

Market Illustration

Bank of Tanzania Circular Promotes Women's Participation on Boards

Country: Tanzania

Challenge: Despite progress in expanding financial inclusion in Tanzania, gender disparities remained pronounced in the leadership structures of banks and financial institutions.

Result: This directive positions Tanzania as a regional leader in embedding gender equity into financial sector governance through concrete targets, timelines, and regulatory oversight. Initial results suggest promising trends in adoption.

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Challenge

Despite progress in expanding financial inclusion in Tanzania, **gender disparities remained pronounced in the leadership structures** of banks and financial institutions. According to a study by the Bank of Tanzania:

- The Men to Women ratio for Boards of Directors was 75:25; and for Senior Management of Banking Institutions was 70:30.
- Some financial institutions had **no women at all** serving on their boards.
- Existing governance practices lacked systemic mechanisms to foster or track gender diversity.

This imbalance posed both an **ethical and economic challenge**.

Approach

In August 2024, the Bank of Tanzania issued an official directive to all banks and financial institutions titled [Strengthening Gender Representation and Inclusivity in Leadership Roles for Banks and Financial Institutions](#). The circular set out a clear expectation: **all institutions must work toward ensuring that at least one-third of their board members are women**, affecting all of Tanzania's IPS (TIPS) participants.

To achieve this, the central bank called on institutions to **revise core governance documents**—including board composition policies, the Directors Competence Matrix, and board charters—**to explicitly reflect gender equity goals**. Succession planning processes must also be adapted to identify and cultivate a pipeline of qualified women candidates for board and executive roles, aligning leadership development with long-term institutional strategy.

In addition to structural reforms, the directive emphasized the **need for inclusive operational practices**. Financial institutions were instructed to develop leadership development and career progression programs that specifically support women, and to ensure that recruitment, mentorship, and promotion practices foster equity at all levels.

Institutions were given six months to submit implementation plans to the Bank of Tanzania, with full compliance—including achieving the one-third female board representation target—expected within 36 months. The central bank committed to monitoring progress, providing technical guidance and best practices, and recognizing institutions that show leadership in advancing gender diversity across the sector.

It is worth noting that the impetus for the circular came from a broader government focus on women's inclusion, which itself was spearheaded by the country's female president. The demonstrates the value of high-level support for women's initiatives, whether from women or their allies.

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Results

As of August 2025, the initiative is in its early stages of implementation, but has already yielded progress from institutional uptake.

In a report on early progress, Bank of Tanzania shares successes. Results are compared to the July 2024 survey during which Bank of Tanzania sought to diagnose the problem of representation in the sector. Below is a direct excerpt from their interim reporting:

Aspect	Baseline Survey Report (July 2024)	Initial Progress Regulator Review (June 2025)
Sample Size	44 banks	42 banks
Female on Boards	25% overall	35.7% banks met ≥ one-third
Female in Senior Mgmt	30% overall	42.9% banks met ≥ one-third
Institutions with Zero Women on Boards	5 large banks	2 banks
Policy Environment	No regulatory requirement; voluntary initiatives	Circular mandates ≥ one-third female boards; succession & leadership programs
Institutions with Initiatives	25 banks (57%) voluntary	21 banks with structured programs
Trend	Gradual voluntary progress	Accelerated due to regulatory enforcement
Outlook	Slow progress	Compliance by 2027, with visible gains

They go on to cite particularly promising trends for continued adoptions:

- **Governance reforms** (policies, charters, succession plans) have **expanded** significantly since the 2024 Circular.
- **Mentorship and leadership programs are increasingly mainstream**, signaling a pipeline of future female leaders.
- If sustained, substantial progress toward one-third female representation in boards and senior management is expected by 2027

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Works Cited

- "Report on Female Composition in Senior Management and Board Positions in Commercial Banks," Bank of Tanzania, June 2025.
- "Strengthening Gender Representation and Inclusivity in Leadership Roles for Banks and Financial Institutions," Bank of Tanzania, August 22, 2024, <https://www.bot.go.tz/Publications/Acts,%20Regulations,%20Circulars,%20Guidelines/Circulars/en/2024082815052168.pdf>.