out a national identification system to mention a few.

Hence, the Framework attempts to address the broad barriers of Financial Inclusion through implementation of key priority areas for identified core enablers for building a robust infrastructure which will enable growth and outreach of all financial services. The key priority areas include:-

Proximity: Enhancing and implementing access channels, such as Agent banking, mobile telephony financial services, point of sales, stand-alone ATMs etc. and a regulatory framework that creates conducive environment

Robust electronic platforms: Improving, developing Information and Communication Technology (ICT) payment platforms that facilitate cost effective access to financial services

Robust information and easy client on-boarding: Implementing, monitoring and enhancing use of credit bureaus, proportionate Know Your Client (KYC), improved Identification (ID) system that is linked to financial systems and credit bureaus and

Informed customers and consumer protection: Implement financial consumer protection mechanism and financial education strategy.

The Framework comprises a monitoring mechanism to ensure that key stakeholders implement the key priority areas. The National Financial Inclusion Council, a policy body, shall ensure that the priority activities stipulated in the Action Plan are implemented and the set targets are achieved within the agreed timelines.

The Framework is a private-public initiative and has been developed through a consultative approach using the various committees encompassing representations from all relevant stakeholder institutions.

1

INTRODUCTION

This document sets out a guide for building an inclusive financial system in Tanzania. The Framework is a rolling plan with an initial implementation period of three years from 2014 to 2016.

There is consensus that financial sector development makes two mutually reinforcing contributions to poverty reduction through its impact on economic growth (finance for growth) and direct benefits to the poor using financial services (finance for all). Figure 1 below depicts the graphical representation of the financial sector development.

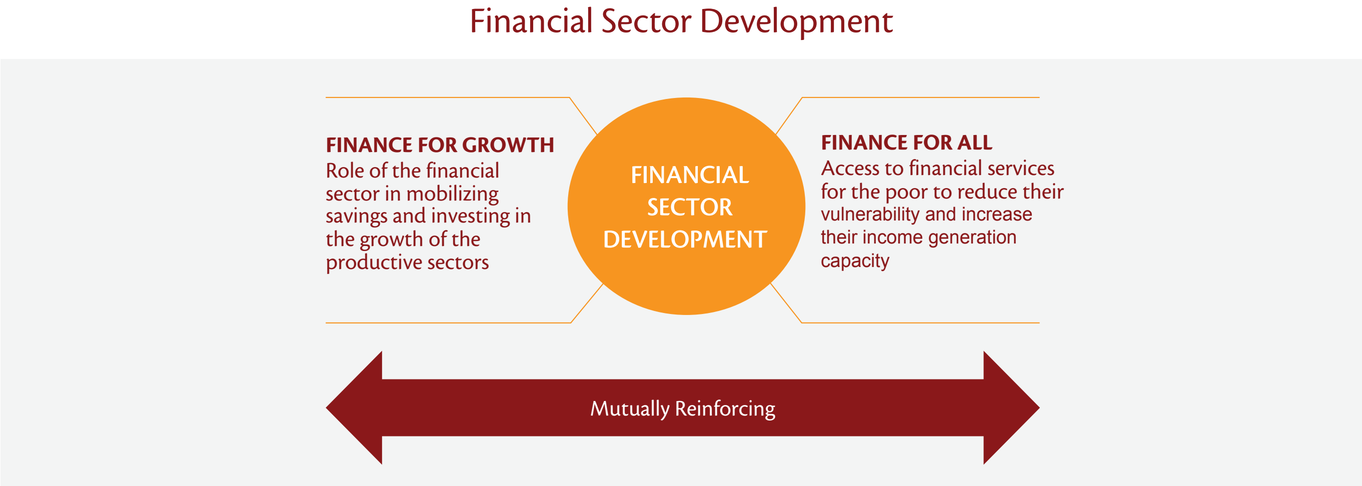

Figure 1: Financial Sector Development

Inclusive finance is a major contributor not only to economic growth and poverty reduction but also for effectiveness of monetary policy transmission and financial sector stability. As such the Government of Tanzania recognizes the importance of financial services as depicted in its national development vision and poverty reduction strategies. The poor like everyone else need a wide range of financial services for them to earn more, build assets and cushion themselves against external shocks.

Initiatives have been deployed in the country with the aim of expanding financial services to the underserved and totally un-served populations. This has resulted in an increased in number and type of financial institutions. However, the country financial system's performance as measured by population coverage and range of services has been dismal, even by African standards. It is imperative that concerted efforts are devised to address the barriers hindering widespread supply and uptake of formal financial services in the country. Therefore, this public ñ private initiative aiming at establishing a national framework to build a firm foundation for Financial Inclusion is one step towards improving the country's financial system performance.

The framework covers the landscape of existing financial services in the country barriers to access financial services vision and definition of Financial Inclusion core enablers and priority areas guiding principles roles and responsibilities measurement framework coordination structure and monitoring and evaluation.

2

LANDSCAPE OF FINANCIAL SERVICES IN TANZANIA

Efforts to address the access gap in the financial system in Tanzania can be traced back to early 1990s when the financial sector reforms commenced. These reforms ushered in private players in the financial sector, increasing competition in banking, microfinance, pension and insurance industries. New areas like capital markets were introduced. The reforms led to an increase in the number and type of formal financial institutions

Starting from 1991:

- Banking Sector: grew from 4 to the current 52 banks with a network of 609 branches
- Insurance Sector: from 1 National Insurance Corporation (NIC) to 27 private insurance companies, 2 re-insurance companies, 76 brokers and 520 agents
- Pension Sector: from 3 to 5 public Pension Funds largely covering the formal working population and
- Capital Markets: supported the establishment of the Dar es Salaam Stock Exchange (DSE) with 2 tiers of Main Investment Market and Enterprise Growth Market. This has led to registration of 19 securities 7 stock brokers, 7 Nominated Advisors, 13 Investment Advisors, 4 Fund Managers, 3 Custodian of Securities, 6 Collective Investment Schemes and several corporate and government bonds listed at the Stock Exchange.

In addition, regulatory authorities in the areas of pensions, insurance and capital markets have been established. Furthermore, there has been an emergence of community based financial institutions. By June 2013 there were 5,559 Savings and Credit Cooperatives Society (SACCOS) and 170 credit only Non-Government Organizations (NGOs) and companies. Conversely, informal groups rotating savings and credit services mushroomed extensively in the urban and rural areas to address the limitations of absence of financial institutions and lack of appropriate services.

2.1 Financial Services Access Strand (excluding Mobile Financial Services[1])

Despite the significant increase in number and type of financial institutions, access to formal financial services in Tanzania still remains low. In Tanzania, access to financial services is segmented into the following:

- Formal: Access to and use of financial services from regulated and registered financial institutions. These include Banks, Mobile Money Providers, Microfinance Institutions and SACCOS
- Informal: Access to and use of financial services from non-formal financial institutions. These include informal savings and lending groups, Rotation Savings and Credit Associations (ROSCAS)
- Excluded: Complete lack of access to any financial services.

Figures 2 through 4 show the distribution of access to financial services between the formal, informal and excluded population across different population/economic sectors.

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[1] Access by Traditional Financial Service Providers with brick & mortal delivery model

2.1.1 Agriculture

Agriculture is the backbone of Tanzania's economy and the livelihood of majority of its peoples. There is a sizeable population involved in agri-business and are managing Small and Medium Enterprises (SMEs) in the sector. The agri-business SMEs in Tanzania are defined as entities with $600 dollars turn-over per annum or 5 acres of land.

According to the 2011 Agriculture Finance Markets Scoping Survey (AgFiMS), of 519 450 agri-business SMEs[2], only 168,300 (32 percent of the total) accessed formal financial services, approximately 13 percent were informally served and slightly over 54 percent were totally excluded from any formal or informal financial services.

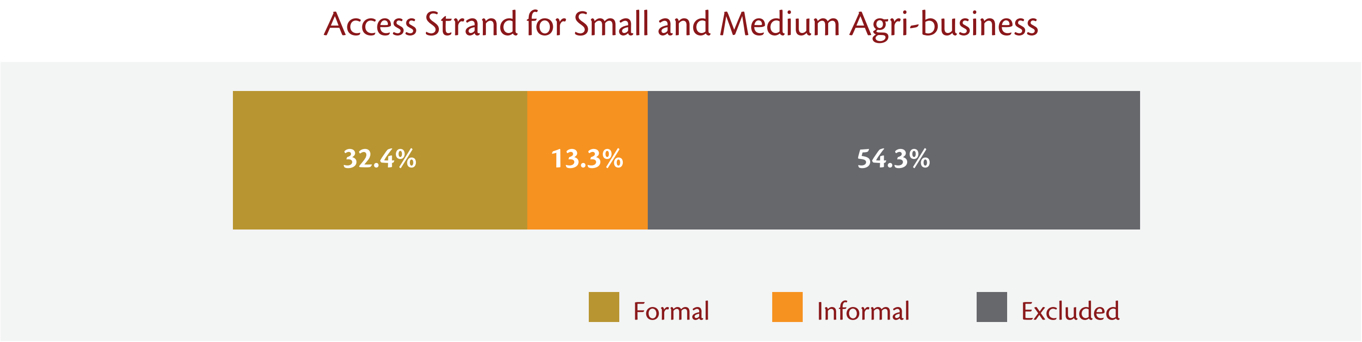

Figure 2: Access Strand for Small and Medium Agri-business[3]

Source: Agriculture Finance Markets Scoping Survey (AgFiMS 2011)

2.1.2 Micro, Small and Medium Enterprises (MSME)[4]

Micro, Small and Medium Enterprises (MSMEs) are the engine of economic growth in any developing country with high unemployment rates such as Tanzania. According to the 2010 Micro Small and Medium Enterprises Survey (MSME Survey), 20 percent of the total 3.1 million MSMEs in the country (620,000 MSMEs) are served by formal financial institutions, 12 percent use informal means and the biggest proportion, nearly 70 percent do not use any financial services (totally excluded) as depicted on Figure 3 overleaf.

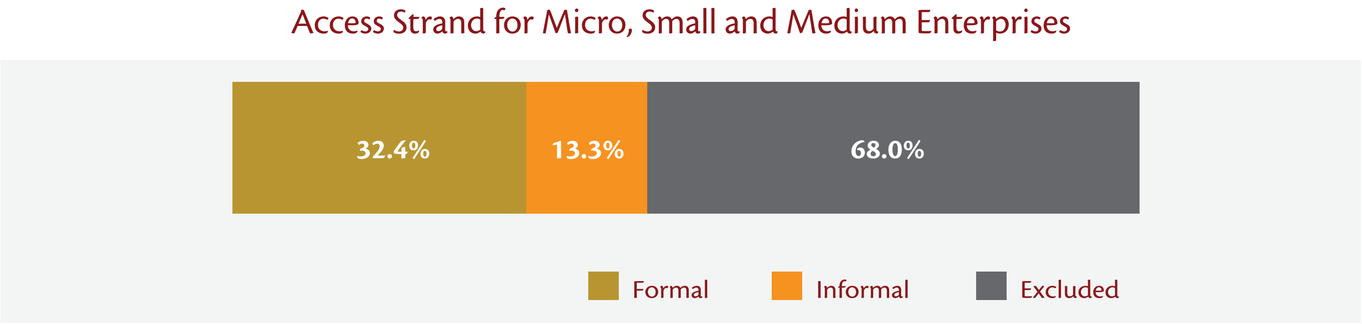

Figure 3: Access Strand for Micro, Small and Medium Enterprises

Source: Micro Small and Medium Enterprises Survey 2010

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[2] Agriculture producers, processors, and service providers with turnover of USD $600 or more

[3] Tanzania Agriculture Finance Markets Scoping (AgDiMS)Survey, 2011

[4] Agriculture producers, processors, and service providers with turnover of USD $600 or more

2.1.3 Individuals

Prior to the evolution of mobile financial services, the bleak picture seen with enterprises was a reflection of the general population (Figure 4). The number of total financially excluded adults increased from 53.7% in 2006 to 56% in 2009, which is 12.5 million out of 22.2 million adult population (Figures 5). Therefore, majority of Tanzanians who use financial services use informal means to support their basic needs.

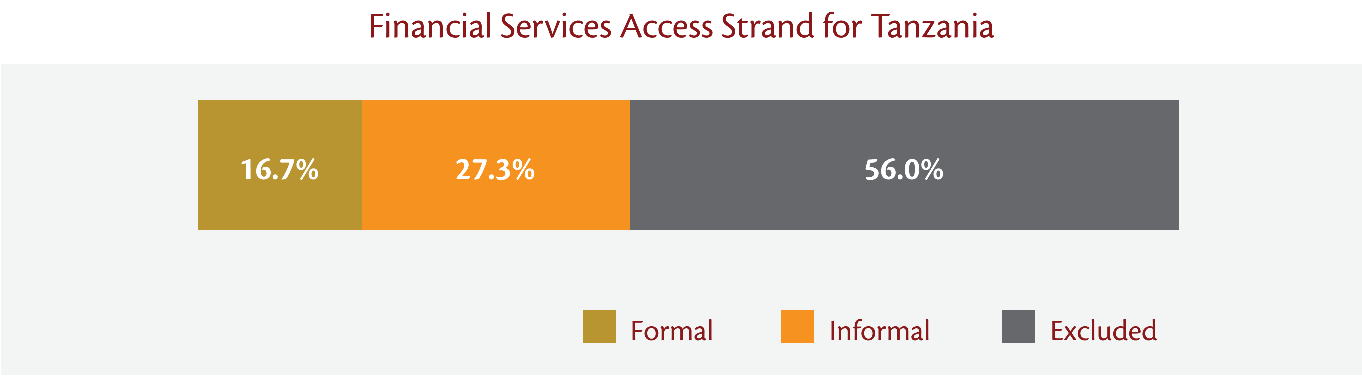

Figure 4: Financial Services Access Strand for Tanzania[5]

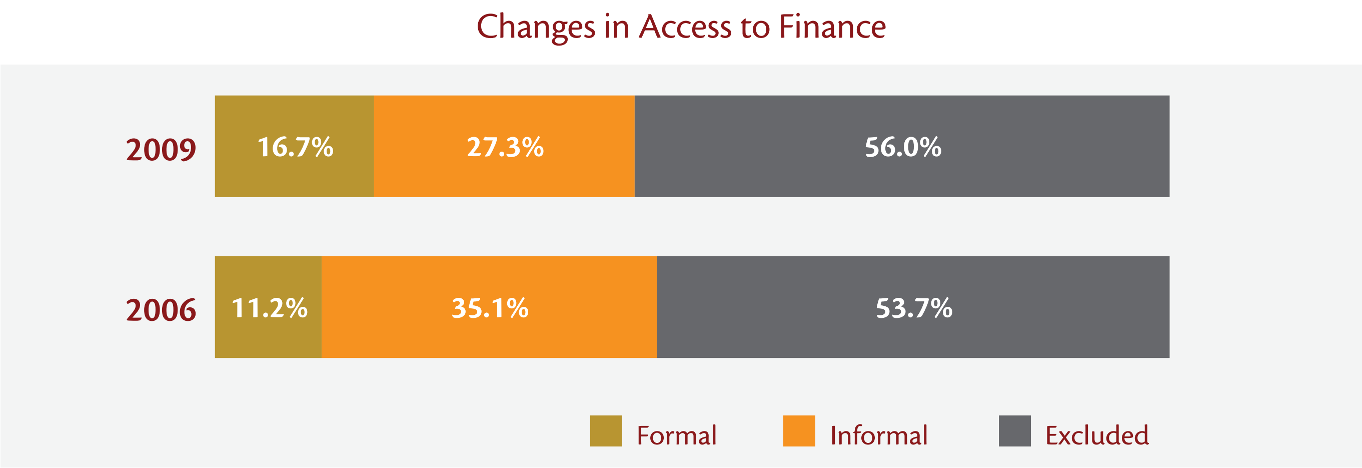

Figure 5: Changes in Access to Finance

Source: FinScope Survey 2006, 2009.

Analysis of more recent data such as the World Bank Findex (Figure 6) indicates that in 2012 only 17 percent of adult Tanzanians had access to formal financial services. However, for Tanzanians unlike other East African nations, the Findex methodology excludes about 5% of Tanzanians being served by SACCOS and credit only institutions (BOT 2012 MFIs routine monitoring report) as these are not regulated by the central bank. Despite this adjustment (22%), access to financial access in Tanzania remains lower than the Africa regional average of 24 percent.

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[5] Tanzania FinScope Survey, 2009

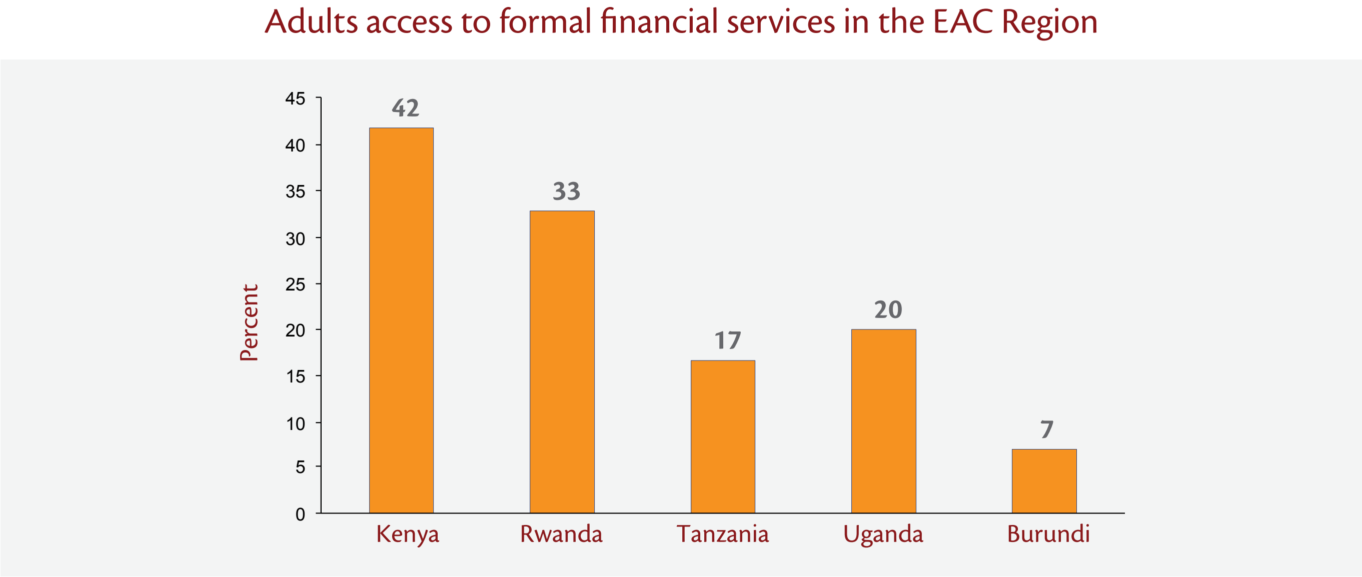

Figure 6: Adults access to formal financial services in the EAC Region

Source: World Bank, The Global Findex, 2012

2.2 Rural - Urban Disparity

The level of formal financial access in the rural areas is 8.5 percent compared to 23 percent in the urban areas and totally excluded rural population is 60 percent compared to 45 percent in urban areas. Moreover, according to the geospatial census of financial access points conducted in 2012, and based on latest population census, only 30% of the Tanzanian population live and transact within a 5km distance of a financial access points. Financial access points are defined as points where cash in cash out services can be conducted. These include bank branches, ATMs, microfinance institutions (MFIs), post offices and mobile money agents. Table 1 and Figure 7 below shows the distribution of financial access points among the traditional financial institutions by type and actual number of active access points.

Table 1: Distribution of Financial Access Points in Tanzania by Type

Institution	Number of Institutions	Number of Financial Access Point
Bank	52	609
ATMs	45	1094
MFIs	170	486
SACCOs	5845	1620

Distribution of Financial Institutions in Tanzania

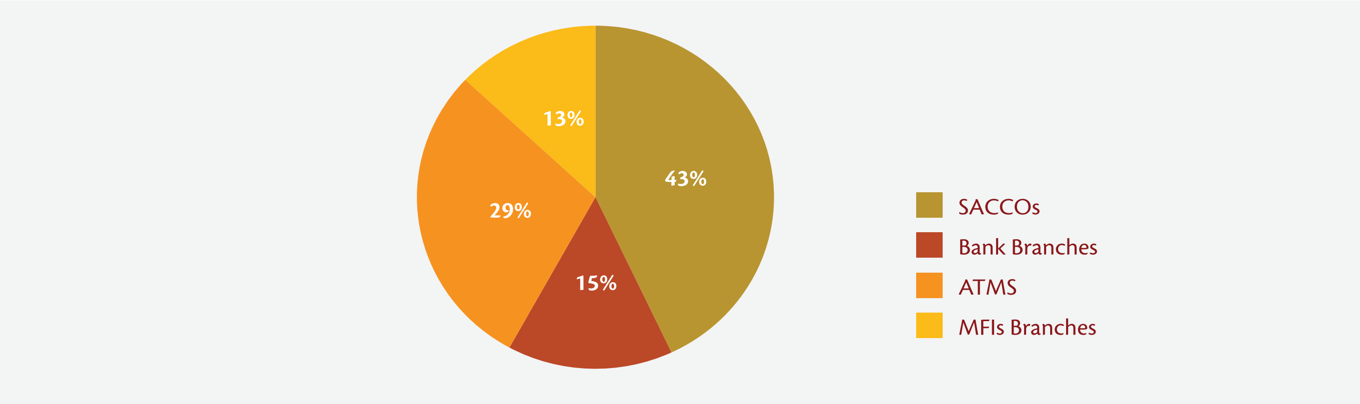

Figure 7: Distribution of Financial Institutions in Tanzania[6]

Source: Geospatial Mapping of Financial Access Points 2012 and Bank of Tanzania

These financial access points largely follow other basic infrastructure such as tarmac roads and electricity, limiting the access and usage of financial services for majority of Tanzanians who live off the tarmac road and electricity grid. This is clearly reflected by usage of different types of financial services.

2.3 Types of Financial Services and Usage Levels

2.3.1 Individuals

Figure 8 shows the proportion of people who use basic financial services namely credit, savings, payment and insurance through formal and informal means. The following messages clearly stand out from the figure:

- A high proportion of Tanzanians, nearly 80% save but through informal means (only 10% save formally)
- People save more than they borrow
- Only 18% use credit of which less than 2% is formal and
- Nearly all insurance is done through the formal sector

Besides insurance, the other 3 basic services are mainly informal signifying a clear opportunity for appropriate formal means for these products (low hanging fruit for achieving Financial Inclusion).

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[6] A combination of Financial Institutions Regulators Stock, 2013 and Census of Cash Outlets Geospatial Mapping 2012

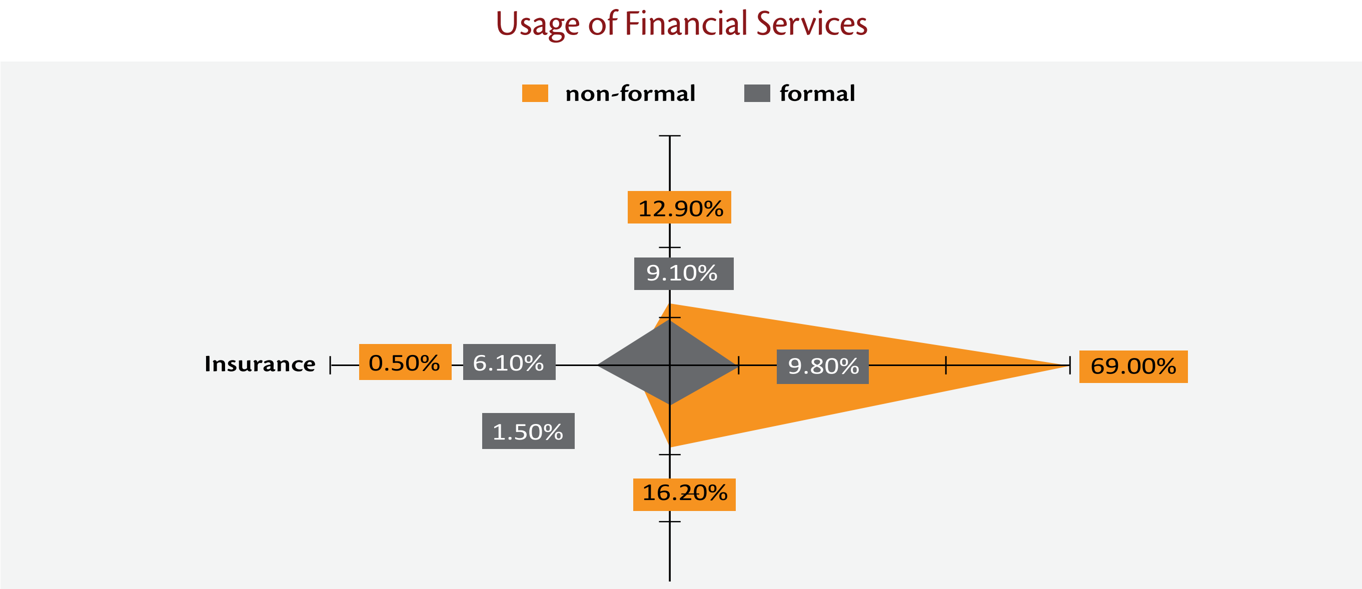

Figure 8: Usage of Financial Services (General Population)

Source: FinScope 2009

2.3.2 MSMEs

72 percent of MSMEs in Tanzania are dependent on an individuals own savings generated mainly through informal means. Savings are followed by payment services through informal and formal means at 22%. The general observation is that enterprises use very little formal or informal credit and use of insurance services is insignificant. Figure 9 below shows financing pattern of MSMEs in Tanzania.

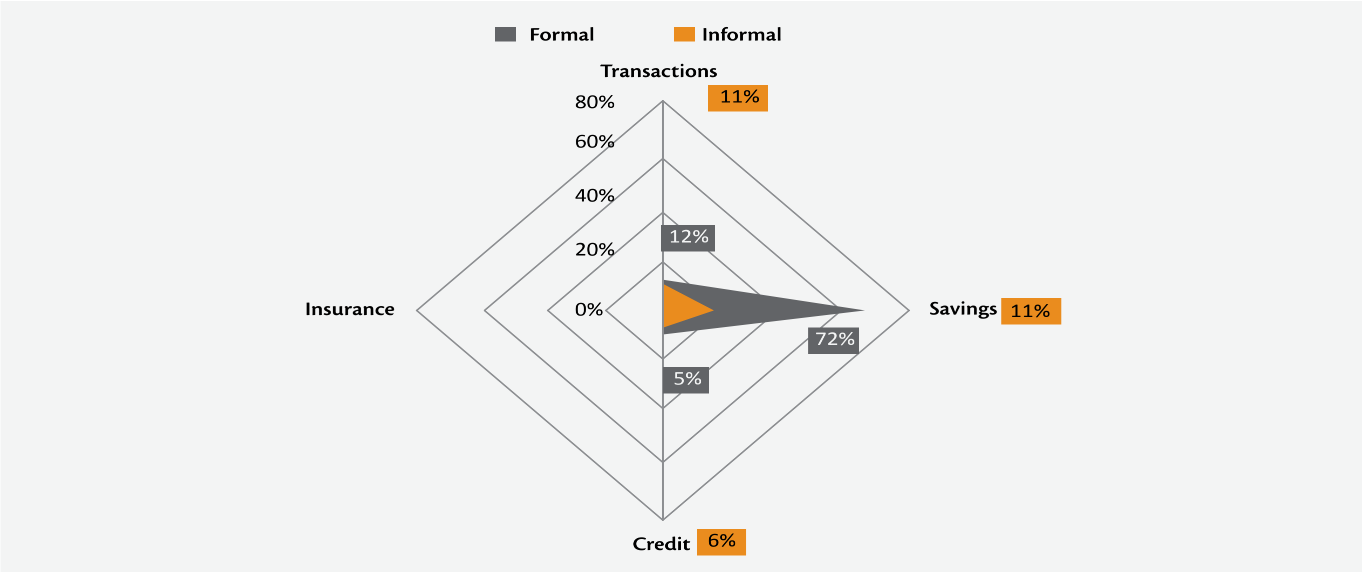

Figure 9: Usage of Financial Services by MSME

Source: Micro, Small and Medium Enterprises (MSME) Survey, 2010

2.3.3 Agribusinesses

Figure 10 below shows that the usage of financial services in Agribusinesses is still very low. Usage of savings and payment services is about the same proportion between formal and informal. Furthermore, credit usage by Agribusinesses is also low and much of it is informal. Besides, use of insurance products in Agribusinesses is only emerging.

Usage of Financial Services by Agribusiness

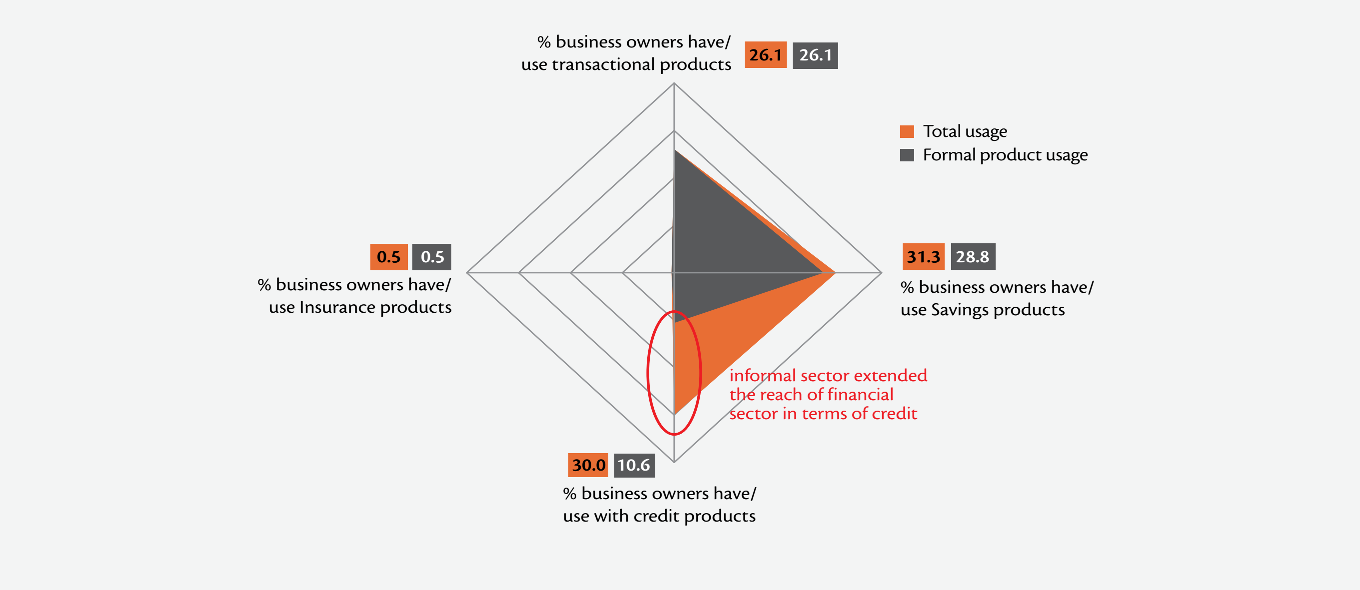

Figure 10: Usage of Financial Services by Agribusinesses

Source: Agriculture Finance Markets Scoping (AgFiMS) Survey, 2011

2.4 Alternative Technology Driven Delivery Channels

The advent of mobile phone financial services during the recent 5 years is revolutionizing the landscape of financial services in Tanzania. The rapid increase in service coverage provides proof that the mobile phone channel is an effective way of providing access to people all over Tanzania including the rural areas which were previously excluded.

The rapid leverage of technology in the telecommunication industry has enabled registration of 30 million mobile money accounts as of September 2013. Currently, there are 4 Mobile Network Operators with 69,000 mobile money agents and third party merchants offering money transfer and payment services. This has diversified the financial system with new entry of non-financial service providers. Within a short period of 5 years there are 9.8 million mobile money active users, equivalent to 43 percent of the adult population as of September 2013.

The recent introduction of agency banking together with enabling technology in alternative delivery channels (mobile bank platforms, ATMs and POS) will rapidly expand financial service providers (FSP) outreach to the underserved and totally exclude population. This is also likely to facilitate services of other financial services including insurance and pension.

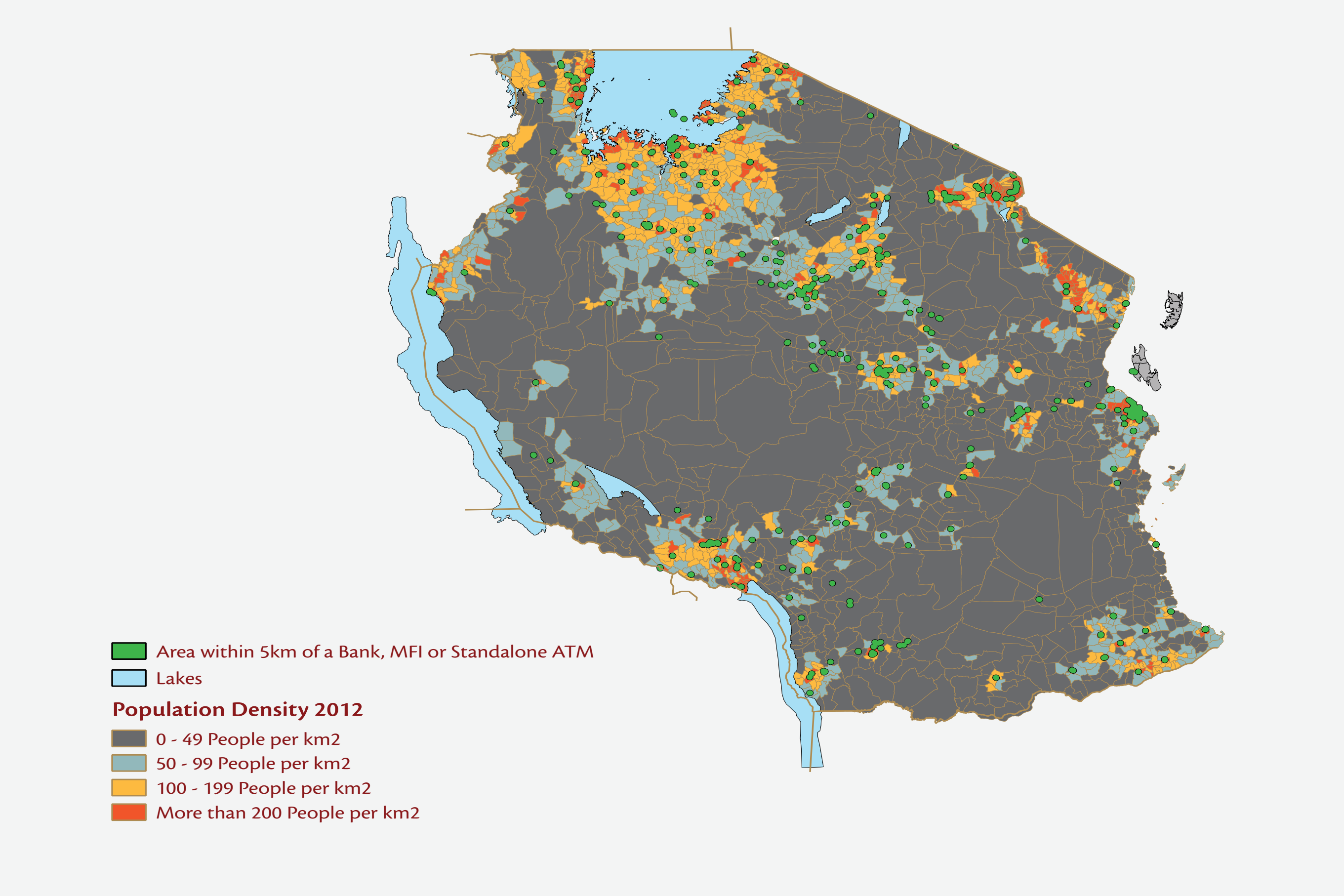

Figure 11: Geospatial Map of Distribution of Access Points by Traditional Financial Institutions (Branches and Standalone ATMs, MFIs and SACCOS)

As shown by Figure 12 below, in comparison to Figure 11 above, mobile money agents increases the coverage of financial access points significantly.

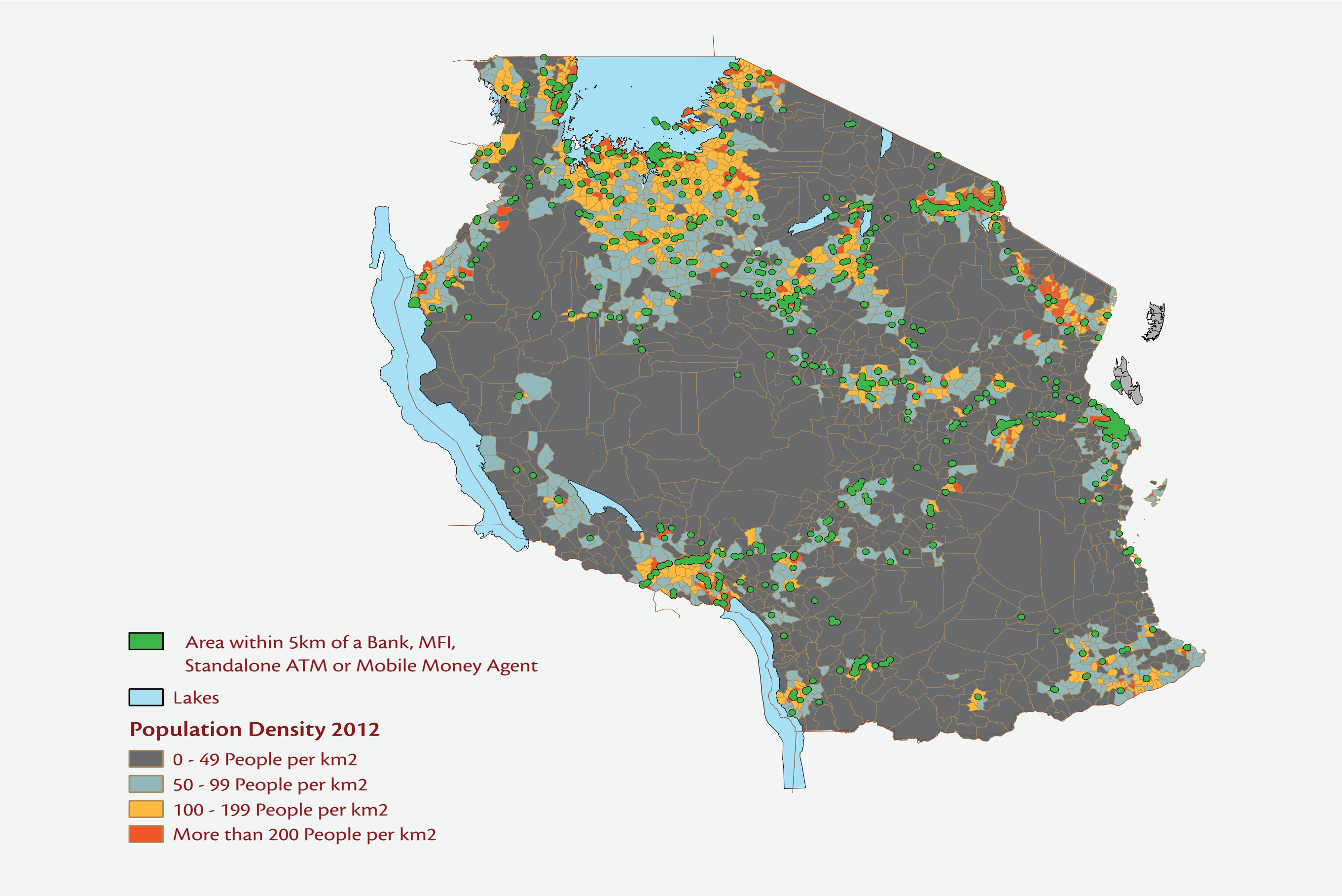

Figure 12: Geospatial Map of Distribution of Access Points by Traditional Financial Institutions (Branches and Standalone ATMs, MFIs and SACCOS)[7]

Statistically, as of 2013 mobile money agents outnumber all other financial access points' by almost 30 to 1. However, even with the mobile money agent network, a significant portion of the population is still left out. Further, population density is an imperfect predictor for distribution of financial access points, especially mobile money a lot of densely populated areas lack financial access points which largely follow the paved road network and national electricity grid. The mobile money and payments infrastructure thus creates a great opportunity to innovate further to develop and deliver a whole range of other financial services to both the un-served and underserved.

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[7] GIS Mapping of Financial Access Points Cash Outlets (Census) 2012

3

BARRIERS OF ACCESS TO FINANCIAL SERVICES

Tanzania has a huge adult population (56 percent) that is totally excluded from accessing financial services. Also, a significant proportion of the population already accessing financial services is largely underserved. Barriers to accessing financial services have been well studied and documented. This document only highlights some of the critical barriers that prohibit the widening (spread/outreach) and deepening (range and quality) of the financial services which need to be tackled in order to bring about a coordinated systemic change in the financial system.

Key barriers have been categories as follows:

3.1 Macro Level

- **Macroeconomic environment**

Markets require a stable macroeconomic environment to operate effectively. This is especially true for financial services where changes in macroeconomic fundamentals affect consumer behaviour. Persistent high inflation and high lending rates create economic uncertainty. For example annual average inflation for the past three years has been about 12.8 percent while interest rates have averaged 18 percent.

- **Legal and regulatory framework**

The current contract laws do not ensure quick and efficient enforcement of the contracts in cases of default. The current regulatory framework is not enabling easy client on-boarding and retention of low income households, businesses and small holder farmers in rural areas. The existing challenges include stringent Know-Your-Customer (KYC) regulations, high security requirements for bank branches and absence of explicit consumer protection regulations to mention a few.

3.2 Meso Level

- **Information asymmetry for FSPs**

FSPs do not have access to full information about clients to design appropriate products as well as manage the risks. For example, a bank cannot easily assess the credit worthiness of a client if the client is able to hide information about past defaults or existing levels of debt. Consequently, the FSP may realize higher levels of default or charge higher interest rates to compensate for this risk or avoid giving credit at all.

- **Financial incapability of customers**

Information problems can also apply to customers. Low financial capability hinders access and usage of financial services. Equally, a lack of understanding of complex financial products may lead to customers being exploited and being unable to choose effectively between providers, reducing the competitiveness of the market.

- **Lack of appropriate market infrastructure**

The market has relied on conventional delivery channels such as brick and mortar branch networks in a highly sparsely populated country with poor physical infrastructure. This has left majority of the people very far from the service points thus remaining un-served. For instance only 29% of the population are within 5 km from Bank branches, ATMs, MFIs (GIS-Cash Points 2012). Although payment technologies are promising, these are not adequately developed to bring economies of scale in terms of the number of users or range of services that can be offered using such platforms.

3.3 Micro level

- **Unmet demand**

While majority of the adult Tanzanians do not have access to financial services, in rural areas, the low population density, poor infrastructure and low incomes mean that demand is not sufficient to meet the high operating costs of FSPs.

- **Lack of suitable products addressing the needs of the consumers**

Most FSPs offer generic products that do not consider insights from the users. Lack of innovations and weak capacities (human and technical) of FSPs are main reasons for delivering products that do not address the real needs of consumers.

The Financial Inclusion Framework has therefore been developed to address broad barriers to expand Financial Inclusion in Tanzania. In the context of Tanzania, it outlines the vision and definition of Financial Inclusion core enablers and priority areas guiding principles measurement framework coordination structure implementation plan and monitoring and evaluation.

4 VISION AND DEFINITION

4.1 Vision

“All Tanzanians[1] regularly use financial services and payment infrastructures to manage cash flows and mitigate shocks. These are delivered by formal providers through a range of appropriate services and infrastructure, with dignity and fairness”.

This Vision has been adopted based on the concrete improvements the country would like to see in the lives of all Tanzanians through the use of financial services. It unites all stakeholders under one common vision of success, and provides strategic direction for all initiatives for Financial Inclusion in the country.

4.2 Definition

Globally, there is no common definition of Financial Inclusion. Several countries comparable to Tanzania are working to define Financial Inclusion in the context of the respective markets. Given the vision the country would want to achieve, Financial Inclusion is thus defined as:

“Regular use of financial services, through payment infrastructures to manage cash flows and mitigate shocks, which are delivered by formal providers through a range of appropriate services with dignity and fairness”

The definition is guided by the following dimensions-

- Measurability of the most relevant dimensions of Financial Inclusion for Tanzania.
- The definition underscores regular usage to demonstrate that these financial services are of acceptable quality standard and improve the welfare of users.
- Types of financial services to be offered for inclusion: It emphasizes the need for a range of appropriate services that will be addressing key challenges that most Tanzanians are facing in terms of managing cash flows and mitigating adverse shocks. These services include savings, credit, payment (transfer and remittance), insurance, pension, etc.
- Target group: Given the very large proportion of exclusion, widespread informality and the underserviced of included population due to very limited range of financial services, the framework targets all Tanzanians. However, priority is given to the poor rural households and their enterprises as well as low income women and youth with a special focus on children as a foundation for building a financially capable society.

Providers to deliver these services[2]: Formal providers, who are registered, licensed and regulated to ensure safety, soundness and consumer protection. Formal providers offer services that are fair and treat customers with dignity, to stimulate trust and deliver value.

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[1] Target clarified in section 4.2

[2] Informal mechanisms are still relevant in the Tanzanian context. These will continue to provide options to people for a foreseeable future.

5

CORE ENABLERS AND PRIORITY AREAS

To achieve this Vision, the country has to address a number of key barriers of Financial Inclusion as defined above. Therefore, identification of core drivers/enablers of Financial Inclusion in Tanzania is critical.

5.1 Core Enablers

A set of core enablers have been identified in order to have a systemic and effective approach to addressing the fundamental barriers to Financial Inclusion in Tanzania. These core enablers are chosen based on: i). the role they play in facilitating the two core functions of money as a means of payment and store of value and ii) their contribution to lowering transaction costs, and information asymmetries common constraints for both financial service providers and users in Tanzania.

The identified core enablers are: proximity, payment infrastructure, store of value, and store of information **(Figure 13)**.

Core Enablers of Financial Inclusion

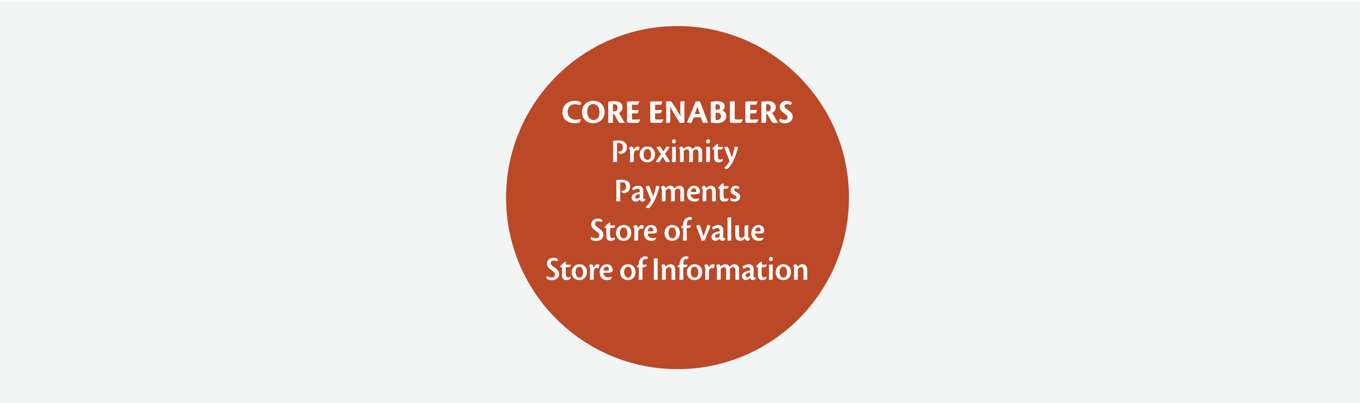

Figure 13: Core Enablers of Financial Inclusion

Proximity: of financial access points to where people live and transact. Physical proximity is the starting point for encouraging usage of financial services. Financial access points in Tanzania are defined as locations where people can cash in and cash out. Currently, these include: bank branches, ATMs, POS, microfinance institution branches and mobile money agents. Based on Geo Spatial Mapping (GSM) of all financial access points in Tanzania in 2012, most financial access points follow the tarmac road, leaving out large populace that resides off the tarmac, both peri-urban and rural. This means majority of Tanzanians find using financial services an expensive endeavor both in terms of time it takes to get to an access point, and the monetary cost of travel. Improved proximity to financial access points for majority of Tanzanians will increase access and usage of financial services.

Payments Infrastructure: a key function of money is means of payment. Thus, safer, lower-cost payment infrastructure is core to an efficient financial system. An efficient, electronic payment platform is essential at minimum to allow people to support each other and their businesses and at the most for delivering all other financial services. All financial services require an efficient payment infrastructure to be accessed and used in contributing to achieving Financial Inclusion for all Tanzanians.

Store of Value Infrastructure: a key function of money is store of value. Therefore, electronic platforms that facilitate secure store of value are essential part of the financial system. The ability to efficiently and conveniently store value ultimately enables a person to use the funds to access other formal financial services such as credit, savings, insurance and securities. Currently, mobile money has facilitated electronic store of value for millions of Tanzanians. More effort to increase the use of this and other electronic store of value platforms is critical in achieving Financial Inclusion.

Store of Information Infrastructure: individual and business profiles, credit histories and collateral are a core component of access to financial services. Information asymmetries affect access and provision of financial services. Centralized databases on potential client's profiles, credit histories and collateral will enable financial service providers to offer the right services more efficiently. Furthermore, this will simplify the process of client-on boarding by allowing financial service providers to focus more on product appropriateness and risk mitigation for improved financial stability.

A financial market with these four enablers working seamlessly has the basis for scaling and layering inclusive financial services for all. Below is an elaboration of the core enablers and the higher level financial services they facilitate.

Core Enablers, Basic and Advanced Financial Services

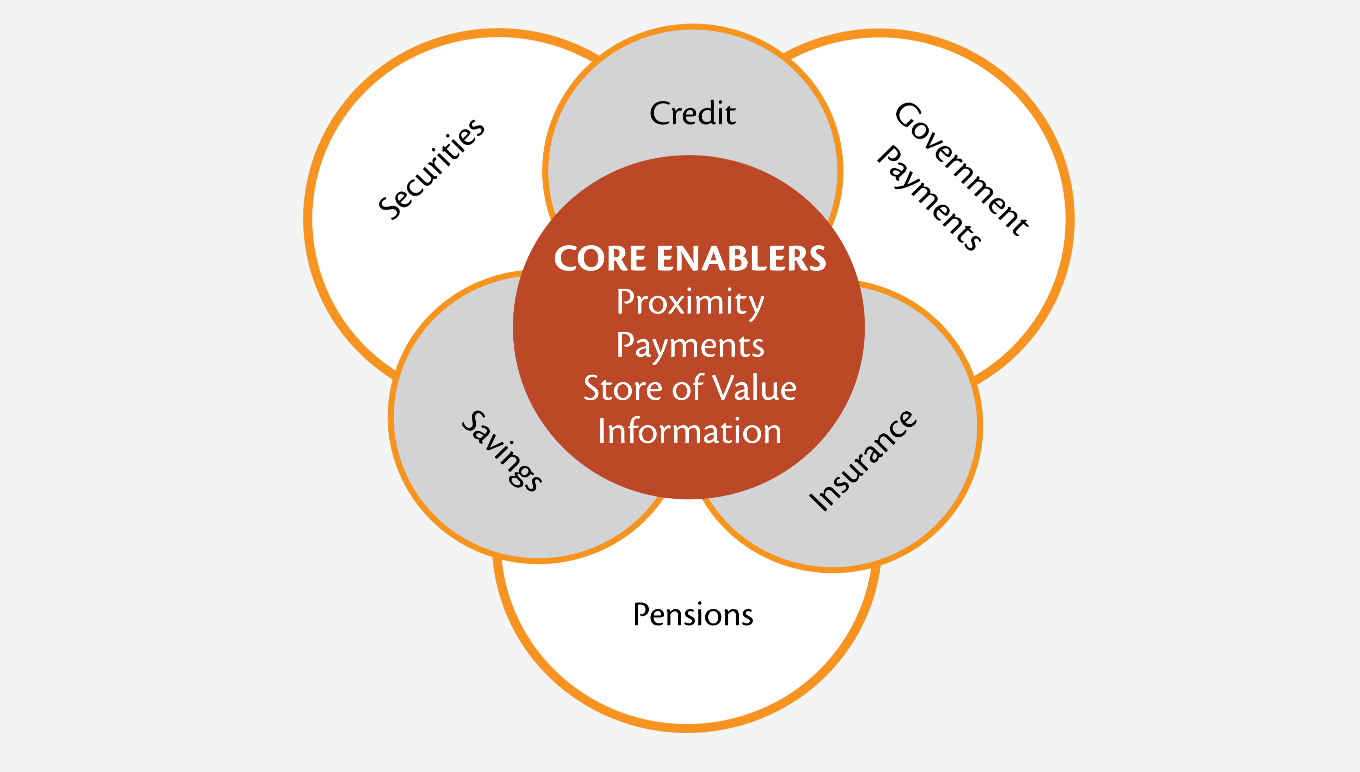

Figure 14: Core Enablers, Basic and Advanced Financial Services

Financial Inclusion is essentially a multi-faceted concept. It is a holistic approach that allows a layering of all elements. This is illustrated in a flower-like diagram on Figure 14 above, depicting the interrelationship between the range of services and their common dependency on the core enablers. This stylized approach is particularly applicable in Tanzania where growth and usage of mobile money payment infrastructure has provided an opportunity for increased access to other services such as saving, credit, insurance (risk mitigatation), pension (long term saving) and securities (saving for investment), mapping clearly to the concept of core enablers described above. Tanzania does not have an all-encompassing electronic payment system. The growth of mobile-base payments platform/system through mobile money offers a great infrastructure from which both basic and advanced financial services can be delivered to majority of Tanzanians.

From the vision and definition of Financial Inclusion, several financial products were identified as key in allowing clients to improve their welfare by managing cash flows and mitigating shocks. Around this core enablers (Figure 14) there is the first layer of petals (in grey) which represent the family of basic financial services that would be expected for everyone, namely savings, credit, payment transfer, and insurance. While the core enablers may not be directly marketable, at this layer we would include services that can be marketed on their own right such as credit, savings and insurance. The outer layer of white petals represents either service that are advanced or specialized, which include pensions, capital markets, derivatives, and targeted payment solutions e.g. payroll solutions and social welfare transfer programs.

It is important to note that each of the petals represents a class of services that can be considered in their own right from a developmental point of view. Each one can be associated with a vision, a promotional strategy, and a set of indicators.

Key stakeholders in Financial Inclusion are responsible to improve the status quo of the core enablers by devising and implementing strategies that are effective in addressing these core challenges. Prioritization of the implementation framework for improving the core enablers is thus imperative and so is the monitoring and evaluation of the progress.

5.2 Priority Areas For Improving Core Enablers

Four broad priority areas for action deemed to be most consistent with building the rails for achieving Financial Inclusion targets have been identified based on their bearing on driving progress on the core enablers. These are:-

a. Increasing proximity of financial access points to where people live and transact

This will be achieved through extending financial institutions branch networks, ATMs, POS. A special focus is given to the use of branchless banking model (agent banking) using the principle of ìthe right infrastructure for the right market environmentî and allowing banks to have agents on the same basis as non-bank mobile money providers. This priority contributes directly to the access enabler proximity and it offers opportunities for clients to move towards additional financial products represented by the petals in Figure 11.

b. Ensuring robust electronic payment platforms

Performance of the electronic platform must be reliable and secure to instill confidence in the store of value and means of payment functions it delivers. The financial institutions regulators will set standards to maintain the reliability of the real time electronic systems that mitigate any operational and technology risks related to the store of value and means of payment. This priority contributes directly to the two usage enablers - means of payment and store of value.

c. Ensuring robust electronic information infrastructure for individual and business profiles, credit history and collateral

Information asymmetries in the financial service market affect the provision and access of financial services in the country. It also affects risk profiling and effective controls on fraud, money laundering and terrorist financing. These slow down the process of client on-boarding. Hence, it is imperative that financial services regulators ensure:-

- **Establishment of effective Know Your Customer (KYC) process**

  This should be through implementation of a national identification database for individuals and business that will ease KYC requirements. Financial services regulators should engage government agencies responsible for identification processes to ensure that the national database is linked with their account opening systems to ease account opening. In the short-term, risk based tiered KYC should be applied to bring clients on board by enabling low-value, low transaction limit accounts with limited KYC requirements. The risk based tiered KYC will still meet the requirements for the mitigatation of Anti Money Laundering/Combating the Financing of Terrorism (AML/CFT) risks and safely grow client access. To this end, financial services regulators should implement the Financial Access Task Force (FATF) guidance and international precedent on this topic and work with the country’s Financial Intelligence Unit (FIU) to decrease these barriers. This priority area contributes to improving access both in terms of eligibility and affordability.

- **Increase engagement of the credit reference bureau**

  Effective use of credit reference bureau to address information asymmetries present in the credit market. Financial service regulators need to ensure that a robust central database is put in place, working effectively and that all relevant providers not simply banks provide routine information. Financial service providers need to be encouraged and overseen to engage with the bureau through sensitization to see the value in using client profiles to make credit decisions and by regulatory mandate. Financial service regulators should also facilitate the use of alternative transactional information such as savings balances, bill payments, and data usage to build credit profiles for those who have never before accessed formal credit. This will require targeted research and engagement with financial sector industries. This priority area contributes to improving access, linked to availability of additional products, through information.

- **Establishment and use of a central collateral database**

  Access to credit is limited to effective collateral management system, which is a challenge in the country. Financial service providers rely on a fragmented and rudimental process of registering collateral thus negatively impacting their credit risk mitigation measures and increase in the cost of credit to borrowers. Financial service regulators need to work with government agencies to ensure establishment of a centralized electronic collateral database that will create efficiency in registration of collateral to be accessed by all financial service providers.

d. Ensuring that customers are informed and protected

Customers must feel informed and protected when it comes to their means of payment and store of value in particular. Therefore, provider charges must be transparent and fair, and efforts must be made by providers to enhance client understanding and usability. Stating more clearly the financial services regulator's responsibility and regulatory oversight may improve trust and perception of security. To address this priority, financial service regulators should implement financial literacy and market conduct to ensure consumers are protected. This priority also contributes to core enabler's usage of the means of payment and store of value.

6

GUIDING PRINCIPLES

The framework has been developed and will be implemented based on the principles that have been developed based on the benefit of existing country experience, good practices and international standards. Specifically, the international standards that have guided the development of the framework include: the G20 Principles for Innovative Financial Inclusion, Development Partners such as the Alliance for Financial Inclusion, World Bank and the International Monetary Fund.

These guiding principles are grounded in encouragement and promotion of:

i. Market-based solutions to Financial Inclusion promotion

ii. Innovative financial access channels and products that are convenient, accessible, flexible, affordable and respond to the needs of the excluded

iii. Consumer protection and financial literacy

iv. Appropriate regulatory framework to support Financial Inclusion initiatives and safeguard stability of the financial system

v. Public and private partnership (government, the private sector, international organizations and other stakeholders)

vi. Improvement of welfare of and productivity and

vii. Coordinated approach, synergy and shared learning.

7

COORDINATION STRUCTURE

The initiatives to achieve Financial Inclusion are carried out by multiple stakeholders. Therefore, the formation of a national coordinating mechanism with relevant stakeholders becomes imperative. To that effect, three levels of committees comprising members from government ministries, heads of regulatory authorities and agencies and private financial institutions associations have been formed (Figure 15). These committees are National Council (NC) National Steering Committee (NSC) and Financial Inclusion National Technical Committee (NTC). The Bank of Tanzania is the Secretariat to all Committees.

These Steering and Technical Committees are national platforms where stakeholders can discuss different issues of Financial Inclusion and develop strategies for implementation to achieve national goal.

7.1 National Council (NC)

This is the overall policy making body for the national agenda on promoting Financial Inclusion in the country. It has a responsibility of overall strategic direction and oversight of the Financial Inclusion agenda. Specifically, the NC will:

i. Set the strategy for Financial Inclusion for Tanzania

ii. Review and approve Action Plan to achieve Financial Inclusion goal

iii. Review Financial Inclusion implementation progress

iv. Clarify policy issues and approve proposals from the Financial Inclusion national Steering Committee and

v. Review any other issues related to implementation of the Financial Inclusion Initiatives as needed, with a view to advising the Government on the best way forward.

The NC comprises of Permanent Secretaries from relevant government ministries and heads of regulatory authorities, and practitioners' associations. The NC consists of nineteen members, from member institutions namely Ministry of Finance - United Republic of Tanzania (MOF - URT)), Ministry of Finance - Revolutionary Government of Zanzibar (MOF-RGZ), Ministry of Agriculture, Food security and Cooperatives (MAFSC), Ministry of Industry and Trade (MIT), Ministry of Education and Vocational Training (MoEVT), Prime Minister's Office - Regional Administration and Local Government (PMO - RALG), Ministry of Labor, Youth and Employment (MLEY), Social Security Regulatory Authority (SSRA), Tanzania Insurance Regulatory Authority (TIRA), Tanzania Communication Regulatory Authority (TCRA), Capital Market Security Authority (CMSA), Deposit Insurance Board (DIB), Tanzania Bankers' Association (TBA), Tanzania Association of Microfinance Institutions (TAMFI), Financial Intelligence Unit (FIU), Mobile Operators' Association of Tanzania (MOAT), Institute of Insurance Tanzania (IIT), Tanzania Social Security Association (TSSA), and Bank of Tanzania (BOT), which will be the chair for the NC.

It will meet at least twice a year and when there is any urgent matter that requires policy guidance or decision.

7.2 National Steering Committee (NSC)

The NSC is made up of members at the level of Directors and Commissioners from twenty seven Government Ministries and Agencies, Regulatory Authorities, and Practitioners' Associations, namely MOF(URT), MOF (RGZ), Cooperative Development Department (CDD), MIT, PMO - RALG, MLEY, SSRA, TIRA, TCRA, CMSA, DIB, TBA, TAMFI, FIU, MOAT, IIT, TSSA, TBA, Tanzania Institute of Education (TIE), Tanzania Consumer Advocacy Society (TCAS), National Identification Authority (NIDA), Tanzania Institute of Education (TIE), MKURABITA, Business Registrations & Licensing Agency (BRELA), Tanzania Revenue Authority (TRA), Operators' Association of Postal Network (OAPN), and BOT will preside over the NSC.

The NSC is responsible for coordination and quality control. Specifically, the NSC has the role to:

i. Coordinate and closely monitor the activities of NTC such as reviewing of Technical Committee report on Action plan progress including identified critical technical obstacles and opportunities

ii. Provide guidance to NTC activities and make recommendations to the NC on matters related to Financial Inclusion development and

iii. Prepare and vet its reports before submission to the National Council for decision making and endorsement.

The NSC will report to NC. It will meet at least twice per year and/or more frequently where deemed necessary.

7.3 National Technical Committee (NTC)

The team is made up of senior officers from twenty seven relevant Government Ministries and Agencies, Regulatory Authorities, and Practitioners' Associations namely MOF(URT), MOF (RGZ), CDD, MIT, PMO - RALG, MLEY, SSRA, TIRA, TCRA, CMSA, DIB, TBA, TAMFI, FIU, MOAT, IIT, TSSA, TBA, TIE, TCAS, NIDA, TIE, MKURABITA, BRELA, TRA, OAPN, and BOT which will preside over the NTC.

Principally, this is the committee which is implementing and reporting on the Financial Inclusion initiatives in the country. Specifically, The NTC will have the following role:

i. Develop and implement a Financial Inclusion Framework

ii. Create public awareness of the Financial Inclusion Framework

iii. Review Action Plan in the Framework

iv. Measure performance as per developed indicators

v. Review indicators

vi. Identify critical obstacles to perform Financial Inclusion activities (referring to the Action Plan in the Framework)

vii. Identify opportunities for Financial Inclusion and

viii. Prepare quarterly report and submit to the National Steering Committee.

The NTC form a link between institutions and the Committees as members share experiences on initiatives and challenges faced by their institutions in the efforts to implement FI. NTC will report to NSC and will meet at least quarterly.

7.4 National Secretariat (NS)

The NS has a role of collecting and compiling Financial Inclusion information and distributing this information when required. It will organize all meetings for the various teams and committees aimed at advancing the Financial Inclusion agenda for Tanzania.

Financial Inclusion Coordination Structure

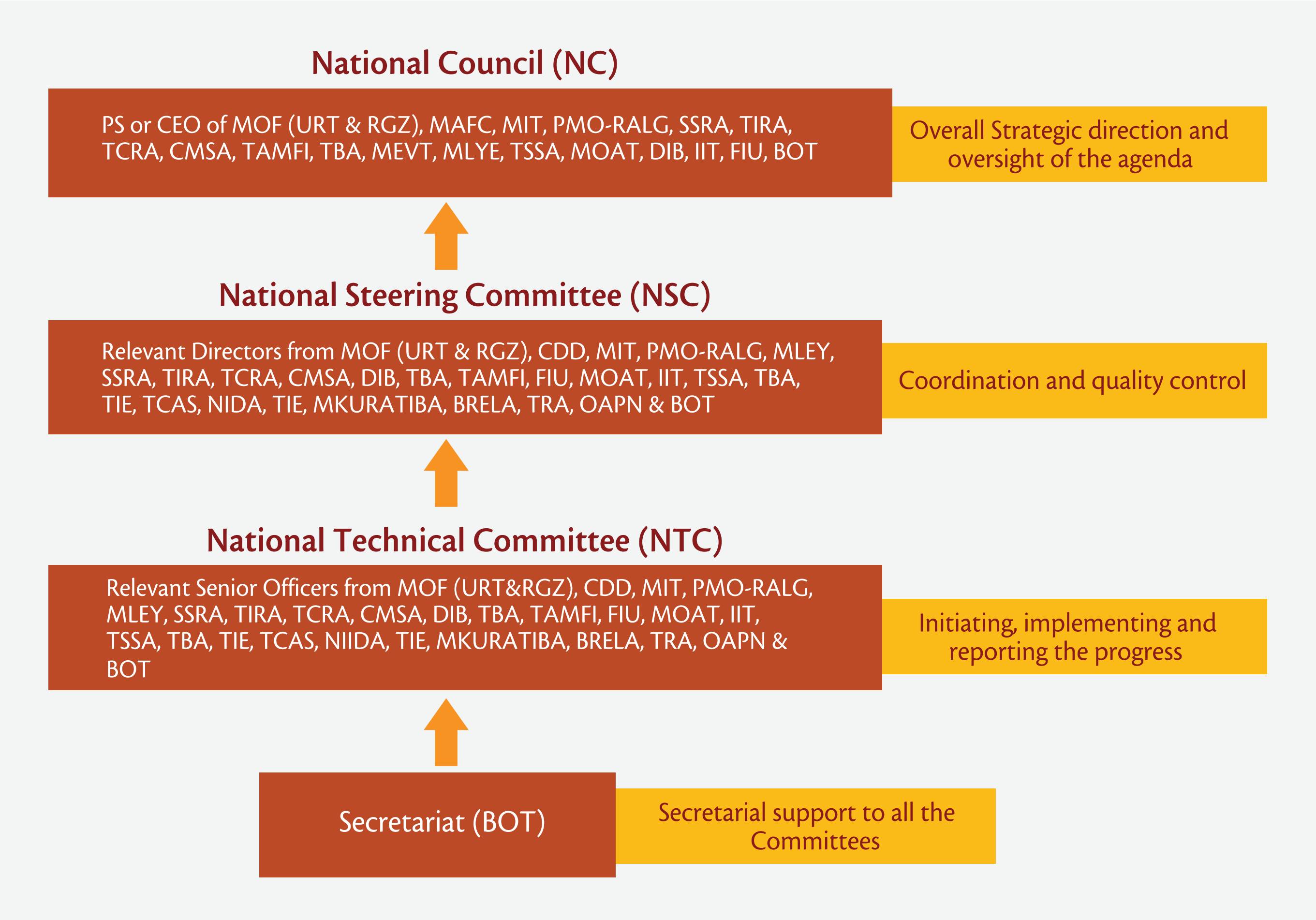

Figure 15: Coordination Structure

8

STAKEHOLDERS ROLES AND RESPONSIBILITIES

Key stakeholders for Financial Inclusion are ministries, regulatory authorities, associations, and development partners all playing different roles to achieve Financial Inclusion goal as detailed in Table 1 below.

Table 1: Key Stakeholders Roles and Responsibilities

CATEGORIES	INSTITUTIONS	ROLES & RESPONSIBILITIES
REGULATORY AUTHORITIES	BOT* TIRA TCRA SSRA CMSA TIE	• Ensure that regulatory and supervisory frameworks that support Financial Inclusion initiatives are in place • Provide advice to the ministry on technical issues to support the Financial Inclusion initiatives and • Provide advice and guidance to their institutions on achieving Financial Inclusion targets.
MINISTIRIES/GOVT BODIES	MOF (URT) MOF (RGZ) MAFSC PMO (RALG) M IT MLYE MGWC MEVT AGC	• Coordination of initiatives • Setting aside budget for the initiatives and • Ensure that the implementation of initiatives within their ministries complies with the policy statements and is in accordance with best practice
ASSOCIATIONS & NETWORKS	TAMFI TBA TIMAP MOAT OAPN TCAS FCC IIT TSSA	• Represent its members ideas in Financial Inclusions committees meetings • Ensure coordination of Financial Inclusion activities among Institutions • Ensure transmission of information between members of Association and with other partners and • Encourage compliance with best practices among its members that contribute to the achievement of Financial Inclusion vision.
DEVELOPMENT PARTNERS	Financial Sector Deepening Trust (FSDT) World Bank IFC AFI Bilateral Donors Philanthropists UN-Inclusive Finance Initiative OECD- Financial Literacy Forum Child and Youth Finance International	• Provide Financial and Technical support • Encourage systemic change after funded initiatives have ended and • Coordinate with each other and also with Government in the support offered.

BOT* The Bank of Tanzania is the Secretariat of the National Coordinating Structure.

9 MEASUREMENT FRAMEWORK

Tracking performance is a key component of achieving any vision. The core enablers drive the selection of lead indicators to set targets and measure progress towards Tanzania's vision for Financial Inclusion. The premise is that if we achieve demonstrable progress on these four core enablers, Financial Inclusion will naturally follow as the other financial services become easier to access and use.

There is thus a set of core indicators that measure performance of the core enablers of Financial Inclusion. These are: proximity payments store of value infrastructure and information. There is also a set of secondary indicators that measure the adoption of the key identified financial services as the core enablers improve. In addition, the measurement framework has a set of qualitative indicators/provisions that allows the country to measure the quality and impact of the different financial services on the lives of Tanzanians that use them.

9.1 Core Indicators

Access Indicators: The first two indicators measure access through the eligibility and proximity components of access enablers. Access is undermined when clients are inconvenienced by the need to travel great distances, often at great cost. However, even when they are close to a financial access point, eligibility barriers such as inability to verify their profile, credit history and collateral can limit access to financial services. The following access indicators will be monitored:

i. **% of people within 5 km of a financial access point and**

ii. **% of people/businesses with profiles, credit information and collateral registered in a national database**

Usage Indicators: The second two core indicators focus on the usage of means of payments and store of value, as a means of validating the effectiveness of access and the ease of on-boarding of customers to digital/electronic money platforms. These are measured by:

i. **% of people using a financial access point at least once per week and**

ii. **% of people with at least 2 weeks of household income in their account**

9.2 Secondary Indicators

In addition to the two usage core indicators (iii) and (iv) above, there are four other indicators for specific sectors such as insurance, government payments, securities and pensions. All these validate the effectiveness of access and the ease of on-boarding of customers to digital/electronic money platforms that enable second generation financial service. Moreover, the measurement framework has indicators of quality of services offered and welfare improvement. **Table 2** overleaf details the measurement framework of Financial Inclusion.

Table 2: National Measurement Framework

Financial Inclusion INDICATORS AND TARGETS FOR TANZANIA					
CORE INDICATORS					
	Enabler	Indicator	Baseline	Target (2016)	Source of data
ACCESS	**Proximity to Financial Access Points and**	% of people within 5 km of a Financial Access Point		25%	GIS Data of Financial Access Points
	Information on potential consumer	% of people/business with their profiles registered in the national profile data base	5%	25%	Data from NIDA, BRELA and National MSME Finance Survey
		% of people/businesses with their credit registered in the credit reference bureau		25%	Supply-side data from the Credit Reference Bureau
		% collateral registered in the collateral registry		25%	Supply-side data from the Collateral registry
USAGE	**Means of payment**	% of Tanzanians using a financial access point at least 1 time per week	12.4%	50%	Finscope Survey
	Means of store of value	% of Tanzanians who have at least 2 weeks of household income in their electronic account		25%	New demand-side data (e.g. FinScope)
OTHER INDICATORS					
	Enabler	Indicator	Baseline	Target	Source of data
RANGE OF FINANCIAL SERVICES	Insurance	% of people that have taken insurance of some form	6.3%	25%	TIRA
	Securities	% of people that have invested in securities		25%	CMSA
		% of adult population that have an active pension account in formal sector	70%	100%	SSRA
	Pensions	% of adult population that have an active pension account	1%	10%	SSRA
	Government Payments	% of government payments directed to excluded made electronically		25%	TBD
QUALITY	**Appropriateness of services offered**	% of Agri-Business with access to formal financial services	32%	50%	TBD
		% of SME with access to formal financial services	10%	50%	MSME Survey
		% of population accessing micro-insurance products		25%	TIRA
WELFARE	Livelihoods	% of improved livelihood attributed to access and usage of financial services	N/A	N/A	National Impact Assessment of Financial Inclusion
	Welfare	% of improved welfare attributed to access and usage of financial services			
	Productivity	% of improved productivity attributed to access and usage of financial services			

10

MONITORING EVALUATION

The NC will be responsible for monitoring and evaluation of the National Financial Inclusion performance to ensure that the developments are consistent with expectations and have followed the agreed framework. Also, the monitoring and evaluation will be done to track the performance in accordance with the implementation plans and set targets for Financial Inclusion.

The monitoring and evaluation framework including the requisite performance indicators and targets will be coordinated by the National Secretariat as an implementing organ for NC **(Appendix 1)**.

For effective monitoring and evaluation, each responsible institution or participating institution will have to establish a reliable internal monitoring system and ensure capacity is available to assess their organizational efficiency and effectiveness in relation to Financial Inclusion by:

- Ensuring that senior management in each FSP has a clear vision on Financial Inclusion and is fully committed. Management should then provide strategic leadership for monitoring progress within the organization

- Involving the intended beneficiaries of the programme in the monitoring process. These could be customers of a financial institution receiving financial services through provision of feedback on the appropriateness of services and the impact from using those services

- Ensuring that products and services are adequate and appropriate for the target group by analyzing client data and monitoring participants and

- Aligning with government monitoring systems wherever feasible. This is particular for linked services that might be provided through the public sector.

Appendix 1: MONITORING AND EVALUATION SAMPLE FORM

NAME OF INSTITUTION

YEAR

INDICATOR	TARGET	CURRENT STATUS	ACHIEVED	REMARKS

Appendix II: IMPLEMENTATION ACTION PLAN: 2014 – 2016

🟧	Planning and preparation
⬛	Underway
🟥	Completed by

CORE ENABLER	ACTION	RESPONSIBLE INSTITUTION		2014	2015	2016
PROXIMITY	Monitor and Measure the progress of Agent Banking (outcome: KPI's for agent banking)	MOF/BOT/TBA	🟧	⬛	⬛	🟥
	Review of physical security regulations for financial access points specifically bank branches	BOT	⬛	⬛	🟥	
	Ensure level playing field between mobile financial services regulations and agents guidelines	BOT	⬛	🟥		
	Develop business models for Bank - SACCOs and Informal Savings Groups Linkage	BOT/Registrar of Cooperatives, TAMFI, TIMAP,TBA	🟧	⬛	⬛	🟥
	Encourage the use of agents and mobile infrastructure to deliver insurance, securities government payments and pension to the underserved	BOT,TIRA, CMSA, SSRA,MOF	🟧	🟧	⬛	🟥
	Support government efforts in extension of pension coverage among working population in the country	SSRA,MOLE	🟧	🟥		
	Monitor implementation of the postal code and addressing system	TPC, TCRA	🟧	🟧	⬛	🟥
ROBUST E-PLATFORM	Monitor development of the regulatory environment for ICT	TCRA	⬛	⬛	⬛	🟥
	Develop regulatory environment for establishment commodity exchange	CMSA/MOF/BOT/ PMO	🟧	⬛	⬛	🟥
	Develop regulatory environment for CSD System Issue MFS Regulations	CMSA/BOT/MOF	🟧	⬛	⬛	🟥
	Align MFS regulations with outcome of FATF risk assessment	BOT	🟧	⬛	⬛	🟥
	Determine appropriate framework for monitoring online/ Mobile Financial Services	BOT/TCRA	🟧	⬛	⬛	🟥
	Support market efforts towards achieving payment system interoperability	BOT	🟧	⬛	⬛	🟥
	Oversight of payment systems standards to maintain reliability of payment systems	BOT	⬛	🟥		
	Speed up the enactment of the National Payments Act	MOF/BOT	⬛	🟥		
	Develop, monitor effective regulatory framework for ICT platforms	TCRA	🟧	⬛	⬛	🟥
	Enforce security standards for ICT platforms for Financial Inclusion	TCRA/BOT	🟧	⬛	⬛	🟥
	Develop regulatory environment to facilitate electronic secondary market trading to underserved	CMSA	🟧	⬛	⬛	🟥
	Develop interfaces for the equity, government CSDs and warehousing receipt systems	CMSA/BOT/DSE	🟧	⬛	⬛	🟥

🟧 Planning and preparation
⬛ Underway
🟥 Completed by

CORE ENABLER	ACTION	RESPONSIBLE INSTITUTION		2014	2015	2016
ROBUST INFORMATION AND EASY CLIENT ON-BOARDING	Assessment of alternative collateral scheme such as warehouse receipts	BOT/TBA	🟧	⬛	⬛	🟥
	Establishment of Central Collateral Registration to keep records for collateral	BOT	🟧	🟧	⬛	🟥
	Conduct country risk assessment towards implementation of FATF guidance on risk based approach (incl. KYC) with precedence from other markets like South Africa, Mexico, Peru, Zambia	BOT/MOF	🟧	⬛	⬛	🟥
	Implement risk based tiered KYC	BOT	🟧	⬛	⬛	🟥
	Establish provisions and business models for instant basic accounts with minimal charges	BOT/TBA	🟧	⬛	⬛	🟥
	Speed up and expand the process for issuance of National Identifications	NIDA	🟧	⬛	⬛	🟥
	Increase business formalization and registration through public and private sector partnerships	TRA,MKURABITA/ BRELA/MIT	🟧	⬛	⬛	🟥
	Implementation of a national identification database for individuals	NIDA	🟧	⬛	⬛	🟥
	Implementation of a national identification database for businesses	BRELA/MIT	🟧	⬛	⬛	🟥
	Develop national data base for SACCOS	Registrar of cooperatives	🟧	⬛	⬛	🟥
	Effective use of Credit Reference Bureau (submission and use of data)	BOT/Registrar of cooperative	🟧	⬛	⬛	🟥
	Increase scope of Reference Bureau information to include alternative transactional information	BOT	🟧	⬛	⬛	🟥
	Develop linkages between reference bureau and the national ID data base	BOT/NIDA/TCRA	🟧	⬛	⬛	🟥
			🟧	⬛	⬛	🟥
INFORMED CUSTOMERS AND CONSUMER PROTECTION	Revise Microfinance Regulations	BOT/MOF	🟧	⬛	⬛	🟥
	Financial Consumer Protection Framework	BOT/TIRA/SSRA/ CMSA/TCRA/TBA/ FCC/TCAS/Registrar of Cooperatives,	🟧	⬛	⬛	🟥
	Revise Deposit Insurance Regulatory Framework to enhance scope and coverage of depositors protection	DIB	🟧	⬛	⬛	🟥
	Develop regulatory environment for rating agencies	CMSA/BOT/MOF	🟧	⬛	⬛	🟥
	Increase public awareness programs on Financial Services	All stakeholders	🟧	⬛	⬛	🟥
	Develop, implement and monitor consumer redress mechanism for financial services/products	BOT/TIRA/SSRA/ CMSA/Registrar of Cooperatives/TCRA/ MOF/TAMFI	🟧	⬛	⬛	🟥
	Develop, implement and monitor market conduct	BOT/TIRA/SSRA/ CMSA/Registrar of Cooperatives/TCRA/ MOF/TAMFI,	🟧	⬛	⬛	🟥
	Implement the national financial education strategy	FES and all stakeholders,	🟧	⬛	⬛	🟥
	Enhancing protection of small and unsophisticated depositors fund	DIB	🟧	⬛	⬛	🟥

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8. National Strategy for Growth and Reduction of Poverty, 2005
9. Cooperatives Reforms and Modernization Program, 2005
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The National Council:

Ministry of Finance - United Republic of Tanzania (MOF - URT)
Ministry of Finance - Revolutionary Government of Zanzibar (MOF-RGZ)
Ministry of Agriculture, Food security and Cooperatives (MAFSC)
Ministry of Industry and Trade (MIT)
Ministry of Education and Vocational Training (MoEVT)
Prime Minister's Office - Regional Administration and Local Government (PMO - RALG)
Ministry of Labor, Youth and Employment (MLEY)
Social Security Regulatory Authority (SSRA)
Tanzania Insurance Regulatory Authority (TIRA)
Tanzania Communication Regulatory Authority (TCRA)
Capital Market Security Authority (CMSA)
Deposit Insurance Board (DIB)
Tanzania Bankers' Association (TBA)
Tanzania Association of Microfinance Institutions (TAMFI)
Financial Intelligence Unit (FIU)
Mobile Operators' Association of Tanzania (MOAT)
Institute of Insurance Tanzania (IIT)
Tanzania Social Security Association (TSSA)
Bank of Tanzania (BOT) - Chair