Assessment Report on the landscape of agribusiness financing to women and youth

Tanzania and other countries' DFIs

TADB
Tanzania Agricultural Development Bank
"The Farmers' Bank"

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Assessment of the landscape of agribusiness financing to women and youth

EXECUTIVE SUMMARY

The Investment Climate Reform (ICR) Facility is co-funded by the European Union (EU), the Organisation of African, Caribbean and Pacific States (OACPS) under the 11th European Development Fund (EDF), together with the German Federal Ministry for Economic Cooperation and Development (BMZ) and the British Council. It is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the British Council (BC), Expertise France (EF), and Stichting Nederlandse Ontwikkelingsorganisatie (Netherlands Development Organisation, SNV).

In the context of its mandate, the ICR Facility seeks to provide technical assistance to the Tanzania Agriculture Development Bank in response to a proposal submitted by the bank for support in increasing its outreach to women and youth. The Tanzania Agriculture Development Bank (TADB) is a state-owned development finance institution (DFI) which was launched in 2015. The bank aims to catalyse access to finance to smallholder farmers and Small and Medium-sized Enterprises (SMEs) in the agriculture sector and plays a leading role in agriculture transformation through value chain financing, financing for infrastructure development and by enhancing financial inclusion to subsistence and smallholder farmers. It also aims to develop specific financial and non-financial interventions that are needed to increase access to finance among women and youth in agribusiness, with a reference to global best practices.

To achieve these objectives, the bank has requested support from the ICR Facility to increase its support to women and youth in the agricultural sector of Tanzania. The outcome of the requested support will be the development of one or more new loan product(s) focused on women and youth, with a corresponding approach by the bank for securing the financial resources needed to target these client groups effectively. Additional work will then be conducted to assess the background and skills of the bank to target women and youth, followed by field work to verify the financial needs of these groups and then to conduct a validation session in the format of a Public-Private Partnership (PPP) that will identify potential partners and stakeholders for the launch and implementation of the scheme. It is expected that a gender scheme will be developed where potential borrowers will receive financial and non-financial support, either in form of technical assistance (TA), small grants, or other, depending on the plans and capabilities of the bank. During the PPP workshop, the cooperation potential with actors to provide these services is to be determined.

Therefore, this report represents the first phase towards the development of the comprehensive gender and youth lending scheme for TADB. Specifically, this report is a technical study assessing the landscape of agribusiness financing to women and youth, including a comparison with other DFIs and activities of commercial financial institutions in Tanzania. Through an analysis of selected cases from these DFIs, including multilateral development banks such as AfDB and other investors in the DFI space, examples of good practices put in place by other development-oriented financial service providers serving women and youth are identified. While the Tanzanian context is specific and ideas from outside are not always completely replicable, this review of the DFI environment offers TADB the opportunity to look at its strategy and Action Plan for 2022 and potentially incorporate some of these ideas, both into its new Gender Scheme and also its overall strategy and approach to women and youth.

Following this analysis, an assessment of 23 value chains for their appropriateness was conducted using a summary assessment framework based on nine evaluation criteria. The criteria were ranked from 1-5 for women and youth, and the total score was then developed in the form of a heat map to outline the most appropriate value chains for each group. The summary analysis led the consulting team to propose to TADB to develop a new loan product for the women and youth target groups, in line with its developmental mandate, with an initial focus on rice, dairy, horticulture, fish, and poultry within each of the six zones of Tanzania where TADB is operating.

This report concludes with a range of recommendations to the bank about further developing its gender and youth approach, with reference to cases and background studies of other DFIs on the African continent and the landscape in Tanzania. The consulting team provides additional recommendations about the development of an overall gender and youth strategy for the bank. These recommendations are presented for the reflection of TADB as it develops its own approach for increasing its outreach to women and youth borrowers.

1 METHODOLOGY

This technical study is designed to contribute to the key objectives of the bank by assisting to accomplish of its DFI mandate of providing additional financial support to women and youth in the country. In order to achieve the expected results of this phase of the assignment, the landscape of DFI and agricultural lending in Africa and specifically in Tanzania was closely examined through desktop research, face to face as well as telephonic interviews with selected commercial banks, microfinance institutions (MFIs) and other DFIs. The learnings from the African DFIs and lenders in Tanzania was then supplemented by conducting an analysis of the agricultural lending environment to women and/or youth on the African continent. The approach focused on providing the bank with an overview on how commercial financial institutions in Tanzania, as well as DFIs in other countries, approach agri-financing challenges in the women and youth segments.

For the relevant DFIs that were examined, their experiences are presented in the context of tailored products for women and youth in agriculture and agribusiness based on interviews and desk research. Following this, an analysis of the expected value chains of the new loan product was conducted using a methodology that combined objective and subjective criteria into a scoring system. The scoring of the current and potential value chains targeted by the bank will provide guidance for the bank to cover regions and commodities with the largest potential for women and youth. Based on the scoring and summary analysis, the consultant team was then able to recommend suitable agricultural value chains for the loan product(s) that will be designed in subsequent stages of the assignment.

The sum of these efforts provides the background information that will be needed by the bank as it begins work with the ICR Facility team on a classic loan product development exercise. This will be focused on increasing its lending to women and youth in agriculture. This phase will be followed by three other phases, including field visits, gap analysis and consumer profiling, and will conclude with a public-private sector workshop to engage the bank and its partners in the finalization and launch of the scheme. The full terms of reference for the assignment are included in the annex.

This study was conducted remotely in November - December 2021. A half day kick-off session was held between the Beneficiary, GIZ and the team of experts at the beginning of the mission via teleconference in the objective of a clear and sound understanding of the scope of work, its limitations and feasibility. The background Analysis was carried out based on the collected documentation and data. The literature received was further complemented with internet research to retrieve any complementary useful information as needed.

2 BACKGROUND

The Tanzania Agricultural Development Bank Limited (TADB) is a government-owned financial institution established under the Companies Act of 2002 and licensed under the provisions of the Banking and Financial Institutions Act No 5 of 2006. It also falls under relevant banking and financial institutions regulations from 2012, including those for development finance. Although formally registered as a commercial bank under the supervision of the Bank of Tanzania (BoT) as regulating entity, it is a development finance institution which offers a wide range of financing products along all aspects of the agricultural value chain, and the regulations allow for the development and issuance of a new loan product for women/youth. This includes asset finance, project finance term loans, insurance products, trade finance, and others that enable it to meet its mandate to support the agricultural sector.

As a state established DFI, the bank has the following key objectives (TADB Strategy 2020, discussions with TADB):

- To play a leading role as an apex agricultural development bank and to catalyse other banks and financial institutions to participate actively in financing of agriculture value chains.
- To improve productivity in the agriculture sector by supporting infrastructure development including irrigation schemes, transportation, storage, market infrastructure, processing, and other activities.
- To mobilize low-cost sustainable financial resources for affordable agricultural financing and to enhance financial inclusion for improving subsistence, modernization, and commercialization of small-scale farmers.
- To engage with the Government of Tanzania (GoT), strategic partners and all relevant stakeholders in developing and implementing agriculture development policies to enhance financial inclusion.
- To expand its role so as to better achieve government strategies related to lending to women and youth.

Box 1: Mission and Vision of TADB

Mission: To facilitate development and to support transformation of the agriculture sector by providing short, medium, and long term finance to agriculture projects in Tanzania that promotes economic growth, food security and reduction of poverty.

Vision: To be a world-class model agriculture development bank that supports and promotes Tanzania's agriculture transformation from subsistence to commercialized modern farming and agribusiness for economic growth and poverty reduction (*TADB business plan 2017-2021).*

3 ACTIVITIES OF DEVELOPMENT FINANCE INSTITUTIONS RELEVANT TO TADB

Development Finance Institutions (DFIs) are specialised development organisations that are usually majority-owned by one or more national governments. DFIs typically invest in private sector projects in low and middle-income countries in order to promote job creation and sustainable economic growth. They generally apply investment criteria aimed at safeguarding financial sustainability, transparency, environmental and social accountability. DFIs source their capital from national or international development funds or benefit from government guarantees which ensures their creditworthiness. The financial support they bring to relatively high-risk projects help to mobilize private capital, bringing in such diverse actors as commercial banks, investment funds or private businesses and companies. DFIs can be bilateral, serving to implement their government's foreign development and cooperation policy, or multilateral, i.e., established by more than one country (*Association of Bilateral European Development Finance Institutions, 2020*).

> ***Box 2: Sustainable Development Goals***
>
> SDG 5: "Achieve gender equality and empower all women and girls" with related target 5a "Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources…"
>
> SDG 8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" with related target 8.5 "By 2030, achieve full and productive employment and decent work for all women and men, including for young people…." (*World Youth Report - 2030 Agenda for Sustainable Development)*

Besides bilateral and multilateral DFIs, there are also national and regional DFIs and Public Development Banks (PBD)'s that function similarly but on different levels. Public Development Banks, following the proposition of the Finance in Common, has a global focus whilst the European DFIs have a donor focus. In the context of Tanzania and based on the TOR, this section examines the DFIs financing environment with a focus on trends supporting increased lending to women and youth, and with a concentration on worldwide initiatives followed by a closer examination of relevant African DFIs. The focus of this section is to highlight recent events that focus on gender and youth financing, and then to outline the potential impact of these trends on TADB plans for securing additional resources for supporting these groups. It begins with a "macro" overview of the DFI environment related to women and youth lending, followed by specific examples from regional DFIs of youth- and women-targeted loan products, training activities, market access facilitation and other initiatives.

The relevant framework for the focus on increasing the share of women and youth in the portfolio of TADB can be considered as the "2030 Agenda for Sustainable Development" which was adopted by all United Nations Member States in 2015, including Tanzania. This framework provides a shared blueprint for peace and prosperity for people and the planet, and at its heart are the 17 Sustainable Development Goals (SDGs), which are a call for action by all countries - developed and developing - in a global partnership. The SDGs address the fact that ending poverty must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth. The SDGs build on work by many countries and the UN Department of Economic and Social Affairs.

The SDGs are being implemented in the framework of the Tanzania Development Vision 2025 and its associated Five-Year Development Plan II. One among the objectives of the FYDP II is to ensure global and regional agreements are respected in national development planning and implementation frameworks. In this context, the main organs for Sustainable Development Goals implementation in Tanzania include among others: The Ministry of Finance and Planning (MoFP), The National Bureau of Statistics (NBS), President's Office, Regional Administration and Local Government (PO-RALG), and The National Parliament. As part of its implementation of Sustainable Development Goals PO-RALG manages the regional and district strategic plans which supplement the Five-Year Development Plan II at regional and district level and with state supporting bodies. As a state-owned entity, TADB's commitment to the SDGs are inherent in its business plan and well as mission and vision statements, although they are not mentioned specifically in the text.

Most of the work of global DFIs is done under the direction of their national or multilateral governance structures aiming to implement relevant aspects of the SDGs. Of the 17 SDGs that were adopted in 2015, the related women and youth goals that were adopted can be considered as overarching targets in the context of TADB's gender-focused work (see Box 2). TADB is otherwise promoting agriculture finance and development, therefore, other SDGs (i.e. 1, 2 and/or 10) are also relevant in a wider context. In the implementation of the SDGs and the underlying relevant government of Tanzania (GoT) strategies for the existence and activities of TADB, the bank can refer to recent initiatives spearheaded by the DFI community that provide a good basis for increasing support to women and youth lending.

3.1 Recent global DFI initiatives in support of increasing lending to women

In recognition of the low level of women accessing finance, the largest and most developed DFIs recently convened a high-level discussion to examine ways to collaborate on increasing their financial level and support to women around the world, during the "Finance in Common" Summit, held on November 12th 2020, a high-level event titled "Development Banks as Actors for Change Towards Gender Equality" was the occasion to launch the Paris Development Banks Statement on Gender Equality & Women's Empowerment signed by 26 national development banks, multilateral development banks and regional associations of development banks. The gathered public development banks formally completed the summit with the delivery of a proclamation in favour of additional gender financing and set a large series of ambitious targets to support women's' increase access to finance, leveraging financial resources from multiple sources.

This international initiative has increased the global focus on women lending and leveraged significant DFI financing on gender equality and gender lens investing. Some of these include the 2X Challenge, the UN Women's Empowerment Principles, the joint statement on gender equality and gender equity of the International Development Finance Club (IDFC) as well as key initiatives such as DFI's Gender Finance Collaborative, the Affirmative Finance Action for Women in Africa (AFAWA) programme led by the African Development Bank, and the International Finance Corporation's Banking on Women programme. One of these above-mentioned initiatives, the "2X Challenge" calls for DFIs to join together to collectively mobilize $3 billion in commitments that provide women in developing country markets with improved access to leadership opportunities, quality employment, finance, enterprise support and products and services that enhance economic participation and access. The 2X Challenge provides an excellent framework for TADB as it looks for resources to further develop its approach to women borrowers and should be considered.

This also aligns with the Alliance for Financial Inclusion (AFI)'s Denarau Action Plan, which calls for an increase in women's access to quality and affordable financial services globally bridging the financial inclusion gender gap." The Denarau Action Plan aims to accelerate the progress of women's financial inclusion by halving the financial inclusion gender gap across AFI member jurisdictions by 2021. The Bank of Tanzania, as the Central Bank of the country which regulates all development and commercial banking activities in Tanzania, is an active member of AFI and as such the Tanzanian context is included in the plan. However, although 2021 is not yet completed, it seems that Tanzania will fall short in achieving the results of the plan, considering that women's access to financial services is still low.

An additional relevant activity to TADB on the gender-equity front is the recent release of the "Gender Equity in Development Finance Survey" in September 2020. The goal of this survey, conducted by the Center for Global Development (CGD), was to gain insight into development finance institutions' gender policies and practices and to make recommendations where stronger policies and practices are needed. Through the survey the CGD sought to (1) establish how DFIs are currently incorporating a gender lens in their operations; (2) identify shared DFI strengths; (3) note where there are shared DFI weaknesses—that is, where current policies and practices fall short of reasonable and desirable performance standards; and (4) recommend actions that DFIs can take to reap significant gains from additional efforts in the context of financing women farmers and women-owned businesses.

The key findings of the survey found that most DFIs have largely laid the groundwork for increasing the benefits of their investments for women and creating equal opportunity for women inside their organizations. Of the surveyed DFIs, many of them have external (88% of the total) and internal (86%) gender strategies, incorporate gender into deal sourcing (75%), choice of investment partners, (88%) and have gender experts on investment teams (88%); share gender-disaggregated results data (56%), incorporate a gender focus into recruitment (79%), hiring/promotion panels (71%), and speaking roles at events (71%); and track the gender composition of boards (100%) and senior management (93%), and they measure pay gaps (86%). However, DFIs' significant investment in process inputs is not yet matched on the output measurement side. Most DFIs do not define or publish targets that measure success in focusing investments and investment decisions on gender gains (50%), publish gender disaggregated results data (38%); or define or publish targets for narrowing pay gaps (21%) or improving the gender balance of boards (21%) or senior management. (*Center for Global Development, 2020*).

This survey is relevant to TADB because it can point out gaps that other DFIs face in their outreach to women borrowers. Although the European DFIs are not completely identical institutions to TADB due to their donor-oriented focus, at the same time, they do provide a strong basis to TADB for reviewing its own gender policies and approaches to women active in the agricultural sector, and to learn from the experiences of other DFIs in supporting this market. During Phase II of the assignment, which is due to take place in early 2022, the ICR Facility consultant team will conduct a similar survey of TADB in collaboration with senior management of the bank, during the gap assessment. During this gap assessment, it will be conveyed to the management of the bank that global initiatives are important and relevant for the work of TADB in general and will assist in the fund-raising aspect and in securing TA that will likely be needed to support the newly-developed gender and youth scheme.

3.2 Recent global DFI initiatives in the support lending to youth

Constraints in access to finance represent a significant barrier for youth entrepreneurs, with youth being defined as those from 15-35 years old in line with Tanzanian context, i.e. the National Policy of Youth Development (2007). These youth face challenges to start and scale their businesses, especially in the agricultural sector, and are often perceived by lenders to be riskier clients because they tend to lack business experience, credit histories, savings, and other assets to offer as collateral. They often also lack access to financial education and business networks. As a result, youth are more likely to depend on family savings, informal lenders, or other similarly suboptimal means of financing their farms or businesses. These sources yield limited funds at high cost, and/or can be exploitative in nature.

The need for increasing access to finance by youth is made clear in the National Policy of Youth Development, but unlike the case of increasing access of finance for women, examples of programs and credit lines established by DFIs to support youth lending were much smaller and difficult to identify specifically. Despite the existence of numerous donor-funded programs in the African countries (surveyed by the authors) that support youth (such as in Ghana, Morocco and Uganda), the presence of state-owned DFIs targeting the youth sector were not very prevalent. The desk research and interviews of DFI loan products showed a strong trend of products targeted to youth that lack a coherent approach across all the activities of the institutions, instead being limited to individual actions or products, often guided politically, with little follow up on sustainability, not showing a particular regional focus, and usually demonstrating an overall lack of scale.

In the global context, however, there are some programs of particular note. One of these is the G20 Global Partnership for Financial Inclusion (GPFI) which seeks to promote youth entrepreneurship. The GPFI's efforts to bolster youth entrepreneurship are also supported by the G20 Initiative for Rural Employment, which recognizes the need to increase access to financial services for rural youth.

Other programs of note include the "Jobs for Youth in Africa" strategy of the African Development Bank (AfDB) and the resulting Innovation Lab for Youth in Africa, which is supporting increased outreach to youth through the bank's "Boost Africa" program, which provides expert financial and investment support to the Lab. It focuses on strengthening the capacity and market reach of innovative young entrepreneurs and youth-owned start-ups and improving access to finance for entrepreneurs and start-ups operated by young people. This can offer an attractive avenue for replication by TADB, especially in the combination of business development services (BDS) and start-up financing for youth.

Box 3: Youth Loyalty to Banks

A study conducted by Saiz and Pilorge in 2010 focused on gathering information on the loyalty behaviour of 6,100 retail banking customers in Belgium, France, Germany, Italy, Spain, and the United Kingdom.

The study showed that more than 50% stayed with the same bank for more than ten years, with only 24% of these customers changing banks over their lifetime. This suggests that by acquiring customers at a young age, and offering them the financial products that they need, that banks have an opportunity to keep them for the long term.

Lessons Learned: Youth access to rural finance - Inclusive rural financial services (IFAD)

A final note on youth financial inclusion is to reiterate the point made above about financial education, business acumen training and market linkages for youth. Many donor-funded programs exist although few with a specific formal linkage to DFIs. However, the cases used below as specific examples, or many others in the Tanzanian context, can be replicated by TADB as it develops it approach.

3.3 An analysis of the African DFI context and its relevance to TADB

Working from the above global overview of initiatives to support women and youth lending by multilateral DFIs, it is now time to take a closer look at African examples that can be relevant to TADB in the national DFI context. In this context, the ICR Facility consultant team examined the DFI landscape for successful models and examples that can be a good reference for the bank in the implementation of national goals and its own vision and mission.

The methodology of this stage of the desk research was to focus on the membership list of African DFIs from the members of the Association of African Development Finance Institutions (AADFI). The research was conducted by reviewing each DFI's most recent Annual Report, list of loan products advertised, and following up through questionnaire and phone calls to institutions of interest. At the same time, outreach was conducted via local channels (phone calls and interview visits) to Tanzanian financial institutions with a social or development mandate. This approach was able to provide TADB with a reference to counterpart institutions that are innovating on the market and have demonstrated experience in women and youth lending.

To provide the bank with a useful and time-efficient analysis of the experiences of its peer institutions in Africa, the web pages and most recent annual reports of AADFI members (also to be found in Annex 2) were consulted to identify appropriate DFIs that are supporting *replicable and scalable* lending programs that can increase exposure to women and youth.

A total of five institutions for comparison were selected. The criteria for the selection were: 1) an African financial institution with a similar role and mission to TADB, 2) the availability of information about a youth/gender product and 3) the relevance of the selected institution's product to the intent and capabilities of TADB. The objective of the selection process was to match the experiences of relevant existing institutions to the intentions of TADB in the context of the assignment. Working from the available list of African DFIs, the institutions selected for highlighting and examination by the team are:

1. Agricultural Bank of Ghana (ABG)
2. Bank of Agriculture Nigeria (BoA)
3. Groupe Crédit Agricole du Maroc (GCAM)
4. Development Finance Company of Uganda Bank (DFCU)
5. Cooperative Rural Development Bank of Tanzania (CRDB)

Although this list of DFI programs and loan products supporting women and youth on the continent cannot be all-inclusive, as it is based on a very wide range of institutions and countries, it provides some relevant direction to TADB based on the identified needs for a) strategic orientation, b) focus, c) allocation of resources, and d) identification of partners. In the analysis of youth- and women-focused loan products administered by DFIs in Africa, the details of the relevant product and key takeaways are listed. These identified product types and value chains can feed into the discussion during Phase II of the assignment, when the borrower groups will be profiled.

1) Agricultural Bank of Ghana

The Agricultural Bank of Ghana (ABG), a state-owned DFI focused on the agricultural sector, has launched a GHS 500 million (EUR 71,364,000) portfolio for the poultry industry, in order to build the poultry value chain, to help de-risk poultry operations, to increase chicken production and to reduce imports. In this initiative, the bank partnered with the Ministry of Food and Agriculture (MoFA), the Bank of Ghana (BoG), the Ghana Incentive-based Risk Sharing System for Agricultural Lending (GIRSAL) and the Outgrower and Value Chain Fund (OVCF), each of which plays an important role in the scheme.

The loan product is meant to end the country's dependence on imported poultry products and to create jobs for youth. The management of the bank announced that it was to be invested in line with the bank's strategic plan. The key takeaways of this innovative product include:

Product allocation and pricing: The targeted amount of GHS 500 million is an amount that can mobilize the interest of the relevant businesses in the value chain and can easily be monitored for pace of disbursement. A reduced price on the loan product over the bank's usual loan pricing (approximately 10% annual declining interest) was made possible by the partnership with the GIRSAL and the OVCF, which are providing TA and guarantees that absorb 75% of the risks associated with lending to businesses in the poultry space.

Partnerships: The supporting institutions helping to implement the programme are providing important tools and risk-mitigation oversight to the lending activities. This includes two specialised organizations mentioned above that work to increase lending from the agriculture bank by absorbing part of the credit risk. While the MoFA is to provide technical support to the beneficiary businesses under the initiative, the three other institutions are to provide the funding, the needed oversight, and a consultancy to help make the project successful.

Youth Impact: The scheme is providing employment to a large number of youths in each of the six regions where the scheme is being implemented and serves to revive the poultry industry which once was a major source of livelihood for young farmers in these regions. It also engenders the production of maize and soya beans, major feed ingredients for broiler production, which have high participation rate of young farmers in those regions. These youth, through MoFA, are being capacitated and trained in order to increase productivity of these crops so as to ensure adequate feed supply for the poultry operations.

Summary: The poultry product of the Agricultural Bank of Ghana offers a useful example to TADB of youth focus, strategic alignment, product allocation and pricing as well as partnership examples that can be of interest to agri-businesses, farmers, and TADB stakeholders. The addition of specific youth or gender targets to existing or new loan products should be considered by TADB as it designs its new loan products along these lines.

2) Bank of Agriculture Nigeria

The Bank of Agriculture (BoA) in Nigeria focuses on the provision of agricultural credit to support all agricultural value chain activities that are authorised in the country, as well as provision of microcredit and capacity development services through the promotion of co-operatives, agricultural information systems, and the provision of technical support and extension services.

The bank approaches the market with a specific loan product for each type of client group and borrower profile. Its areas of focus are the development sectors of priority for the country (which are very similar to the case of TADB in Tanzania) with the Board setting the strategic vision needed for the development of tailored loan products for supporting the targeted groups.

The key takeaways of this innovative set of loan products (which include those for women and youth) are:

Product allocation and pricing: BoA has specific loan products for a wide range of client groups. A sample of the specific products available for farmers includes Direct Credit Product, Large Credit Product, Youth Agricultural Revolution in Nigeria (YARN), Grow and Earn More (GEM) for Women, On-Lending Credit Product, Input Procurement Credit Facility, Mechanization Service Provider Operators, and Storage Component of the Agricultural Value Chain product, among many others. These specific loan products, or which there are over a dozen, are designed to have an identified group that benefits from a targeted developmental loan. Pricing is generally below the commercial market rate, but it benefits from partnerships in both technical assistance and risk sharing that are described below.

Partnerships: The bank partners with a specialised fund called the Nigeria Incentive-Based Risk Sharing System for Agricultural Loans (NIRSAL) that provides guarantees to cover up to 50% of the risk of lending to agriculture sector. The specific youth and women-based products, called YARN and GEM respectively, benefit from this partial risk guarantee as well as technical assistance provided by partners of the bank within the NGO community on business development services and financial literacy training. This training is also delivered in cooperation with local educational institutions that partner with the bank and benefit from increased enrolment of students needing loans.

Gender and Youth Impact: The BoA has had significant impact. The GEM credit facility has been developed as vehicle to get more Nigerian women into agribusiness. Beneficiaries are required to be smallholders, with the land needed for cultivation or to produce products along the agricultural value chain. Collateral is not required with this facility, instead guarantors are used (to be examined in the context of Tanzanian regulation). Up to EUR 2,150 can be borrowed with an annual interest rate of 12%. This has proven to be an attractive loan product for Nigerian women in the agricultural sector, who find the targeted marketing and specific product to be appealing.

Summary: In the context of loan products specifically designed for a targeted group (in this case both women and youth), the BoA loan products of YARN and GEM offer good examples for a TADB move in this direction. Strong governance over the loan product delivery will need to be maintained to avoid fraud, and risk-sharing partners will need to be sought within the Tanzanian environment to address the issue of lack of land ownership for women and youth, in order to meet Bank of Tanzania (BoT) requirements.

3) Groupe Crédit Agricole du Maroc

The Moroccan Groupe Crédit Agricole du Maroc (GCAM, in English - Morocco Agricultural Credit Group) is a DFI that is focused on agricultural lending. It has its own business model towards developmental lending to selected client groups. It has specific risk management mechanisms adapted to its primary client segment: farmers at the small and medium scale. To increase its outreach to underserved clients and ensure an appropriate risk posture, the bank, as the main agricultural DFI in the country, has developed an innovative agricultural finance model for smallholder families called Tamwil El Fellah (TEF) which is the structure for the delivery of a credit product targeting women.

In the delivery of this specific credit product, GCAM established the agricultural development finance corporation TEF as a subsidiary with the approval of the Central Bank, and as a loan product the TEF specializes in agricultural lending for smallholder families with no collateral. The underlying structure is that TEF is a 100-% subsidiary of GCAM and was found as a public limited company. The share capital was fully paid by GCAM, and the loan product is essentially distributed through a separate legal entity. The critical innovation of TEF is that the Central Bank of Morocco agreed to modify risk categorization rules for TEF's credit portfolio, adapting them to the longer business cycles in agriculture and modifying the requirements for collateral so as to meet the needs of underserved borrowers. Some key takeaways (source: GCAM annual report) of this innovative product include:

Product allocation and pricing: The main features of these loans are that they have a ceiling of up to roughly EUR 9,000 per client (even if the loan is delivered through a cooperative or association), of this approximately EUR 1,800 for inputs and working capital and a maximum of EUR 7,200 for investments. The loan period can range from 12 months to five years with annual interest rates of 8% for working capital and 8.5% for investments with reducing balances.

Partnerships: To enhance coverage, TEF has developed partnerships with associations and NGOs operating in geographic areas where no government programmes are present. Examples include agreements with the Moroccan Association of Importers of Agricultural Machinery, the Moroccan Association for Sprinkler and Drip Irrigation, and the National Association for the Seeds and Inputs. These associations facilitate access to finance by acting as aggregators to reduce transaction costs for TEF. They have a long history of working with their members, enabling them to screen the creditworthiness of loan applications and ensure the feasibility of clients' agricultural investments.

Box 4: Tamwil El Fellah Loan Product.

Integrating underserved young farmers into formal financial systems implies innovations not only in products but also in processes. In coordination with GCAM, TEF has developed a credit scoring system that helps agency directors at the regional level evaluate portfolio risks and make credit disbursement decisions at a more decentralized level.

The credit scoring system gives relatively minor weight to guarantees, focusing instead on performance indicators; helps reduce the time needed for approval and disbursement of loans; and allows decentralization of the decision-making process, without restricting appraisal capacity. (*Innovations for inclusive agricultural finance and risk mitigation mechanisms (FAO))*

Gender and Youth Impact: Structuring a loan product in this way through flexible collateral assessment methodologies and patient approaches to BoT requirements could lead to a path where TADB would be able to increase exponentially its lending to women and youth. The development of a special scoring system that considers the lack of collateral and makes adjustments for relevant regulatory frameworks also presents an advantage to targeting this group, which allows widows and other vulnerable groups to access financing.

Summary: The TEF example is profiled here as an example of creativity and flexibility which can show TADB some alternative methods of supporting women and youth with the challenges that they face of lack of land and collateral. Of note is that the product is complemented by risk management mechanisms which: i) ensure TEF proximity to clients; ii) ensure appropriateness of its loan products and support services to clients' needs; iii) ensure a wide set of customer services, including guarantees, insurance and business training; and iv) a scoring system for evaluating the risks of TEF's clients and their specific context.

4) Development Finance Company of Uganda

The Development Finance Company of Uganda Bank Limited (DFCU) has a strong presence in the agricultural and SME sectors. The bank was originally found to support long-term development projects whose financing needs and risk did not appeal to the existing commercial lending institutions. In 2013, Rabobank Foundation acquired a 27.5% stake in DFCU, which led the bank to design a new growth strategy aimed at turning the institution into a leading player in the Ugandan agri-finance sector by 2018. Although not a public DFI or member of the AADFI, it is owned by a group of European developmental lenders, mainly from northern Europe, who are bringing their significant experience as well as innovative ideas from that market. These institutions include Rabobank, Norfinance A.S. as well as FMO, who together have consolidated their 58.70% stake in DCFU Limited into one major shareholder called ARISE B.V.

Product allocation and pricing: The bank has developed a new product for the Small Business segment; "Baraka" targeting low-income, mass market customers with non-traditional collateral such as partial landowners and those having movable chattels. This allows the bank to target a higher number of women and youth, especially those in agribusiness, who tend to have movable assets in higher numbers than those with land, which the Ugandan regulatory framework is able to treat in the appropriate risk framework.

Partnerships: At the end of 2017, the Rabobank Foundation and DFCU jointly created the Agricultural Development Center (ADC), a capacity building platform aimed at providing long-term coaching and accompaniment to farmers' cooperatives and youth, in order to strengthen their creditworthiness and appeal in the eyes of the private financial sector. This initiative is inspired by a successful similar experience that Rabobank Foundation had in Tanzania with NMB. This ADC delivers training in business and financial literacy that results in women, youth and small businesses being better prepared to make timely repayments and succeeding in the business that has been financed.

Gender and Youth Impact: The combination of the capacity-building of borrowers through the ADC as well as the setting of collateral requirements to allow movable assets and chattel in order to meet the eligibility requirements for a loan is an innovative delivery model. As knowledge and collateral are key constraints faced by women and youth to accessing credit, this model is of high relevance for TADB.

Summary: The DFCU experience is especially relevant due to the internally managed delivery of training services through the ADC and benefiting from the capacity provided by the Rabobank's partner. The lesson for TADB is that such training can be organized via internal channels, and that international and/ or national partnerships can be of significant importance in designing and rolling out new loan products.

5) Cooperative Rural Development Bank of Tanzania

In the interest of local relevance, face-to-face interviews of selected lenders in Tanzania were conducted which revealed a case of interest. The Cooperative Rural Development Bank (CRDB) is a leading financial services provider in Tanzania. It was established in 1996 and is listed on the Dar Es Salaam stock exchange. Over the years, CRDB has grown to become an innovative financial services partner in the country, in partnership with over 450 microfinance institutions. Using tailored loan products, CRDB has shown a high level of innovation and during the interviews it was noted that CRDB appears to have more flexible collateral arrangements than many other banks, as described below.

Product allocation and pricing: One good practice can be learned from the Malkia Agribusiness loan product by CRDB whereby a woman can qualify to get a loan even in a situation where her security value is half the amount the required loan, as long as the security provided is registered under her name. In a situation where it is joint property, partner/spouse consent is sufficient. This is a specific credit product that is branded and targeted towards women, although the interest rate is generally at or above that offered by commercial banks.

Partnerships: This product is benefiting from the PASS cash guarantee credit facility described in the next section of this report, which prioritizes women, and benefits from business training provided to these women from that program.

Gender impact: Apart from using traditional collateral, group lending is mostly based on trust and the required collateral can go beyond immovable assets to include assets such as home furniture, computers, or other goods more likely to be possessed by women. While the market prevailing rate for agriculture loans is noted to be between 20% to 22%, through Malkia Agribusiness products, CRDB provides generally same-cost or slightly more expensive interest rates for women. Loans at a range below TZS 100,000,000 (EUR 38,460) are set at a 14% interest rate and for TZS 100,000,000 and above the interest rate is set at 17%.

Summary: CRDB along with National Microfinance Bank has over 40% of the market share in Tanzania, due to its flexibility and innovation. It offers loan products that, when rolled out by a large lender with national impact such as CRDB (and potentially TADB), have enabled increased access to finance for women in rural areas. The example here can show TADB the importance of tailoring and branding, with specific collateral requirements for the gender-oriented approach.

Through an analysis of the cases above, including multilateral development banks such as AfDB and also northern European investors in the DFI space, the examples of good practices put in place by financial service providers serving women and youth are identified. While the Tanzanian context is specific and ideas from outside are not always completely replicable, this review of the DFI environment offers TADB the opportunity to look at its strategy and Action Plan for 2022 and potentially incorporate some of these ideas, both into the loan product design that will come in Phase II and also their overall strategy and their approach to this market segment.

A summary of some of the ideas and suggestions outlined from this landscape analysis (in no particular order) include the following:

- Develop flexible criteria in assessing underserved clients' creditworthiness, such as surveys or psychometric scoring, instead of high collateral.
- Use innovative legal structures to mitigate risks and allow for improved targeting, while remaining in line with Bank of Tanzania (BoT) requirements and good risk management practices.
- Financing to women and youth can be disbursed in tranches, based on previous performance, by analysing financial track-records digitally.
- Increasing skills acquisition (such as financial literacy) and establishing savings history through group approaches and data collection is needed.
- Market research for specific needs of women and youth, including quantitative and qualitative focus group approaches, is very important.
- Digital means offer a strong avenue for increased knowledge of the targeted client base and increased efficiency in data collection. TADB could consider partnerships with Fintech partners for exploring this avenue as an avenue for information and data collection and as an outreach mechanism to client groups.

With the conclusion of the DFI landscape analysis, this report moves to an overview of recent developments in the agricultural lending space to women and youth in Tanzania, based on interviews, questionnaires, and detailed discussions with TADB and other stakeholders (PASS, FSDT, others) that can contribute ideas and experiences to what is happening in Tanzania. The below section outlines the content of these discussion and leads to the value chain analysis and conclusion in the final sections of the report.

Box 5: Conclusions of DFI Landscape Analysis

The main lessons drawn of the global experience of DFIs for women and youth lending include the following:

- A need for flexible thinking and good understanding of the target market.
- A need for business development services (BDS) to support these groups with business knowledge, financial literacy, and market awareness.
- Specific credit products identified, rolled out and adequately communicated to the target group(s).
- Finding local partners that can fill gaps.

3.4 Landscape of Agribusiness Financing to Women and Youth in Tanzania

3.4.1 Agricultural financing landscape in Tanzania

Agriculture is the backbone of Tanzania's economy. The agricultural sector contributes to more than 26.8% of the country's Gross Domestic Product (GDP) and employs 65% of its labour force. Smallholders (with an average farm size of 2.7 hectares or less) represent 85% of the total farming community, the majority of which are engaged in subsistence agriculture. Women smallholder farmers own about one acre less than men who own their land for farming despite being the main labour force in agriculture (FinScope Tanzania 2017). The vast majority (67%) of the total population is under 35 years of age, being one of the youngest populations in the world; 79% of this young population reside in rural areas. The youth unemployment rate is significantly higher (38%) than the total unemployment rate (10%) of the country, and 80% of young adults that are primarily engaged in subsistence agriculture are underemployed.

Despite the importance of agriculture in Tanzania, the agricultural sector attracts less financing (9%) from the formal sector than other areas such as industry (26%) and services (14%), especially to youth. Farming is not perceived as an appealing profession among young adults in Tanzania, owing to traditional views of farming as subsistence based, labour intensive and not capable of providing a decent living. This is a challenge that has led many young adults to relocate from rural to urban areas, with as many as 45% of internal migrants in Tanzania being young adults.

According to FinScope Tanzania 2017 and the Rural Youth Inclusive Finance Study, the majority (77%) of young adults are financially included (61% have access to formal financial services and 16% use only informal services), while 23% remain financially excluded. The majority of the financially excluded young adult population resides in rural areas (83%) and is mainly female (58%). Limited access to credit is a primary constraint towards doing business in Tanzania. This is exacerbated in the case of the agricultural sector, reducing in particular the availability of longer-term capital for agricultural investment.

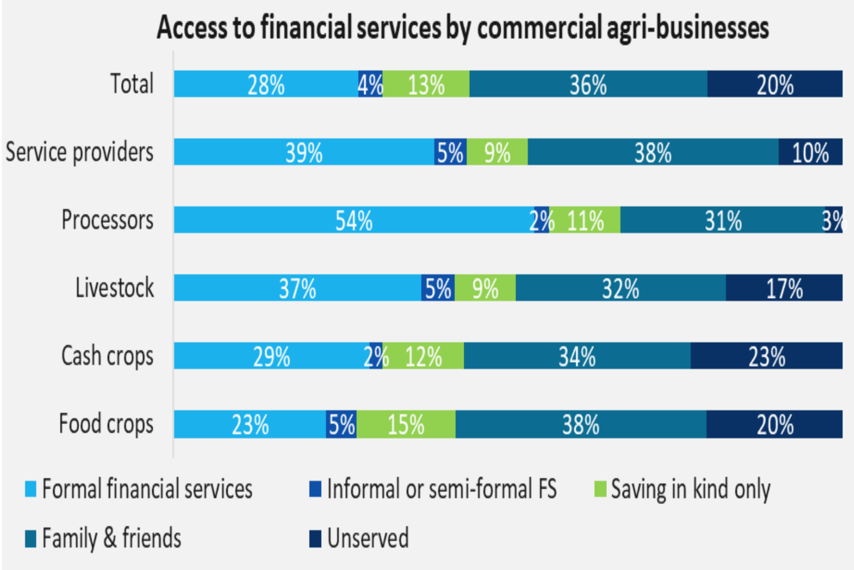


Figure 1: Access to financial services by agri-businesses (source: TADB analysis)

Focusing on young adults specifically, of which the vast majority borrow informally (i.e., from non-specialized financial service providers, such as other value chain actors), gaps also related to cost of financing. Constraints to accessing finance for young entrepreneurs, based on interviews and the literature review, include the *perceived* excessive cost of financial services and strict collateral requirements. Recent trends however include positive growth in financial services, especially in terms of mobile money, although financial exclusion still remains at 23% which includes mostly rural smallholder farmers who are mainly women and youth, according to the National Financial Inclusion Framework of Tanzania. Credit service usage remains low and is mostly informal with Savings and Credit Cooperative Societies (SACCOs) and community microfinance groups are the main source of credit. As shown in the Rural Youth Inclusive Finance Study, nearly half of potential borrowers turn first to friends and family for their financial needs and are not able to save as much or as often as adults.

Based on the findings of the FinScope Tanzania 2017 and the experiences of interviewed lenders, the main reasons that keep financial institutions from financing smallholder farmers, especially women and youth, are the following:

- In Tanzania, young and women farmers suffer from low productivity due to very small and fragmented land plots, which they do not usually own or they own smaller parcels than men, as well as low technology use and poorly functioning value chains.
- The delivery costs of bank finance to women and youth in rural areas are substantially higher than in urban areas (distance, poor infrastructure, smaller transaction size).
- Women and youth often lack adequate loan securities (collateral) to meet the requirements of banks and MFIs.
- Regulations often impede lenders from charging at an interest rate that covers the true cost and risk.
- Experience worldwide shows that smallholder farmers have much to gain by collaborating in associations or cooperatives, this way gaining better access to markets, technology, and finance. However, lack of self-organization is one of the reasons that women and youth find it hard to access credit. In Tanzania fewer women and youth are found in Agricultural Marketing Cooperative Societies (AMCOS) management and as members.
- Socially constructed gender norms limit women and youth to access and derive value from formal financial services. While women in Zanzibar are more educated compared to their counterparts on the mainland, according to the National Bureau of Statistics Population and Housing Census they are 45% financially excluded compared to mainland which is 30%.

As shown in the cases above and through the literature review, agricultural finance has attracted renewed attention. It is realized that women and youth are strong constituencies but that they have vastly lower rates of financial inclusion than males. Therefore, in order to support the goals of TADB to increase lending to this key sector, innovative financing products need to be designed to overcome the prevalent risks identified above and be used to finance women and youth in agriculture. Some of these innovations are listed below.

3.4.2 Current landscape in lending to women and youth in Tanzania

In scoping the landscape for lending to women and youth in Tanzania, the consultant team used face-to-face and telephonic interviews with selected banks and microfinance institutions. In total, seven financial institutions were surveyed, namely Tanzania Commercial Bank (TCB), National Bank of Commence (NBC), CRDB, Uchumi Commercial Bank, Victoria Finance, Yetu Microfinance Bank, and FINCA Microfinance Bank. Except for Yetu Microfinance Bank, FINCA Microfinance Bank and Uchumi Commercial, which have been registered to operate only in the Tanzanian Mainland, the rest are registered to operate both on the mainland and on Zanzibar. As stated earlier, the intention of this primary data collection was to understand existing practices in the market as far as lending to women and youth in agriculture is concerned, to help inform the design and rollout of a comprehensive women and youth lending scheme for TADB.

All interviewed institutions confirmed to be lending in agriculture with prioritized value chains such as tea, coffee, tobacco, cotton, sisal, cashew nut, cotton, sugar cane, and paddy. Other value chains include horticulture, poultry, sunflower, dairy, fishing, animal rearing, farm input and mechanization. Small, medium, and large processors and local buyers are also a focus of banks and some MFIs. Despite having a large variety of value chains that are targeted with loan offers, there was no easily accessible data-driven information indicating where the women and youth specific value chains are actually financed by the interviewed institutions. This is also unclear in the national statistics since these are not disaggregated into value chains by gender or age.

However, rice, poultry, dairy, and horticulture were confirmed by six of the seven surveyed institutions which stated that they tend to have more women through group lending. Further, five of these institutions seemed to shy away from primary producer lending where there is likelihood to find more women, as they considered it to be very risky, and they tend to focus more on lending to buyers, processors, fertilizers and supporting input financing, warehousing, and mechanization. At the same time, awareness and financial literacy of agriculture loan products have not received similar attention compared to the rest of financial products on the market, because the sector is largely unorganized and risks such as climate change and uncertainty around the expected return in investment are prevalent, which require long-term preparations and commitment by financial services providers to support women and youth.

In addition, a large portion of financing by banks is done through Agricultural Marketing Co-operative Societies (AMCOS) where women and youth are very few both in management and as members of the cooperatives. A study conducted in Kilimanjaro and Arusha regions to understand women participation in cooperative unions noted a huge gender gap where women were generally absent from these organizations (CEFA and IDH, 2021). A similar study (Makeko G. et al, 2015). conducted in Mufindi, Njombe, Rugwe and Busekelo districts of the Southern Highlands arrived at the same conclusions. It was noted that MFI financing is largely through groups and individuals and those with a large presence such as FINCA are also lending through agriculture-based Savings and Credit Co-Operative Society (SACCOs). In addition, three MFIs state that they have achieved good strategies in reaching clients in rural areas (mainly primary producers) through group lending approaches.

It was also noted that interviewed banks have some support from the public sector in reaching out to women and youth clients. One is the agriculture credit facility in collaboration with TADB although this requires the institutions to lend with an interest rate not above 14%. During interviews, the Private Agricultural Sector Support Trust (PASS) explained their cash guarantee scheme agreement with commercial banks and FINCA Microfinance Bank. The PASS credit facility encourages lending to women and youth by guaranteeing up to 80% of the loan amount, which reduces the risk to the three interviewed institutions that accessed the facility. Also, the Uchumi commercial bank was noted to have a cash guarantee agreement with the Tanzania Investment Bank (TIB) that requires them to lend at 8% and with a requirement to ensure 50% of the borrowers are the ones that lack traditional collaterals but need to ensure maximum due diligence. Ideally, this would have been an incentive for the banks to innovate and attract lending to women and youth because of the mentioned risk mitigation arrangements, but uptake has been very slow, and women continue to be vastly underserved as compared to male borrowers.

Nevertheless, except for CRDB that has a distinct agriculture product for women (Malkia Agribusiness), none of the interviewed institutions had a specific product for women and/or youth. Malkia Agribusiness lends up to TZS 3 million (approximately USD 1,300) to individual women engaging in any of the agriculture value chains of Tanzania. But for a woman to benefit from the Malkia product she must have 100% ownership of the business (or a shareholding not less than 50%) and be involved in a day-to-day management and experience of at least two agriculture cycles with proper records. Meaning that because of existing cultural norms, many women and youth smallholders' farmers, especially in rural areas, will not qualify for this opportunity. It is also important to note that the Malkia Agribusiness Product has also been accessing the PASS cash guarantee scheme, although uptake is constrained by the reduced collateral and land usually presented by women and youth.

In the Tanzanian context, while women are considered by many financial institutions as a riskier client group to lend to because most women do not keep records, are mainly engaged in subsistence farming, and rarely own land, the interviews with the selected institutions revealed that actually youth is perceived as the riskiest target group. Apart from not owning land, many youths form or are engaged in start-ups and many of the institutions do not have appetite in lending to youth businesses that are at the start-up stage, despite them having vibrant ideas. Yetu Microfinance Bank piloted a youth product, but the major challenge was the borrowers' parents refusing to grant full ownership of the land to the youth involved in the pilot. The institution is considering adding an additional loan amount for a land component in the product, which would enable youth land ownership and could be a critical factor in designing and rolling out financial products for youth engaging in agriculture, but this is still under development.

Apart from not having specific women and youth products in the market and easily accessible age and sex-disaggregated data, many of the interviewed institutions appear to be lending to women in two segments - through group lending, and as individuals. Victoria Finance indicated that they are financing paddy primary producers that are organized into small groups of which about 40% of group members are women. Yetu Microfinance Bank noted about 71% beneficiaries of their unrestricted loan product that include agriculture loans are women. FINCA Microfinance Bank reported to have disbursed 60% of its overall loans [that include agriculture loans] to women. The challenge to YETU and FINCA is to be able to report women and youth specific data for loans provided in agriculture, and Victoria Finance could not disaggregate agricultural loans beyond paddy through group lending. Uchumi Commercial Bank was able to estimate 2020 agriculture loan disbursements to women and youth but needed additional time to get disaggregated information (none of the interviewed institutions were able to provide detailed information of loans to youth or women disaggregated by value chain).

It was noted that, financial institutions (both banks and MFIs) with fewer customers and not with large coverage such as those mentioned above are often more likely to have some level of disaggregated data as they strive to widen their market share by reaching underserved populations, which requires a deeper understanding of their needs. Further, it was noted that institutions with partners that are gender sensitive are obliged to submit reports that have gender disaggregated information. Hence, they have to ensure collection of disaggregated data, but experience has been only for those related to specific projects, such as the case with Uchumi Commercial Bank whereby its partnership with WE Effect requires them to submit gender and age disaggregated data. Analysis indicates that reporting systems, especially to the BoT, do not require age and sex disaggregated data. Therefore, it is not mandatory, and not a priority for many financial institutions in Tanzania. This has large implications in terms of institution ability to making informed decisions in support of acceleration of responsive and relevant solutions for women and youth. Lack of reporting of gender disaggregated data and information is a challenge in the financial sector and gathering this data has been prioritized by the National Financial Inclusion Framework II (2018-2022) among the key priority areas to be addressed.

Overall prevailing interest rates for agriculture loans were noted to be between 20% to 22% for the interviewed commercial banks except for credit facility agreements with TADB and TIB. Aside from the CRDB Malkia Agribusiness product, no other Tanzanian bank or MFI reported to have specific interest rates set for women or for youth. Some banks reported to have negotiable interest rates depending on the customer risk profile for all customers. It was noted that MFIs' interest rates range between 2% to 3% per month, with a repayment period from 3-24 months depending on the types of loan and risk profile.

Some MFIs were noted to be offering a grace period depending on the type of loans as some value chains are subject to seasonality. One MFI offers 3% per month with a term of up to 10 months including a grace period of 7 months. The interest rates generally exclude a processing fee of 2% and a credit insurance fee of 1% of the loan principal. In one institution, a poultry loan with the same interest rate is offered for 3 months with a 2-month grace period. While MFIs' annual cumulative interest can be perceived to be very high, advantages such as convenience, which includes flexibility in repayment, closeness to and good customer service, are noted to be key factors that make MFIs one of the main platforms for low-income people, particularly women and youth, to access financing for their needs.

Land was noted to be a major collateral limiting women and youth to access loans from commercial banks. This finding collaborates well with FinScope Tanzania 2017, whereby only 28% of women claim to personally own land, 7% have some form of proof of ownership while only 2.3% have an actual Certificate of Occupancy (CRO). Also, only 15% of youth aged between 16-24 years personally own land, 4% have core-ownership with just 7% having title deeds. Similar trends can be observed even among rural youth, as the Rural Youth Inclusive Finance Study of 2019 points out; lack of assets, or more so the lack of proof of ownership that could be used as collateral for credit acquisition provides a key challenge. Due to prevailing gender inequalities regarding land ownership, female youth of the same age as their male counterparts are more likely to be further excluded.

For both, banks and MFIs, the minimum agriculture loan is about TZS 300,000 (EUR 115) for smallholder farmers (whether as groups or individuals) as calculation is done based on the farmers' credit demand and productivity level per hectare. Experience from the interviews and literature review indicates that MFIs can often go even lower as they attempt to meet the credit needs of their targeted clients which is often informal. While this can be considered as responsive to women and youth smallholders' farmers, lack of land ownership and hesitation of many financial service providers to innovate around alternative collaterals (partly because of existing regulations) limits many women and youth especially in rural areas to access loans.

In conclusion, although there are critical challenges that need to be addressed at the policy level and at financial service providers level, in the view of the authors, especially in the context of women and youth in general, there are some good practices already in Tanzania that can serve as a good entry point for TADB to secure a better understanding of required solutions, partnerships, and design requirements, in order to pilot and roll out relevant solutions for women and youth. Findings from the engagement with women and youth in the field, which will be implemented in the next phase of this assignment, will further inform the best way for TADB to design and roll out a gender and youth lending scheme that will enable it to better meet its objectives in line with its vision and mission.

3.4.3 Observations on improvements needed for increasing lending to women and youth in Tanzania

Informed by the above analysis, the following suggested improvements are put forward for consideration by stakeholders which include TADB, the donor community and the BoT, among others:

- Designing relevant and responsive agriculture financial products should be holistic in a manner that addresses women and youth pain points. The design should consider embedding practices that support land acquisition and ownership. As noted, women and youth land ownership has been a major bottleneck. YETU Microfinance Bank can be a good example to help learn how best to design holistic products for women and youth. In addition, embedding responsive financial literacy and consumer protection practices that capitalize on consumer experience will also enable onboarding of more women and youth.
- The PASS cash guarantee scheme and how it is implemented by CRDB through the Malkia Agribusiness product provides a good lesson learned that may inform how TADB's women and youth guarantee scheme can be designed. Similar lessons can be learned from the arrangement between Uchumi Commercial Bank and TIB that incorporate innovations such as crop insurance, loan period adjustment based on farming cycles, incentivizing good credit behaviour with lower rates, will all promote increased women and youth uptake of credit facilities.

- MFIs bring a strong business case through group lending. Despite having challenges in reporting gender disaggregated data, group lending has enabled them to reach more women. Also, flexible collateral arrangements, convenience, flexibility in repayment, closeness to and good relationship with the customers, solution-based financing are important practices to take on board when designing the gender and youth credit scheme. This should be considered by banks (among which TADB) in the country as well.
- Global evidence suggests well designed digital financial services (DFS) as a key enabler of youth and women financial inclusion. In this assessment institutions such as YETU Microfinance and FINCA Microfinance Bank has proven how DFS have been very instrumental in reaching rural women. Kibindo, an instant lending online platform by YETU, although not directly embedded with a specific agriculture product, seems to have attracted youth. Digital footprints provide financial service providers with an opportunity to design digital wallets with use cases that among other things can promote youth's ability to save, borrow and absorb shocks. It also increases younger youth's ability to be visible and establish a financial history which unearth future possibilities such as using the information as alternative collateral since many do not have assets.
- In light of global trends, development financial institutions such as TADB should consider increasing gender-responsive and commercially viable distribution models that enable profit making while at the same time increase women and youth access to agriculture financial products. The Microfinance Act 2018 and its regulations of 2019 that regulate microfinance provide an opportunity for a distribution model that can involve banks, MFIs, SACCOs, AMCOS, and even community-based microfinance groups. This kind of distribution model can reduce costs, address proximity issues, and make services very close to the last-mile beneficiary.
- Although operational costs did not come up during the interviews with the selected financial service providers, the National Financial Inclusion Framework (NFIF) 2018–2022 and the Financial Sector Development Master Plan (FSDMP) 2020/2021 - 2029/2030 have highlighted the cost of financial services as a key challenge towards financial inclusion, hindering access and regular usage of financial services by women and youth. This is something to be explored and addressed when designing relevant financial products for women and youth in agriculture. Banks need to keep a close eye on their expected operational costs as they roll out new programs to women and youth, in order to ensure their financial and operational sustainability.
- Regulatory changes at the level of the Bank of Tanzania (BoT), are also needed to drive and foster an enabling environment to test and scale up appropriate and quality solutions. Lessons [some already noted in the analysis] can be learned from MFIs, SACCOs, community microfinance groups and others on how they are lending to women and youth.
- Further, regional, and global experiences [some documented in this report], bring best practices that can be transferred and/or expanded to ensure that international best practices are adopted. However, policy and regulatory changes may take a long time to come about and TADB should promote but not wait for regulatory change, especially related to collateral requirements, as it moves forward with its plans to increase lending to women and youth.
- And, finally, the lack of a relevant gender baseline, TADB Gender Unit and tracking beneficiaries by gender and age group effectively mean that performance cannot be measured or monitored. It is hoped that TADB will use this report as an encouragement to work at a high level in bringing the tasks of baseline assessment and disaggregated loan measurement methodologies to a successful conclusion, so that the relevant loan products can be designed and launched as planned. More about this will be detailed in the final section of this report.

Box 6: Tanzanian Landscape Analysis

Key takeaways from this section include:

- What is not measured cannot be monitored… the lack of disaggregated data, baselines for women and youth lending, as well as the lack of requirements for detailed reporting in the gender and youth context, is limiting banks' ability and appetite for this type of lending.
- Access to land ownership is the primary constraint for access to finance. Until this is resolved through regulatory or legislative action, it is difficult to foresee the possibility of equal lending opportunity for groups without or limited land ownership.
- There is a strong need for banks such as TADB to find time, among the constant business of daily work, to identify and learn from trends on the global financing landscape. (What is the rationale for this takeaway? The section reads like a lot can be learned from MFIs/SACCOs/etc.?)
- Innovative institutions and credit products are present, and the successful cases listed here can serve as good examples and a path forward for TADB.

The above recommendations, if combined, have a strong possibility to inform a robust youth and women scheme for TADB supporting the bank in realizing the development goals of its mandate. But it will also require continuous and deep understanding of women and youth needs and aspirations, because these segments are not a homogeneous group and especially the youth are very dynamic with a strong predilection for use of technology. This calls for a strong and gender responsive research and development department within the bank, and the engagement of this committed organizational structure in the bank to increase outreach to these groups.

3.5 Value chains of interest for women and youth

3.5.1 Methodology and analysis of value chains

Agricultural finance to women and youth should result in the evolution of their agricultural practices from subsistence farming to a commercial business that generates profit for all its participants, including the lender. This would be in line with the mission and vision of the bank, as expressed in its business plan. To capture the full meaning of this statement, TADB must continue to visualize these sectors as part of an interrelated system of value in which each part depends heavily on the proper functioning of the other However, specially targeted groups such as women and youth should not be the only focus of all the lending activities of the bank, given the broad range of other relevant financing needs in agricultural production and processing. This is beyond the capacity of any bank, and the leadership and staff of TADB will need to focus on key sectors and borrower groups to succeed with the launch of the planned new loan products which will target women and youth in an efficient way while following bank policies as well as its other priorities.

In order to identify areas of focus for TADB, a summary analysis was conducted of the overall agricultural market in Tanzania, in order to rank targeted value chains in the context of women and youth. This analysis consisted of market criteria (working from statistical data) and judgmental criteria (working from experience) that form the basis for the recommendations to the bank about targeted sectors. The analysis was conducted for 23 subsectors in primary production (in line with the GoT-mandated ASDP II priority value chains) for consideration of the bank, which are further disaggregated by client group (measuring impact) and region (using TADB Zonal Offices cross-referenced with ASDP II data as a proxy).

Table 1 presents the methodology developed by the consultant team in summary form. Each category of criteria for each value chain is assessed from information derived from national statistics, ASDP II, literature review, local interviews, document perusal and desk research. The approach will continue to be fine-tuned during phase II of the field work with the bank starting in early 2022 but provides a good basis for the bank to determine which value chains are most appropriate for the loan product design (probably in form of an initial pilot to be launched after the client profiling). As can be seen in the table, the analysis is focused in areas that are very relevant for the bank in the context of profitability, client skill sets and financial needs. Aspects of market criteria and comparative advantage are reviewed based on the Tanzanian National Sample Census of Agriculture and FAO reports respectively, among other sources. These categories are then ranked from 1-5 with 5 being the highest, at which point the scores are shown in a heat map and then given an overall total which ranks each value chain.

Table 1: Summarized methodology of value chain

Potential Sub Sector		**V/C**
Market Criteria:		**Score**
Participation	Farmers	++++
	Agro-Biz	++
Market Access	National	++++
	Export	++
Profitability per Hectare		++++
Investment Required / ha		++
Judgemental Criteria:		
Priority of Tanzania		++
Skill Needs	Farmer	++
	Loan Officer	+++
TOTAL		**25**

The following aspects are considered in this analysis:

Market Criteria used to assess the relevant commodity, unmet demand, growth potential, market trends and competitiveness, as well as to identify sub-sector constraints and opportunities, based on statistical data (details outlined below).

Judgemental Criteria used to assess factors in the targeted sub-sector(s) in terms of the skill needs of the various actors (details outlined below).

The purpose of this simplified approach is to use available data in an analytical way to target specific value chains for the proposed new loan products that will be developed to support women and youth. As already mentioned, since TADB cannot effectively direct its lending to a disparate group of women and youth on all possible areas of agriculture, the analysis by the consultant team of the agricultural market proposes specific sectoral focus areas for the bank. This provides a not all-encompassing but at least manageable methodology for prioritizing the banks approach to the targeted commodities, which can be later modified by the bank based on their market knowledge, experience, and available resources. It relies on the national strategies mentioned above and aligns with current practices of the bank.

The approach gives a total value (ranging from 0-45) based on its overall comparison to other competing value chains, but with some adjustment based on interviews conducted in Tanzania and discussions with the bank. Lack of data for some value chains means that the team needed to extrapolate from verbal interviews, discussions with TADB staff, and previous professional experience. The value chain analysis methodology presented here also benefited from learnings of other DFIs in the wider region, which are undergoing similar transitions to increasing their focus on women and youth and using statistical and/or mixed method approaches to find the most appropriate targets for their product development.

Note that the methodology focuses on ASDP II value chains promoted by the bank and concentrates on primary production with related small trade activities. Although women/youth are certainly able to manage post-harvest processing businesses or sophisticated agricultural aggregation operations, the frequency of this occurring is expected to be low enough so that it will not be worth designing a women/youth loan product around these enterprises. This is because they would likely qualify for the existing loan products of the bank that are targeted for SMEs.

This proposed methodology, in an abbreviated way that highlights the authors' prioritized focus areas based on TADB alignment with national policies, presents a comprehensive and resource-effective way of assisting TADB with the selection of their target markets in agriculture. It can serve as the basis for credit assessment procedures, as well as training needs, in each respective sector for the TADB loan officers and staff in the risk and other relevant departments. It will be presented to the bank in as much detail as needed, to ensure that there is comfort on all sides in the decision about which value chains to prioritize as the new products are designed and rolled out.

3.5.2 Overview of the assessment criteria

The following sections represent potential subsectors to be examined for competitive factors related to primary production. As mentioned above, it covers Objective Criteria (derived from analysis and facts) as well as Subjective Criteria (supported by experience and judgment of targeted interviews and desk research).

1. Market Criteria:

Women Farmers: Refers to the proportion frequency of active women/youth farmers in each value chain
Women Agribusiness: Refers to the proportion of active women/youth traders of the respective commodity
Market Access (National): Refers to market prices/quantities at national level, based on available data, desk research or interviews
Market Access (Export): Refers to market prices/quantities for export, based on available data, desk research or interviews
Profitability per Hectare: Estimated comparative profitability per hectare (not able to be disaggregated by region)
Investment Required / ha: Estimated comparative investment required per hectare (not able to be disaggregated by region)

2. Judgmental Criteria:

Priority of Tanzania: Cross-referencing of ADSP priorities with TADB priorities from their Strategic Plan
Loan Officer (LO) Skill Needs: What level of skill and/or engagement is needed by the LO to process the application
Borrower Skill Needs: What level of skill and/or engagement is needed by the borrower to process the application

With the value chain (VC) assessment framework and the scoring parameters in place, the next step is to conduct the analysis of the available data, conduct the face-to-face and telephonic interviews of partners in Tanzania, consult with relevant stakeholders and conduct the literature review. The process is then fine-tuned, based on learnings from the DFI analysis and/or TADB.

Specifically, the process unfolds along the following steps:

a. Consult ADSP II and other relevant documents along with the TADB strategic plan and current operations
b. Cross reference these as needed with the Tanzanian statistical data (where relevant)
c. Conduct literature review (see sources in annex) to comparative assessment criteria for each value chain
d. Disaggregate where needed by women/youth and for any outliers
e. Disaggregate by the six regions (TADB Zonal Offices of Central, Lake, Eastern, Southern, Western and Southern Highlands) and ASDP II
f. Narrow down to 2-3 value chains in each region with anticipated highest impact and ease of rollout, based on the scoring
g. Conduct a "gut check" i.e., an internal verification of the scoring, by assessing the outcomes against previous experiences
h. Propose one or more targeted VCs to the bank for each of its zonal office/regions, reserving their right to adjust as needed
i. Build into the loan products to be developed, adjusting as needed in collaboration with the bank.

The above process was applied by the consultant team in December 2021, discussing zonal offices and value chain preferences as needed with the bank and with other local lenders while consulting the data and the literature review.

Box 7: Value Chain Analysis

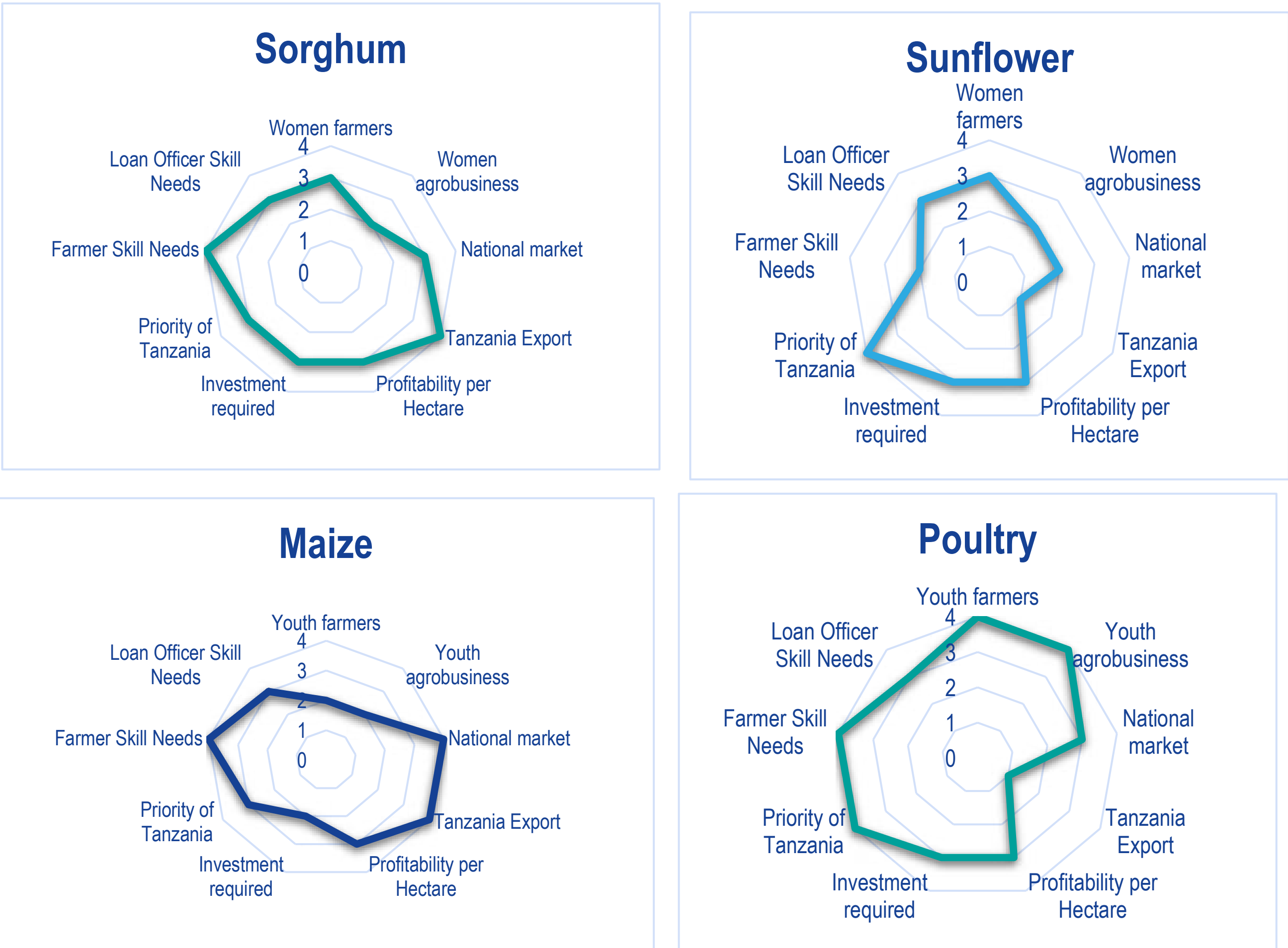
Key takeaways from this section include:

- The value chain assessment presents the results of GFA's investigations into 23 value chains for 2 types of client groups and identifies the value chains with which are recommended to support TADB's increased outreach.
- Many of the priority value chains identified during the assessment phase will enable TADB to validate those that should be recommended for implementation partnerships, such as with NGOs delivering business training, or other partnerships in line with the cases presented.
- This assessment process meets two important objectives for the bank, it enables TADB to identify value chains for initial implementation partnerships, and it enables TADB to develop stronger dialogue and linkages with key value chain actors
- This will allow the bank to identify with whom it should engage to also develop the value chains' new strategies and respective action plans for women and youth starting in early 2022.

3.5.3 Initial sorting of the results

After completing the process, the overall ranking of each of the value chains (not yet disaggregated by region) was the next step. The detailed summary assessment results for women and youth can be found in Annexes 3 and 4. The overall scores were then fed into the heat map analysis to show the relevant categories in a comparative method. This results in a visual guide about the attractiveness of each value chain on a generic basis. A sample of four of the value chain heat maps showing each commodity, two for women and two for youth, as assessed by the categories and further disaggregated by the categories of women and youth, are shown in the images below.

Figure 2: Heat Map of sample value chains for women and youth



Having completed the assessment of the applicable value chains in TADB operational areas in Tanzania (which again is based on the available information from ASDP II and TADB priority value chains as well as other national policy documents) the value chains were ranked into those scoring above 28 points (out of 45).

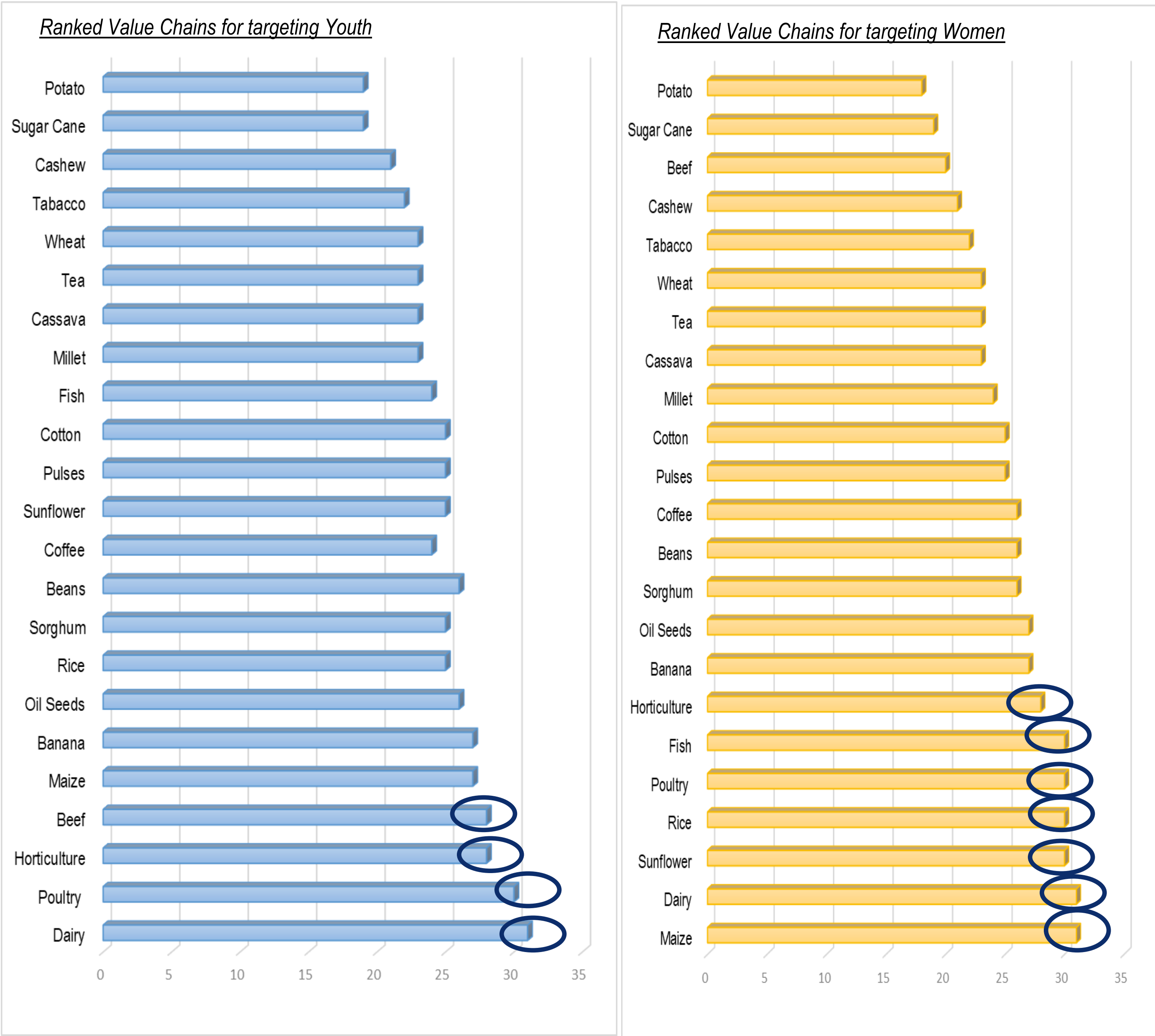


Figure 3: Ranking of the assessment value chains for women/youth

a. Final sorting of the results by region:

Although space does not allow for the visual reflection of all 23 value chains in 6 regions, the methodology shows the highest value chains of the above analyses for each region. This is based on a minimum score of 28 points for each of value chains assessed, which is then cross-referenced to the priority crops of ASDP II in each of the six zones. Although only approximate, the analysis allows the bank to categorize where the opportunities lie for the potential women and youth borrowers in each value chain and in each zone.

As such, the selection of the value chain for the upcoming women/youth pilot design for each of the Zonal Offices is as follows:

Women:

Central	Rice, dairy, horticulture, fish, poultry, maize, sunflower
Lake	Rice, dairy, horticulture, fish, poultry, maize, sunflower
Eastern	Rice, dairy, horticulture, fish, poultry, maize, sunflower
Southern	Horticulture, fish, poultry, maize, sunflower
Western	Rice, horticulture, fish, poultry, maize, sunflower
S. Highlands	Rice, horticulture, poultry, maize, sunflower

Youth:

Central	Dairy, horticulture, beef, poultry
Lake	Dairy, horticulture, beef
Eastern	Dairy, horticulture, beef, poultry
Southern	Horticulture, poultry
Western	Dairy, horticulture, beef
S. Highlands	Rice, horticulture, poultry

This completes the simplified value chain analysis for both targeted groups by zone. The methodology gives a comparative basis, rooted in data and experience, for each of the proposed new loan products that will be developed. Since some VCs are relevant across all regions and could thus be tackled by TADB in a national approach, this will also be discussed with the bank for the most appropriate path forward.

3.6 Conclusion and Next Steps

This report represents the first phase of a study that will lead towards the development of a comprehensive gender/youth lending scheme for TADB in early 2022. With the agricultural finance landscape review, DFI comparison and summary value chain analyses presented above, various organizational and focus area improvements are proposed below that can contribute to improve the bank's targeting of women and youth in Tanzania. The information delivered here is combined with suggestions based on the review and case studies, which are presented for the reflection of the bank.

The recommendations about accelerating the good progress made by TADB so far, as well as the next steps, include the below:

3.6.1 Overall recommendations to TADB for its planned increase of outreach to women and youth

1. **Develop a strategy to focus on youth and women as a core business and arrange the needed financial and human resources to support these target groups**: TADB as a national DFI with a clear social and developmental mandate from the GoT is planning to position itself as a leader in this space. As such, the bank should formally develop externally facilitated strategies that lead to a mobilization of efforts at the bank to achieve more in this space. Much has been done at the bank already, especially for resource mobilization, but the development of formal approaches for these two client groups will increase TADB's focus and effectiveness.

2. **Move forward with the formation of formal TADB Gender and Youth Units**: As the strategy is being developed for women and youth, the bank can take a long stride forward by making needed shifts in its organizational chart and resource allocation by forming dedicated units within the bank HQ to focus on women and youth. In addition to (in the case of gender) meeting its obligations to AfDB on the formation of this unit, it can also use a dedicated team for each group to mobilize resources and motivate staff in the branches, especially in the context of data collection and aggregation, perhaps as part of the Planning, Policy and Research Unit of TADB.

3. **Look for additional means and channels for the provision of technical assistance to borrowers**: The critical need of women and youth, identified by countless studies, is that to be effective borrowers need to have an effective level of business acumen and financial literacy. This is particularly relevant for small entrepreneurs, trading operations, as well as for project preparation, especially for irrigation or post-harvest handling. For women and youth, it is a crucial factor for accessing loans, and for lenders it is a crucial factor in ensuring timely repayments. The next stage of the product design will include working closely with the bank to see which models of technical assistance, and/or which partners, would make sense for the bank and its clients.

4. **Prioritize the development of alternate collateral arrangements**: The issue of lack of collateral faced by women and youth in Tanzania is real, and it is pressing. It cannot be hoped or wished away by market forces, targeting shifts or good intentions. But the bank has options to reduce collateral requirements in certain cases through adopting alternative approaches, such as finding partners focused on group lending and personal guarantees, looking at movable assets, and forward contracting for producers.

3.6.2 Overall recommendations to TADB for its planned increase of outreach to women

1. **Task the TADB Gender Unit (when it is formed) to develop a gender strategy and a baseline of current clients by segment, location, primary and secondary value chain as well as financial status**: What cannot be measured cannot be managed, and TADB now has an opportunity with the launch of its gender strategy and related unit to develop a baseline of its current active clients who are women. Developing this baseline will show TADB where it is succeeding and can serve to express a firm commitment to partners, lenders, and donors that TADB is serious about creating and measuring impact for women.
2. **Become more engaged in the global gender-finance space**: A wide range of international initiatives have increased the global focus on women lending and leveraged significant DFI financing on gender equality and gender lens investing. These provide an excellent framework for TADB as it looks for resources to further develop its approach to women borrowers and can be accessed by the future Gender Unit for learning and collaboration purposes. The important ones of these initiatives include:
    a. The 2X Challenge (https://www.2xchallenge.org/)

    b. The UN Women's Empowerment Principles (https://www.weps.org/about)
    c. The International Finance Corporation's Banking on Women (https://www.ifc.org/wps)
    d. EBRD's Women in Business program (https://www.ebrdwomeninbusiness.com/home.xhtml?country=All&language=en)
    e. The Affirmative Finance Action for Women in Africa (AFAWA) programme led by the African Development Bank (https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/afawa-affirmative-finance-action-women-africa)

3. **Select and work with partners on the development of a new, women-focused loan product with financial and non-financial elements including technical assistance:** The development of a loan product created for women in various smallholder sectors is key for design, targeting and communication purposes. It should consist of (at a minimum) the following parameters:
    a. A cost of borrowing equal to or less than current products to women
    b. Adjusted collateral requirements for women in line with National Bank requirement and relevant regulations
    c. Include business and financial literacy training for women in partnership with local governments, private sector, NGOs, or internal resources, to improve the ability of women to borrow and repay loans through productive activities.
    d. Consider Zanzibar more carefully in the context of the bank's approach to women lending, as well as the spice VC.

3.6.3 Overall recommendations to TADB for its planned increase of outreach to youth

1. **Look for opportunities to learn from other DFIs supporting youth**: Various international initiatives have increased the global focus on women lending and leveraged significant DFI financing on gender equality and gender lens investing. Programs of note include the "Jobs for Youth in Africa" strategy of AfDB and the resulting Innovation Lab for Youth in Africa, which is increasing outreach to youth through the bank's "Boost Africa" program. It focuses on strengthening the capacity and market reach of innovative young entrepreneurs and youth-owned start-ups and improving access to finance for entrepreneurs and start-ups operated by young people. These and potentially other programs offer an attractive avenue for replication by TADB, especially in the combination of business development services (BDS) and start-up financing for youth.

2. **Create either a TADB Youth Unit or appoint a point of contact for youth within the bank, in order to develop a formal youth strategy document**: As with the proposed gender unit, a focal point for youth-oriented activities can create momentum and serve as a nexus for resource mobilization and tracking results. One suggestion might be to form first the gender unit and then use it as a reference for later formation of a youth unit, or alternatively to combine this into one unit (Gender/Youth).

3. **Create a baseline of current clients by segment, location, primary and secondary value chain as well as financial status:** What cannot be measured also cannot be monitored, and TADB now has an opportunity with the launch of its youth strategy (similar to the above-mentioned gender strategy) to develop a baseline of its current clients who are economically engaged youths with either loans, savings or both. Developing this baseline will show where it is succeeding and can serve to express a firm commitment to partners, lenders, and donors that TADB is serious about creating and measuring impact for youth.

4. **Work with partners on the development of a new, youth-focused loan product:** The development of a loan product created for youth in the agricultural sectors identified above is key for design, targeting and communication purposes. It should consist of (at a minimum) the following parameters:
    a. A cost of borrowing equal to or less than current products offered to other clients of a similar risk profile.
    b. Adjusted collateral requirements for youth in line with National Bank requirements and relevant regulations[1]
    c. Include business and financial literacy training in partnership with local governments, private sector, NGO's, or internal resources, to improve the ability of youth to borrow and repay loans through productive activities.
    d. Advertise the existence of this product this widely on digital channels used by youth, especially in rural areas, and consider developing a specific phone "app" application for youth with financial advice.

3.6.4 Conclusion

This report and the analysis conducted above leverages the current activities of the bank, as well as other lenders in Tanzania, and explores several cases and background studies of other DFIs on the African continent. These cases and the value chain assessment offer some interesting lessons for TADB as it explores ways to increase its targeting of women and youth in agriculture through a new gender scheme.

The ICR Facility can provide short-term technical assistance to DFIs upon request to support the implementation of these recommended actions. For more information about the technical assistance the ICR Facility provides and the application procedure, please see https://www.icr-facility.eu/request-form.

[1] For both the youth and women loan products, this should be closely discussed with senior risk department officials and, if merited, then with regulatory authorities, to find an appropriate solution.

ABBREVIATIONS

AADFI	Association of African Development Finance Institutions	**GoT**	Government of Tanzania
AASS	Annual Agricultural Sample Survey	**GPFI**	Global Partnership for Financial Inclusion
ABG	Agricultural Bank of Ghana	**HQ**	Headquarters
ADC	Agricultural Development Center	**ICR**	Investment Climate Reform
AEZ	Agro-ecological zone	**IDFC**	International Development Finance Club
AFAWA	Affirmative Finance Action for Women in Africa	**IFAD**	International Fund for Agricultural Development
AfDB	African Development Bank	**IFC**	International Finance Corporation
AFI	Alliance for Financial Inclusion	**M&E**	Monitoring and Evaluation
ASDP	Agricultural Sector Development Program	**MAFC**	Ministry of Agriculture, Food Security and Coop
ASDS	Agricultural Sector Development Strategy	**MFI**	Microfinance Institution
BC	British Council	**MoFP**	Ministry of Finance and Planning
BDS	Business Development Services	**NASSM**	National Agricultural Sector Stakeholders Meeting
BMZ	German Federal Ministry for Economic Cooperation and Development	**NBS**	National Bureau of Statistics
BoA	Bank of Agriculture Nigeria	**NEPAD**	New Partnership for Africa's Development
BoT	Bank of Tanzania	**NGO**	Non-Governmental Organization
CAADP	Comprehensive Africa Ag Development Prog.	**OACPS**	Organisation of African, Caribbean and Pacific States
CGD	Center for Global Development	**OVCF**	Outgrower and Value Chain Fund
CRDB	Cooperative Rural Development Bank of Tanzania	**PASS**	Private Agricultural Sector Support Project
CVC	Commodity Value Chain	**PBD**	Public Development Banks
DFCU	Development Finance Company of Uganda	**PO-RALG**	President's Office, Regional Administration and Local Government
DFI	Development Finance Institution	**PPP**	Public Private Partnership
DFS	Digital Financial Services	**SACCO**	Savings and Credit Cooperative
EBRD	European Bank for Reconstruction + Development	**SDG**	Sustainable Development Goal
EDF	European Development Fund	**SME**	Small and Medium-sized Enterprise
EF	Expertise France	**SNV**	Stichting Nederlandse Ontwikkelingsorganisatie, Netherlands Development Organization
EU	European Union	**TAC**	Technical Assistance Completion Report
FAO	Food and Agriculture Organization	**TADB**	Tanzania Agriculture Development Bank
FSTD	Financial Sector Deepening Trust	**TEF**	Tamwil El Fellah
GCAM	Groupe Crédit Agricole du Maroc	**TIB**	Tanzanian Industrial Bank
GDP	Gross Domestic Product	**TOR**	Terms of Reference
GFA	GFA Consulting Group GmbH	**TSDT**	Tanzania Financial Sector Deepening Trust
GIRSAL	Ghana Incentive-based Risk Sharing System for Agricultural Lending	**VC**	Value Chain
GIZ	Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	**YARN**	Youth Agricultural Revolution in Nigeria

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ANNEX 2: MEMBERS OF AADFI

Figure: Members of the Association of African DFIs (AADFI) as of end-2020 (TADB is not shown as it is covered elsewhere in the report)

TABLE: ASSOCIATION OF AFRICAN DEVELOPMENT FINANCE INSTITUTIONS (AADFI)

Ordinary members (67)

ALGERIA
Banque algérienne de développement

ANGOLA
Banco de Poupanca E Credito
Banco de Desenvolvimento de Angola

BOTSWANA
Citizen Entrepreneurial Development Agency (CEDA)

BURUNDI
Banque Nationale de Développement Economique, Burundi (BNDE)

COMORES
Banque de Développement des Comores (BDC)

COTE D'IVOIRE
Banque Nationale D'Investissement (BNI)

DJIBOUTI
Fonds de Développement de Djibouti (FDED)

EGYPT
Industrial Development and Workers Bank of Egypt (IDWBE)
Principal Bank For Development And Agricultural Credit (The) (PBDAC)

ESWATINI
Eswatini Development & Savings Bank (Formerly 'Swazibank')
Eswatini Development Finance Corporation (FINCORP)
Industrial Development Company of Eswatini (IDCE)

ETHIOPIA
Development Bank of Ethiopia (DBE)

GABON
Banque Gabonaise de Développement (BGD)

GHANA
Agricultural Development Bank (ADB)
National Investment Bank (NIB)
Ghana Export-Import Bank

KENYA
Industrial and Commercial Development Corporation (ICDC)
Industrial Development Bank (IDB) Capital Ltd
Tourism Finance Corporation (TFC)
Agricultural Finance Corporation (AFC)
Kenya Industrial Estates (KIE)
Trade And Development Bank

LIBERIA
Liberian Bank for Development and Investment (The) (LBDI)

LIBYA
Libyan Arab Foreign Bank

MALAWI
Export Development Fund (EDF)
Malawi Agricultural And Industrial Investment Corporation Plc

MALI
Banque De Développement Du Mali

MAURITIUS
Development Bank of Mauritius Ltd (DBM)

MOROCCO
Groupe Crédit Agricole du Maroc (GCAM)
Tamwil El Fellah (TEF)

MOZAMBIQUE
GAPI SARL

NIGER
Société Nigérienne de Banque (SONIBANK)
Fonds De Solidarite Africain (FSA)

NIGERIA
Bank of Industry Ltd (BOI)
National Economic Reconstruction Fund
New Nigeria Development Company Ltd (NNDC)
Federal Mortgage Bank Of Nigeria (FMBN)
Bank of Agriculture Ltd (BOA)
Nigeria Export-Import Bank (NEXIM)
Odu'a Investment Company Ltd
Federal Mortgage Bank of Nigeria
IBILE Holdings Ltd
LECON Financial Services (Ltd)
The Infrastructure Bank Plc
The Nigeria Incentive- Based Risk Sharing System For Agricultural Lending (NIRSAL)
Development Bank Of Nigeria Plc (DBN)

DRC
Bureau Central De Coordiantion (BCECO)
Société Financiare De DéveloppementSA (SOFIDE SA)
Fonds De Promotion De L'Industrie (FPI)
Banque de Développement des Etats des Grands Lacs (BDEGL)

RWANDA
Development Bank of Rwanda (BDR)

SENEGAL
La Banque Agricole Du Senegal
Banque Nationale pour le Développement Economique (BNDE)

SEYCHELLES
Development Bank of Seychelle (DBS)

SOUTH AFRICA
Development Bank of Southern Africa (DBSA)
Industrial Development Corporation (IDC) of South Africa Ltd

SUDAN
Agricultural Bank of Sudan (ABS)
Industrial Development Bank (IDB)

TANZANIA
Tib Development Bank Ltd

TUNISIA
Banque Nationale Agricole (BNA)
Société Tunisienne de Banque (STB)
Banque Maghrébine d'Investissement et de Commerce Extérieur (BMICE)

UGANDA
Uganda Development Bank Limited (UDBL)

ZAMBIA
Development Bank of Zambia (DBZ)

ZIMBABWE
Infrastructure Development Bank of Zimbabwe IDBZ)

Special Members (12)

BENIN
Fonds Africain de Garantie et de Coopération Economique (FAGACE)

CÔTE D'IVOIRE
Banque Africaine de Développement / African Development Bank

EGYPT
African Export and Import Bank AFREXIMBANK

ETHIOPIA
Economic Commission for Africa

KENYA
Shelter Afrique
Trade And Development Bank (TDB)

NIGER
Fonds de Solidarité Africaine (FSA)

REPUBLIC OF THE CONGO
Banque de Développement des Etats de l'Afrique Centrale (Eng: Development Bank of the Central African States)

SUDAN
Arab Bank for the Economic Development of Africa

TOGO
Banque Ouest Africaine de Développement (BOAD)
Groupe de la BIDC/ECOWAS Bank

UGANDA
East African Development Bank (EADB)

Honorary members (6)

INDIA
Export-Import Bank Of India
World Association of Small and Medium Enterprises

ITALY
Giordano dell'Amore Foundation

PORTUGAL
Banco Portugues do Investimento

USA
Banque Internationale pour la Reconstruction et le Développement (IBRC)
International Finance Corporation

Associates (2)

BOTSWANA
Southern African Development Community Development Finance Resource Centre (SADC- DFRC)

NIGERIA
Association Of Nigerian Development Finance Institutions (ANDFI)

This table shows the published member list of the Association of African Development Finance Institutions (AADFI): an umbrella organization for development finance institutions in Africa created under the auspices of the African Development Bank in 1975. According to the AADFI website, 67 African DFIs currently exist on the continent (the more than 80 total member institutions, include associates, special members and honorary members).

Source: https://adfi-ci.org/

ANNEX 3: ASSESSMENT RESULTS FOR WOMEN VALUE CHAINS

#	Women	Women farmers	Women ag-robusiness	National market	Tanzania Export	Profitability per Hectare	Priority of Tanzania	Investment required	Farmer Skill Needs	Loan Officer Skill Needs	Total
1	Maize	3	3	5	4	2	3	4	4	3	31
2	Dairy	5	3	4	2	3	4	4	3	3	31
3	Sunflower	4	4	4	3	3	4	3	2	3	30
4	Rice	5	3	3	3	3	3	3	4	3	30
5	Poultry	5	4	3	3	3	4	2	3	3	30
6	Fish	4	4	3	2	3	4	3	4	3	30
7	Horticulture	4	4	4	1	4	2	3	2	4	28
8	Banana	3	4	3	2	3	3	4	2	3	27
9	Oil Seeds	3	2	4	4	3	4	2	3	2	27
10	Sorghum	3	2	3	4	3	2	2	4	3	26
11	Beans	4	3	3	4	2	3	2	1	4	26
12	Coffee	1	2	2	4	4	2	3	4	4	26
13	Pulses	4	4	2	4	2	2	3	2	2	25
14	Cotton	4	3	3	2	2	4	3	2	2	25
15	Millet	2	2	2	4	2	3	2	4	3	24
16	Cassava	3	2	3	4	2	4	2	2	1	23
17	Tea	3	1	2	3	4	2	3	2	3	23
18	Wheat	3	3	2	3	2	4	1	2	3	23
19	Tabacco	3	2	3	1	3	4	3	1	2	22
20	Cashew	2	2	2	1	3	2	3	4	2	21
21	Beef	4	1	3	1	2	4	2	1	2	20
22	Sugar Cane	4	2	1	1	3	3	1	1	3	19
23	Potato	2	2	2	1	2	1	2	3	3	18

ANNEX 4: ASSESSMENT RESULTS FOR YOUTH VALUE CHAINS

#	Youth	Youth farmers	Youth agro-business	National market	Tanzania Export	Profitability per Hectare	Priority of Tanzania	Investment required	Farmer Skill Needs	Loan Officer Skill Needs	Total
1	**Dairy**	5	3	4	2	3	4	4	3	3	**31**
2	**Poultry**	5	4	3	3	3	4	2	3	3	**30**
3	**Horticulture**	4	4	4	1	4	2	3	2	4	**28**
4	**Beef**	5	5	3	1	2	4	2	4	2	**28**
5	**Maize**	2	1	5	4	2	3	4	3	3	**27**
6	**Banana**	3	4	3	2	3	3	4	2	3	**27**
7	**Oil Seeds**	3	2	4	4	3	4	2	2	2	**26**
8	**Rice**	2	2	3	3	3	3	3	3	3	**25**
9	**Sorghum**	3	2	3	4	3	2	2	3	3	**25**
10	**Beans**	4	3	3	4	2	3	2	1	4	**26**
11	**Coffee**	1	2	2	4	4	2	3	2	4	**24**
12	**Sunflower**	1	2	4	3	3	4	3	2	3	**25**
13	**Pulses**	4	4	2	4	2	2	3	2	2	**25**
14	**Cotton**	4	3	3	2	2	4	3	2	2	**25**
15	**Fish**	2	2	3	2	3	4	3	2	3	**24**
16	**Millet**	2	2	2	4	2	3	2	3	3	**23**
17	**Cassava**	3	2	3	4	2	4	2	2	1	**23**
18	**Tea**	3	1	2	3	4	2	3	2	3	**23**
19	**Wheat**	3	3	2	3	2	4	1	2	3	**23**
20	**Tabacco**	3	2	3	1	3	4	3	1	2	**22**
21	**Cashew**	2	2	2	1	3	2	3	4	2	**21**
22	**Sugar Cane**	4	2	1	1	3	3	1	1	3	**19**
23	**Potato**	2	3	2	1	2	1	2	3	3	**19**