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UNITED NATIONS SECRETARY GENERAL'S
SPECIAL ADVOCATE FOR INCLUSIVE FINANCE FOR DEVELOPMENT

H.M. Queen Máxima of the Netherlands, UNSGSA

***A Better Life for Every Tanzanian:
Accelerating Development and Growth through Financial Inclusion***

**Keynote Speech at the Launch of Tanzania's National Financial Inclusion Framework
Dar Es Salaam, Tanzania
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Your Excellency Vice President Billal, Honorable Minister Chiza, Madame Acting Minister Salum, Governor Ndulu, Excellencies, Ladies and Gentlemen. What an honor it is to join you for the launch of this Framework and a new era of commitment to achieve greater well-being and prosperity in Tanzania.

Thank you for welcoming me back to your extremely beautiful country. Nearly four years ago, I came here on one of my first visits as Special Advocate for FI for Development. At the time, you were starting your financial inclusion journey.

The progress since then is remarkable. I think you have heard all the figures from Governor Ndulu. I have observed that when leadership on financial inclusion comes right from the top, countries progress fast. This has an immediate impact on the lives and livelihoods of the poor. Ladies and Gentlemen, the direct involvement of President Kikwete has been so important to ensure that stakeholders walk together toward a common vision. And Governor Ndulu, your tireless commitment and the excellent work of Bank of Tanzania have really brought us to this pivotal moment.

In the short time since my last visit, access to formal financial services has grown significantly. It may even have doubled, or more. Like many of you, I am looking forward to the new Finscope survey to learn precisely by how much, and which services are being most used. What we do know is that diverse and competitive providers have introduced many new financial products. Today, about 1 of every 5 people actively uses mobile money. Other countries are looking to Tanzania because this sector is so healthy. It was the first globally to have three providers with more than a million active users each, making this service much cheaper than in other countries. Banks, private insurance companies, SACCOs and credit-providing NGOs are also reaching out to unserved and under-served segments. And now, agent banking holds the potential to accelerate provision of convenient, affordable financial services even more. All this means that more Tanzanians are using savings, insurance, loans and affordable electronic payments to manage their cash, expand their businesses, guard against risks, and invest in life's opportunities.

You have built a solid foundation for the hard work ahead. This is just the beginning. I really commend Tanzania for its ambition to include 50% of the population in the formal financial system by 2015. It is achievable. We were just having a conversation with Governor Ndulu. He thinks Tanzania might even pass the 50% target. This is really commendable. And the National Framework defines not just what needs to be done, but how to do it. Tackling fundamental barriers of high costs, far distances, and asymmetries of information will open opportunities in a systematic way. And this will enable an infrastructure that will allow a future special focus on groups such as youth, women and farmers, a topic I will come back to.

So, that is the what. On how, the smart coordination structure provides a very good means for continued leadership from Government and for dialogue with the many, many parties involved. This will help all stakeholders link their efforts even better. And to make adjustments as access expands and new challenges emerge. Because they will emerge. I would like to call out that the private sector has an important role in reaching scale in a sustainable manner. This is of course for building payments and information infrastructure, but also for provision of tailored financial products that really meet the needs of clients. And this is really very important. Supporting the private sector to do so will require equal attention to non-financial issues, including the larger enabling environment. It will require capacity building so SMEs can grow and fill local supply chains. There are also win-win opportunities among diverse sector agendas. For example, delivering financial services where rural roads are being built to help open economic corridors and local markets. Or, using tax regimes to encourage investment and keep financial services affordable to low-income clients.

The Financial Inclusion Framework includes indicators to monitor progress and to make sure that policies, investments and actions are having the desired impact. There have been good surveys and studies in Tanzania on financial services. I would really like to encourage your long-term commitment to developing this data even more. And make them part of national statistical collection and dissemination. This is a very important and worthwhile investment.

Ladies and Gentlemen, financial inclusion is a means to an end, and not an end in itself. The goal is thus to achieve financial inclusion in a way that helps Tanzania reach its broader economic and development vision. And this means attention to agriculture. I am really very glad the Framework gives good attention to small and medium-sized agri-businesses.

I am also very pleased to be here with leaders of three important UN agencies: the World Food Programme, the Food and Agricultural Organization, and the International Fund for Agricultural Development, best known as IFAD. We have agreed to join forces, share knowledge and link our own efforts more closely in support of food security and to boost agricultural and rural development.

We just came from Ethiopia, where we have been looking at similar issues and helping to share best practices.

Inclusive financial systems are critical to agricultural-based growth in obvious and not so obvious ways. One surprising point made by excellent studies here in Tanzania is that credit is important, but it is by no means the only barrier. In fact, access to formal savings is even more important for smallholder farmers and small business owners for them to invest, expand operations, increase turn over per acre and protect themselves against risks. So, Tanzanians first need access to all basic services, as the Framework clearly sets out.

Then, the priority should be adding tailored financial products that truly meet the needs of clients along specific value and supply chains and to provide financial services that can link smallholder with commercial agriculture. A good start is the coordination process to look at insurance under the National Framework. Urgently needed in agriculture, insurance builds resilience for small holders, provides more certainty for lenders—thus lowers costs. And it provides a basic safety net upon which growth can start to flourish. In order to accomplish this, it is necessary to have working groups on agriculture, including public and private sectors, civil society, and farmers themselves, with their respective organizations.

Here, I speak on behalf of my UN colleagues as well. As Tanzania's planning on financial inclusion related to food security, agriculture and rural areas goes forward, the UN is committed to remaining an active partner.

With this Framework and Action Plan, Tanzania takes a big a step forward in meeting its international commitments. Tanzania was one of 17 forward-looking countries that pledged to create a national strategy to achieve financial inclusion at the G20 Leaders Summit in 2012. And it was one of the first to articulate its financial inclusion goals under the Alliance for Financial Inclusion's Maya Declaration two years ago. All together, nearly 50 countries have made some kind of commitment or goal for financial inclusion.

These commitments are driving a global movement to make financial inclusion a reality. Globally, 2.5 billion people and hundreds of million of enterprises are currently excluded from the formal financial system. I am also very pleased that Tanzania has joined together with Indonesia and Peru to co-chair a new, informal Friends of Financial Inclusion group at the United Nations. I am working closely with this group to advocate that universal access to financial services by households and businesses be encapsulated in the future development agenda. This is of course now under discussion as we approach the 2015 target date of the Millennium Development Goals.

Mr. Vice President, Ladies and Gentlemen, Tanzania is well known to be the cradle of human kind. Now-a-days it is also becoming known as the cradle of digital financial services that respond directly to the people's needs and the country's potential. Congratulations again on this Framework. I wish you every success as you get down to the hard and very important business of putting it into action.

“MAISHA BORA KWA KILA MTANZANIA.”

A **Better life for every Tanzanian** is not possible without financial inclusion.

Thank you.

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