



EUROPEAN
MICROFINANCE
PLATFORM

NETWORKING WITH THE SOUTH

10 YEARS OF INCLUSIVE FINANCE INNOVATION



© European Union

HOW IT ALL BEGAN

The European Microfinance Platform was set up to better share and disseminate ideas among European members of the microfinance sector working in developing countries. As one board member said right at the start: "There's a thirst for learning each other's experiences, for stepping beyond [our] boundaries...". 10 years later, we are proud to share with you a special edition of our newsletter. A lot has happened; what we do has evolved alongside the sector has a whole, and this is a good time to reflect on the past ten years and look ahead to the future as well. The Platform's membership, now over 120 organisations and individuals, from consultants and support service providers; investors; multilateral and national development agencies; NGOs and researchers (plus others), is larger and more

diverse than ever. The scope of the Platform's focus has broadened beyond microfinance into various aspects of financial inclusion – mirroring the trends in the sector as a whole.

These trends have meant it's been a fascinating decade in this sector, but as much still needs to be done as ten years ago. Population growth in developing markets means that progress is slow, and iterative. 2.5 billion people remain excluded from financial services, and the purpose of the Platform remains to address this: e-MFP members believe that everyone should have access to financial services and that microfinance contributes significantly to this development. Enabling synergies and knowledge sharing, fostering innovative action and research, and advocating sustain-



In 2006, making NGOs work closely with big banks, private consultants, universities and governments was a utopia... e-MFP made it a reality for microfinance players and showed the way for the whole development sector.

— Axel de Ville,
Founding e-MFP Chairman —



able and responsible microfinance are key to achieving this challenging goal.

e-MFP tries to do this in several ways. It organises European Microfinance Week (EMW) which takes place each November and brings together over 400 experts from dozens of countries for three days of meetings, plenaries and workshop sessions across several different thematic

'tracks'. During EMW there is also the European Microfinance Award, which began around the same time as e-MFP and has evolved into a now-annual and widely publicised event – highlighting best practice in a different aspect of micro-finance beyond credit each year. The Platform's Action Groups work all year round and come together during EMW to present their work, and discuss what to do over the coming year. And we produce more publications and run more knowledge-sharing events than ever. All of this reflects the core vision and mission of the Platform. It was set up to build a membership base that can lever-

Since its creation in 2006, the European Microfinance Platform has facilitated dialogue, exchange and coordination between actors from different sectors and countries. Luxembourg's know-how has largely contributed to foster expertise in the world of microfinance and inclusive finance.

– Romain Schneider,
Luxembourg Minister for
Development Cooperation
and Humanitarian Affairs –

age their actions and networks to increase impact and foster responsible financial inclusion.

When it was created, the vision statement of the Platform was to "promote innovative and inclusive financial sector development strategies, policies and concepts based on research and practitioners' lessons learnt, and advance microfinance good practices for the benefit of low income people as well as for a more efficient implementation of European development programmes in both the North and the South". Now it is more simple: "to be the leading European platform working towards the goal of universal financial inclusion." "Let's build an inclusive financial sector for the next decade....", said one speaker at the Platform's launch in 2006. We hope and believe that this speaker would agree with us that we have made real progress in the ten years since.

We would like to thank all the Platform's members, past and present,

Before the European Microfinance Platform was established in 2006, my networks and personal contacts in microfinance spanned the globe, yet few linked to Europe. With e-MFP this has notably changed. I now feel as a full member of a European microfinance community, exchanging experience and generating new ideas in our various forums. For that I am most grateful to the staff, past and present board members, and the members of the Platform.

– Hans Dieter Seibel,
Founding Board Member –

for everything they have done to support us. We have moved from tentative steps ten years ago to a confident and upright gait today, knowing that facilitating high-level discussion, communication and exchange of information is invaluable, and that e-MFP helps to do this.

I am very proud that my organisation, the European Investment Bank, has been associated with e-MFP and its annual event, the European Microfinance Week. During 10 years since its foundation, e-MFP established itself as a viable platform in generating innovative ideas and providing collaborative space for its diverse members and associates. In fact, its diverse member base is the key strength of e-MFP. The Action Groups composed and promoted by its members serve as the engine of ideas and innovation at its best. I wish e-MFP to retain its relevance and to continue playing an important role in promoting European values in economic development and financial inclusion in the coming years.

– Edvardas Bumsteinas,
Head of Microfinance Unit,
European Investment Bank,
Founding Board Member –



EUROPEAN MICROFINANCE WEEK THROUGH THE DECADE



The European Microfinance Week remains the heart and soul of the Platform. For many members it is their primary link to e-MFP and its unique structure – with members proposing session topics – serves to both engage members and ensure the continuing relevance of the topics. Three days of high-quality plenary sessions, workshops, Action Group meetings, networking opportunities and training make up a programme which promotes good practices and facilitate synergies amongst microfinance professionals in Europe and beyond.

Held each November, it has become larger, bolder and more diverse in the issues covered. The launch back in 2006 was conservative in its theme: "Strengthening microfinance institutions in developing

countries". 214 people from 34 countries attended 9 workshops, 7 'informational exchange sessions' and a sole plenary. 'Collaboration between actors' was a strong take-away from the plenary session, which

brought together for the first time a spectrum of stakeholders with "limited knowledge of each others' activities and competencies...a lack of visibility [which] translated too often into limited efficiency in the field" – according to the conference report.

The second EMW took place in 2007. With the theme of "European responses to global microfinance challenges" it attracted 194 participants from 24 countries and included sessions on "Strengthening the supervision of the microfinance sector at a regional level"; "Microfinance: expanding to the unserved market" and a plenary on responses to challenges, it built on the intro-



duction of the Platform's objectives the year before to focus on challenges.

Crises in the microfinance industry started to develop around the time of EMW 2008, which looked at "Frontier issues in microfinance - opportunities and challenges for European actors" and was growing in attendance and scope, to over 250 participants from 27 countries. Technology was a dominant theme, as the importance and opportunities of the mobile phone and m-banking were coming into focus. But the conference was held only weeks after the collapse of global banks, and it was not clear yet what this meant for the microfinance sector.

Things were changing fast by 2009. The global financial crisis had spread

from US housing to banking to the global macroeconomy, testing the old orthodoxy that microfinance is insulated from mainstream capital markets. Microfinance was "in a new financial Era" as the conference theme went, attracting over 300 people to a range of sessions that were decidedly macro in focus. 'The effect of the financial crisis on microfinance' was the plenary session;

'Perspectives beyond the crisis' was another.

Global crises were receding by November 2010, but a particular acute crisis in Indian microfinance was on everyone's lips, and respon-

sibility – on both the investor and practitioner side – was a strong theme. Two thirds of the way through the Millennium Development Goals process gave a chance to draw breath and see what progress had been made in financial inclusion. And the expansion of focus beyond pure financial services was exemplified in the closing plenary: 'Looking beyond

microfinance'.

2011 was the five-year anniversary of the Platform. "Inclusive finance for excluded people: Microfinance refocusing on the underserved, unserved and vulnerable" was the

The European Microfinance Week always has well prepared, substantive panel discussions and cutting edge content – that's why I come every year. I think it's one of the best conferences in inclusive finance.

– Laura Foose, SPTF –



theme, and a range of sessions across different streams focused on the unserved at the BoP, and attracted a record attendance from 60 countries.

EMW 2012 was about "Combining Strengths – Delivering Results", and welcomed Nobel Laureate Muhammad Yunus. How do we move to a results-focused framework? How can we better measure the impact that microfinance has on clients? A recent round of impact RCTs were widely discussed, with the poverty-alleviating effect of microcredit alone in question.

2013 saw yet more records broken in attendance at a conference with the theme of "The future of microfinance: Investing in inclusive growth". The focus had changed over the previous years from impact

and responsibility towards questions of purpose: is the goal of microfinance to lift the poor out of poverty or provide financial access for all?

Whatever that purpose is, the need for strong and stable markets is critical – inclusion cannot be increased by isolated activities of microenterprise. 'Developing better markets' was the theme of the 2014 conference, which covered sessions on balancing financial inclusion and market stability and client protection; and managing overindebtedness,

Last year was about financial inclusion for sustainable development, and attracted a new record of over 450 participants from 67 countries. Plenaries on limits of sustainable growth in microfinance; the role of

the Sustainable Development Goals and the future of microfinance bookended the conference, and several workshops in a dedicated track focused on these issues of finding this equilibrium in a post-crisis sector.

Ten years seems like a long time ago. The Platform and the European Microfinance Week has come a long way – the conference is broader and more diverse, with leading specialists running cutting-edge sessions – including one on the topic of the particular year's European Microfinance Award. And like the Award, it is bigger, more professional, more recognised and more important than ever before.



GROWING IN NUMBERS

& DIVERSITY OVER THE DECADE

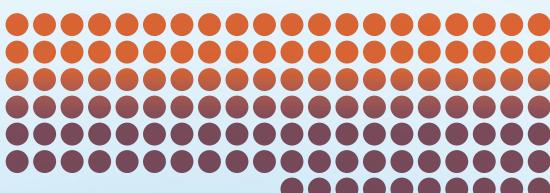
Membership 2006:



founding members

20

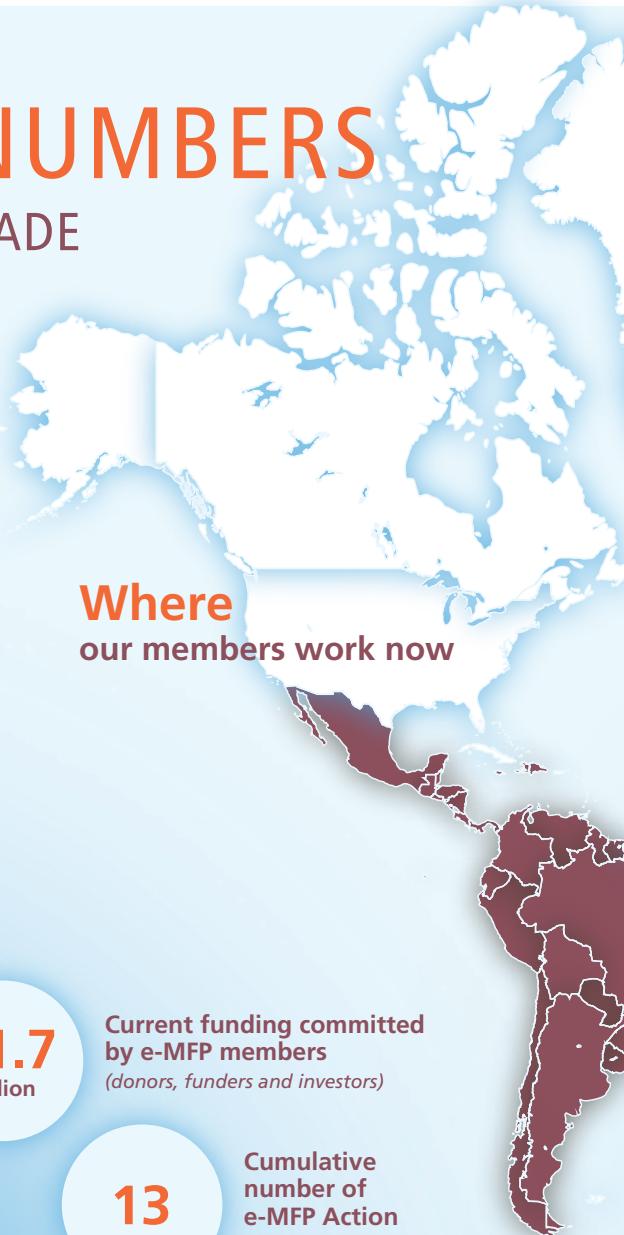
Membership in 2016:



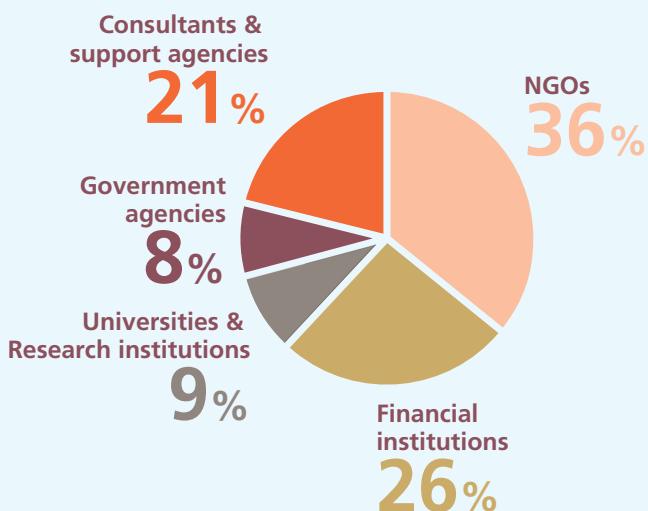
Current number of members

130

Where
our members work now



Peer Groups of member organisations



11.7
billion

Current funding committed
by e-MFP members
(donors, funders and investors)

13

Cumulative
number of
e-MFP Action
Groups

110

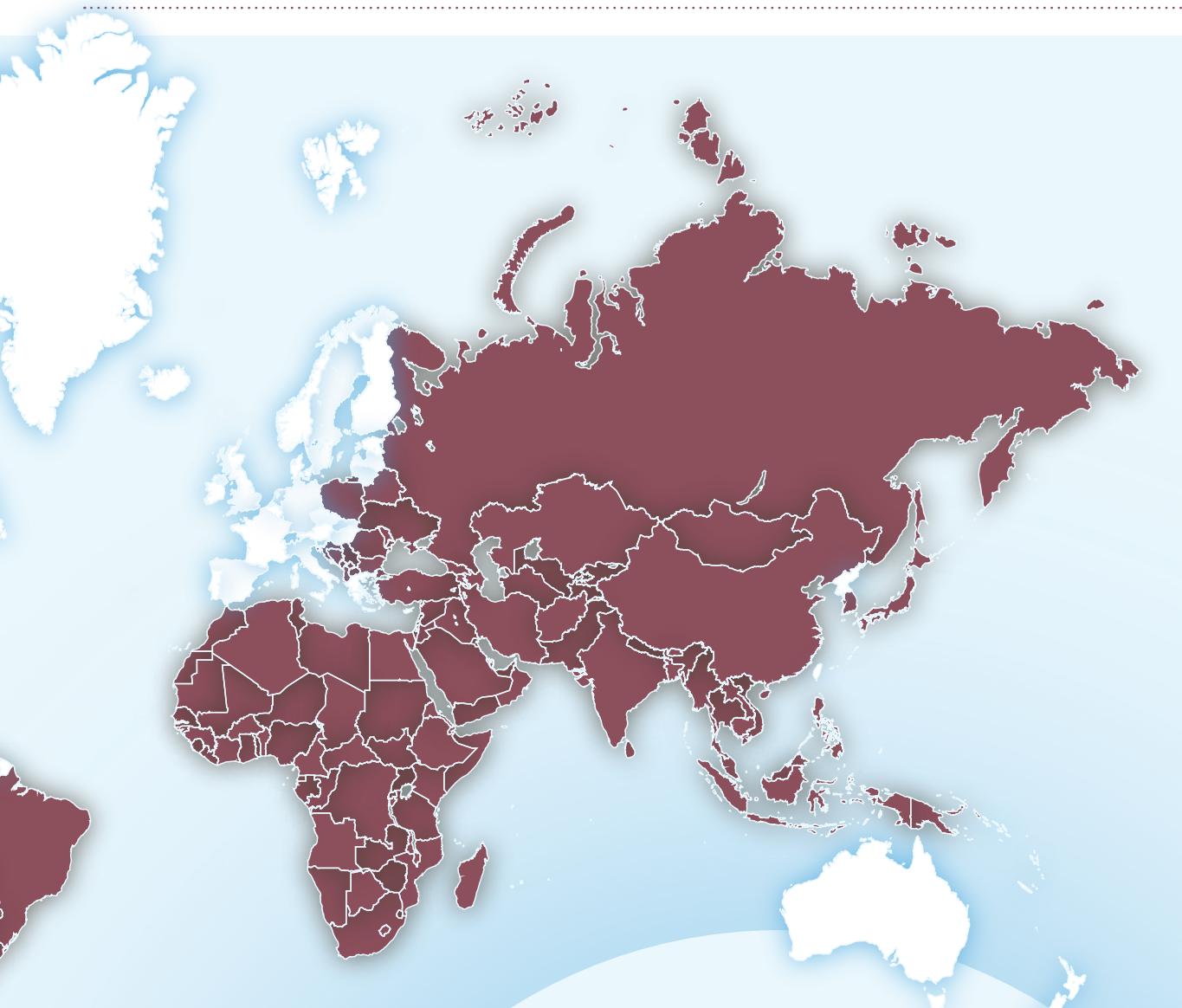
Cumulative
number of
e-MFP publications

3,500

Cumulative
European
Microfinance Week
participants

850

Cumulative
European Research
Conference
on Microfinance
participants



What
our members currently work on

Microfinance

- Financial inclusion
- Social Performance
- Women's empowerment
- Risk management
- Digital finance
- SME finance
- Disaster microfinance

Rural finance

- Business development
- Green microfinance
- Savings
- Education access
- Technology
- Market analysis
- Housing
- Health
- Remittances

Financial education



7 EDITIONS OF THE EUROPEAN MICROFINANCE AWARD



EUROPEAN
MICROFINANCE
AWARD



The European Microfinance Award is one of the most important (and exciting!) parts of the Platform's work. It gives e-MFP (along with the Luxembourg Ministry of Foreign and European Affairs and the Inclusive Finance Network Luxembourg) the chance to engage with practitioners innovating in the field, and affords these stakeholders the proud opportunity to identify and reward exceptionalism in innovations in inclusive finance beyond financial services alone.

The Award was launched as a biennial award in 2005 by the Luxembourg Ministry of Foreign and European Affairs - Directorate for Development Cooperation and Humanitarian Affairs, with the purpose to support innovative thinking

in the microfinance sector. In 2014, the Award was switched from biennial to annual, but its goals remain the same: highlighting and rewarding microfinance institutions (MFIs) that innovate in areas that are important to the sector, and at the same time collecting and then disseminating the most relevant practices developed by these MFIs, so that they can be replicated by others.

Over its six (and as of November 2016, seven) editions, the Award has grown in influence, scope and sophistication. The Award design each year is a complex process, the vetting of candidate institutions for pre-selection is thorough and professional, a process which serves as a useful filter for aggregating the

most valuable practices in the chosen award topic. An expert Selection Committee evaluates the eligible institutions, before selecting semi-finalists and ultimately three finalists, who proceed to a High Jury, which selects and announces the winner at a ceremony at the European Investment Bank during European Microfinance Week.

The benefits to the semi-finalists and especially the finalists and winner are maximised by the publications, videos, blogs, interviews, and Microfinance Week sessions devoted to that year's topic. All semi-finalists all profiled in a European Dialogue publication, and the three finalists present videos at the Award Ceremony itself. While the 100,000 Euro prize can indeed help the winner



scale up its program, the benefits of exposure to impact investors and other potential partners can be the most valuable aspect of winning – as well as the prestige of being seen as an innovator and leader, paving the way for replication by others around the world.

The inaugural European Microfinance Award was for Innovation for Outreach – or breakthrough initiatives deepening or broadening rural outreach, and was awarded to the Zakoura Foundation (Morocco), for its programme on rural tourism.

The second European Microfinance Award focused on Microfinance innovative initiatives to promote social performance, and was won by Buusaa Gonofaa from Ethiopia, for the development of its client assessment system.

The third edition of the - still biennial – Award on Value Chain Finance went to Harbu from Ethiopia for an initiative financing a soybean value chain.

The 4th European Microfinance Award looked at microfinance initiatives contributing to improve food

e-MFP has also been instrumental in the organization of the yearly European Microfinance Award, an event which has helped to promote the benefits of microfinance to an ever broader audience and to reward microfinance institutions for implementing outstanding projects.

– Romain Schneider,
Luxembourg Minister for
Development Cooperation
and Humanitarian Affairs –

production and distribution conditions in developing countries, with ASKI from the Philippines winning for its micro agriculture loans for smallholder farmers and agri-business and support to market linkages to private sector enterprises.

The 5th European Microfinance Award on Microfinance and the Environment, ultimately won by Kompanion of Kyrgyzstan for its 'Pasture land management training initiative': an ethno-ecological approach to pasture land preservation addressing the pressing issue of pasture land degradation in Kyrgyzstan.

Last year, the topic of the 6th European Microfinance Award was Microfinance in Post-disaster, Post-conflict Areas & Fragile States, to highlight MFIs that operate in the most difficult contexts and provide financial and non-financial services aimed to increase the resilience of the affected, vulnerable population. It was won by Crédit Rurale de Guinée for its Ebola response.

And this year, the topic is Microfinance and Access to Education, the three finalists of which were chosen by the Selection Committee in September: Fundación Génesis Empresarial of Guatemala; Kashf Foundation of Pakistan; and Opportunity Bank of Uganda.

The Microfinance Award has evolved into one of the most important elements of the Platform's work, and we are continually amazed at the bravery, imagination and dedication of the top applicant organisations, which are an inspiration to us and to many other institutions that can follow in their footsteps.





KNOWLEDGE @ e-MFP



Creating and disseminating knowledge is one of the most important things the Platform does, and it's highly valued by our members and others in the sector who want to keep abreast of developments. To achieve this, we produce a range of different publications (usually over 20 per year) that range from short blogs to the quarterly newsletter to longer articles for the industry press, to in-depth, in-houses reports like the European Dialogue – presenting the work and research done by the Action Groups as well as the best practices learned from the European Microfinance Award. Together, all these publications provide the members and the wider inclusive finance community with high quality information – and e-MFP can even serve as an information dissemination channel for members'

own relevant content. Overall, contributors include Secretariat staff, e-MFP members and guest authors.

Knowledge goes beyond publications from the Platform secretariat and includes support for research and longer-term activities, such as the Action Groups (AGs). AGs are an opportunity for members to collaborate directly on specific projects or common areas of interest, leading research on various key topics such as digital innovations, environment, social

The European Microfinance Platform has become a uniting platform for European actors advancing financial inclusion in emerging markets and a fertile ground for partnerships.

– Antonique Koning,
CGAP –

performance, remittances, rural outreach and youth financial education. More than 12 AGs have been underway over the past decade, with an average of 15 members in each. The AGs work together throughout the year and they typically meet in person at the start of EMW, to discuss and present their

work and plan ahead, and there is usually a session at EMW for the AG to present its work to a broader audience.

The Action Groups have shown great value in moving the sector forward in their different areas of focus. Action Group members' feedback indicates they can create a great network environment for collaboration with peers from different organisations—even competitors – in a way that wouldn't otherwise be possible. Content produced by AGs is also regularly featured in dedicated e-MFP publications as well as at Microfinance Week sessions. Publications such as The Green Index, Working towards a common consensus on the definition of Tiers in microfinance and Best Practices Guide for Microfinance Institutions Active in Remittances have made real impact and are seen as reference documents by the industry.

Beyond the AGs, the biannual European Research Conference on



Microfinance (ERCM), organised by e-MFP since its launch in 2009, is now one of the world's most important meeting places for academics involved in microfinance research, and has played a major role in bringing together researchers, academics, professionals and students ensuring that the latest research is disseminated among both researchers and the whole microfinance community. In 2009 the event was held at the CERMI in Brussels, Belgium, in 2011 at the University of Groningen in the Netherlands, in 2013 at the University of Agder in Kristiansand in Norway and in 2015 at the University of Geneva in Switzerland.



Finally, we know that producing quality content written by top people, and supporting research through the AGs or the ERCM would be of little use if there were no way for it to reach the right audience. Regular and timely communication from the e-MFP team allows members and external stakeholders to be aware of e-MFP's activities and those of its members. It's easy to see how we use social media to get the knowledge that is produced within the Platform out – through LinkedIn, YouTube, Twitter etc. – and also how partners with media organisations like MicroCapital, Microfinance Gateway, Portail de la Microfinance and NextBillion can ensure greater visibility and awareness of e-MFP and its members. In the future, it will seek to further expand its reach, especially to media serving the broader development community and beyond.

LOOKING AHEAD - WHAT'S NEXT?



(c) Women's World Banking

Years down the track from now, what will the Platform be doing? What will be its recent accomplishments? How will the sector have changed in the decade ahead, and will e-MFP have adapted its work to continue to match its activities to the vision, mission and energies of its founding members?

The sector was called 'microfinance' back in 2006, but 'financial inclusion' (or more popularly "inclusive finance") dominates discussion today. This reflects not only the purpose of the sector (that inclusivity is an end as well as a means), but the breadth of what it encompasses – not just credit, but savings, remittances and insurance; not just financial services, but health, education, security and livelihood development.

This is more, therefore, than just a slick re-brand. It is a refocusing of

the sector's priorities and perspectives. The number of extreme poor has been shrinking, while number of working poor is growing, with some moving up the ranks of the lower middle classes. People at the bottom need better-tailored products – some of which don't exist yet. SME finance is poorly developed overall. Rural/agri finance is limited in its reach. Youth, elderly and disabled segments are poorly served. Providers will continue to expand beyond MFIs, banks and rural groups to online lenders, telcos, MTOs and others.

Regulators are becoming more and more involved, with more at stake and greater diversity and complexity for them to understand. The universe of investors may further expand too – perhaps diverging between socially and financially driven investors, and beyond DFIs and MIVs.



There may be yet more market crises. There may be another once-in-a-generation global financial crisis. Microfinance raters may fail to do their job just as their mainstream counterparts did almost a decade ago. Or they may avail themselves of the growing ecosystem of networks, standard-setters, tools, metrics and clairvoyants and keep overheated markets from boiling over.

In its second decade, e-MFP must continue to adapt and reflect these changes. This means broadening the scope of work; continuing to enhance constructive dialogue, knowledge exchange, networking and cooperation; reinforcing e-MFP's position as a hub for microfinance research that meaningfully influences the broader sector; keeping abreast of all key developments as and even before they happen; shining a light on areas of the sector less well known to outsiders and highlighting best practices in these fields; and continuing to adapt to new technology platforms and build new partnerships to



I'm extremely proud to have been involved with the Platform as its Chairperson, a position which has let me see first hand the innovations in inclusive finance underway by so many of our members, the way the Platform has evolved over the years while never losing sight of its mission, and the dedication of the staff and the board members which has made this possible. I am excited to see what the coming years will bring, and I have no doubt that whatever changes come, they will build on this amazing last ten years of work!

**– Anne Contreras,
e-MFP Chairwoman –**

will remain so for the next ten as well.

reflect the changing needs of members and the changing trends in what engages people.

Only a fool would claim to know what all of this would look like. It would have taken a rare wisdom back in 2006 to foresee what has transpired since. The key for e-MFP is not to stand still or be complacent, but to instead make a best effort to look ahead, and – most importantly – remain fully open to changes in circumstances. Openness and sharing of knowledge has been the raison d'être of the Platform for ten years; and it



39 rue Glesener
L-1631 Luxembourg
Tel: +352 26 27 13 82
Fax: +352 45 68 68 68

contact@e-mfp.eu
www.e-mfp.eu

With the support of:



THE GOVERNEMENT
OF THE GRAND DUCHY OF LUXEMBOURG
Ministry of Foreign and European Affairs

Directorate for Development Cooperation
and Humanitarian Affairs

THE GOVERNEMENT
OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Finance