



EUROPEAN
MICROFINANCE
PLATFORM

NETWORKING WITH THE SOUTH

European Actors Working in Microfinance

Part 1 Directory of e-MFP Members

Prepared by

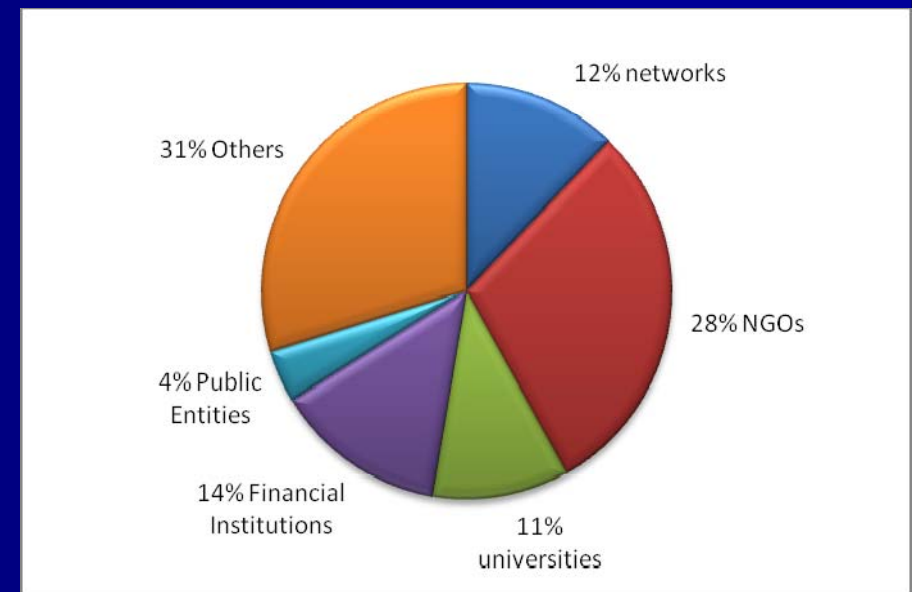


Purpose & Process

- Update of the 2005 Directory
- 74 institutions responded to the questionnaire
- Additional directories produced for
 - Capacity building in microfinance
 - Research in microfinance

Institutional Format

28% NGOs
14% financials institutions
12% networks
11% universities & research
4% public entities
31% others
(service providers)



Human Resources

Staffing

48% <20 staff

18% 21-50 staff

6% 51-100 staff

7% 100-200 staff

21% >200 staff

MF as percentage of all activities

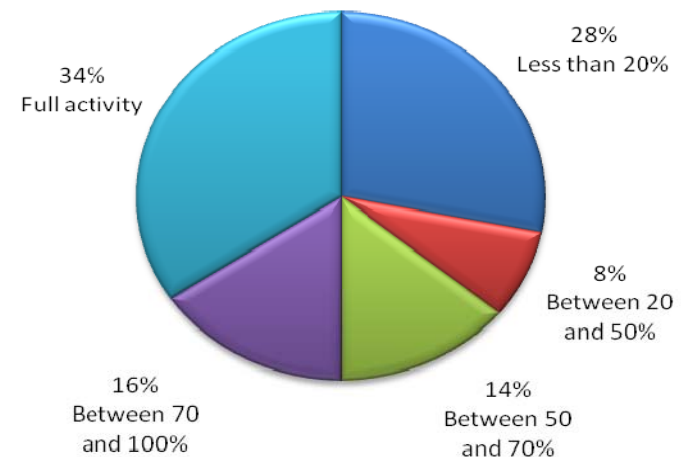
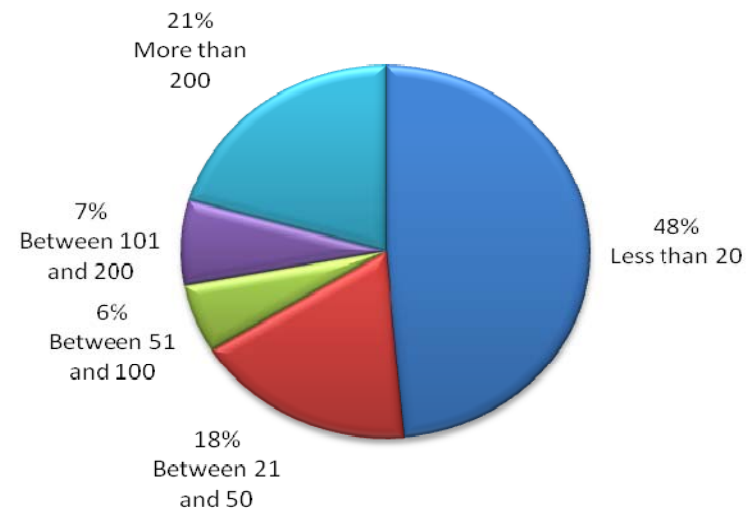
28% <20%

8% 20-50%

14% 50-70%

16% 70-100%

34% 100%



Regions of Intervention

Of all respondents:

67% Active in Africa

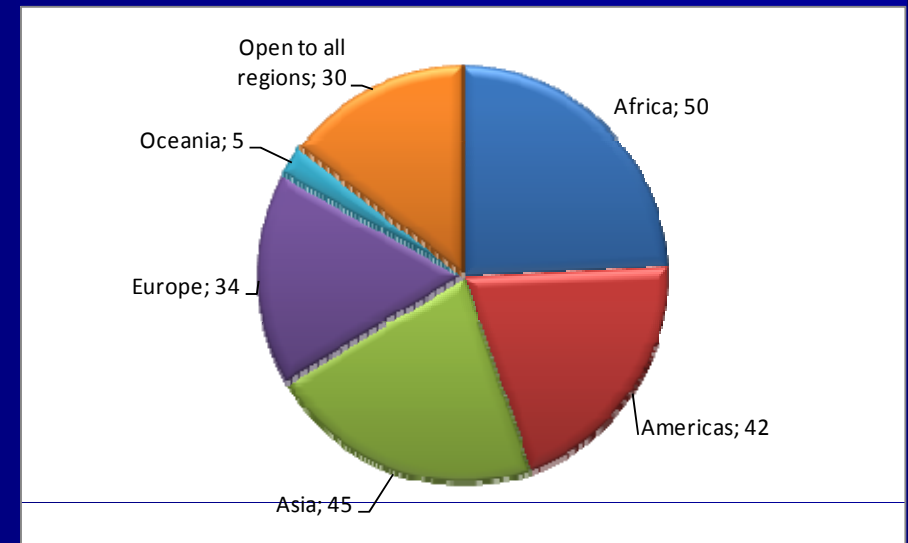
61% Active in Asia

55% Active in the Americas

46% Active in Europe

7% Active in Oceania

40% Have programs open to all regions



Observations on Regional Focus

- Fair representation of all continents
- But some imbalance in continents:
 - Over-representation of selected small countries
 - And under-representation of largest countries: Russia, Nigeria, Brazil, China
- Captured in organizations-per-million inhabitants ratio

Trends on Intervention

- Most actors support a wide range of activities, indicating overall
 - Broad orientation and
 - Limited institutional specialization
- Network and NGOs show broadest interest and coverage of issues
- Financial institutions tend to be most specialized

Investors:

- Growth financed by various sources:
 - Commercial, socially responsible, savers & members, high net-worth persons
- Double debate:
 - On crowding out commercial investors
 - On jeopardizing origins and principles of microfinance

Practitioners:

- Continued growth of commercial MFIs
- But also growth of member-based systems
- And rapid expansion of Southern MFIs overseas
- Indicating multi-polarity: simultaneous growth of various mainstreams

Clients:

- Horizontal expansion: more clients around the poverty line
- Upwards vertical expansion: more not-so-poor clients
- Downwards vertical expansion: more hardcore poor clients

Investment Products

Off all e-MFP members:

45% provide loans

46% provide guarantees

42% provide equity

6% provide other products

- Mostly provided for strengthening the capital base of investee MFIs
- Sometimes for strengthening the capital base of investment vehicles

Grants and Subsidies

62% off all members
provide grants:
All public sector entities
76% of the NGOs
67% of the networks

Off all grant-makers:
95% support TA
85% capacity building
and training
49% operations
41% equipment
37% capital grants
12% other purposes

Non-Financial Support

Essentially: support in kind
76% of all e-MFP members
provide this support

All public sector entities

All networks

81% of NGOs

50% of financial institutions

Of all support providers:
68% support information
dissemination

66% network activities

54% BDS

42% client education

34% other activities

Trends on Products and Services

- Overall: very broad product range
 - Constituting a most comprehensive collective supply side offer
- Possible downside: inequitable access
 - Some MFIs are very well serviced
 - Many MFIs are reasonably serviced
 - Most MFIs are not serviced

Future Topics

- Three broadly shared priorities:
 - Continued growth of microfinance
 - Special attention for access to the poorest
 - Matching financial with social performance
- Which indicates room for further cooperation and synergy creation

European Cooperation Rationale

- Not a given as cooperation usually
 - Follows national agendas
 - Categorical agendas
 - Or global agendas
- Yet, two distinct European features:
 - Affinity with self-organization formats
 - Appreciation of stakeholder value as opposed to mere shareholder value



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Part 2

Capacity Building Directory Main Findings

Overall Impression

- Broad range of service provision
- But the offer is rarely specified, detailed or packaged
- Partly due to tailor-made approach
- But also due to characteristics of a sellers market

Future Prospects

- In cases of emerging competition more market-based offerings
 - Already in credit rating and training
 - Possibly coming in social performance
- Yet, strong reliance on in-house or tied service provision

Challenges Ahead

- Open-market offerings
- Mainstreams-related specialization
- Demand-driven product design
- Stronger involvement of local expertise
- And building local support industries
- Dealing with the paradox: strengthening non-profits that may turn commercial



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Part 3
Research Directory
Main Findings

Overall Impression

- High level of fragmentation and low levels of consolidation in research
- Many institutions work on the same topic but often in isolation
- Most research conducted in context of supply side policy development
- Relatively little on typical demand side issues

European Research Trends

- Francophone: focus on community finance and social performance
- Central European: focus on the art of banking (commercial & cooperative)
- Scandinavian-Dutch: a bit of everything
- Italian: focus on civil society

Challenges Ahead

- Diversity in research reflects the diversity of Europe; is an asset
- Fragmentation, however, a liability
- Room for stronger coalition building
 - Following pattern of mainstreams in MF
 - Elaborate focus on demand side issues
 - Balancing in-house policy research with independent impact-related research