FSDTanzania
Beyond Access

ANNUAL REPORT

2024/2025

STRENGTHENING FOUNDATIONS, ENABLING INNOVATION READINESS, AND INVESTING IN INCLUSIVE FINANCIAL SYSTEMS, PARTNERSHIPS, AND CAPABILITIES

ABBREVIATIONS

AMCOS	Agricultural Marketing Cooperative Societies
BMGF	Bill & Melinda Gates Foundation
BOT	Bank of Tanzania
CAG	Controller and Auditor General
CBTs	Community-Based Trainers
CMGs	Community Microfinance Groups
CMSA	Capital Markets & Securities Authority
DCDOs	District Community Development Officers
EU	European Union
EUR	Euro
FSDA	Financial Sector Deepening Africa
FSDT	Financial Sector Deepening Tanzania
FSR	Financial Services Registry
FSP	Financial Service Provider
GFC	Green Climate Fund
IFC	International Finance Corporation
IT	Information Technology
KPI	Key Performance Indicator
KYC	Know Your Customer
LTTP	Long Term Perspective Plan
MIT	Ministry of Industry & Trade
MSME	Micro, Small, and Medium Enterprise
NCFI	National Council for Financial Inclusion
NFIF	National Financial Inclusion Framework
NIDA	National Identification Authority
NIN	National Identification Number
PO-RALG	President's Office- Regional Administration and Local Government
TACATDP	Tanzania Agriculture Adaptation Technology Programme
TBA	Tanzania Bankers Association
TIPS	Tanzania Instant Payment System
TIRA	Tanzania Insurance Regulatory Authority
TMA	TradeMark Africa
TMX	Tanzania Mercantile Exchange
TBA	Tanzania Bankers Association
TZS	Tanzanian Shillings
UNESCO	United Nations Educational, Scientific and Cultural Organization
VAT	Value Added Tax

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A NOTE FROM THE CEO

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As we reflect on the financial year 2024/25, I am proud of the progress FSDT has made in consolidating its role as a trusted market facilitator and technical partner within Tanzania's financial sector. This past year has been one of steady, often complex, work, strengthening the foundations of reform, enabling innovation readiness, and investing in the systems, partnerships, and capabilities required to deliver inclusive finance at scale.

Throughout, our focus has remained clear: to help build a financial sector that is more accessible, more resilient, and more responsive to the needs of women, youth, and underserved communities.

A central feature of the year was our deepened engagement with regulators to advance policy reform readiness and responsible innovation. Although no targeted policies were formally adopted during the period, substantial progress was made in moving several reforms to advanced pre-implementation stages. Working closely with the Bank of Tanzania, the Tanzania Insurance Regulatory Authority, the Capital Markets and Securities Authority, and the Ministry of Finance, we provided evidence-driven insights to support the drafting and consultation of multiple regulatory instruments. Notably, insurance and capital markets sandbox frameworks advanced through technical development, translation, validation, and management review. These efforts reflect our continued commitment to strengthening the regulatory foundations that underpin inclusive growth.

Alongside policy work, we intensified our efforts to enable financial infrastructure. During the year, FSDT supported the development and improvement of two priority financial infrastructures, marking a shift from concept and design into delivery. Our support to Tanzania's Instant Payment System focused on quality assurance and the advancement of additional use cases, contributing to milestone delivery and enabling further platform enhancement. In parallel, we continued to advance alternative-data credit scoring and early work on national market tools, while strengthening partnerships across regulators, technical providers, AMCOS, and private-sector actors. These collaborations are essential to building systems that can be owned, sustained, and scaled within the national ecosystem.

One of the most tangible illustrations of inclusion in action this year came through our digital identity enablement work.

IDENTIFICATION AND SEGMENTATION OF

4,000 PEOPLE

ACCESS TO FINANCIAL SERVICES USING NINs OF

1,919 WOMEN AND YOUTH

One of the most tangible illustrations of inclusion in action this year came through our digital identity enablement work. In partnership with NIDA and field actors, we supported the identification and segmentation of over 4,000 people without National Identification Numbers and enabled 1,919 women and youth to access financial services using NINs. These results demonstrate how coordinated engagement across institutions can unlock practical pathways into the formal financial system, turning policy ambition into lived outcomes.

We also pushed forward on inclusive finance within priority value chains. Through advances in alternative data and gendered credit scoring in dairy and pulses, and formalised collaboration with TMX to address account-opening and readiness barriers at the AMCOS level, we strengthened foundations for more inclusive agricultural finance. These partnerships highlight our role in bridging financial institutions, market actors, and community-level structures to address the everyday constraints that women, youth, and farmers face.

Investing in people and capability remained another important theme. Building on earlier FinClinic work, we supported the development of a Theory of Change and partner mapping for a national, media-led capability programme, and facilitated early alignment with the Bank of Tanzania and the Tanzania Bankers Association. While these initiatives are still at an early stage, they reflect our belief that inclusive finance must be matched with inclusive capability, ensuring that individuals not only have access to services but also the confidence and knowledge to use them effectively.

Evidence and engagement continued to underpin our approach. During the year, we strengthened major research pipelines, advancing preparation for the Small Trader Diaries Study and the MSME FinScope Survey through scoping, digital tool development, and institutional capacity-building.

At the same time, we sustained targeted dissemination of FinScope Tanzania 2023, including continued engagement with Zanzibar stakeholders, reinforcing FinScope's role as a national public good and a foundation for policy and market dialogue. Our communications and public-engagement efforts expanded the reach of these insights, with strong growth across digital platforms and active participation in national and regional forums.

I am also pleased to note that for the FinScope Tanzania MSME 2026 Survey, FSDT has been able to mobilize market resources from various sector players:

FINANCIAL SERVICE PROVIDERS

DEVELOPMENT PARTNERS

PUBLIC SECTOR PLAYER

I am also pleased to note progress on resource mobilisation. During the year, FSDT secured funding agreements with various sector players, including financial service providers such as CRDB Bank Plc, NMB Bank, and Vodacom; development partners such as the International Finance Corporation (IFC) and Aceli Africa, as well as a public sector player, the Bank of Tanzania, to support the FinScope Tanzania MSME 2026 Survey, strengthening the financial base of this critical national data initiative and enabling continued technical preparation and institutional readiness. We look forward to working alongside additional sector players who wish to contribute to and shape this important national survey.

The operating environment in 2024/25 was dynamic. Regulatory developments in sustainability reporting, advances in national digital identity systems, the publication of Tanzania's first Artificial Intelligence Readiness Assessment, and new models such as licensed crowdfunding all point to a sector in transition. At the same time, these shifts reinforce the need for careful sequencing, strong institutional ownership, and sustained capacity-building to ensure that reforms and innovations translate into real inclusion outcomes.

While challenges remain, particularly in moving reforms from technical completion to approval and operationalisation, and in converting promising innovations into sustained market adoption,

I remain confident in the direction we are taking. The year has reinforced important lessons about ownership, coordination, and the practical barriers that shape inclusion. We will carry these lessons forward as we refine our forthcoming 2026–2030 strategy, which will aim to catalyze resilience and sustainability for financially healthy women, youth, and MSMEs.

None of this progress would be possible without the commitment of our staff, the trust of our funders, and the collaboration of our many public- and private-sector partners. I extend my sincere thanks to all who have contributed to this work. Your engagement, expertise, and shared ambition continue to drive FSDT's mission forward.

As we look ahead, we do so with a strong platform: strengthened regulatory relationships, maturing infrastructure initiatives, advancing research pipelines, and a growing emphasis on capability and institutional readiness.

"Together, we will continue to build a financial sector that works better for all tanzanians, one that enables opportunity, supports resilience, and leaves no one behind.

WHO WE ARE

FSDT is a donor-funded financial sector market facilitator dedicated to fostering a financially inclusive Tanzania by tackling barriers that limit access to financial services, particularly among marginalized groups such as women and youth. FSDT promotes an enabling environment for financial solutions that drive economic empowerment.

By employing the Market System Development Approach, FSDT partners with financial service providers (FSPs), policymakers, regulators, and stakeholders to co-create policies, financial solutions, and innovative technologies. Serving as a neutral convener, we bridge the gap between the private and public sectors to drive sustainable impact.

Our initiatives target key financial inclusion gaps by expanding access to financial services, enhancing economic opportunities, and building resilience for underserved populations. We actively support financial literacy, digital finance, agricultural financing, and gender-responsive financial inclusion.

01 Our Strategy

FSDT's 2022-2026 strategy is built upon four primary programmatic outputs designed to address financial exclusion, particularly among women and youth:

IMPROVED POLICIES AND REGULATORY FRAMEWORKS

to foster gender equality and economic opportunities. These frameworks aim to create an enabling regulatory environment that addresses systemic financial barriers and enhances financial literacy, legal protections, and consumer rights. By collaborating with policymakers, FSDT ensures that financial policies support diverse economic actors, including small-scale entrepreneurs and farmers.

ENHANCED FINANCIAL SECTOR INFRASTRUCTURE

to equip FSPs with the necessary tools to serve underserved populations effectively. This includes investing in interoperable digital payment systems, expanding the accessibility of financial technology (FinTech), and improving Know Your Customer (KYC) frameworks to facilitate easy onboarding of unbanked individuals.

DEVELOPMENT AND SCALING OF INNOVATIVE FINANCIAL SOLUTIONS

that are responsive to the needs of women and youth. FSDT is committed to supporting the research and piloting of new financial products that cater to different market segments, such as mobile-based savings tools, micro-insurance solutions, and customized lending models that address collateral challenges.

INCREASED FINANCIAL CAPABILITY

to ensure women and youth can effectively utilize financial services. Financial education is a cornerstone of this strategy, and FSDT works with partners to deliver training, awareness campaigns, and user-friendly digital tools that build financial management skills and promote a culture of savings and investment.

Our strategic interventions address key barriers, including limited access to digital financial services, low financial literacy, lack of collateral, and informality in women- and youth-owned businesses. By integrating gender, youth, and climate considerations into our initiatives, we strive for holistic and sustainable financial inclusion. Additionally, FSDT continues to refine its approach based on ongoing research and market assessments to ensure our interventions are adaptive, scalable, and responsive to changing economic conditions.

02 Summary Of Key Developments

In 2024/25, FSDT consolidated its role as a market facilitator and trusted technical partner, advancing policy reform readiness, strengthening enabling infrastructure, supporting partner-led innovation, and investing in evidence, engagement, and organisational capability. The most significant developments for the year are summarised below.

Advancing regulatory reform and innovation readiness

Supported regulators through intensive technical work, generating key draft instruments and policy inputs. Progress on insurance and capital markets sandboxes, and CreditInfo reforms strengthened foundations for responsible innovation and inclusive lending.

Regulatory sandboxes progressed toward operationalisation

Insurance sandbox regulations advanced through drafting, translation, and validation with TIRA, while capital markets sandbox progressed through consultations and management review, positioning both frameworks for formal submission and next-stage approvals.

Two priority financial infrastructure projects developed or improved

Support for the development or improvement of two financial infrastructure projects, the Tanzania Instant Payment System (TIPS) and the Alternative Data Credit Scorecard, marks a shift from concept and design into delivery, supported by strong ecosystem mobilisation and technical collaboration.

National payment infrastructure strengthened through TIPS quality assurance

Support to TIPS focused on quality assurance and the advancement of additional use cases, contributing to milestone delivery and enabling continued platform enhancement, including onboarding of a wider range of providers.

Digital identity enablement unlocked practical inclusion outcomes

Working with NIDA and partners, FSDT supported the identification and segmentation of 4,034 people without NINs and enabled 1,919 women and youth to access financial services using NINs, demonstrating the impact of coordinated identity enablement on inclusion pathways.

Alternative data and gendered credit scoring advanced in priority value chains

FSDT advanced inclusive lending by progressing alternative data credit scoring, including gendered scorecards in dairy and pulses, formalising partnerships, and building the evidence and operational foundations needed for adoption by financial institutions.

Strategic value-chain partnerships advanced to improve inclusion pathways for farmers

Strengthened value-chain inclusion work through formalised collaboration with TMX, focusing on practical barriers such as account opening and readiness at AMCOS level, with adaptation underway to expand learning into additional value chains.

Women and youth capability initiatives moved from design toward programme readiness

Following earlier FinClinic work, FSDT supported the development of a Theory of Change and partner mapping for the Clouds Media-led capability programme and facilitated early alignment with BoT and TBA.

Major research pipelines strengthened for future delivery

Advanced national evidence generation by preparing the Small Trader Diaries Study and MSME Survey, completing scoping, digital tool development, and committee engagements, and strengthening institutional capacity for forthcoming large-scale data collection.

FinScope Tanzania 2023 insights continued to shape national dialogue

Sustained dissemination and targeted engagement to embed FinScope insights within policy and market discussion, including continued engagement with Zanzibar stakeholders, reinforcing FinScope's role as a national public good and decision-support tool.

Visibility and engagement increased across digital platforms and industry forums

Expanded public engagement through thought leadership, publications, and active forum participation. Strong digital growth -- rising website use and above target social media engagement -- significantly broadened the reach and influence of inclusive finance narratives.

Funding secured

FSDT secured MSME FinScope Survey funding through agreements with Aseli Africa and IFC, strengthening the initiative's financial base and enabling continued technical preparation and institutional readiness for national data collection.

03 Market Overview

Tanzania's financial sector continued to evolve in 2024/25, shaped by regulatory reform, digital innovation, and growing attention to sustainability, data governance, and alternative financing mechanisms. These shifts signal a sector increasingly oriented toward transparency, affordability, and inclusion, while also navigating the demands of rapid technological change. A key regulatory milestone was the introduction by the Bank of Tanzania:

"Guidelines on Reporting of Sustainability-Related Risks and Opportunities for Banks and Financial Institutions."

These guidelines require financial institutions to integrate climate-related risks and opportunities into their reporting frameworks. Mandatory disclosures began in 2025. This move aligns Tanzania's financial sector more closely with emerging international standards on sustainable finance, accountability, and risk management. While sector-wide operationalisation is at an early stage, the guidelines establish a foundation for embedding sustainability into financial strategies, product development, and long-term planning.

Progress in strengthening digital and financial infrastructure was also reflected in developments around national identification systems. In April 2025, the National Identification Authority announced the deactivation of National IDs belonging to registered individuals who had not collected their physical cards, reinforcing the importance of formal identity credentials in accessing services. NIDA also launched a pilot **"infant biometric registration system"** in selected districts across Zanzibar, Iringa, and Mbeya.

This initiative aligns with Tanzania's broader digital economy agenda, which seeks to establish universal identification from birth and integrate identity data into the national data exchange platform, **"Jamii X-Change"**. Together, these efforts are expected to strengthen the foundations for financial inclusion by improving identity verification, interoperability, and access to digital services.

The year also marked an important step in Tanzania's digital transformation with the publication of the country's first **"Artificial Intelligence Readiness Assessment Report"** by UNESCO. Developed through extensive consultations, the assessment examined Tanzania's digital ecosystem, institutional capacity, and preparedness to adopt AI technologies. Its release sets the stage for a **National Artificial Intelligence Strategy Framework,** highlighting the growing relevance of advanced digital tools in shaping financial services, regulation, and data-driven innovation.

On the market front, new financing and payment models continued to emerge. In June 2025, **CashMe** Tanzania became the country's first licensed crowdfunding platform under the Investment-based Crowdfunding Guidelines of 2023. This development expands the alternative finance landscape, creating new opportunities beyond traditional capital markets, while also providing an early test case for Tanzania's evolving digital finance regulations.

Efforts to reduce the cost of digital transactions also gained momentum. Selcom Microfinance Bank introduced bundled transaction pricing following the launch of the **Selcom Pesa App**, lowering per-transaction costs and supporting more affordable digital payments. These market developments were reinforced by fiscal and regulatory reforms in the 2025/26 National Budget and Finance Act, including reductions in VAT on online purchases and caps on interbank and bank-to-mobile money transfer fees.

Overall, the operating environment in 2024/25 was characterised by increasing regulatory sophistication, expanding digital infrastructure, and a growing focus on sustainability and innovation -- creating new opportunities to deepen financial inclusion and build a more resilient, technology-enabled financial sector.

04 Progress Against Strategy

FSDT remains committed to advancing financial inclusion through a multifaceted approach that includes policy advocacy, infrastructure development, and financial service innovation. The key areas of progress are summarised below and then explored in more detail.

STRENGTHENING POLICY AND REGULATORY FRAMEWORKS:

FSDT advanced Tanzania's inclusive finance reforms by supporting regulators through drafting, consultations, and sandbox development, progressing credit information and secured transactions frameworks, and moving multiple policies to advanced pre-implementation, reinforcing its role as a key technical partner despite no formal adoptions yet.

FINANCIAL INFRASTRUCTURE DEVELOPMENT:

FSDT strengthened Tanzania's financial infrastructure by advancing the Tanzania Instant Payment System (TIPS) and the Gendered Credit Scorecard, expanding partnerships, improving digital identity access, and supporting national payment and data reforms. Despite institutionalisation delays, strong foundations now exist for regulator-owned systems that can deliver scalable, inclusive financial services.

INNOVATIVE FINANCIAL SOLUTIONS:

FSDT supported FSPs to design, pilot, and scale solutions for women and youth, with several innovations reaching market deployment. To date, nine (9) financial solutions have been piloted and five (5) have been scaled up. While progress was strong where institutions committed resources, uneven follow-through highlighted the need for broader participation and stronger pathways from concept to scale.

CAPABILITY BUILDING FOR WOMEN AND YOUTH:

FSDT focused on strengthening women's and youth's financial capability by developing partnerships, refining programme design, and embedding initiatives within national platforms. Early progress showed strong potential, though institutional uptake remained limited, and sustained implementation now depends on stabilising delivery models and expanding partnerships.

4.1 STRENGTHENING POLICY AND REGULATORY FRAMEWORK

FSDT continued to prioritise strengthening Tanzania's policy and regulatory environment as a foundation for inclusive financial sector growth, with a strong emphasis on frameworks that advance gender equality and expand opportunities for women and youth. Although no targeted policies were formally adopted by the end of the reporting period, significant progress was achieved in moving several reforms to an advanced pre-implementation stage.

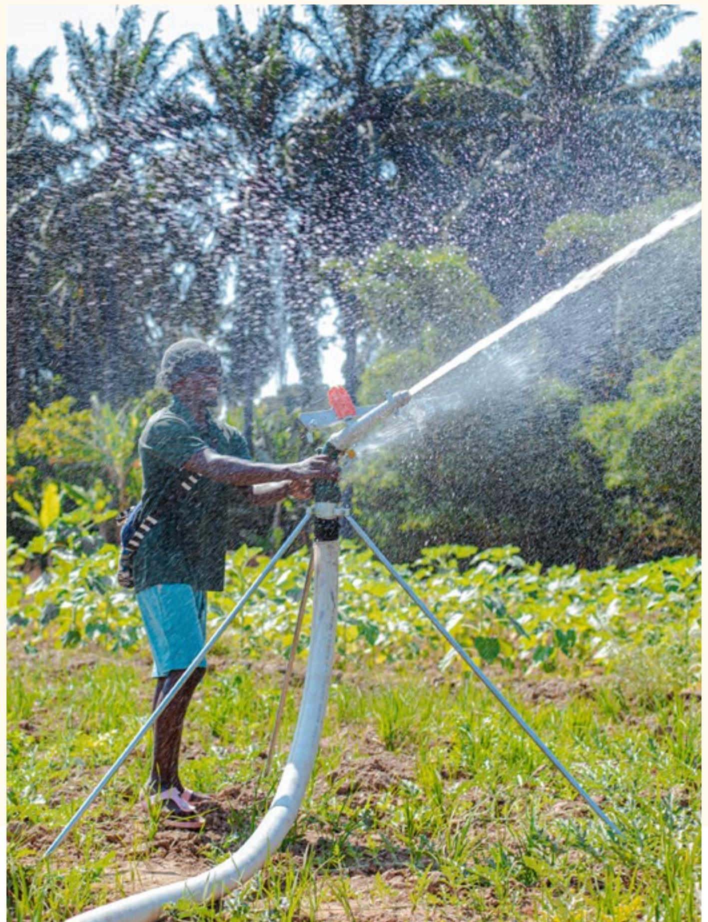
Throughout the year, FSDT supported regulators and policymakers through intensive technical engagement, including drafting, consultations, and structured reviews. Six technical working sessions were convened with key institutions such as

BANK OF TANZANIA (BOT)

THE TANZANIA INSURANCE REGULATORY AUTHORITY (TIRA)

THE CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA)

MINISTRY OF FINANCE



These engagements resulted in the drafting of four regulatory instruments and the submission of six policy papers to the Long-Term Perspective Plan (LTPP), underscoring FSDT's role as a trusted technical partner.

Notable progress was made in developing regulatory sandbox frameworks for the insurance and capital markets sectors. Draft Insurance Regulatory Sandbox Regulations were prepared with TIRA, translated into Swahili, and advanced through internal approval and stakeholder validation. In parallel, the Capital Markets Regulatory Sandbox Regulations moved through drafting, consultations, and CMSA management review, bringing them close to formal submission. These sandboxes aim to create secure, structured environments for testing innovative financial solutions while ensuring consumer protection.

Reforms to the Credit Reference Databank and Credit Reference Bureau Regulations also advanced. FSDT supported BoT in drafting, stakeholder engagement, and institutional alignment, leading to management approval and submission to the relevant ministries. These reforms are expected to modernise credit information systems, improve data quality, and expand viable data sources to support inclusive lending.

Regarding the Secured Transactions Act, the Ministry of Finance continued drafting independently, prompting FSDT to shift its support toward implementation preparedness. Conversely, planned support for reforming the PO RALG revolving fund was discontinued due to counterpart unavailability.

Overall, the policy portfolio demonstrates strong technical readiness, with several initiatives poised to transition from drafting to approval and operationalisation in the coming period.

4.2 FINANCIAL INFRASTRUCTURE DEVELOPMENT

In 2024/25, FSDT advanced a broad financial infrastructure agenda aimed at strengthening systems that enable FSPs and other actors to better serve women, youth and underserved communities. Two major infrastructures were developed or enhanced during the year, signalling a shift from design toward functional delivery and reinforcing FSDT's role in convening partners, de risking innovation and supporting national platforms for inclusive finance.

Partnership mobilisation was a defining feature of the year. FSDT formalised multiple agreements with the Bank of Tanzania, technical providers, AMCOS, and private sector actors, surpassing targets. These collaborations supported initiatives across national payments, credit information, digital identity, and data-driven market tools. FSDT also facilitated coordination platforms that brought together regulators, implementers, and technical specialists to support adoption and scalability.

Progress was notable in inclusion-focused infrastructures. Working with NIDA and field partners, FSDT identified over 4,000 individuals without National Identification Numbers and enabled 1,919 women, youth, MSMEs, and farmers to obtain IDs. This demonstrated the impact of targeted coordination around digital identity in accelerating access to formal services. Device financing partnerships with FSPs were also strengthened, establishing proof of concept channels that expand mobile phone ownership, a key enabler of digital financial inclusion.

At the national systems level, FSDT continued to support priority reforms. Quality assurance support to Tanzania's Instant Payment System contributed to key milestone delivery and unlocked further funding, while inclusion efforts assisted the onboarding of microfinance and digital providers. Progress also continued on alternative data credit scoring, farmer profiling tools, and early development of a consumer-facing AI price comparator in collaboration with the Bank of Tanzania. Work on enhancing the Financial Services Registry advanced through concept development and planning.
Despite these gains, full institutionalisation lagged. Capacity transfer and operationalisation slowed progress in areas such as the credit scoring engine, registry enhancements, and strategic digital ID components, which were carried forward due to integration and approval challenges.
Overall, the portfolio now has a strong foundation of partnerships, tools, and national initiatives, with the coming period critical for transitioning to regulator-owned, operational systems that deliver sustainable inclusion outcomes at scale.

4.3 INNOVATIVE FINANCIAL SOLUTIONS

In 2024/25, FSDT continued supporting FSPs to design, pilot and scale innovative solutions tailored to the needs of women and youth. The year reflected a portfolio in transition: although the number of new pilots remained below ambition, several solutions advanced into scale, demonstrating the effectiveness of FSDT's innovation support model.

By the end of the period, five financial solutions had been piloted with partners including NMB, Vodacom, Mixx, and Zan Securities, indicating an active but narrower pipeline than intended. In contrast, nine solutions were scaled by partners such as NMB, Vodacom, and Stanbic, surpassing targets and showing that solutions with internal buy-in can progress from experimentation to market deployment. Three FSPs were also piloting new products, signalling early but concentrated sector engagement.

Structured innovation support remained a core delivery approach. FSDT facilitated multiple FinClinics using human-centred design to translate market insights into actionable solution concepts. Engagements with CRDB Foundation, NBC, Zan Securities, Stanbic Biashara Incubator, ZSSF, and others produced concrete recommendations and prototypes, including women-focused value propositions, agency microloans, and improved onboarding processes. Sector-wide FinClinics were also convened, with insights feeding into the Long-Term Perspective Plan and helping connect product experimentation with broader policy dialogue.

FSDT also advanced solution development within strategic value chains. A formal partnership with TMX supported farmers in cocoa,through improved account opening, tailored products, and stronger coordination between AMCOS and FSPs. Community-level engagement aimed to address practical barriers limiting women's and youth's ability to access emerging solutions.

Despite clear progress, challenges persisted. Conversion from FinClinic to prototype and from prototype to pilot remained uneven, with only a few institutions dedicating internal resources to development. This underscores the need to deepen upstream institutional ownership and strengthen pathways that move solutions from concept to sustained market impact.

4.4 CAPABILITY BUILDING FOR WOMEN AND YOUTH

In 2024/25, FSDT's capability agenda focused on improving the financial capability and confidence of women and youth so they can understand, access, and use financial services effectively. Building on earlier FinClinics, the focus shifted from solution design to programme development, partnership mobilisation, and anchoring initiatives within broader financial inclusion platforms.

FSDT supported Clouds Media Group to strengthen the **"Mambo ya Fedha**" and "Ujanja Pesa" initiatives. The support included developing a clear Theory of Change outlining intended behavioural and inclusion outcomes and how media, partnerships, and financial sector engagement can jointly build capability among women and young entrepreneurs. This work clarified the programme's purpose and positioned it within national financial inclusion structures.

FSDT also supported Clouds Media to identify and map potential partners capable of contributing to content, delivery, and sustainability. Early engagements with the Bank of Tanzania's Directorate of Financial Deepening and Inclusion and the Tanzania Bankers Association helped align the initiative with national priorities and created pathways for collaboration with FSPs. A programme pitch deck was also developed to support partner mobilisation.
Early portfolio progress included identifying FSPs with capability initiatives, formalising initial agreements and customising at least one initiative for gender and age relevance. Through the Clouds Media partnership, FSDT demonstrated that capability content can be embedded into delivery platforms and meaningfully reach women and youth. However, overall progress remained early-stage. Institutional uptake was narrower than intended, formal partnerships remained limited, and outcome data on capability, usage, and confidence were not yet available.

Late in the period, Clouds Media paused programme implementation due to financial constraints, shifting the workstream from delivery to consolidation and re-planning. Moving forward, sustained implementation will depend on stabilising the operating model and expanding delivery channels, sector participation, and measurable improvements in capability outcomes.

LESSONS LEARNED AT THE PROGRAM LEVEL

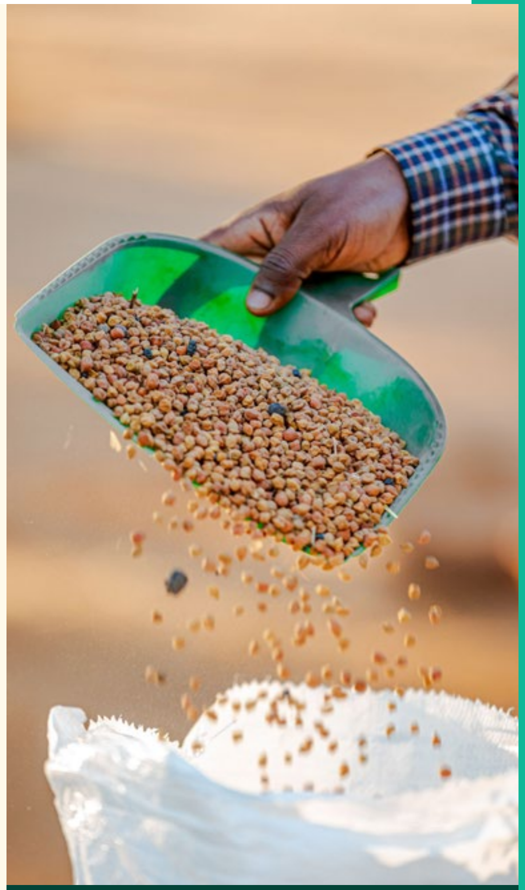
Several key insights have emerged from our programs, highlighting areas for improvement and refinement:

Navigating reform complexity
Regulatory progress depends on more than strong drafting. Shifting mandates, political economy factors, and slow approval processes frequently disrupt momentum. Early focus on ownership, stability, and decision pathways is essential for reforms to advance.

From design to adoption
The main bottleneck is the shift from technical completion to approval and implementation. Without structured follow-through, clear sequencing, and senior-level engagement, even well-designed reforms risk stalling before execution.

Coordination drives infrastructure
Infrastructure work progresses where governance clarity, partner commitment, and defined requirements exist. When initiatives require complex integrations or face leadership transitions, timelines stretch, showing that coordination challenges often outweigh technical ones.

Building sustainable capacity
Infrastructure becomes fragile without regulator capability investment. Long-term sustainability depends on transferring skills, strengthening operational readiness, and embedding institutional knowledge—not only creating systems or running pilots.



LESSONS LEARNED AT THE PROGRAM LEVEL

By addressing these lessons learned, FSDT will continue refining its strategies to ensure financial solutions are relevant, accessible, and impactful for the communities we serve. Our approach remains dynamic, and we will continuously leverage new insights to enhance our programs and support sustainable financial inclusion across Tanzania.

Ensuring real adoption
Pilots and partnerships do not guarantee sustained use. New tools require intentional adoption strategies, incentives, user training, and learning loops. Without these, promising innovations remain underutilised and struggle to scale.

Ownership fuels innovation
Innovation only advances when financial institutions commit leadership focus, internal resources, and accountability. Where engagement remains exploratory, solutions typically lose momentum after design and fail to progress toward launch.

Tackling practical barriers
Success for women and youth requires removing everyday barriers—identity gaps, onboarding difficulties, and account opening challenges. Addressing these practical constraints is often as important as product design itself.

Sustaining capability efforts
Capability initiatives rely on stable funding, strong delivery channels, and aligned partners. Behavioural change impact requires continuity over time, diversified resources, and resilient operating models to generate measurable outcomes.

05 Advances In Research And Insights

BUILDING THE EVIDENCE BASE FOR INCLUSIVE FINANCIAL-SECTOR DEVELOPMENT

During 2024/25, FSDT's Research and Insights portfolio focused on strengthening the foundations of Tanzania's financial-sector evidence base, deepening institutional collaboration, and positioning data and analysis to inform strategy, policy dialogue, and market development. Across the year, emphasis was placed on high-quality research design, national stakeholder ownership, and ensuring that insights are not only produced but actively used.

LAYING THE GROUNDWORK FOR MAJOR NATIONAL DATASETS

FSDT advanced two major research initiatives that will shape the financial sector evidence base. For the Small Trader Diaries Study, scoping visits in Namanga and Kariakoo, along with engagement of Technical and Steering Committees, ensured contextual and methodological readiness. Digital data collection tools were also developed. In parallel, FSDT strengthened coordination and technical preparation for the upcoming MSME Survey, working with national partners to build capacity and engage governance structures. Together, these efforts established strong institutional and technical foundations for large-scale data collection and future insights.

DRIVING THE USE OF FINANCIAL-SECTOR INSIGHTS

Alongside research preparation, FSDT continued to amplify the reach and relevance of existing national datasets. Engagements around FinScope Tanzania 2023 were sustained, including targeted dissemination with the House of Representatives in Zanzibar. These forums reinforced the role of FinScope as a national public good and supported the embedding of evidence within legislative, policy, and market dialogue. Through these engagements, FSDT continued to position itself as a convenor and trusted evidence partner across government and financial-sector stakeholders.

ADVANCING GENDER AND INCLUSION ANALYSIS

During the year, FSDT completed internal reporting and dissemination of its Gender Diagnostic Study. This work strengthened organisational understanding of the structural and behavioural factors shaping women's access to and use of financial services. The analysis now provides a platform for more intentional programme design, sharper targeting, and stronger integration of gender and inclusion considerations across future market interventions.

ANCHORING STRATEGY IN EVIDENCE

Research and insights also played a central role in shaping FSDT's future direction. The year saw completion of the core analytical phases of strategy development, including delivery of a comprehensive landscaping report and organisation-wide strategy design sessions. These processes ensured that emerging strategic priorities are grounded in market evidence, sector trends, and institutional learning, reinforcing FSDT's commitment to evidence-led programming.

POSITIONING FOR IMPACT

Overall, the year marked a shift toward building the conditions for deeper impact: strengthening partnerships, reinforcing technical quality, and aligning research more closely with engagement and strategy processes. As FSDT moves forward, the portfolio is well positioned to transition from design and preparation into delivery, dissemination, and practical application -- ensuring that high-quality data and insights continue to inform inclusive financial-sector development in Tanzania.

06 Public Engagement And Communications

PUBLIC ENGAGEMENT AND COMMUNICATIONS

Effective public engagement and communications are central to FSDT's role as a national convener, evidence partner, and catalyst for inclusive financial-sector development. During 2024/2025, FSDT strengthened its public-facing platforms, expanded stakeholder engagement, and continued to position data, dialogue, and thought leadership as tools for influence and collaboration.

SOCIAL AND DIGITAL MEDIA

Throughout the year, FSDT continued to build a steady pipeline of thought leadership and accessible insight products. Six thought pieces were published, addressing themes including the rise of street vendors, cross-border trade for MSMEs, the evolution of Tanzania's banking industry, digital financial services and fintech, insurance market gaps, and the digitisation of community microfinance groups. These articles supported FSDT's role in translating technical work into public dialogue and market-relevant narratives.

Regular communication with stakeholders was maintained through quarterly newsletters, with three editions disseminated and a fourth in preparation at time of this report's publication. Six project briefs were also completed, covering areas such as enterprise development, financial systems data management, policy and regulatory reform, and technical assistance, strengthening transparency and accessibility of FSDT's portfolio. Internally, communications capacity was supported through refresher sessions on brand guidance and staff personal branding, reinforcing consistent external engagement.

Digital performance indicators reflect continued growth. By June 2025, website views had increased by 44.6 percent year-on-year, total users by 49.8 percent, and sessions by 53.1 percent, indicating both expanding reach and repeat engagement. Organic search remained the primary traffic driver, while social media channels reached over 300,000 people, with engagement exceeding targets. These trends signal rising visibility of FSDT's work and sustained interest in financial-sector content.

DIGITAL PERFORMANCE INDICATORS

44.6% Website Views	**53.1%** Sessions
49.8% Total Users	**300k** Social Media Reach

INDUSTRY FORUMS

FSDT remained an active presence in national, regional, and sector-specific forums, using these platforms to disseminate insights, convene dialogue, and engage decision-makers. During the year, FSDT participated in a wide range of events, including Financial Services Week, the Tanzania Annual ICT Conference, Innovation Week Tanzania, the Financial Sector Forum, and multiple banking and insurance dialogues. These engagements addressed issues such as digital public infrastructure, artificial intelligence and payments, gender-inclusive finance, insurance market development, and inclusive growth.

At the international level, FSDT strengthened its thought leadership by actively participating in key regional forums. These included the Responsible Finance Forum, the launch of FinScope South Africa, and the Global SME Finance Forum, which took place in South Africa; the Alliance for Financial Inclusion (AFI) Global Policy Forum in Namibia; the EU–EAC CORE Programme Peer-to-Peer Learning Conference on Financial Services in Uganda; and the Africa Climate Summit in Ethiopia. These platforms provided valuable opportunities for FSDT to exchange knowledge, showcase lessons from Tanzania, and engage with peers and changemakers to advance inclusive finance across the continent.FSDT also partnered with the Tanzania Bankers Association to mark International Women's Day, facilitating dialogue on women's financial inclusion, and celebrated 20 years of catalysing financial inclusion in Tanzania. Across these forums, FSDT consistently used exhibition spaces, panel discussions, and tailored presentations to disseminate research, share learning, and strengthen relationships with policymakers, financial institutions, development partners, and civil society.

MEDIA COVERAGE

Media engagement continued to support the amplification of FSDT's work, with collaboration with media partners contributing to increased re-publication of FSDT content and supporting organic visibility, which accounted for 56.5% of website traffic. Communications activity around events, research, and sector dialogues provided anchor points for visibility, reflected in 3,910 website views (+0.6%), 1,610 users (+0.2%), and improved search performance, with 72,640 impressions (+6%) and 1,950 clicks (+3%) recorded during this period. Ongoing website and social-media performance showed growing traction, reinforcing FSDT's public profile as a credible source in Tanzania's inclusive finance ecosystem.

COMMUNICATIONS ACTIVITY

3,910
Website Views

1,610
Users

72,640
Total Users

1,950
Clicks

07 Our People And Organisational Development

People and systems remain central to FSDT's ability to deliver complex market-facilitation work and to remain a trusted partner within Tanzania's financial-sector ecosystem. During 2024–2025, FSDT focused on strengthening leadership capacity, deepening staff capability, and reinforcing internal systems to support a growing and increasingly sophisticated portfolio.

BUILDING LEADERSHIP AND ORGANISATIONAL CAPACITY

The year marked an important phase of organisational strengthening. Recruitment was completed for two strategic leadership roles: Head of Finance & Operations and Chief Programmes Officer. This significantly reinforced senior management capacity and operational oversight. Several technical, programme, and operational roles were also filled across digital finance, financial policy and climate action, monitoring and results, investment support, and programme coordination. Notably, there was no staff turnover during the year, supporting continuity, institutional memory, and team cohesion.

EMPLOYEE ENGAGEMENT AND PROFESSIONAL DEVELOPMENT

FSDT continued to invest in staff engagement and development. Coaching sessions were delivered for senior management, alongside an annual team-building event to strengthen collaboration and shared purpose. Regular staff meetings supported alignment and information-sharing. New staff were inducted through targeted training on the Market Systems Development approach, reinforcing a common methodological foundation and consistent delivery quality.

STRENGTHENING SYSTEMS, CONTROLS, AND RESILIENCE

Key organisational policies, including finance, human resources, procurement, IT, safeguarding, and conflict of interest,were reviewed and approved, strengthening governance and accountability. Internal audits covering both halves of the financial year supported assurance and continuous improvement. Operational systems were enhanced through upgrades to financial platforms, IT maintenance, and security renewals. Compliance processes were strengthened, including registration of a Data Privacy Officer and staff participation in grant-management training.

Overall, the year represented one of consolidation and capacity-building, reinforcing the organisational foundations required for effective, accountable and adaptive delivery.

08 Financial Performance

FSDT maintained stable financial performance during the period 13th July 2024 to 30th June 2025, with expenditure patterns reflecting continued investment in programme delivery alongside the strengthening of operational systems to support an expanding portfolio.

PUBLIC ENGAGEMENT AND COMMUNICATIONS

BUDGET SPENT

62%

Burn Rate

USD 2,883,148

Total Spend

Over the reporting period, the Trust recorded an overall burn rate of 62 percent, equivalent to USD 2,883,148 out of a total approved budget of USD 4,808,110. This performance reflects balanced expenditure across both programmatic and operational areas, with burn rates of 57 percent and 81 percent, respectively. The higher operational burn rate was driven by staffing, systems strengthening, and organisational investments required to support portfolio growth and delivery complexity.

Programmatic expenditure was concentrated around core strategic priorities. Key cost drivers included the development of regulatory frameworks -- covering capital markets and insurance sandboxes and review of credit reference regulations -- alongside implementation of the gendered credit scorecard in the dairy and pulses value chains. Investments were also directed toward national identification enablement and the development of a consumer-focused AI-based price comparator tool, FinClinic initiatives, and the digitisation of Community Microfinance Groups, and cross-cutting strategic engagements.
Research and insights remained a significant area of investment, with expenditure supporting FinScope Tanzania, MSME FinScope Survey preparations, the Small Trader Diaries study, and a gender norms market study. Additional resources were deployed under the Inclusive Finance for Growth of Women project, reinforcing FSDT's emphasis on women's economic participation. These allocations demonstrate alignment between financial deployment and FSDT's core objectives of strengthening market systems, enabling innovation, and advancing inclusive finance.

PUBLIC ENGAGEMENT AND COMMUNICATIONS

TOTAL AVAILABLE FUNDS

USD 5,693,416

As of 30 June 2025, total available funds stood at USD 5,693,416, providing a stable platform for continued operations and programme implementation. The Trust maintained adequate liquidity to meet short-term operational and programmatic requirements, with projected cash balances sufficient to support upcoming activities.

ACCOUNTABILITY AND FINANCIAL OVERSIGHT

During the year, implementing partners accounted for previously disbursed funds, including amounts managed by Creditinfo Tanzania Limited in support of the gendered scorecard workstream, and by the National Bureau of Statistics and Innovation for Poverty Action in relation to FinScope Tanzania research activities. These accountabilities were incorporated into the current period's performance analysis, reinforcing transparency and prudent financial management.

Overall, FSDT's financial performance in 2024/2025 reflects responsible stewardship of donor resources, with expenditure aligned to strategic priorities, continued investment in organisational capacity, and a stable financial position to support delivery in the coming period.

FSDT STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	USD (MILLION) 2025	USD (MILLION) 2024
Incoming Resources		
Grant Income	2,982,113	3,078,408
Other income	33,468	21,169
Total Income	3,015,581	3,099,577
Expenditure		
Project cost		
Governance and operating costs	454,340	506,050
Staff costs	294,538	307,313
Loss on disposal of assets	401	-
Depreciation	90,669	98,229
Total Expenses	**2,987,150**	**3,078,408**
(Decifit)/Surplus for the year	**28,431**	**21,169**
Income Tax	-	-
Total (Decifit)/Surplus for the year	**28,431**	**21,169**

FSDT STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	USD (MILLION) 2025	USD (MILLION) 2024
ASSETS		
Non current Assets		
Property, plant and equipment	0.06	0.10
Right of use of asset	0.20	0.05
	0.25	**0.15**
Current Assets		
Grants receivable	0.00	2.42
Other receivables	0.22	0.11
Cash and cash equivalent	5.66	2.46
	5.89	**4.98**
Total assets	**6.14**	**5.13**
FUNDS AND LIABILITIES		
Funds		
Accumulated surplus/(deficit)	0.43	0.39
Non current liabilities		
Lease Liability	0.17	0.07
Current liabilities		
Deferred income	5.23	4.39
Other Payables	0.26	0.25
Lease Liability	0.04	0.04
Total funds and liabilities	6.14	5.13

FSDT STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	USD (MILLION) 2025	USD (MILLION) 2024
ASSETS		
Non current Assets		
Property and equipment	57,428	98,034
Right of use of assets	197,517	49,977
	254,945	**148,011**
Current Assets		
Grants receivable	-	1,720,586
Account receivables	224,582	109,062
Cash and cash equivalent	5,662,472	4,413,037
	5,887,054	**6,242,685**
Total assets	**6,141,999**	**6,390,696**
FUNDS AND LIABILITIES		
Funds		
Accumulated surplus/(deficit)	431,292	402,861
Non current liabilities		
Lease Liability	173,990	-
Current liabilities		
Deferred income	5,234,063	5,666,694
Accounts Payables	262,177	265,741
Lease Liability	40,477	55,400
Total funds and liabilities	6,141,999	6,390,696

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