

MFTransparency Transparent Pricing Initiative in West Africa

Beginning in July 2010, MFTransparency will implement the *Transparent Pricing Initiative* in 8 countries in West Africa: **Senegal, Burkina Faso, Benin, Cote d'Ivoire, Togo, Guinea Bissau, Mali and Niger.**

These eight countries have been selected for their vibrant and growing microfinance industries, as well as their close partnership under the West African Economic and Monetary Union (WAEMU). As the industry leader in microfinance pricing methodology and transparency, MFTransparency will facilitate the process of information sharing and cross-learning related to microfinance pricing and consumer protection in these eight countries. Through the *Transparent Pricing Initiative in West Africa*, MFTransparency will raise awareness of transparent pricing issues throughout the region, and begin to implement an enabling environment for transparency and consumer protection. The project will consist of the following activities:

- **Training.** MFTransparency will host workshops to provide training on the costs and pricing of credit products to MFIs and other stakeholders.
- **Promotion of pricing transparency standards.** MFTransparency will provide a tool for reporting the prices of microfinance loan products in a common format that includes all costs to the borrower, including interest rates, fees and other charges. We will then support WAEMU countries in implementing this tool in the collection and reporting of pricing data on all MFIs in its region.
- **Data collection.** MFTransparency will collect pricing data from MFIs in each of these eight countries. We will then publish the data on our website (www.mftransparency.org) to offer the first ever product-level, country-context pricing data for West Africa.
- **Policy for transparency.** MFTransparency will advise WAEMU countries on regulatory strategies for protecting clients while also encouraging the expansion of credit products to the poorest clients.
- **Educational materials.** MFTransparency will develop educational and training materials on pricing transparency and effective interest calculations. The materials will be tailored to several specific audiences including consumers of microfinance products, MFI management and staff, and WAEMU stakeholders.

By collecting data on prices for microfinance loan products, MFTransparency will provide an important service to an industry lacking a mechanism to ensure accurate reporting. This work addresses a fundamental component of client protection by enabling consumers to make informed decisions. It also facilitates the functioning of healthy free markets in which fair competition is possible. MFTransparency focuses on training and education of the broad range of stakeholders to create an environment in which transparency leads to a strengthening of the local microfinance industry. Through the *Transparent Pricing Initiative in West Africa*, MFTransparency seeks to further sustainable microfinance and expand access to microloans for the poor.

If you are interested in participating in the Transparent Pricing Initiative in West Africa or would like more information please contact our Global Programs department at globalprograms@mftransparency.org.