

FINANCIAL SERVICES PROVIDERS' (FSPs) FIRST QUARTERLY WORKSHOP MEETING REPORT

MEETING HELD ON 21st FEBRUARY, 2019

AT MAYFAIR HOTEL IN DAR ES SALAAM



Preamble

EMMAC hosted the first quarterly workshop meeting with Financial Services Providers (FSPs) on 21st February, 2019 at Mayfair Hotel in Dar Es Salaam with the purpose of creating more awareness of EMMAC activities and duties to be performed in collaboration with Financial Services Providers (FSP) in order to deliver expected results to Tanzania Local Enterprises Development (T-LED) Project overall and in particular access to finance component. The project team include EMMAC itself, Cuso International and VSO together with its local partners namely TCCIA, SIDO and TWCC. Cuso International in collaboration with EMMAC, through the Tanzania Local Enterprises Development (T-LED) access to finance component, entered in agreement to help SMEs access finance from FSPs, with the aim of financing SMEs business undertakings in 6 regions. These regions are Mwanza, Shinyanga (called Lake Zone Hub), Iringa and Njombe (Southern Highlands Hub), Lindi and Mtwara, referred to as South Hub.

Attendance:

It was a combination of Financial Services Providers, EMMAC and other stakeholders

Serial No	Participant Name	Name of the Organisation
1	John Machunda	NMB Bank
2	Thobins Samuel	Azania Bank
3	Elisante Marir	TPB
4	George Maze	TPB
5	Athiye Mohamed	Peoples Bank of Zanzibar
6	Eliya Mtupile	VSO
7	Owen Salewa	Dun and Bradstreet (D&B)
8	Romanus Mtung'e	CUSO
9	Michael Kasubi	CUSO
10	Wandiba Kasinge	CUSO
11	Ezra Musoke	SEAF
12	Lilia Treedean	MEDA
13	Felix Kayunze	MEDA
14	Ally Kamese	GroFIN
15	Emmanuel Elisante	EMMAC
16	Christopher Kihwele	EMMAC
17	Jed Josiah Mugangala	EMMAC
18	Verdiana Masanja	EMMAC
19	Anna Mariam Leone	EMMAC
20	Fabian Laurian Mabugo	EMMAC
21	Tabitha Moses Ikomba	EMMAC
22	Karim Shaibu	EMMAC
23	Aisha Abdul-Aziz	DEEP MEDIA
24	Ditram Lipingu	DEEP MEDIA
25	Maliki John	DEEP MEDIA

Stakeholders and FSPs who did not attend the meeting due to different reasons include:

- i. TADB –Tanzania Agricultural Development Bank
- ii. CRDB Bank Plc
- iii. PASS TRUST- Private Agriculture Sector Support Trust
- iv. TPSF -Tanzania Private Sector Foundation

Workshop Synopsis

The meeting was convened to address SMEs financing needs within six regions in 3 hubs and linking SMEs to FSPs with the intention that SMEs can access finance by aligning FSPs requirements and SMEs needs for financing. In view of the meeting, T-LED project requires disbursements results, which must be supported by documented evidences from the FSPs. The evidence documents must include either one or two of the following:

- i. Duly stamped system generated repayment schedule
- ii. Duly executed offer letter or facility agreement
- iii. Duly signed and stamped letter confirming amount and beneficiary's name
- iv. An e-mail from FSPs source specifying amounts disbursed and SMEs names.

Note:

All of the above required documents which prove disbursements (that is, SMEs have already accessed finance) shall be provided by the FSPs. However, issues of confidentiality by FSPs and absence of SMEs consent to share documents to third party (in this context EMMAC or T-LED team) were key obstacles or lessons on hand during EMMAC take-off phase activities in January 2019; hence these paved way for discussion points.

With a view to ensure FSPs buy-in to the T-LED access to finance component and overall project focus, a good list of presenters were prepared and the workshop allowed discussions and engagements.

List of workshop meeting presenters

- i. Mr. Emmanuel Elisante , EMMAC CEO, main slides on T-LED A2Finance
- ii. Mr. Eliya Mtupile: T-LED Manager, contributor on VSO T-LED overview.
- iii. Mr. Michael Kasubi: TIF Manager, contributor on CUSO T-LED/ TIF overview.
- iv. Mr. Romanus Mtunge, main slides, Cuso International Country Representative
- v. Mr. Owen Salewa, main slides, Dun & Bradstreet Credit Reference Bureau
- vi. Mr. Jed Josiah Mugangala, Senior Financial Advisor, EMMAC (Meeting Secretary)



Methodology and approach

The approach employed was presentations and workshop discussions around common challenges facing SMEs in terms of access to finance and agreeing on pursuing the best practices for overcoming the mentioned huddles. Presentations and workshop discussions were done by EMMAC, T-LED VSO, Cuso International and D&B. All of the 4 presentations were meant to portray and redirect to stakeholders what EMMAC is doing in collaboration with all other partners. Afterwards, all participants understood and acknowledged what EMMAC is doing and there was an opportunity for Questions and Answers (Q&A) for all participants including deliberations from FSPs. The key deliberations included:

- a) Individual meetings with FSPs on specific needs and support
- b) Readiness to support SMEs and only share disbursement documents under terms agreed by each FSP.

The workshop schedule

The workshop started from 07:45hrs to 11:30hrs by members' registration, it proceeded to 4 presentations, breakfast break, Question and Answers (Q&A) and deliberations. Breakfast was served at 09:00hrs to 09:30hrs

Workshop contents and subjects: Contact us on info@emmactz.com

Workshop outcomes and deliverables: Closer Look

After the workshop, FSPs and other stakeholders who are not T-LED program partners were imparted with knowledgeable facts that:

- i. EMMAC collaborates with Cuso and VSO to implement T-LED access to finance.
- ii. Financial Services Providers (FSPs) are urged to treat beneficiaries of T-LED access to finance component with special scrutiny to include, if agreeable, special interest rates.
- iii. That FSPs set pace that allows EMMAC to collaborate with Private Agriculture Sector Support (PASS) for security/collateral purposes for all SMEs intending to be linked to FSPs
- iv. That Cuso International and EMMAC shall work together to address the main challenge of the project which has been provision of disbursement documented evidences. That is to say all SMEs accessing finance from FSPs shall be provided with proof and evidence for disbursements, although the FSPs best practices and credit policies highlighted the pillar of confidentiality in investment and financing industry; it was amicably agreed that further talks and deliberations shall continue and upon understanding, then memorandum of understanding (MoU) shall be construed in line with T-LED access to finance call and put in place.

Recommendations and suggestions

The overall view of the workshop between EMMAC and FSPs was that further meetings shall be convened between individual FSPs and EMMAC to follow on what was preliminarily agreed or at least proposed during the workshop including establishment for memorandum of understandings (MoUs) or any other issues pertaining proof of disbursements and/or special in-look of SMEs interest rates.

Prepared and submitted to Cuso International by EMMAC Investments Consulting Limited



Emmanuel Elisante

EMMAC CEO and Senior Project Manager, T-LED Access to Finance Component

28 February 2019