

# European Microfinance Platform Activities in 2011

## GENERAL MATTERS

### e-MFP attracting new members

In 2011 the Secretariat continued its activities to attract new members, as one of e-MFP's priorities is to increase its membership and be representative of all sectors of the microfinance community active in developing countries. As a result, e-MFP has expanded its membership during the last year to 133 members from 18 European and 6 non-European countries. We are particularly happy that the UN General Assembly highlighted in a meeting on 13th October 2010 e-MFP's role as a platform facilitating exchange between European stakeholders working in developing countries and promoting best microfinance policies. Following this in 2011, the UNCDF and the IFAD decided to become members of our Platform.

e-MFP welcomed in 2011 the following organisations and individuals as new members:

**Full members:** Blue Rhino (NL)  
Center for Microfinance at the University of Zurich (CH)  
BFC (CH)  
IFAD  
ACRA (I)

**Associate members:** ChildFinance (NL)  
Partner MFC (Bosnia)  
UNCDF (UN)  
Terrafina Microfinance (NL)  
Ernst & Young (Lux)  
TÄK-International (Iran)

**Individual members:** Birgit Galemann (D)  
Jami Solli Hubbard (US/I)  
Saleh Khan (Bangladesh/Lux)

### e-MFP staff

e-MFP continues to serve its members with an extremely light structure.

In total only three persons are serving more than 130 e-MFP members:

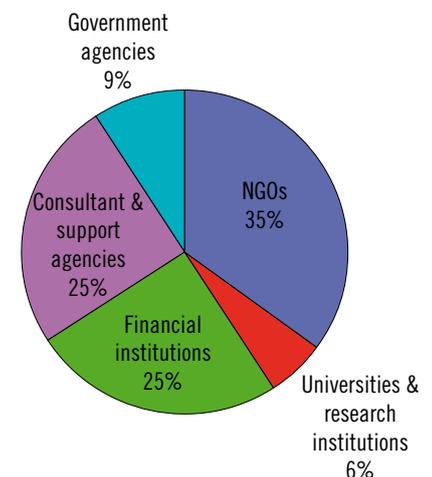
- Christoph Pausch, Executive Secretary (cpausch@e-mfp.eu)
- Niamh Watters, Information Officer (nwatters@e-mfp.eu)
- Juana Ramírez, Microfinance Expert (jramirez@e-mfp.eu)

### Board meetings

The e-MFP Secretariat organized four Board meetings in 2011 (in Paris, Brussels and twice in Luxembourg) and took responsibility for the preparation, organisation, minutes and follow-up of activities.

*e-MFP Member Organisations by Peer Group*

Peer Group	Number (organisations only)
NGOs	38
Research institutions/ Universities	6
Financial institutions	27
Consultants & support agencies	27
Government agencies	10
Total	108



## Board members

European Microfinance Week 2010 was marked by the end of Axel de Ville's four year term as Chairman of our Platform. In addition Edvardas Bumsteinas, Sébastien Duquet and Chris de Noose also left the Board. e-MFP would like to take this opportunity to thank the out-going Board members for all their hard work during their terms.

Mr. Marc Bichler was elected as the new Chairman of e-MFP. François Duroillet, Perrine Pouget and Anne-Françoise Lefèvre became the other new Board members.

The 2011 Board is composed of:

- Marc Bichler nominated by ADA, ATTF, Innpact, Lux Development, SOS Faim - Chairman
- Cécile Lapenu nominated by Cerise - Deputy Chairwoman
- Perrine Pouget nominated by the EIB - Secretary
- François Duroillet nominated by PlaNet Finance - Treasurer
- Anne-Françoise Lefèvre nominated by WSBI-ESBG
- Pierre van Hedel nominated by Rabobank Foundation
- John Bliiek nominated by TRIAS
- Hans-Dieter Seibel nominated by DGRV
- Jean Pouit nominated by MyTransfer
- Emmanuel de Lutzel nominated by BNP Paribas
- Erna Karrer-Rüedi nominated by Credit Suisse

The e-MFP Secretariat would like to thank the Board members in office during the year 2011 for their support and commitment.

## Strengthening of internal procedures

Following the development of a code of conduct in 2010 which provides a framework and guide lines for e-MFP Board members, the Board and the Secretariat developed in 2011 an internal procedure for the approval of new Action Groups, a document with clearer criteria for the assessment of membership applications and a document on communications.

## Contacts with MFC, EMN, The Rating Initiative and the Microinsurance Network

After the first meeting of the e-MFP Board in 2011 which was held in Paris, Board members met French microfinance actors and the Board of MFC (Microfinance Centre for Central & Eastern Europe and the New Independent States) during a reception which gave everybody the opportunity to meet, discuss and network in an informal atmosphere. Later in the evening, the Boards of e-MFP and MFC had dinner together to explore coordinating shared interests and activities in the future. At European Microfinance Week 2010 e-MFP conducted in collaboration with MFC and ADA, a survey on responsible microfinance.

The e-MFP Secretariat had several meetings and contacts with the European Microfinance Network (EMN) during 2011. e-MFP invited the research group of EMN to organize a session at the 2nd European Research Conference on Microfinance in Groningen and invited EMN to lead a workshop on Management Information Systems at the European Microfinance Week 2011.

In 2011 e-MFP continued its good collaboration with The Rating Initiative which was invited to write an article for our newsletter and which will use the occasion (as in previous years) of the European Microfinance Week to organize its annual meeting.

e-MFP also continued the excellent collaboration with the Microinsurance Network (which was officially launched during European Microfinance Week 2009). The Microinsurance Network was invited to speak at e-MFP's 2nd European Research Conference on Microfinance in Groningen. It will participate in a panel and at the Plaza of the European Microfinance Week 2011 and was given the opportunity to write an article for our newsletter.



*The 2011 e-MFP Board with outgoing Chairman Axel de Ville*

## **e-MFP PARTICIPATION AND ADVOCACY ACTIVITIES**

### **Closing statement of European Microfinance Week 2010: e-MFP urges for rational response to Indian crisis**

At the closing session of the European Microfinance Week 2010 the future of the microfinance sector was examined, particularly in light of the crisis in India. A statement prepared by the e-MFP Board and Secretariat and endorsed by participants of the conference was issued and was well received in the microfinance sector as a timely, coordinated response from the European microfinance community.



#### *European Microfinance Platform Urges for Rational Response to Indian Crisis*

*Luxembourg 2<sup>nd</sup> December*

*Yesterday, at the European Microfinance Week 2010, the future of the microfinance sector was discussed, taking into account the backlash of the Indian Andhra Pradesh crisis. 382 participants, representing 285 organisations (NGOs, banks, investors, researchers, and development institutions) voiced their confidence in the future of microfinance, highlighting that the majority of microfinance institutions continue to practice responsible lending, contributing to financial inclusion and achieving the Millennium Development Goals.....(extract)*

### **e-MFP letter in The Economist (online)**

After the European Microfinance Week 2010 and the wide distribution of e-MFP's closing statement "European Microfinance Platform Urges for Rational Response to Indian Crisis", the e-MFP Secretariat continued its activities to promote and highlight microfinance as a tool in the fight against poverty. On 10 December a letter from the e-MFP Executive Secretary reacting on an article in The Economist entitled "Big Trouble for Microfinance" was posted on the online edition of The Economist.

### **Awareness-raising on value chain finance**

After the European Microfinance Award ceremony and the positive echo in the media and the microfinance sector, e-MFP continued to highlight this topic by producing an Award brochure, and in collaboration with the e-MFP Rural Outreach and Innovation Action Group, a European Dialogue publication, a Policy Statement and a CD reader. The use of this Policy Statement to promote best practices on value chain finance by organisations such as FAO, IFAD and the World Bank and IFAD's request of 150 copies of this publication for their IFAD-FAO-WFP AgriKnowledge ShareFair as well as the interest of other conference organisers to put the topic on their agendas, confirms the success of our efforts to promote value chain finance and the relevance of e-MFP's activities for the microfinance sector.

### **e-MFP at UNCITRAL colloquium**

The United Nations Commission on International Trade Law (UNCITRAL) organised an International Colloquium on Microfinance, 12-13 January 2011 in Vienna, Austria. The e-MFP Secretary participated in this event. The main objective of this colloquium was to make recommendations on work that UNCITRAL could undertake in the field of microfinance.

## e-MFP represents European microfinance in FATF consultation

FATF, the Financial Action Task Force which is the body responsible for defining standards for Anti-Money Laundering/Combat the Financing of Terrorism continued this spring its consultation on a Guidance for the implementation of the standards in a financial inclusion context. e-MFP participated in the consultation as an official contributor representing the European microfinance sector. In June 2011, the Financial Action Task Force finally adopted the Guidance paper on Anti-Money Laundering and Terrorist Financing Measures and Financial Inclusion. The aim is to provide support to countries and their financial institutions in designing AML/CFT measures that meet the national goal of financial inclusion, without compromising the measures that exist for the purpose of combating crime.



*London School of Economics Conference*

## e-MFP at the London School of Economics conference

At the beginning of March, e-MFP Executive Secretary Christoph Pausch moderated a session at the London School of Economics Conference "Insights into Microfinance" on the topic "Is the commercialisation of microfinance beneficial or detrimental to the poor?" Participants of the panel were Malcolm Harper (M-CRIL), Marek Hudon (CERMI), Sean Thorninn (Amret) and Chris Bernard (legal consultant).



*Microcredit Summit Campaign meeting*

## e-MFP meets with Senegal microfinance leaders

During a visit to Senegal in March, the e-MFP Executive Secretary had the opportunity to meet with Planet Finance West Africa, MicroCred, Pamecas, Caurie and the Senegal Microfinance Platform AP/SFD (professional association).

## e-MFP at ALFI conference

On 17 March e-MFP participated in the ALFI (Association of the Luxembourg Fund Industry) microfinance conference in Luxembourg.

## e-MFP/WSBI event with Global Microcredit Summit

On 25 March e-MFP and WSBI co-organised at the WSBI premises in Brussels, a meeting for Belgian and Luxembourgish e-MFP members and friends with Sam Daley-Harris, Director of the Microcredit Summit Campaign. The event was very successful and attracted around 40 participants, including eight people from the European Commission. Topics of this meeting were the Global Microcredit Summit and the initiative for a Seal of Excellence for poverty outreach and transformation in microfinance.



*e-MFP Chairman Marc Bichler and Board member Perrine Pouget speaking at Convergences*

## e-MFP's strong presence at Convergences 2015

The e-MFP Secretariat participated in the Convergences 2015 working group 1 on microfinance which prepared the microfinance part of the 4th edition of the International Convergences 2015 Forum. e-MFP made several nominations for the conference which took place 3-5 May and was present with many speakers (the e-MFP Chairman and several Board members as well as Bernard Ornilla, the head of our Rural Outreach and Innovation Action Group) and had a stand in the exhibition area.

## e-MFP Chairman becomes Convergences Board member

In autumn 2011 Convergences 2015 invited e-MFP Chairman Marc Bichler to become a Board member of the organization. Mr. Bichler accepted the invitation.

## e-MFP invited to Commission workshop on social entrepreneurship

On 25 and 26 May e-MFP was invited to a high-level internal European Commission workshop on building the ecosystem for social entrepreneurship in Europe. 20-30 financial experts and 40-50 EU officials participated in the workshop. Emmanuel de Lutzel, e-MFP Board member and head of e-MFP's Legal Framework for Microfinance Funds in Europe Action Group, spoke in a panel on microfinance.



*e-MFP Chairman Marc Bichler at G20 Symposium*

## e-MFP Chairman addresses G20

As a side event to the July 9-10 G20 meetings in Paris, the Banque de France, in collaboration with the Microfinance Observatory organized a high-level seminar on microfinance on July 8, 2011 at the French Senate. The seminar was attended by representatives from central banks, finance ministries and supervisory authorities of G20 countries and major emerging economies, as well as from multilateral institutions and microfinance institutions from around the world. The microfinance seminar was part of the official agenda of the G20 which was a great success for the microfinance sector. e-MFP Chairman Marc Bichler was invited to speak in a roundtable on the topic of "Financing microfinance: the mobilization of domestic resources, savings transfers from North to South, international financing." To prepare the high-level seminar, a preparatory conference with parallel workshops was held on 10 June 2011. Several e-MFP Board members as well as the Executive Secretary took part in this conference.

## e-MFP signs Paris Appeal

Following the statement issued by e-MFP during European Microfinance Week 2010, a group of mainly French partners has written the "Paris Appeal for Responsible Microfinance". To answer the excessive commercialization of microfinance and other drifts brought about by such commercialization, the Paris Appeal brings back fundamental values to the sector and offers a series of actions aimed at improving practices and impact. e-MFP supports this initiative and signed the Paris Appeal in mid-June. e-MFP also encouraged its members to sign and by doing so, to reinforce one of e-MFP's key objectives - supporting the promotion of responsible microfinance.

## e-MFP actively endorses The Smart Campaign and is the European voice in the Smart Steering Committee

In line with e-MFP's active promotion of socially responsible microfinance, e-MFP continued in 2011 its endorsement for The Smart Campaign and the Principles of Client Protection in Microfinance. e-MFP is represented on the International Steering Committee (SC) of The Smart Campaign. Mr. Ben Simmes, Director of Social Performance and Financial Analysis, Oikocredit, is our strong voice for European microfinance actors. The Smart Campaign is a global effort to unite microfinance leaders around a common goal: to keep clients as the driving force of the industry.

If you would like to give any input to The Smart Campaign via e-MFP, please don't hesitate to send it to the e-MFP Secretariat at [contact@e-mfp.eu](mailto:contact@e-mfp.eu). As in the past years e-MFP invited The Smart Campaign (the Director of the Campaign, Ms. Isabelle Barres) to the European Microfinance Week 2011 to give our members the opportunity to directly exchange with the organization.



## Contacts with the European Commission

e-MFP had several contacts with the European Commission. Main issues were the ACP/EU Microfinance Programme, the participation of the Commission in the European Microfinance Week and improvements in the communication flow between the Commission and e-MFP and its members. e-MFP invited the ACP/EU programme to write an article in our newsletter. The European Commission asked e-MFP for copies of the newsletter to be used for Commission internal seminars on microfinance.

## e-MFP members were the first to be informed about the ACP/EU Microfinance programme

Due to the excellent relations with the European Commission, e-MFP was able to inform its members about the ACP/EU Microfinance programme call for proposals and to give an update on the selection process before the official release of this information to the public. e-MFP members also had the opportunity to meet the European Commission at the European Microfinance Week 2011 and get first-hand information on the programme.

## Social Performance Task Force Meeting 2011

e-MFP participated in the Social Performance Task Force (SPTF) meeting and pre-meetings June 19 - 24, 2011 in Den Bosch the Netherlands. The SPTF has over 1000 members from all over the world from every microfinance stakeholder group: practitioners, donors and investors, global, national and regional associations, technical assistance providers, rating agencies, academics and researchers. e-MFP members are active in these groups as well as in the steering committee of the task force; with Incofin and Oikocredit representing social investors, CERISE representing the microfinance industry and support organizations and CGAP representing donors.

Cécile Lapenu, CERISE, e-MFP Deputy Chairwoman and head of the e-MFP Making Microfinance Investment Responsible Action Group, chaired the social investors' round table on June the 20th. e-MFP Microfinance expert Juana Ramirez was present during the social performance working group meeting for networks where representatives from Africa, Asia and Latin America shared experiences and action plans to further communicate on social performance issues and especially on the newly launched Universal Standards for Social Performance, an initiative from the SPTF and its working groups. These standards define the guidelines and benchmarks any double or triple bottom line institution should be accountable to.

## e-MFP invited to the Asia Network Summit

The Banking with the Poor Network convened the fourth annual Asia Network Summit (ANS) in Manila, the Philippines from 26 - 27 July, 2011. ANS programmes bring in expertise from other regions, including Africa, Central Asia, Europe and Latin America. The summit promotes lateral learning within the region and beyond the Asia region.

e-MFP was invited to speak in a session focusing on methods and strategies for microfinance networks to manage donor and investors relationships. The results of the last e-MFP virtual debate organized by ADA, focusing on the issue of too much funding chasing too few MFIs, revealed the importance of the role of networks as match-makers between MFIs, funders, investors and TA providers. e-MFP's intervention during the ANS was focused on presenting the main findings of a survey conducted among its membership, with the purpose of evaluating the need to strengthen partnerships between European microfinance actors and Asian networks. The results of the survey suggest that e-MFP members consider the most important role for national networks to improve MFIs and funders' matching, is to provide specialized information about the country, identify opportunities for partnerships with promising development prospects and provide legal advice to conclude investment contracts.



## e-MFP invited to the MCPI Annual Conference

The Microfinance Council of the Philippines, Inc. (MCPI) held its annual conference on July 28 - 29, 2011 in Manila with the theme “Making a Difference: Multi-Stakeholder Action Towards Responsible Microfinance”. The conference brought together important microfinance stakeholders representing practitioners (NGOs, banks and cooperatives), funders, government institutions, donors, investors and other support organizations.

At the conference e-MFP’s Juana Ramirez presented the concept of responsible finance, along with the approaches, frameworks and strategies on responsible finance including opportunities and challenges. She highlighted that further development of social performance initiatives are crucial to strengthening a more responsible microfinance sector. And that the effort of promoting a responsible microfinance framework is vital to avoid repeating past mistakes and to encourage best practices.



MCPI Conference

## Practice meets Theory: What is the future of microfinance in the post Yunus era?

On 2<sup>nd</sup> September, e-MFP Executive Secretary Christoph Pausch spoke at the International conference “Practice meets Theory: What is the future of microfinance in the post Yunus era?” organised by the newly established Norwegian Centre for Microfinance Research at the University of Agder in Kristiansand, Norway. The idea behind this conference was to bring together researchers, policy makers and practitioners. Questions discussed were “Does microfinance still enjoy political and public support?”, “Will the social mission in microfinance survive the future?” in addition to considering policy issues such as commercialization, internationalization and entrepreneurship.

## Global Microcredit Summit

e-MFP made several nominations (in particular Board members and Action Group heads) to be speakers at the Summit (November 2011 in Valladolid) and had many contacts with the Summit secretariat. Several persons proposed by e-MFP were invited as speakers and the e-MFP Chairman also received an invitation to participate in a panel.

## **COMMUNICATION**

### **e-MFP proposes new service: virtual debates on e-MFP's community website**

Following the last European Microfinance Week, e-MFP added a community platform to its website [www.e-mfp.eu](http://www.e-mfp.eu) which offers its members inter alia a blog and the possibility to make virtual debates.

In March 2011 e-MFP hosted the first 'virtual debate' on its new Community website. Organised in collaboration with e-MFP member ADA, 225 participants exchanged views and debated over a five day period about ADA's second Discussion Paper which dealt with the question whether "bad" microfinance practices could be the consequence of too much funding chasing too few microfinance institutions. Among the 225 registered participants there were many renowned microfinance experts such as John Bliet from TRIAS, Edvardas Bumsteinas from the European Investment Bank, Ignace Dovi from the Consortium ALAFIA, Daniel Dax from LuxFlag, Aldo Moauro from MicrofinanzaRating, Alpha Ouedraogo from the Confédération des Institutions Financières, Jean-Michel Servet from The Graduate Institute, Alex Silva from Omtrix, Elizabeth Ventura from Confianza, Damian Von Stauffenberg from Microrate and Kaspar Wansleben from the Luxembourg Microfinance and Development Fund and the resulting discussions were rich and fruitful. Feedback from the event was very positive and highlighted e-MFP's key role of facilitating communication between microfinance professionals. Given the success of this first debate ADA already plans to organize another virtual debate in March 2012.

We encourage other members to consider using this tool (free to e-MFP members) to host further debates and contribute to the development of the microfinance sector in an environmentally-friendly way!

### **e-MFP on LinkedIn and Twitter**

After the creation of an e-MFP LinkedIn group exclusively for e-MFP members in 2010 the number of members has increased by nearly 100 % in 2011 to more than 135. The aim of the group is to promote awareness of other e-MFP members, and facilitate discussion and exchange. LinkedIn is a business-oriented social networking site and is used mainly for professional networking. If you already have a profile on LinkedIn and you are not yet a member of the e-MFP group, please join the group. If you haven't, a profile is easy to create, see [www.linkedin.com](http://www.linkedin.com).

e-MFP also continued its presence on Twitter. You can follow the European Microfinance Platform on Twitter under **e\_mfp** where your e-MFP Secretariat tweets about our current activities, microfinance issues and members' activities. Among the many American actors on Twitter, e-MFP has become the voice of European microfinance.

### **Information dissemination service for members**

One of e-MFP's primary objectives is to facilitate the exchange of information and promote cooperation among various European actors involved in microfinance in developing countries. We are therefore very pleased that increasingly, our members are using the dissemination service to transmit information on calls for proposals, tenders, papers and job vacancies etc. In 2011 we received significantly more requests to forward such information within a peer group or to a different target group.

## PUBLICATIONS

2011 was an extremely productive year for e-MFP publications. With the help of its members the e-MFP Secretariat was able to produce the impressive number of 14 publications during the first ten months of the year (in addition to more than 20 e-Bulletins and around 20 email alerts to the e-MFP members).

### e-MFP information brochure

At the beginning of 2011 the Secretariat published a new updated version of our e-MFP brochure which gives concise information about our organization, its objectives and activities.



*e-MFP information brochure*

### Newsletters

In 2011 e-MFP's newsletter was published four times and each issue was distributed to around 1000 contacts. The newsletter whose volume increased over the year, provides e-MFP members and microfinance practitioners with news from the e-MFP Secretariat and Board, news from the e-MFP Action Groups and from our members. It presents new members and publishes announcements of members' events. In addition the newsletter also offers a forum in which members and invited non-members can exchange and stimulate discussions. Acknowledging the importance of research in microfinance, University Meets Microfinance (UMM) was also invited to present the top thesis from the 2010 UMM Awards. As the character and quality of the newsletter very much depends on the input of the members, the e-MFP Secretariat welcomes any comments or suggestions which would enrich its content.

With a view to constantly improving services for our members, the e-MFP Secretariat conducted a readers' satisfaction survey among participants of the European Microfinance Week 2010 to get their feedback on the e-MFP newsletter. The survey showed that 94% of the people surveyed feel it is important that e-MFP has a newsletter and that 67% like the layout. 89% think that four issues a year is sufficient. The most popular sections are "News from our Action Groups" and "News from our Members". Suggested improvements were the inclusion of more "external news" and to focus on hot topics such as value chain finance, governance or innovative products. These ideas were taken into consideration for 2011 and resulted in expanded issues with more content, giving our readers good food for further thoughts.

Among the invited contributors for this section in 2011 were the Imp-Act Consortium, the new ACP/EU Microfinance Programme, the Ethiopian MFI Buusaa Gonofaa, Frances Sinha from M-Cril and Ludovic Urgeghe from CERMi. The positive reactions received from members and non-members show the success of this formula.

The e-MFP Secretariat was glad and proud that the European Commission asked e-MFP for copies of the newsletter to be used for Commission internal seminars on microfinance.



*Newsletter*

### e-Bulletin

To complement its newsletter, e-MFP continued in 2011 its e-Bulletin service. These periodic emails to members distribute concise, newsflash information and enable e-MFP to be in constant contact with its members providing prompt, useful updates. Around 20 e-Bulletins have been sent to the e-MFP members in 2011.



*e-Bulletin*

## Conference report

The conference report of the European Microfinance Week 2010 (EMW 2010) was published in February. The 64 page report is a distillation of the discussions and presentations shared by participants at EMW 2010. All sessions of the European Microfinance Week are covered in the publication. Before publishing the report the Secretariat contacted all (more than 100) speakers to secure their approval on the text of their session. The conference report was distributed to around 1400 contacts and assured good post-event coverage of the conference.

## 3<sup>rd</sup> European Microfinance Award brochure

In Spring 2011 e-MFP published a brochure aimed at those who are not microfinance specialists, on the 3<sup>rd</sup> European Microfinance Award on value chain finance which presented the topic and the three finalists. 900 brochures were distributed and additional demands for copies were also received.

## European Dialogue

In summer 2011 e-MFP's European Dialogue No. 4 was published. It is a compilation of the experiences of the top ten applicants of the 3<sup>rd</sup> European Microfinance Award and outlines their successful value chain schemes.

## How to support value chain finance in a smart way? - Policy Statement on Value Chain Finance

In June 2011 e-MFP had the pleasure to share with all members the Rural Outreach and Innovation Action Group Policy Statement on Value Chain Finance. This document was prepared by Mariel Mensink, Terrafina Microfinance and Joost de la Rive Box in collaboration with the e-MFP Rural Outreach and Innovation Action Group. The statement was first discussed in the Action Group meeting held at European Microfinance Week 2010. It was also presented during a workshop on value chain finance in Rome organized by FAO and then introduced as an output of the e-MFP Rural Outreach and Innovation Action Group for the CAPFIN consultation; an initiative that has led to the creation of the Rural Finance Learning Center (RFCL) part of a project for "Improving Capacity building in Rural Finance". All participants to the Action Groups, including FAO, IFAD and the World Bank will use this Policy Statement to promote best practices on value chain finance. In September 2011 IFAD requested 150 copies of the Policy Statement for their IFAD-FAO-WFP AgriKnowledge ShareFair confirming with this demand the importance of the topic and of e-MFP's activities for the microfinance sector.



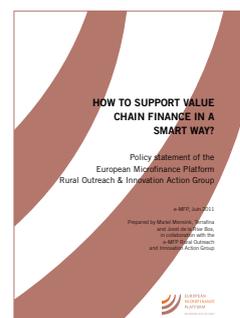
Conference report



3<sup>rd</sup> European Microfinance Award brochure



European Dialogue No.4

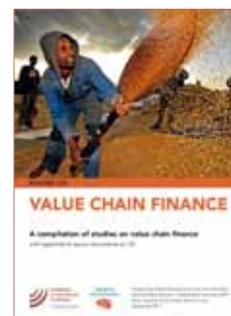


Policy Statement

## Value Chain Finance Reader

In September e-MFP presented a Value Chain Finance reader, prepared in collaboration with Terrafina Microfinance and the Rural Outreach and Innovation Action Group. This reader is a CD containing studies on value chain finance (VCF) with hyperlinks to the source documents. The purpose of this project was to: explore the lessons of experience on VCF; gather case studies in VCF that illustrate the potential of VCF approaches for viable (micro) finance for agricultural activities; agree on principles of good practice for donors and financiers, and produce a WIKI document that member organisations can adapt to their own needs for in-house training of staff and for policy formulation.

Through these three publications (European Dialogue, Policy Statement and CD reader), e-MFP hopes to further promote VCF and inspire our members and their partners.



VCF Reader

## University Meets Microfinance Workshop reports

In June 2011 e-MFP published in collaboration with Planet Finance, “Microfinance Plus – the potential of linking microfinance with programmes in health, education, environment and value chain development”. This report focuses on the output of a workshop of the e-MFP Action Group “University Meets Microfinance” which was held at the end of 2010 at the University of Bergamo.

In October 2011 the proceedings of a UMM workshop on rural finance and savings which was held in June in the framework of e-MFP’s 2nd European Research Conference on Microfinance at the University of Groningen were published.



Bergamo workshop report

## Two briefs of the Action Group “Making Microfinance Investment Responsible”

The MIR Action Group in collaboration with the e-MFP Secretariat, prepared two briefs for European Microfinance Week 2011. The briefs include case studies on how investors can be really responsible. The first brief focuses on collecting and using social performance information in the investment process, starting from partner selection, partner monitoring and internal and external reporting. The second brief focuses specifically on governance and coordination of actors and their impact on responsible investments.

## e-MFP ACTION GROUPS

### **Making Microfinance Investment Responsible – MIR Action Group**

The specific objective of this Action Group is to facilitate sharing of experiences and concrete examples for better transparency and dissemination of practices for socially responsible investment in microfinance.

The group acts as the research arm of the work done at the level of other platforms such as the Social Performance Task Force and contributes to building guidance and disseminating innovative approaches to using social performance information for Microfinance Investment Vehicles (MIVs). The MIR Action Group documents MIV practices through e-MFP publications, with the purpose of fostering dialogue, improving practices and helping MIVs manage, systematize, and filter social performance information on MFIs. The objective is to contribute to the process of creating guidance for MIVs to clarify their social strategy and identify the most efficient and effective way to support MFI partners in improving social performance.

The MIR Action Group has developed two briefs on how MIVs use social performance data available on their institutions. This work aims to contribute to developing good practices for “social governance” and “social monitoring”. The studies do not necessarily focus on individual MIVs, but rather look at how different MIVs use social performance data at different stages of the investment process.

The first brief focuses on collecting and using social performance information in the investment process, starting from partner selection, partner monitoring and internal and external reporting.

The second brief focuses specifically on governance and coordination of actors and their impact on responsible investments.

What does “responsible investment in microfinance” mean to MIV managers? What do they hope to achieve in terms of responsible investment for the funds they manage? What are concrete examples of strategies to promote social performance? What are responsible entry and exit strategies? These are some of the questions the briefs address and try to respond to, by giving specific examples and communicating about responsible investment practices. Results were presented during European Microfinance Week 2011.

MIV managers are welcome to contribute and participate in MIR Action Group Activities.

### **Rural Outreach and Innovation Action Group**

#### VALUE CHAIN FINANCE

In 2010 and at the beginning of 2011 the focus of the Action Group was on value chain finance, as a holistic methodology to deal with the multitude of challenges in this field. The Action Group (led by Mariel Mensink, Terrafina Microfinance and Joost de la Rive Box) produced the Rural Outreach and Innovation Action Group Policy Statement on Value Chain Finance. The statement was presented during a workshop on Value Chain Finance in Rome organized by FAO and then introduced as an output of the e-MFP Rural Outreach and Innovation Action Group for the CAPFIN consultation; an initiative that has led to the creation of the Rural Finance Learning Center (RFCL) part of a project for “Improving Capacity building in Rural Finance”. All participants to the Action Groups, including FAO, IFAD and the World Bank use this Policy Statement to promote best practices on value chain finance. In addition the AG also produced a CD-reader on value chain finance and has been actively involved in the 3rd European Microfinance Award.



*MIR Action Group session at European Microfinance Week 2010*



*Rural Outreach & Innovation Action Group session at European Microfinance Week 2010*

## FOCUSING ON MEMBER BASED ORGANIZATIONS

For the years 2011-2012 the Rural Outreach and Innovation Action Group is operating under the joint coordination of ALTERFIN (focal point in 2011) and SOS FAIM (focal point in 2012). The Action Group will foster the debate about how do Member Based Organisations (MBOs) answer to the financial necessities of their members in a sustainable way. In order to narrow the debate for 2011, the group will concentrate on successful MBOs from three geographical regions where the active members of the group and the platform have more field experience. The pre-selected regions are East and West Africa plus South America. The Action Group will produce a European Dialogue publication in cooperation with the e-MFP member Center for European Research in Microfinance, CERMi. This publication will contain the analysis of successful MBO cases. Action Group members will provide information about their most representative partner MBOs. The Action Group has organized an internal meeting and a public session at the European Microfinance Week 2011.

## Research in Microfinance Action Group – Second European Research Conference on Microfinance

This Action Group led by Globalisation Studies Groningen (GSG) and the Centre for International Banking, Insurance and Finance (CIBIF) of the University of Groningen organized together with the e-MFP Secretariat, the Second European Research Conference on Microfinance at the University of Groningen (June 16-18). The conference provided researchers and professionals in the sector with the opportunity to present their work, to discuss with senior researchers, and to exchange ideas with international colleagues. The conference provided a collection of 170 innovative research papers, which were discussed by a public of over 200 researchers and practitioners in microfinance from all over the world.

New developments such as micro-pensions and micro-health insurance were discussed by several of the key-note speakers and in specialized research papers. In addition, the conference paid ample attention to recent experimental methodologies to measure the effect of microfinance interventions in a much more reliable and scientific way than ever before.

At the opening ceremony the e-MFP Chairman Marc Bichler, emphasized the importance of linking research to practitioners to further the development of the microfinance sector.

The opening day of the conference featured prominent scholars, such as Professor Robert Lensink, Professor Paul Mosley from the University of Sheffield and Professor Jan Willem Gunning of University of Amsterdam. Afterwards the issue of “Do researchers actually formulate the most relevant research questions?” was discussed. For this purpose a Special Panel was organized to better match practitioners’ experience with research agendas - with speakers from banks active in microfinance (Rabobank Foundation, SNS Impact Investment) as well as speakers from large development institutions (Rimansi from the Phillipines and TYM Vietnam). In addition the European Microfinance Network (EMN) and University Meets Microfinance (UMM) organized Special Panels.

Critical debates about microfinance, its actual development impact and its potential to change the world were discussed by outspoken intellectuals, such as David Roodman (Centre for Global Development, Washington), Milford Bateman (author of the book “Why Microfinance Doesn’t Work”), Ashok Ray (University of Göttingen), and Suresh de Mel (Peradeniya, Sri Lanka). The Second European Research Conference on Microfinance in Groningen was a successful follow-up to the first e-MFP European Research Conference in 2009 in Brussels. e-MFP member University of Agder has already proposed to organize the 3rd Research conference in June 2013 in Kristiansand.



Second European Research Conference on Microfinance

## University Meets Microfinance Action Group

University Meets Microfinance (UMM) is a programme which aims at fostering cooperation between university students in Europe and microfinance practitioners. UMM was launched by PlaNet Finance and the Freie Universität Berlin in 2009 and is partially financed by the European Commission within the frame of its Education for Development Programme.

The UMM e-MFP Action Group was formed to enable practitioners to work with European universities and further enhance students' research and microfinance professionalization.

2011 activities of the Action Group include the publication of the workshop report "Microfinance Plus – the potential of linking microfinance with programmes in health, education, environment and value chain development" which is the output of a workshop held at the University of Bergamo. The Action group also organised a workshop session on the topics of rural finance and savings in the framework of the European Research Conference in Groningen on June 17-18 2011. e-MFP Board member Prof. Hans Dieter Seibel and experts from BNP Paribas, Fondation Grameen Crédit Agricole and the University of Bergamo actively participated in this workshop during which four students presented their research findings. The workshop report was published in October 2011. In addition, e-MFP AG members participated at the UMM Workshop organized with the Frankfurt School of Finance & Management on microfinance investments on July 12-13 and at the Selection Committee awarding Scholarships for students. University Meets Microfinance also presented the top thesis from the 2010 UMM Awards in the e-MFP newsletter. The Action Group has organised a working meeting on November 2nd and a session during European Microfinance Week 2011.



## The Legal Framework for Microfinance Funds in Europe Action Group

On 15 July 2011 the European Commission launched a consultation on promoting social investment funds with 14 September as deadline. Unfortunately, because of the short delay of the consultation the Action Group was not able to organise a meeting to discuss the content and elaborate a common answer to meet the deadline. The head of the Action Group, Emmanuel de Lutz, therefore sent a personal answer to the Commission.

## Youth Financial Inclusion

The Youth Financial Inclusion (YFI) Action Group, which launched its activities in April 2011 focusing on programmes targeting the provision of adapted financial services and non-financial services to young entrepreneurs. The objective of this e-MFP Action Group initiative is to gather microfinance practitioners and other professionals involved in youth financial empowerment programmes to find synergies and create value-added by sharing experiences and resources.

ADA, ChildFinance, Meda, UNCDF Youth Start Programme, WSBI and Planet Finance are the core group of e-MFP members contributing to the Action Group initiatives which will also take place in the context of the 2010/2011 United Nations Year of Youth: Dialogue and Mutual Understanding. The group had its first meeting in July and the Action Group decided to produce a publication gathering experiences and lessons learned from members conducting youth programs. The main topic will be "Increase access to financial and non-financial services as a catalyser for youth entrepreneurship". Group participants are currently in the process of gathering information to submit interesting case studies for the publication.



## Working Together as Investors to Support and Develop Tier 2 and 3 MFIs

This recently formed group gathers microfinance investors interested in exchanging about their current investment practices; getting to know each other's organizations better, and being able to identify critical areas where collaboration should be fostered in order to support and develop tier 2 and 3 MFIs.

Grameen Credit Agricole Microfinance Foundation, in cooperation with the European Microfinance Platform hosted a meeting in Paris on 14th June 2011. Representatives from ADA, Alterfin, Cerise, Cordaid, Etimos, Triple Jump, Sidi, LMDF and responsAbility participated actively. The e-MFP Secretariat conducted two surveys among participants with the objective of building up "The Directory of Investors in Tier 2/3 MFIs", a tool shared among participants which gathers basic information of each organization, such as contacts of investment analysts by region, distribution of investment per MFI by region, type and amount of investment by region and other type of services such of technical assistance provided to MFIs. Four concrete examples of collaboration between investors were presented. Sidi presented the reasons and objectives of the creation of FEFISOL, a fund set up by three European social investors, Sidi/France, Alterfin/Belgium and Etimos/Italy. Cordaid explained how they built up their own Social Performance Assessment tool in a process of studying existing tools and consultation with other investors sharing the same interests and objectives. PlaNis/responsAbility and ADA explained the process of organization, development and lessons learned of their joint due diligence experience.

Participants discussed that it was important to define priorities of collaboration, taking into account how they might be implemented. Harmonisation of tools was identified as an important topic but one which is difficult to resolve among investors with different objectives. The process can be facilitated within the group by increasing information sharing especially about current investment practices. The group met again during European Microfinance Week.

Much work was done by e-MFP members and the Secretariat during the year on other topics (eg. remittances, ...) which could also result in additional Action Groups after the European Microfinance Week 2011.

## Looking for Partners

Several Looking for Partners proposal (which informs members of potential collaboration opportunities with other e-MFP members and other parties) were made during 2011.

e-MFP members interested in diffusing their 'Looking for Partners' proposals please contact Juana Ramirez, at [jramirez@e-mfp.eu](mailto:jramirez@e-mfp.eu).

## 3rd & 4th EUROPEAN MICROFINANCE AWARD

The 3rd European Microfinance Award on “value chain finance” focused on stimulating and promoting inclusive financial schemes that contribute to the evolution of value chains in developing countries.

The award which was initiated and which is funded by the Luxembourgish Ministry of Foreign Affairs – Development Cooperation Directorate involved a rigorous three phase selection process: in the first phase a Selection Committee from the European Microfinance Platform (e-MFP) produced a short list of ten candidates. From this list, three Award finalists were selected by the Luxembourg Round Table on Microfinance. The winner was then chosen on the 30th November by a High Jury chaired by Mrs. Roshaneh Zafar, Founder and Managing Director of the Pakistan microfinance institution KASHF Foundation and was unveiled as Harbu Microfinance Institution, Ethiopia.

As in 2008, the Award ceremony was hosted by the European Investment Bank (EIB). Her Royal Highness the Grand Duchess of Luxembourg presented the award and the €100,000 prize. Mr. Philippe Maystadt, President of the EIB, described the Bank’s ongoing commitment and activities in this area. In a video address, the European Development Commissioner Mr. Andris Piebalgs noted that “value chain finance is a powerful illustration of the role of multiple stakeholders achieving a lasting impact on socio-economic development at a local level”. The High Jury also presented certificates to the two other finalists; IDEPRO, Bolivia and Partner Microcredit Foundation, Bosnia Herzegovina.

The feedback on the Award ceremony and the media coverage was very positive and the topic of value chain finance received an important boost through the Award and the related publications e-MFP produced on the topic (Award brochure, European Dialogue, Policy Statement, CD reader).

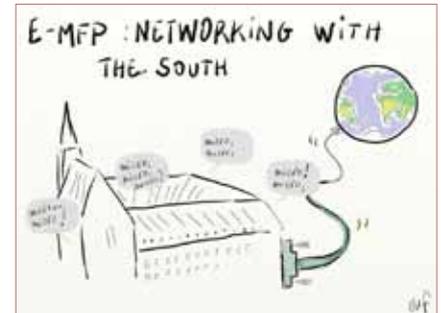
In the second half of 2011 the e-MFP Board and the Secretariat have been working on defining the topic of the 4th European Microfinance Award. The topic is to be announced at the European Microfinance Week 2011 and the Award ceremony will take place in the framework of the European Microfinance Week 2012.



## EUROPEAN MICROFINANCE WEEK

### Feedback European Microfinance Week 2010

Nearly 400 participants from more than 50 countries gathered at European Microfinance Week (30th November - 1st December 2010) to share their experience and debate the latest issues in the microfinance sector. As in previous years the programme of the event was based on the proposals of e-MFP's members. More than 100 out of the nearly 400 participants took the floor, which makes the European Microfinance Week the most interactive conference in the microfinance calendar. Feedback on the event was extremely positive with 76% of participants saying they would return next year. More than 96% of survey respondents thought the conference organisation was excellent or good and more than 97% found the conference facilities very good/excellent. Participants liked in particular the organisation, the networking opportunities and the diversity of participants/speakers.



### European Microfinance Week 2011

The e-MFP Secretariat spent many months preparing the European Microfinance Week 2011 entitled "Inclusive Finance for Excluded People – Microfinance refocusing on the underserved, unserved and vulnerable". As in the last years, it's the members who designed the programme. A call for proposals was launched in May and around 60 proposals for workshops were received. On the basis of the members' proposals the Secretariat established the final programme which consists of around 27 sessions and more than 90 speakers. European Microfinance Week is also the ideal opportunity to network, to make important new business contacts and to meet high-level personalities of the microfinance community.

e-MFP would like to thank the sponsors of the European Microfinance Week 2011:



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