



2022

Annual REPORT

PREPARED BY

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EMN PRESIDENT MESSAGE

2 Covid pandemic, green transition and war in Ukraine were top of mind subjects across Europe in 2022.

Covid and the urgency for green transition have been creating an anxiety inducing climate for the past 2 years. Then starting late February 2022, millions of refugees fled from Ukraine to nearby countries, inflation went up as well as interest rates.

Microfinance institutions, working daily with vulnerable populations, did a great work to tackle situations that emerged from this context, such as dealing with new actors to be able to serve migrants from Ukraine, facing the rise of the cost of borrowing and the impact on their business model, dealing with inflation and its' consequences on employees and on operational costs, etc.

In that 2022 context, EMN served its members and the microfinance sector in Europe in multiple ways, always looking for the most impactful activities, for the benefits of the final beneficiaries. Those beneficiaries are vulnerable people who are not in capacity to develop their project if they don't find microfinance institutions on their way. Because their projects are excluded from the mainstream banking and financial sector, the services microfinance institutions deliver are crucial.

In its last report called "the missing entrepreneur", OECD and EC published this data : there could be an additional 9 million people starting and managing new business in the European Union if everyone was as active in business creation as core age men (30-49 years old). These missed opportunities are due to several factors, including greater difficulties accessing finance, skills gaps, under-developed networks and institutional barriers (e.g. lack of childcare, discouraging social attitudes). These obstacles are often inter-related and are greater, on average, for women, immigrants, youth, seniors and the unemployed.

Entrepreneurship is indeed a powerful solution to fight unemployment in the EU in the post-pandemic context. It is also a powerful solution to fight against climate change by developing small and locally rooted shops and services. It is ultimately a powerful solution to offer a decent life to migrant people in their European host country.

Through advocacy, awareness raising, events, research, trainings, and practice sharing, EMN operated relentlessly in 2022 to help its members to face the challenges, to grow, and to better serve women, immigrants, young, senior, and unemployed to become entrepreneurs.

INTRODUCTION

2022 was certainly a challenging year: after the end of the COVID-19's restrictions, the inflation dramatically increased across Europe, the Ukraine-Russia war blew out, and new monetary policies were put in place.

At the European Microfinance Network we worked with our members to support Small and Micro Entrepreneurs (SMEs) in overcoming these times of crises. Over the year, EMN organised a series of webinars within the EasiTA projects and other events dedicated to various topics, such as green transitions, digitalisation, and financial inclusion. EMN published a number of publications, including Policy Briefings, a Survey Report, and other working papers.

Finally, EMN held our Annual Conference in Brussels, and organised the 8th edition of the European Microfinance Day Campaign.

At the side of Entrepreneurs

Against the background of the current crises, in 2022 EMN puts all its efforts in shedding the light on SMEs needs and challenges, connecting with policy makers, and fostering solutions in favor of micro entrepreneurs. In this document you can find an overview of the events and initiatives that took place over the year, and of EMN's advocacy and research actions.

Annual Conference

Held in **Brussels**, The 19th edition of the EMN Annual Conference took place on 15-17 June, organised in partnership with EMN members, microStart and Inpulse, and with the label from the French Presidency of the European Council.



Annual Conference

Under this year's theme, "**Financial Inclusion & the Future of Work**", the event gathered **213 participants from 26 countries across and beyond Europe**.

Together with representatives of the European microfinance sector, policy makers and representatives from European institutions, EMN tried to answer the question on how to support SMEs in overcoming the current crises, and how to foster financial inclusion of vulnerable categories (such as youth, migrants, women, etc...).

The conference featured 6 workshops, a series of structured networking moments, a field visit at the European Parliament, and numerous high-level speakers, **including Her Majesty, the Queen of the Belgians, who delivered an inspiring speech on female entrepreneurs.**

European Microfinance Day Campaign

This year, the eight European Microfinance Day Campaign started on October 16th and developed until December 7th, when EMN closed the campaign with an on-site event in Brussels. The campaign counted 14 events in eight countries and reached thousands of people via social media, live conferences, and press coverage. In particular:

- One itinerant art exhibition in Spain
- Nine conferences in three countries
- Three digital campaigns (Spain, The Netherlands, Bosnia-Herzegovina)
- One event at the European Parliament in Brussels

The final event for the campaign, held at the European Parliament in Brussels, was hosted by **MEP Ondřej Kovařík**. On this occasion, policymakers met with microfinance institutions, academic institutions, and entrepreneurs to better discuss microfinance's role in the current environment.

Supporting MFIs

In this section, we will outline the activities EMN ran in the areas of technical assistance, research and advocacy, as EMN helped MFIs improve thanks to our webinars and TA programs while helping the sector at the European level.

EaSI TA Programme

2022 marked the end of the EaSI Technical Assistance Programme. Before the end of the year, EMN ran 9 webinars with 150+ attendants. That allowed MFIs to become familiar with the European Code of Conduct, take advantage of capacity building offers, and access best practices. Besides the webinars, the programmes allowed MFIs to participate in peer-to-peer visits, study visits, etc.

Easi TA was a multi-year technical assistance programme, supported by European Social Fund Plus, that the European Microfinance Network participated in since 2019. Its webinars represented an important tool, particularly during COVID (18 online sessions were run between 2020 and 2021).

Introducing SIFTA Programme

In 2022, a new technical assistance programme was launched: the Social Inclusive Finance Technical Assistance (SIFTA) Project, under the InvestEU Advisory Hub. Together with the project partners, EMN already ran 5 webinars under SIFTA in 2022. In addition, two activities of the EMD campaign were also organised within the SIFTA project.

Technical Assistance with JP Morgan – COVID Response

2022 was also the final year of the Technical Assistance initiative that EMN ran in partnership with JP Morgan, which helped MFIs worldwide connect and share best practices during the last years of crisis. The European Microfinance Network published four newsletters highlighting its effort, whose output was not restricted to Europe: thanks to this programme MFIs from Brazil or South Africa could boost their capacities and become more resilient.

Advocacy

In 2022, the European Microfinance Network persisted in advocating and giving a voice to the European microfinance community. During the year, EMN published three policy briefings to update its members about the latest developments in microfinance-related regulation and policies.

The European Microfinance Network is part of the Financial Services User Group (FSUG), a body that, since 2010, has supported the European Commission (DG FISMA) in its policy-making activities in the financial sector. Its role is to bring the voice of those who use finance, like the clients of Microfinance Institutions.

EMN is represented by its General Manager, Caroline Tsilikounas in several working groups like Capital Markets Union, Personal Insolvency (over-indebtedness), and, in the future, Sustainable Finance.

The EMN chaired 5 Advocacy Committee sessions and kept a very close eye on European Institutions by meeting with EC officials and MEPs. EMN contributed to several public consultations about the Transition Pathway and the Social Economy. In particular, we kept participating in the implementation of the Social Economy Action Plan.

Moreover, EMN also attended a meeting of the Social Economy Intergroup at the European Parliament on March 4th 2022 and are following the Intergroup's work through its membership to Social Economy Europe.

EMN has also been working with other EU level organisations such as FAIR (now member of EMN), FEBEA, and EVPA (mutual membership) in the preparation of a common workshop during the Social Economy Conference which took place on May 5th and 6th in Strasbourg.

Position papers

In 2022, EMN, through its Advocacy Committee started to work on four position papers which will be published and disseminated in the first semester of 2023. The topics selected matched EMN's focuses:

- Green microfinance
- Personal Microcredit
- Pricing
- Social Economy

The position papers could not be published at the end of 2022 as the consultation process of EMN's members took longer than anticipated. For the drafting of these papers, EMN is also supported by an external consultant, KREAB under a pro-bono contract.

Research

An essential part of EMN's work is researching microfinance and tracking its development across Europe. During the year 2022, EMN published 3 legislative updates and accordingly updated the high level comparison of the regulatory frameworks on microfinance in Europe.

The EMN also kept fostering research on microfinance, awarding the Milan-Bicocca young scholar Federico Bartolomuci 2,000 euros for his paper “FinTech for Good: unveiling social value creation in the fintech sector” thanks to the EMN Research Award. The EIF-supported award is a key moment in the life of EMN because it supports research on the European microfinance ecosystem.

EMN also published a paper about Green microfinance - in partnership with the European Microfinance Platform (e-MFP) Green Inclusive and Climate Smart Finance Action Group (GICSF-AG)) - where we observe that a growing number of MFIs have engaged in developing or have developed green practices such as a green strategy, risk policy, or products.

The Survey Report

In December 2022, in collaboration with MFC, the EMN published the last edition of the Survey Report. EMN surveyed 156 institutions from 30 countries all over Europe to get the most comprehensive recognition of the European microfinance sector.

The report illustrates that the microfinance sector in Europe has largely recovered from the effects of the COVID-19 pandemic.

Digitalization and green sustainable microfinance stand out as the two major trends in the market, both accelerated by the multiple crises facing society.

Overall, the results of the report confirm, once again, the dynamism of a sector that supports a growing number of individuals and microenterprises through the combined offer of financial and non-financial services.

The PLOUTOS project

EMN is part of the PLOUTOS project, a European initiative funded by the DG HOME and AMIF, found to support third-country nationals (citizens from non-EU countries not entitled to reside in the EU) via entrepreneurship and microfinance. EMN is in charge of communications for this project and, also, to supply some pieces of training in Belgium. More information about the project activities will be delivered throughout 2023.

Annual Accounts

EMN FINAL INCOME STATEMENT 2022

Revenues	Budget	Actuals (31/12/2022)	%
Beneficiary contributions cash	86,650.00 €	72,775.00 €	7%
Revenue generated by operation	447,299.41 €	516,692.51 €	50%
Public funds	541,908.16 €	441,884.22 €	43%
Total Revenues	1,075,857.57 €	1,031,357.40 €	100%

BALANCE

Budget	Actuals
24,236.66 €	66,839.15 €

Expenditures	Budget	Actuals (31/12/2022)	%
Staff	550,108.24 €	525,092.40 €	54%
Travel and accommodation	63,218.25 €	53,517.99 €	6%
Services	357,225.13 €	315,630.53 €	33%
Administration	81,069.29 €	70,277.33 €	7%
Total Expenditures	1,051,620.09 €	964,518.25 €	100%



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