

Financial Sector Deepening Tanzania and TradeMark Africa Partners to Boosts Financial and Digital Inclusion for Women Traders in Tanzania

Gates Foundation injects Tzs1.18billion (\$453k) in the project

Dar es Salaam, Tanzania, 18 June 2024: In a landmark move to strengthen financial and digital inclusion for women traders in Tanzania, Financial Sector Deepening Tanzania (FSDT) and TradeMark Africa (TMA) have signed a strategic partnership that underscores their shared commitment to empower women by expanding their access to digital financial solutions, thereby enhancing their participation in cross-border trade.

With a grant of \$453k (1.18billion TZS) from TMA, funded by Bill and Melinda Gates Foundation, this partnership marks the launch of the Financial and Digital Inclusion for Women Traders in Tanzania project, which focuses on three strategic areas: improving market access and information, boosting the use of digital financial services, and advocating for a supportive policy and regulatory environment.

Despite Tanzania's strides in digital innovation, women traders face significant barriers to economic participation. The Tanzania Communications Regulatory Authority (TCRA) reports a rise in digital subscriptions, yet women's participation remains low. Only 34% of women have internet access, and just 18% have a bank account and 51% of all financial excluded are youth, highlighting the urgent need for financial inclusion. Challenges include non-responsive policies, limited access to financial services, low digital literacy, and inadequate market information. Women and youth traders also face hurdles such as lack of collateral, cumbersome lending procedures, often lack the collateral required for loans, face cumbersome lending procedures, and are subject to unfavourable charges and fees. Additionally, social and household responsibilities, limited education, and cultural norms further constrain their economic activities. These factors collectively hinder women from leveraging digital and financial tools that could otherwise enhance their business operations and market reach.

This partnership aims to bridge this gap by providing lessons, through strategic assessments and analysis, on women and youth traders financial inclusion requirements. A small diaries study for women and youth traders in Tanzania will be conducted, to provide policy insights and areas that may need outreach, capacity building, and development of responsive digital payment and lending products for women and youth traders.

The partnership further aims to significantly enhance the export capabilities of women and youth traders, increase their access to digital financial services, and promote gender-responsive policies that foster inclusive trade. By addressing the specific challenges faced by women traders, including limited access to information, finance, and digital technologies, the project seeks to empower women, boost their economic contributions, and ensure sustainable business growth.

Ms. Monica Hangi, TMA's Regional Director East and Central Africa, highlighted the transformative potential of this initiative, stating: *"Empowering women traders through digital financial inclusion is not only a matter of equity but also a catalyst for economic growth. This partnership with FSDT will*

unlock new opportunities for women, enabling them to thrive in the competitive global trade environment."

The Grant aims to directly benefit over 5,000 women traders, enhancing their business operations and access to sustainable markets. By leveraging digital solutions, these women will manage their finances more efficiently, access new markets, and boost their productivity.

Mr. Eric Massinda, Chief Executive Officer of FSDT, expressed his enthusiasm, commenting: *"This collaboration is a significant step towards financial empowerment for women and youth in Tanzania. By integrating digital solutions, we can address existing challenges and provide women and youth traders with the tools they need to succeed."*

Ms. Hangi concluded by elaborating on the strategic impact: *"This partnership is a testament to our commitment to fostering inclusive trade environments. By supporting women traders, we are not only promoting gender equality but also driving economic development across the region."*

Mr. Massinda added: *"Our goal at FSDT is to create a more inclusive financial ecosystem. Through this project, we will provide women and youth traders with the necessary digital tools and financial resources, ensuring they have equal opportunities to succeed in the marketplace."*

As the project kicks off, women and youth traders in Tanzania will gain access to new markets and manage their finances more effectively, with broader economic impacts resonating across the region, driving inclusive and sustainable growth.

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About FSDT

FSDT is a donor-funded financial sector market facilitator that aims to achieve poverty reduction through a transformative financial sector that offers inclusive and sustainable financial solutions to improve the livelihood, wellbeing, and empowerment of underserved Tanzanians. FSDT's work is guided by the Market Systems Development (MSD) approach,

which aims to develop market systems that benefit the poor, offering them capacities and opportunities to improve their lives.

Currently, FSDT's main target markets are women and youth, who have been identified as the most financially excluded market segments in the country. FSDT is dedicated to supporting the financial sector in delivering inclusive, quality financial solutions that meet the financial needs of women and youth.

Through its catalytic function FSDT, hopes to achieve the following changes in the market:

- Improved policies, legal and regulatory frameworks that promote gender equality, as well as economic and financial opportunities for women and youth.
- Improved availability of relevant financial sector infrastructures that will equip the financial sector players and other stakeholders with the ability to meet the needs and aspirations of women and youth.
- Financial service providers developing and scaling innovative and responsive financial solutions/tools for women and youth to promote equality, empowerment, and wellbeing.
- Improved confidence and capability of women and youth to demand and use financial solutions.

For more on information, please visit: www.fsd.tz

About TradeMark Africa

TradeMark Africa (TMA) is a leading African Aid-for-Trade organisation that was established in 2010. TMA aims to grow intra-African trade and increase Africa's share in global trade, while helping make trade more pro-poor and more environmentally sustainable. Our focus on reducing the cost and time of trading across borders through enhanced trade policy, better trade infrastructure, standards that work for businesses, greater use of digital innovations and a focus on creating trade access for vulnerable groups, has contributed to substantially lower cargo transit times through improved border efficiency, and reduced trade barriers.

TMA recently rebranded from TradeMark East Africa (TMEA), reflecting our ambitions to serve partners in driving continental-wide trade gains, and are expanding from East and the Horn of Africa to Southern and West Africa. TMA operates on a not-for-profit basis and is funded by institutional and philanthropic development partners. TMA works closely with regional and continental intergovernmental organisations, national Governments, the private sector, and civil society organisations to deliver results that drive shared prosperity and reduce poverty.

For more information, please visit www.trademarkafrica.com

