

European Microfinance Week: Opening Session
**Role of the European microfinance platform in the global
microfinance industry: challenges and opportunities**

Ladies and Gentlemen,

- Firstly, I would like to welcome everyone to the third European Microfinance Week organized by e-MFP. This is the main annual meeting point for the European microfinance actors working in developing countries.
- Formally created in November 2006, e-MFP has more than 100 members from 15 European countries. It is the largest multi-stakeholder platform in the microfinance industry!
- Of course e-MFP is not the largest in terms of annual budget or number of staff. The main objective of e-MFP is to strengthen synergy between members. E-MFP does not intend to do itself what is better done by its members. E-MFP plays a catalyst role to facilitate its membership in working together. Not working together in the sense that we all do the same together; BUT working together in the sense that we know what the others are doing. Co-operation and communication! We focus on our strengths and share the results with others. We leave others to do what they are good at.
- Why should we create synergy? Firstly, because it is a way to become more efficient and to increase our impact on poverty. The Paris Declaration on Aid effectiveness and the Millenium Development Goals, fixed by the UN are directly linked to our activities and we can contribute

better to it if we combine our strengths. Secondly, e-MFP attracts a contrasting variety of players, largely as a consequence of the increased visibility of microfinance, it is important therefore that the segmentation of these players should evolve in order to reach an appropriate combination of public sector, private sector and civil society

- What should call for synergy between us?
 - Based on input from our members last year, e-MFP has identified the need for better ethical participation and social responsibility in microfinance. I am glad to say that during the last twelve months, our members and especially investors and NGO's have made tremendous advances in sharing their views on these issues and have launched initiatives that put social performance and responsibility at the heart of the microfinance sector development. The European Dialogue recently published and the European Microfinance Award, both focusing on social performance and responsible microfinance are two examples among others.
 - Innovation and research are areas definitely calling for a synergistic approach. In 2005, a very limited number of European Universities were involved in microfinance. This week, more than 13 are here to share their experience in microfinance, a special directory has been edited to better know what is currently in the pipeline in terms of microfinance research and a conference is planned on this issue next year. We all know that microfinance is only at an early stage of development. To strengthen and open its frontiers, we need

research, we also need innovation to combine the competences of universities with those of NGOs, investors and other types of actor which will conclusively open new doors for the benefit of the poor.

- Africa might be another path to develop synergy. Half of all e-MFP members are active in Africa and we all know how much microfinance can be useful for this continent, especially in rural areas. Let's join our forces to strengthen microfinance there.

- The current financial crisis raises key questions regarding financial mechanisms and principles. Commercialization of microfinance does not mean applying pure financial mechanisms to microfinance. It should also be bringing microfinance principles to the broader financial industry. There is an opportunity for this at the moment but even if we are convinced, we still need to convince those outside of our industry. Rather than utilising a shareholder approach, a stakeholder approach balancing the benefit and sustainability at each level of the value chain from client to MFI to funder is also gathering a lot of interest from our members. "Back to basics" was the watchword of last year, self-help organizations like cooperatives and client owned companies are concepts which European actors have broad experience and competence.

- Is it realistic to think that we could influence the industry so much? Yes, considering the size of our membership, our diversity and our combined competences, we can do it but it is imperative that we strengthen our

collaboration and that we increase the coherence between our policies. One danger apparent is that we become too directive at field level, imposing our model without respecting autonomy at the grassroots level.

- Practically, what are our challenges as e-MFP ?
 - Collaborate practically. We usually start an initiative and once everything is fixed, we announce it broadly making sure that we are the first and the only one to do it. As I mentioned earlier, lots of topics and issues would be better dealt with if we do it together. In our recent inventory in which 74 members participated, only 30% have at least one collaboration agreement with another member. Ideally, we should follow instead the example of those members having 11 or 15 collaboration agreements with other e-MFP members.
 - In promoting innovation and research, we should also be open to new models of co-operation and interaction. In the software industry, for example, the “Open Source” movement has resulted in a paradigm shift, not only in the way that software is developed in a global co-operative environment but also in how it is licensed and its intellectual property both distributed and protected. Open Source is not to be confused with “free” and indeed the application of the concept has far exceeded the bounds of the software industry extending into areas such as government, education and broader industry applying the general concept and utilising innovative

approaches such as “Creative Commons”. As an organisation with global reach e-MFP should also be amenable to innovative forms of interaction, communication and co-operation.

- Started two years ago, e-MFP is quite young and still needs external support. Financially, we benefit from strong support from the Luxembourg Development Cooperation but we should not remain in such a dependent situation. We need to diversify our funding sources and we need to increase our financial autonomy. “In-kind” support is another way to feed our young platform. Bringing ideas and concepts, ensuring the implementation of specific e-MFP activities might also contribute without direct financial support. There are potential activities we could develop for our members but it is up to the total e-MFP membership to provide the necessary resources to reach our goals.

- e-MFP is your platform, contact it... share with it ... and benefit from it !

Check against delivery.

Axel de Ville,
Chairman e-MFP



e-MFP · 21, Allée Scheffer · L-2520 Luxembourg
Tel: + 352.26.27.13-56 - Fax: + 352.45.68.68.68
email: contact@microfinance-platform.eu