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# Microfinance institutions urged

## to operate more transparently

By DAILY NEWS Reporter

MEMBERS of Tanzania Institute of Microfinance Institutions (TAMFI) have been urged to do business transparently as a way to boost their revenues and image.

Addressing TAMFI members in Dar es Salaam on Tuesday, Lead Africa Analyst of Microfinance Information Exchange (MLX) based in Washington DC, Ms Audrey Linthorst, said that sharing information with peers, clients, shareholders and potential investors was paramount for the development of the sector.

"There are many benefits for microfinance Institutions that are carrying out their duties in a more transparent manner

for clients, stakeholders and public at large. It builds trust and credibility. It's one of the best ways to attract investors," she said.

She urged TAMFI members to upload their profiles and reports in MLX portal as one way of promoting transparency. She said MLX was committed to strengthening financial inclusion and the microfinance sector by promoting transparency.

"We provide information on microfinance institutions, funders, networks and service providers dedicated to serving the financial sector needs for low-income clients.

She urged TAMFI members to join MLX by registering at the body's portal so as to put themselves at the global watch of the industry.

By joining MLX, micro finance institutions are required to make public their profiles, number of borrowers and clients per each loan officer, duration for repayment, profits on returns and risks, she said.

Ms Linthorst lamented that micro finance institutions in Africa were lagging behind in providing information when compared to other continents.

In Tanzania only 14 institutions are providing information to MLX and yet, there are hundreds of such institutions in the country.

She said that there were no qualifications for an institution to qualify in having its performance data published so long as it is a microfinance institution and there are no levies charged.

Ms Winnie Terry, TAMFI Executive Secretary said her

organization has been advocating for best practice among members including transparency.

"We adopted a code of conduct last year and our members are providing borrowers with all the information they need before they take a loan," she said, adding it was a big step on micro finance institutions becoming transparent in Tanzania.

TAMFI is an umbrella organization for about 51 microfinance organizations working in Tanzania.

TAMFI works to strengthen Tanzania's microfinance sector by promoting cooperation and collaboration among its member organizations, providing training, conducting research and lobbying the government of Tanzania, she said.

Mr Annulike Ngeliana,

Chairman of Mtoni Lutheran Church Saccos Limited in Temeke District said it was true greater transparency and accountability was needed in the micro-finance sector.

"I am convinced MLX can increase the visibility of our institutions at both country and world level," he said.

Providing data to such a platform would expose institutions to more investors, which at the end of the day minimizes risks.

MLX is funded by some of the world's renowned financial institutions like Bill & Melinda Gates Foundation, CGAP, Omidyar Network, The MasterCard Foundation, IFAD, Michael & Susan Dell Foundation, Citi Foundation, Ford Foundation and Deutsche Bank.

Microfinance

PSO: TAMFI Guardian

Pg 10 May 10 2012

# Transparency crucial for business growth - expert

By Guardian Reporter

CARRYING out lending in a transparent manner will help boost business ventures in Tanzania, a leading analyst in microfinance has said.

Audrey Linthorst of the Washington-based Microfinance Information Exchange (MIX) told members of the Tanzania Institute of Microfinance Institutions (TAMFI) in Dar es Salaam yesterday that sharing information with peers, clients, shareholders, and potential investors was paramount for the development of the sector.

"There are many benefits for microfinance institutions that are carrying out their duties in a more transparent manner for clients, stakeholders, and public at large. It builds trust and credibility. It's one of the best ways to attract investors," she said.

"You should upload your profiles and reports in MIX portal as one way of promoting transparency," she added.

She said MIX was committed to strengthening financial inclusion and the microfinance sector by promoting transparency.

"We provide information on microfinance institutions, funders, networks, and service providers dedicated to serving the financial sector needs for low-income clients," she explained.

She urged TAMFI members to join MIX by registering at the body's portal so as to put themselves at the global watch of the industry.

By joining MIX, micro finance institutions are required to make public their profiles, number of borrowers, number of clients per each loan officer, the duration for repayment, profits on returns, risks and so on, she said.

Linthorst lamented that Africa micro finance institutions were lagging behind in providing information compared to other continents.

In Tanzania only 14 institutions are providing information to MIX and yet, there are hundreds of such institutions in the country.

She said that there were no qualifications for an institution to qualify in having its performance data published so long as it is a microfinance institution and there are no levies charged.

Winnie Terry, TAMFI executive secretary said her organisation has been advocating for best practice among members, including transparency.

"We adopted a code of conduct last year and our members are providing borrowers with all the information they need before they take a loan," she said, adding, it was a big step on micro finance institutions becoming transparent in Tanzania.

TAMFI is the umbrella organization for about 51 microfinance organisations working in Tanzania.

It works to strengthen Tanzania's microfinance sector by promoting cooperation and collaboration among its member organisations, providing training, conducting research, and lobbying the government of Tanzania.

Amulike Ngeliama, chairman of Mtoni Lutheran Church Saccos Limited, said it was true greater transparency and accountability was needed in the micro-finance sector.

"I am convinced MIX can increase the visibility of our institutions at both country and world level," he said.

Providing data to such a platform would expose institutions to more investors, which at the end of the day minimises risks.