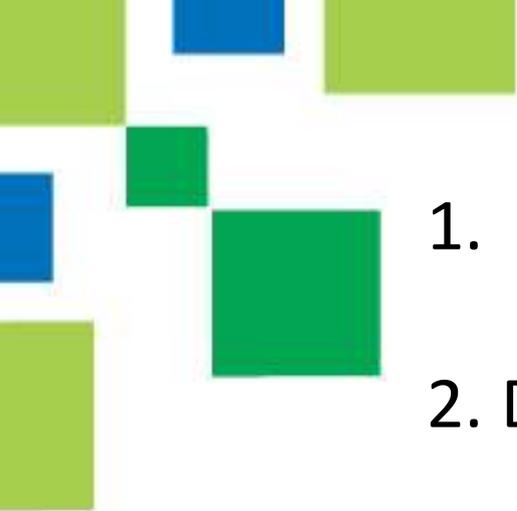




Promoting Financial Inclusion in Tanzania

**SAFIN Session-Tracking data on
MSMEs and Agro enterprises
Rome -Italy**

Sosthenes Kewe
27 November 2017

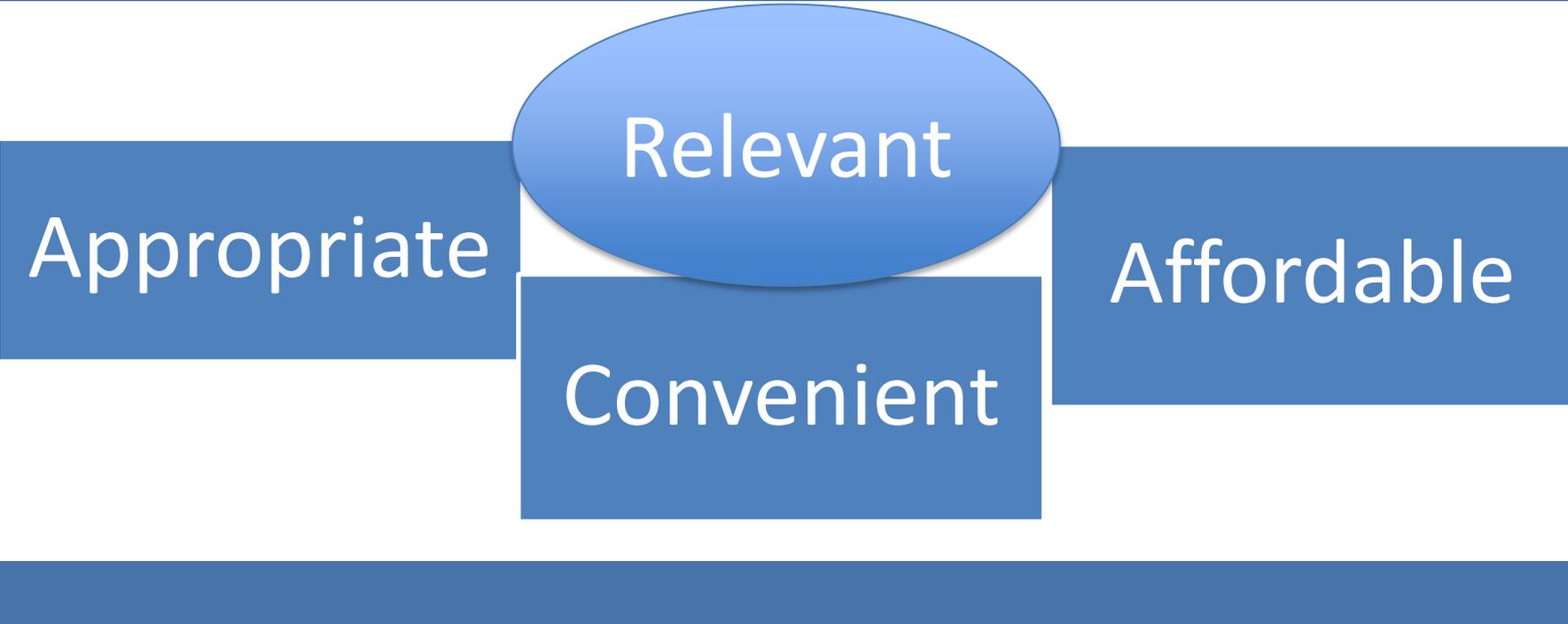


Agenda

1. About FSDT
 2. Data market & Gaps
 3. (Missing)
 4. Tools deployed for demand & supply side
 5. Lens into MSMEs & Agricultural Value Chains
 6. Obstacles to scaling up these models
 7. Strategies moving forward
- 

FSDT Goal- FI Value Creation Model

All Tanzanians & businesses derive value from the regular use of financial services which are delivered with dignity and fairness



The diagram illustrates the FI Value Creation Model. It features a central blue oval containing the word "Relevant". This oval is positioned above a blue rectangular box containing the word "Convenient". To the left of the "Relevant" oval is a blue rectangular box containing the word "Appropriate", and to the right is another blue rectangular box containing the word "Affordable". All these elements are set against a white background with blue accents.

Relevant

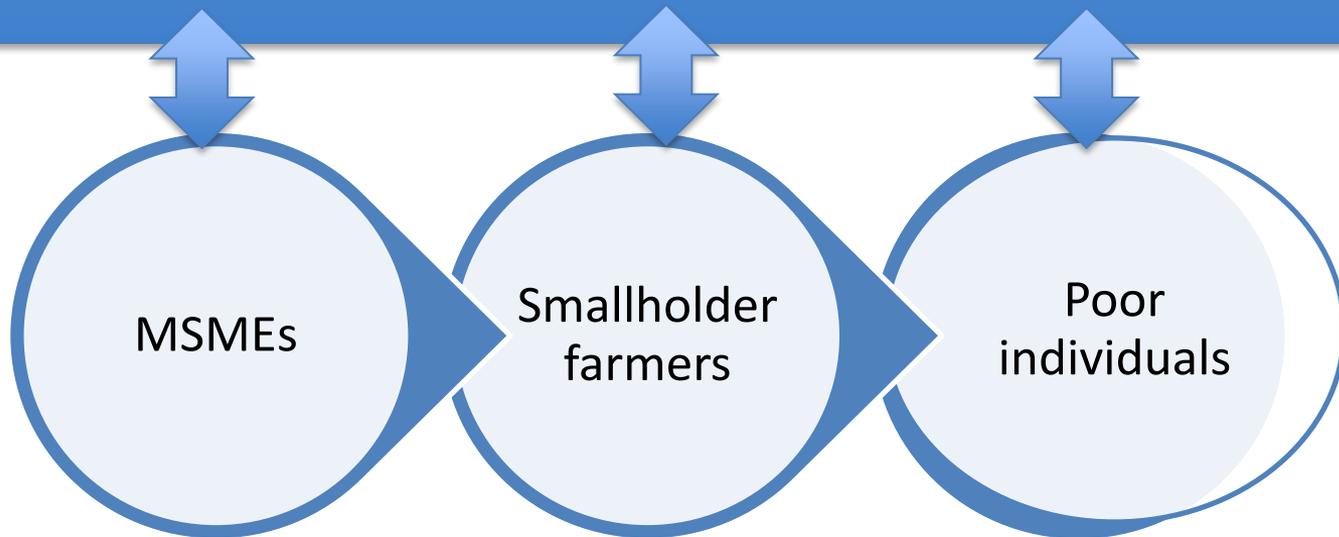
Appropriate

Affordable

Convenient

Purpose: Changes desired in FS

A financial sector in which stakeholders implement policies, regulations and solution which are innovative and responsive to the needs of:-



FSDT Strategic Objectives

Advocating for improved policy, legal & regulatory environment

Promoting relevant market infrastructures , ways to reduce transactions costs

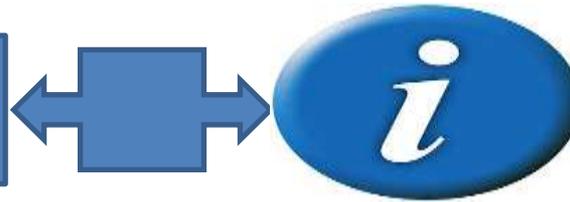
Stimulating improved access to financial services for MSMEs

Stimulating access to finance for smallholder farmers and individuals



Research Agenda-“Insights to Solutions”

Markets



“Markets are institutions [set of rules] that exist to facilitate exchange – that is, they exist in order to reduce the cost of carrying out transactions” – Coase (1988)

“To be generically against markets would be almost as odd as being generically against conversations between people” – Sen, Development as Freedom



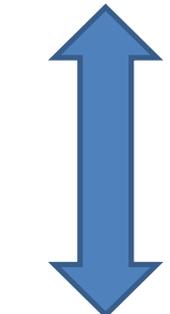
“We have good reasons to buy and sell, to exchange, and to seek lives that can flourish on the basis of transactions” – Sen, *ibid.*

Research – Mission & Vision

Mission



*To facilitate **uptake** and **utilization** of insights by the financial sector*



VISION



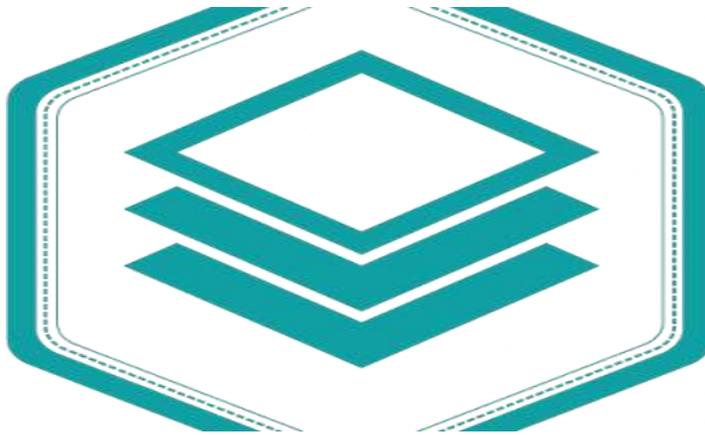
*A financial sector whose players proactively seek and use **evidence** when making **decisions** that result in **solutions** that meet the **needs** of market*

Tools Available in Tanzania



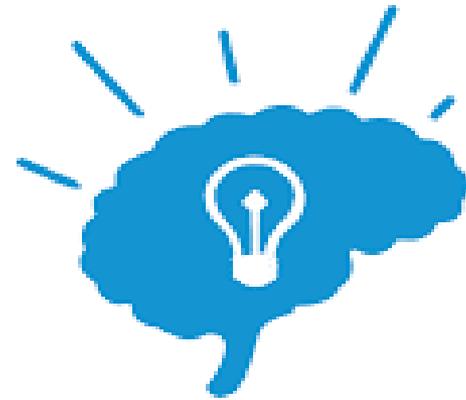
What do we get from these Tools?

Characteristics of
businesses -Profiles



Finance & business needs
and capabilities

Determine uptake and
usage & channels used

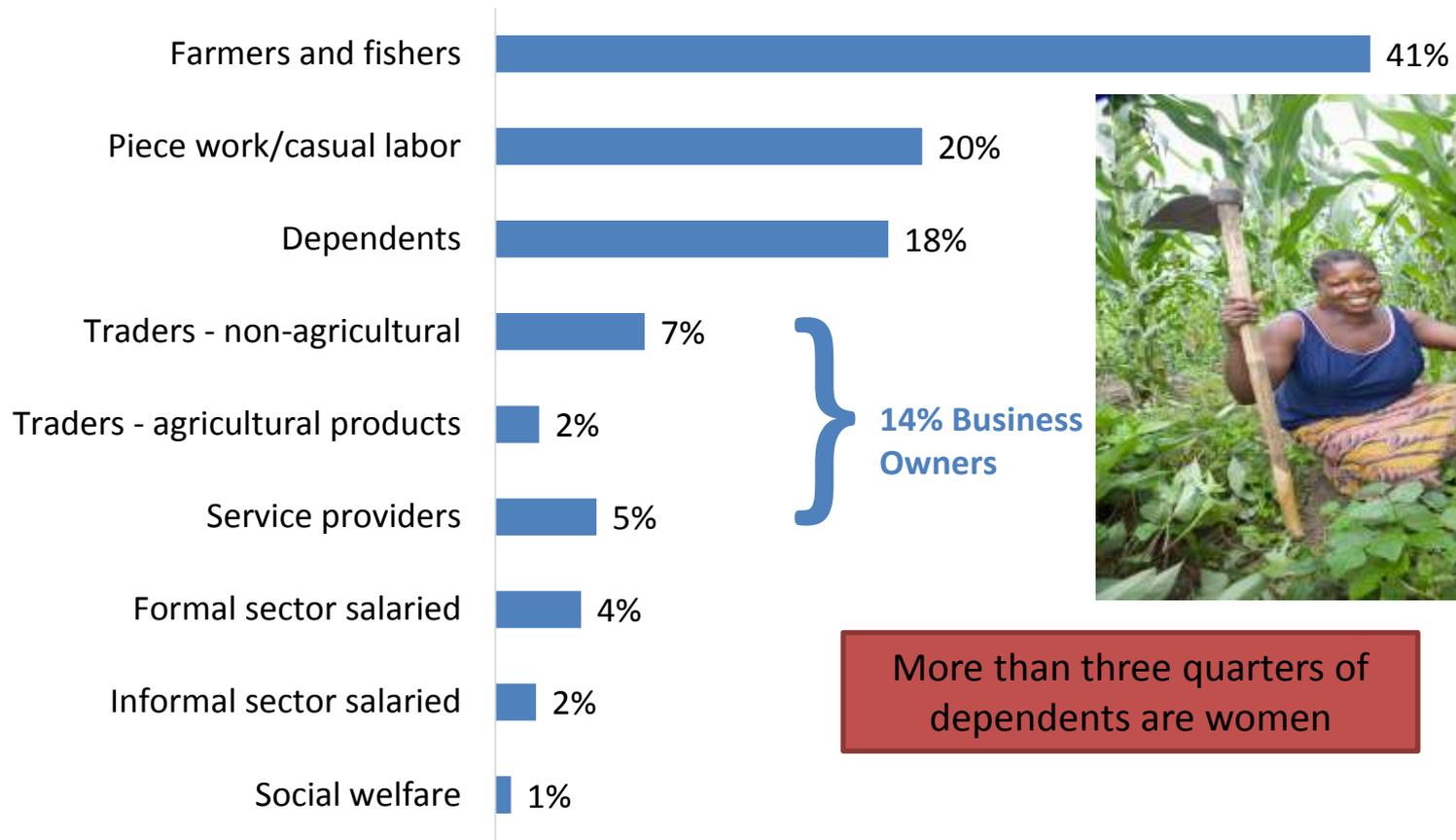


Identify opportunities & Barriers
for MSMEs and Smallholders



Fact 4: 41% of adult Tanzanians meet majority of their expenses through money generated from farming activities

Main revenue generating activity

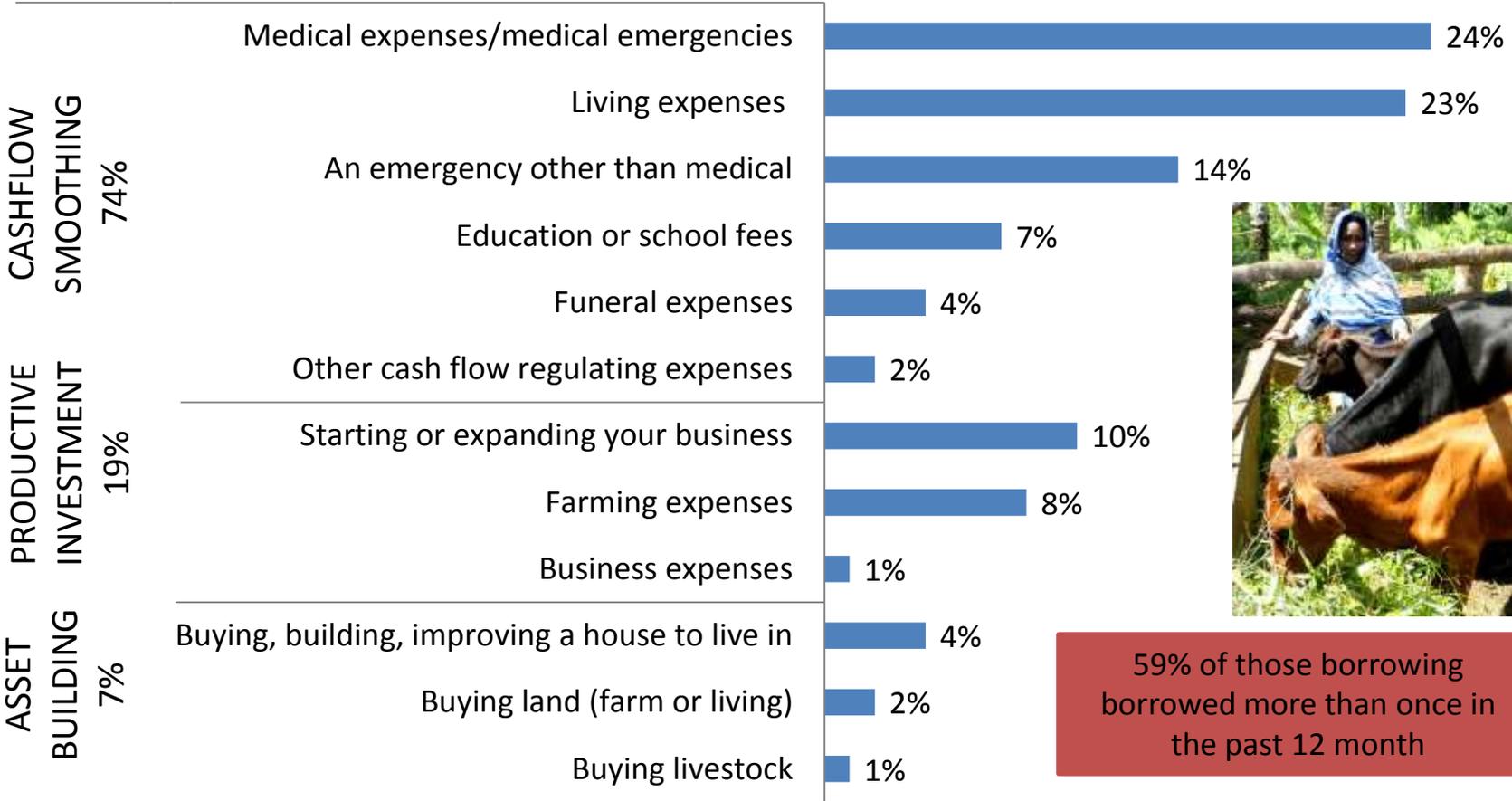


More than three quarters of dependents are women



Fact 8: 44% of adult Tanzanians borrowed in the last 12 months

Why do they borrow? Base=only those who borrow



59% of those borrowing borrowed more than once in the past 12 month

Confidence on financial matters

Low levels of confidence – particularly in dealing with financial service providers. This is the outcome of low levels of literacy, numeracy and knowledge of financial products and services.

Level of confidence	Making financial decisions	Dealing with financial service providers
Very confident/ confident	65%	32%
Not confident at all	35%	68%



The GAP

Low **uptake** and under
utilization of insights

Are FSP's data centric?



How analytically mature is your organisation?

Becoming a truly data-led organisation with competitive data-driven activities is a 3-5 year journey

Most FSP's
are here



Analytically Impaired

Reactive operational and compliance reporting

Localized Analytics

Analyses of trends and benchmarks; customizable self service dashboards

Analytical Aspirations

Statistical analyses to solve business problems. Centralized staffing and integrated data

Analytical Company

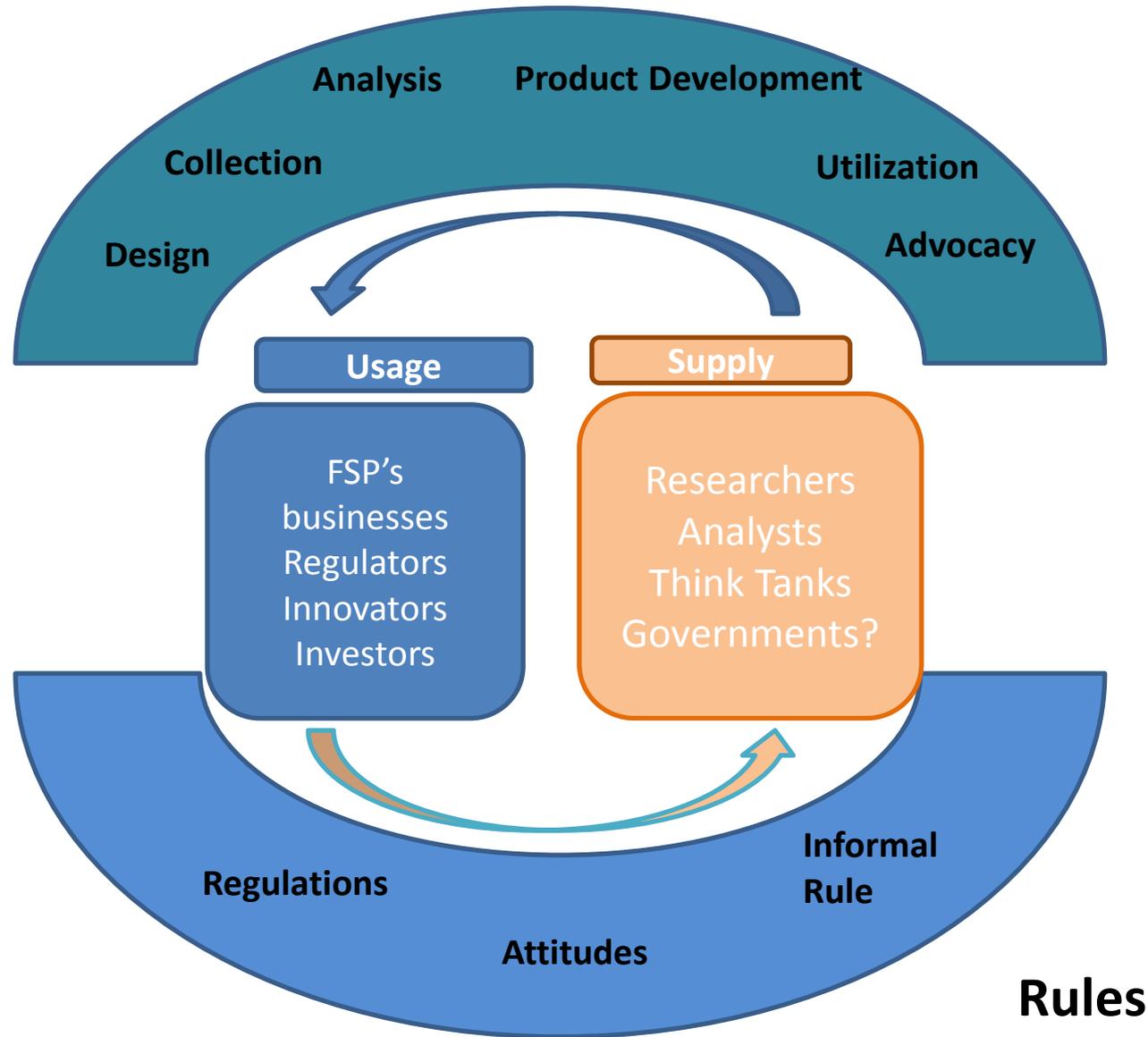
Predictive models integrated with business systems. Agile 'Test and Learn' campaigning

Analytical Competitor

Data housed in cloud. Multiple external data sets. Pervasive data driven decision making and results

Anatomy-Data Market

Support Functions



1: Lack of research capacity

- *Poor research design skills*
- *lack of a conceptual understanding of FI*
- *lack of analytical capacity*

2: Poorly structured and under-utilized supply side data

3: Lack of frequent and timely demand side data

4: Inability to ensure moving from “information” to “action”

5: The absence of a research and learning culture

6: Under utilization of evidence in innovation and product development

Underlying Constraints – Generating data and Usage



Obstacles to scaling research models

Culture of using evidence

Analytics to Insights -
Relevance

Quality of
Engagement

Cost &
Funding
sources

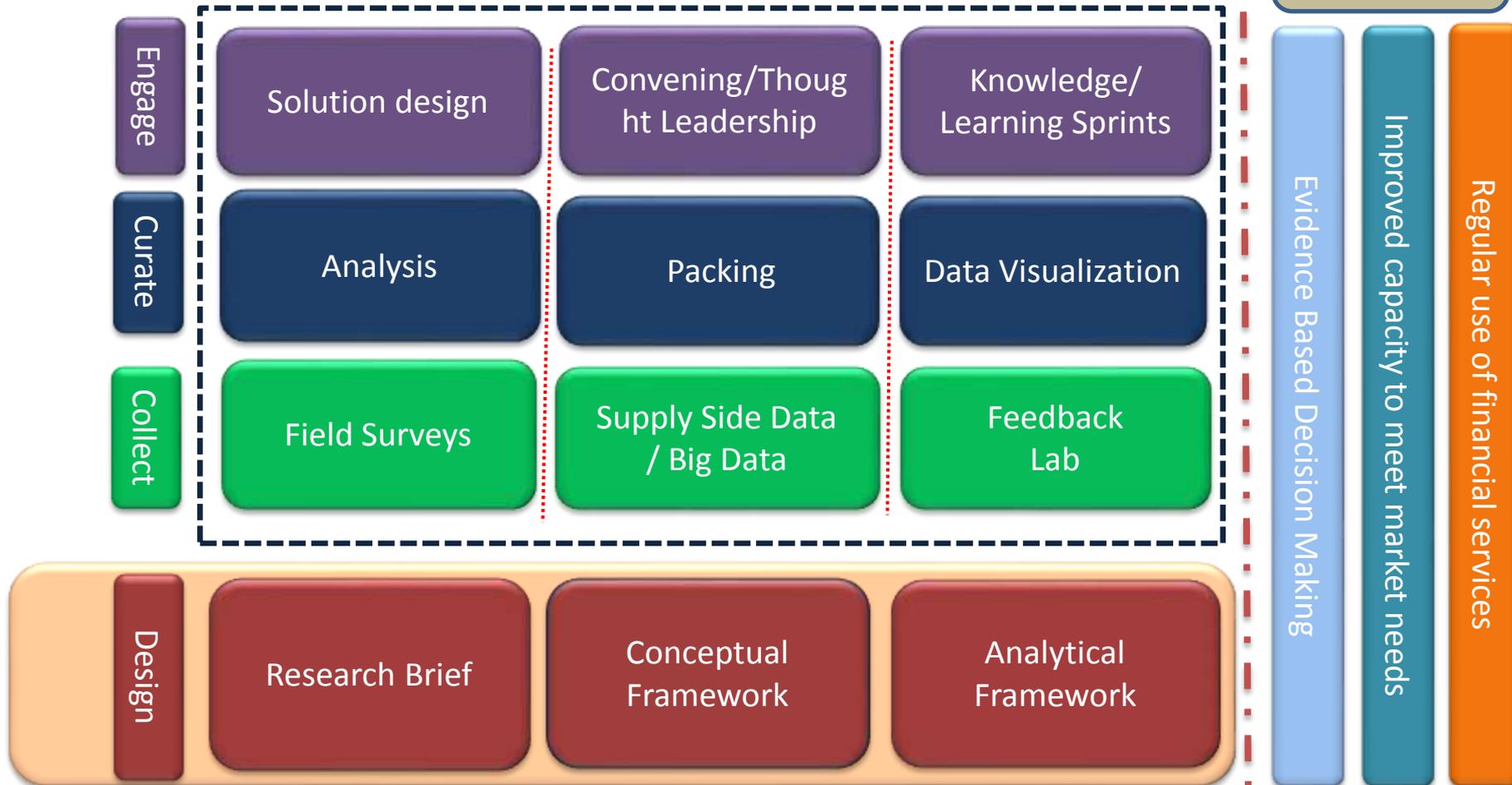
Regulatory concerns-big data



Then, Now, New & Next...



Re-thinking FSDT's RESEARCH Agenda





FinScope

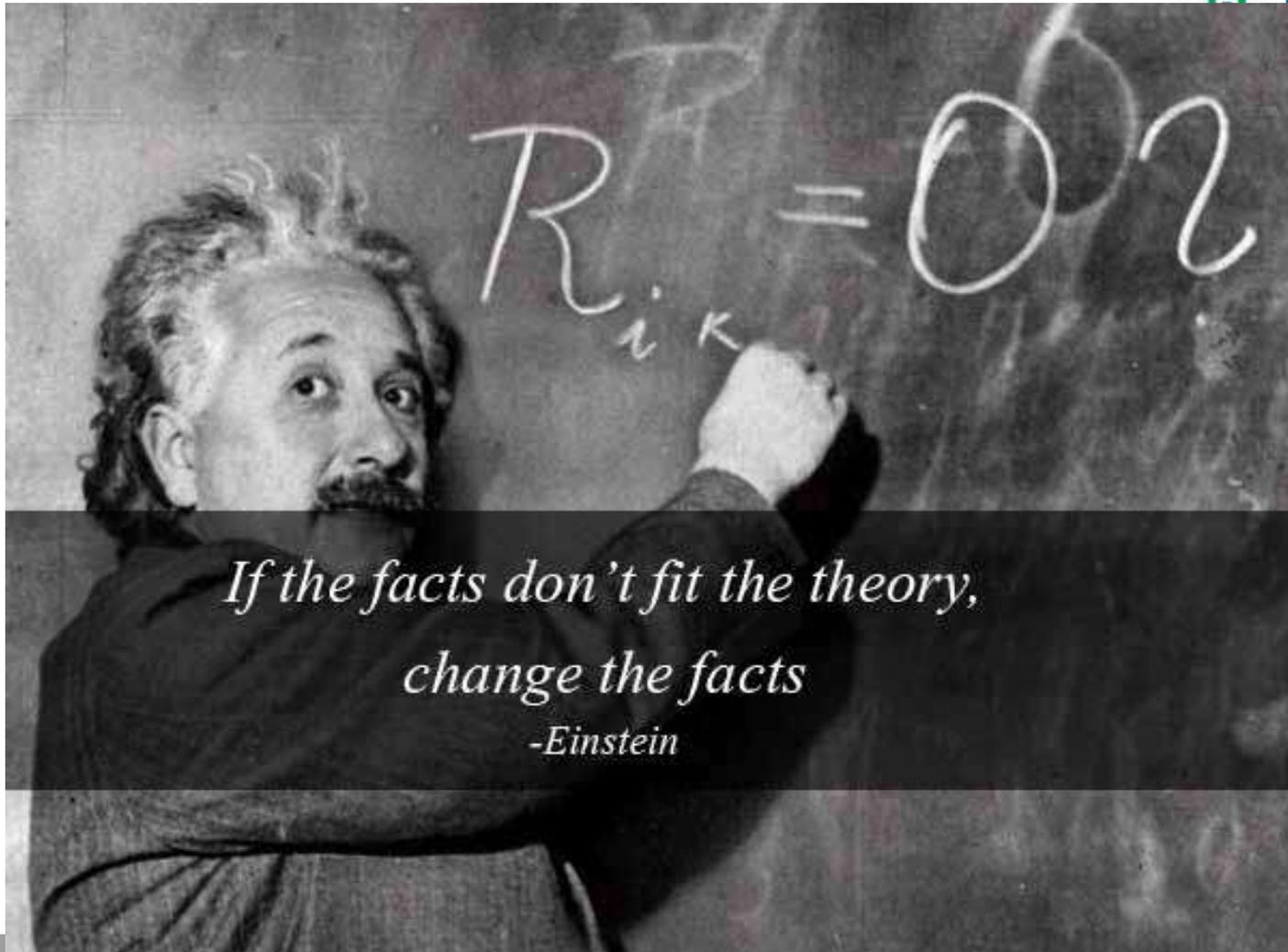
2017 TANZANIA

Welcome and Introduction
Irene Miola
Executive Director 2017

FinScope
INSIGHTS THAT DRIVE
INNOVATION

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INSIGHTS THAT
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INNOVATION



Action Theory



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