

**PARTNERSHIP**

Microfinance Association will cooperate with the Germany-based Savings Bank Foundation

# Finance sector gets new boost

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By The Citizen Reporter

**50**

Number of institutions that are members of the Tanzania Association of Microfinance Institutions (Tamfi).

**Dar es Salaam.** The Tanzania Association of Microfinance Institutions (Tamfi) has embarked on a programme aimed at building the country's microfinance sector capacity in spurring economic growth.

Over 50 member institutions – small and big from across the country -- will benefit from the programme to be run under the cooperation of Tamfi and the Germany-based Savings Bank Foundation for International

Cooperation (SBFIC). This follows the signing of the Memorandum of Understanding (MoU) between the two parties.

According to Tamfi chairman Edmund Mkwawa microfinance professionals would be trained on such issues as best practices of engaging customers, learning their attitudes and conduct, as well as skills of assessing impact of the economy and capital markets in the performance of their institutions. Staff members would also be trained on how to take advantage of new investment opportunities with the view of optimising the working capital of their entities.

“One of the causes of low loan repayment is lack of education on

the part of both loan officers and clients; with relevant education the level of defaulting would go down,” he said.

For her part, Ms Marret Schadwinkel of SBFIC said the programme was also aimed at increasing the availability and qualification of financial institutions' staff through a basic vocational education offer.

“We aim at improving access to financial services in the country while business simulation is meant to increase and strengthen personal and professional development in Tanzania. We believe by providing the education through Tamfi the benefits will trickle down to the whole microfinance sector,” she said.

Microfinance institutions are important as they provide loans to small and medium sized businesses and thus reduce poverty through income generation.

The first rounds of training were conducted in Arusha and Dar es Salaam recently. The training sessions focussed on strategic management of MFIs based on a business simulation, enabling the participants to simulate their virtual MFI through various phases of their life-cycle.

Mrs Winnie Terry, Tamfi executive secretary commended, “It was an exclusive training because it was practical and involved making decisions while taking into account internal and external factors which influence businesses.”