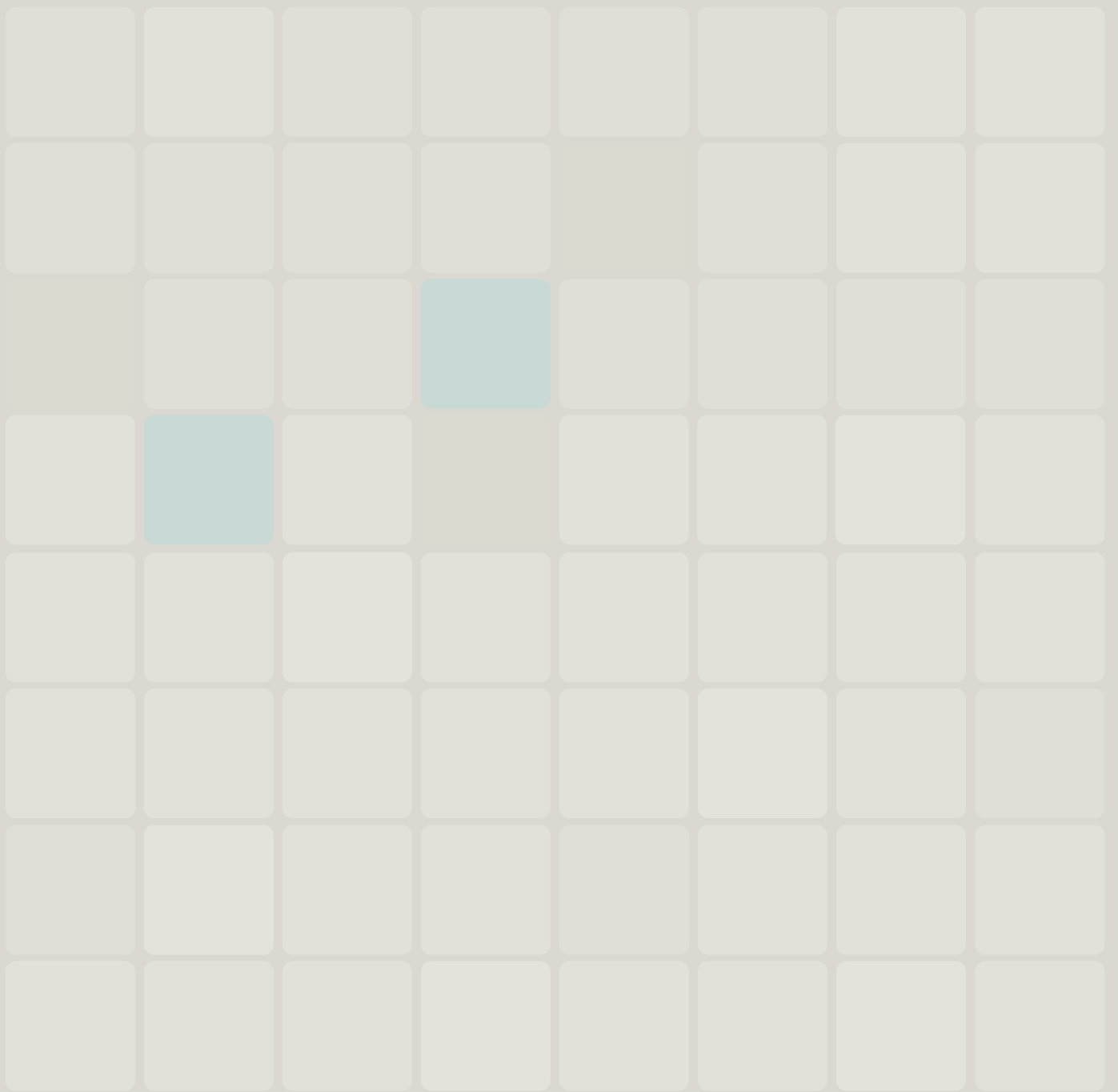


European Microfinance Network

Annual Report 2012







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The seven-year program targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries. PROGRESS mission is to strengthen the EU contribution in support of Member States' commitments and efforts to create more and better jobs and to build a more cohesive society. To that effect, PROGRESS will be instrumental in:

- providing analysis and policy advice on PROGRESS policy areas;
- monitoring and reporting on the implementation of EU legislation and policies in PROGRESS policy areas;
- promoting policy transfer, learning and support among Member States on EU objectives and priorities; and
- relaying the views of the stakeholders and society at large

For more information see:

http://ec.europa.eu/employment_social/progress/index_en.html

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Foreword

by Faisal Rahman,
EMN President



I am very pleased to welcome you to the EMN 2012 Activity Report which details many of the excellent activities carried out by the Secretariat in the year. It has been a year of big change at the Secretariat, one that began with the recruiting a new team and culminated with the registration of the EMN in Belgium in December.

Microfinance remains an important tool in the battle against exclusion, fostering entrepreneurship and helping people generate income so I am very happy to report that the number of active EMN members continued to grow and now represent organisations across 21 European countries. We remain committed to our objective of giving full representation to every microfinance organisation in Europe, and encourage microfinance in countries where it does not exist. I hope that by the 2014 Annual Report we can say that we have every European country represented!

Towards this end the Secretariat has been very successful across Europe in raising the profile of microfinance, fostering sharing amongst members and detailing opportunities to access finance through the organising of the Working Groups, JASMINE MDS and the Help Desk.

Our Annual Conference this year was celebrated in Romania and the Secretariat alongside our local member **Eurom** organised a fantastic and very well received conference. Over 400 people attended the event and we had a chance to really challenge each other and policy makers on building sustainable microfinance in Europe.

At the Conference the EMN announced the early results of the Overview Survey 2010-11 and I'm very glad to see that it has become the publication of reference for policy makers about the situation of microfinance in Europe. As more data is added and more members join I hope this will continue to be the only definitive review of activities across the microfinance space in Europe.

There are big tasks ahead of us in 2013 and 2014, many involving the members but also many relating to the EU's policy. The move to Brussels will cement the Secretariat's role at the heart of the EU and ensure that it can represent its Member's needs directly to the Commission. The new team in Brussels brings together the right skills and experience needed to achieve our future aims and step up to this challenge.

I hope you enjoy reading this review of Secretariat's activities, please do get in touch with the team directly if you want to find out more.

1. Highlights of 2012

The theme for 2012 was the "European Year on Active Ageing and Solidarity Between Generations in Europe."

In line with the 2012 European Year theme and in accordance with the EU 2020 strategy, EMN activities for 2012 focused on "active ageing and solidarity between generations in Europe".

Active ageing relates to the creation of more job opportunities and better working conditions for older demographics, helping older people perform different roles in society, and promoting good health and independent living. Enabling older people to be actively included in the labour market and society in general – as workers, caretakers, volunteers, consumers and citizens – will support the achievement of the Europe 2020 Strategy's goals (i.e. smart, sustainable and inclusive growth with higher levels of employment, productivity and social cohesion) and foster solidarity among all generations.



EMN held its **9th Annual Conference on November 8-9th, in Bucharest,**

on the topic, "Building sustainable microfinance in Europe". Over 240 participants from 18 European countries attended the conference and took part in the 15 thematic events organized over 2 days.

The conference provided space for innovative sessions, workshops and interactive debates. Various debates, simultaneous breakout sessions, the awards ceremony, the micro-entrepreneurs market and a field visit were also organized.



EMN has a growing number of strongly motivated members. **At the end of 2012, the network reached 93 members from 21 European Countries, with 8 new members:**

RoCredit (Romania), ESBG (Belgium), Credinfo (Hungary), Hefboom (Belgium), ABC Microfinance (Babyloan) (France), The Haagse Hogeschool (The Netherlands), Fundacion Tomillo (Spain) and Fondazione Pangea Onlus (Italy).



The third edition of the European Best Practices Award, organized jointly by EMN and FGDA, was awarded to **KOSINVEST** (Kosovo) during the 9th EMN Annual Conference.



The development of the **EC JASMINE MDS (Microfinance Development Services)** enabled EMN members to become involved in its activities and facilitated the exchange of good practices and sharing on mutual learning in microfinance matters through ten specialized workshops. Also, the online JASMINE Help-desk is available to anyone who has questions about European microfinance. During 2012 more than 60 enquiries have been treated. The management of EC Jasmine Development Services allowed the exchange of good practices between stakeholders and enabled EMN members to participate in ten workshops focusing



Building Sustainable
Microfinance in Europe

9th EMN ANNUAL CONFERENCE
8-9 NOVEMBER, 2012
BUCHAREST (ROMANIA)

on key issues for the development of microfinance in the EU. Moreover, in 2012, the on-line Helpdesk provided answers to more than 60 enquiries related to microfinance in the EU posted by practitioners, clients, academics and various beneficiaries.



EMN was registered legally in

Belgium on the 12th of December as an aisbl (Association Internationale Sans But Lucratif – International Non for Profit Association). Also the Secretariat was rebuilt with a new team comprised of four staff.



EMN published the results of the **EMN 2010-11 Overview Survey**, which has become a publication of reference about the situation of the microfinance sector in Europe.

2. The Action Plan

2012 was a significant year for the development of the European Microfinance Network in all three of the areas outlined in EMN's strategic plan for 2011-2013. EMN's internal organization was enhanced with a fully staffed secretariat and, our network has continued to grow with the inclusion of 8 new members, and the external role of EMN in the coordination and improvement of microfinance practices was more relevant than ever.

Three strategic priorities during 2012:

> 2.1.

A NETWORK ORGANIZATION TO PROMOTE MICROFINANCE AT ALL LEVELS

EMN supports its members by making their working environment more favourable, at both European and national levels. This includes better recognition of microfinance, a more favourable legal and regulatory environment and easier access to funding. EMN represents its members and voices their concerns with policy-makers and other key European and national stakeholders.

EMN's key activities included:

The development of the Asset Building, Legal Environment and Regulation and Growth Working Groups. These groups have been able to provide members from any country with enhanced knowledge of and access to decision-makers at the national and European level. This information had three main purposes:

- Increase awareness of legislative plans or strategies that could affect microfinance activities so that members can either try to influence legislation or adapt to it;
- Generate awareness about the role of savings in the microfinance sector and create access to funding sources and mechanisms, given that the process of obtaining funding from the EU is often unclear or difficult; and,
- Empowerment of members to lobby their national governments.

> 2.2.

A NETWORK ORGANIZATION WORKING TO BUILD THE CAPACITY OF ITS MEMBERS

EMN supports its members by helping them grow and develop into sustainable organizations able to respond to specific market needs. This support can be accessed across any potential problem area including governance, staff

training, product development and the development of internal support systems (e.g. the MIS programme of social performance reporting). EMN's guidance and training are as customized as possible, with an emphasis on peer-to-peer meetings. EMN Secretariat coordinates and provides supplementary support where needed.

EMN's key activities included:

- The promotion of member exchanges and information sharing. To this end, EMN established its Annual Conference, organized various exchanges & peer-to-peer visits, published a number of documents (EMN notes, newsletter, magazine, research papers) and regularly updated its website.
- Supporting member development and internal growth. This is done by mobilizing technical assistance funds and facilities that enable members to support other EMN members, in recognition of the breadth of knowledge and skills among EMN members. EMN believes in the value of practitioner-to-practitioner training.
- The continued dissemination of good practices through EMN's Working Groups, the "Good Practice" page of the website, training courses and consultancy assignments.



2.3.

A NETWORK ORGANIZATION THAT PROMOTES SOCIAL INCLUSION THROUGH ENTERPRISE DEVELOPMENT

As recalled in the mission statement, EMN aims to fight social exclusion through the promotion of entrepreneurship and self-employment. The top priority areas identified by members are entrepreneurship and micro-enterprise development, following the logic that the development of a micro-enterprise leads to social inclusion.

To ensure that a positive social impact is present and identifiable within the work of MFIs, EMN undertakes the following key activities:

- The introduction of a systematic division of member activities based on the socio-economic categories of their clients (gender, age, ethnicity, disability, etc.)

The identification and elaboration of guidelines to support MFIs implement the basic principles of social performance management. This specific project is undertaken by the Social Performance Measurement and Research Working Groups.

- The development of cross-participation in forums and cross-publication of research and position papers by the EMN Secretariat and members.

3. Activities in 2012

3.1. INCREASING INVOLVEMENT AND GOOD PRACTICES AMONG EMN MEMBERS

Organization and dissemination of Good Practices

In 2012, EMN collected and disseminated five European Good Practices in Microfinance for Social Inclusion; the European Best Practices Award and European Research Award recognized this outstanding work.

European Best Practices Award

The fourth edition of the European Best Practices Award, organized jointly by EMN and FGDA for the EMN Annual Conference, was awarded to KOSINVEST (Kosovo) with the project, "The introduction of a new product sub-line brought productivity and loan affordability to the rural population". The award was endowed with 50,000 euros to be reinvested in the development of new projects or towards core costs of already-existing services.

The other 4 MFI finalists selected for the Good Practices Award included: Etimos Foundation Onlus (Italy) with the proposal "Microcredit for Abruzzo (MxA) – An innovative scheme for Italy"; Initiative France (France) with the proposal "Initiative France: a pioneering, different and successful way of handling microcredit"; Mikrokreditna Fondacija MI-BOSPO (Bosnia-Herzegovina) with the proposal "Women's Business Network"; Mikrokreditna Fondacija PRIZMA, Sarajevo (Bosnia-Herzegovina) with the proposal "Microcredits for Microentrepreneurs Campaign: How to reach more than 26,000 down-market niche clients with 250 staff in 3 months".



The EMN Research Working Group, led by Fondazione Risorsa Donna in collaboration with Fundacion Nantik Lum, organized the European Microcredit Research Award during EMN Annual Conference.

European Research Award

The European Research award 2012 was granted to Marion ALLET with the paper "Measuring the environmental performance of microfinance". Marion is a PHD Student at the Université Libre de Bruxelles, in the Solvay Business School Of Economics and Management (SBS-EM), for the Centre d'Etude et de Recherche en Microfinance (CERMI). Her paper, chosen from a list of 5 finalist researchers, discusses a new tool for the management of environmental performance factors in microfinance.

In her paper, she addresses the issue of a triple bottom line microfinance industry. Indeed, she proposes a new tool to measure the performance of MFIs as regards to environmental concerns, namely the Microfinance Environmental Performance Index (MEPI). It brings together both concepts of corporate environmental performance and microfinance social performance, and is broken down into five different dimensions.

EMN EXCHANGE & PEER-TO-PEER VISITS

EMN Exchange and peer-to-peer activities are some of the most valued activities by our members, as these allow knowledge transfer among different actors working within the microfinance sector of Europe.

- **Exchange Visits.** An exchange visit between PerMicro and PSYBT, Qredits, ADIE, Microbank La Caixa, Fair Finance and Microstart took place in January 2012. The event was organised in Brussels with Permicro as host organisation.
- **Peer-to-Peer Visits.** This year, four peer to peer visits have been organized, namely:
 - May 2012, between FEA and Microcredit Solidaire Suisse (MSS)
 - October 2012, between CPAC and DMI.
 - October 2012, between CREDAL and PSYBT.
 - November 2012, between Microcredit Solidaire Suisse (MSS) and Qredits.

3.2. FACILITATING ACCESS TO CAPACITY BUILDING

EMN Programmes and Resources:

In 2012, EMN received funding from the EC to support microfinance institutions within the European Union. EMN implemented part of the EC JASMINE Initiative (Joint Action to Support Microfinance Institutions in Europe) aiming at enhance the capacity of non-banking microfinance providers and help them become sustainable through technical assistance.

EMN supports the EC 'JASMINE' initiative

EMN has been contracted by the European Investment Fund (EIF) for the provision of capacity building via the **JASMINE Microfinance Development Services ("MDS")** project. The project consisted of two main activities:

I. Delivery of ten specialized microfinance workshops to disseminate information and encourage good microfinance practices in the European Union. The topics of these workshops included:



- **"The role of capacity building in the development of a solid EU microfinance industry,"** co-organised by EMN and DMI (Deutsches Mikrofinanz Institut), Offenbach, March 20th, 2012.
- **"Downscaling into microfinance by banks,"** co-organised by EMN and the Sicily Region, Italy (International Conference "Microfinance: a tool for fighting against unemployment), Palermo, April 12th, 2012.
- **"Measurement methods: social and financial performance indicators and the creation of social and economic impact,"** co-organised by EMN and FGDA (Fondazione Giordano Dell'Amore), Milan, July 5th, 2012.
- **"Business Development Services: who is going to pay for it?"** co-organized by EMN and DIFASS EU Project, Vonyarcvashegy (Hungary), October 17th, 2012.
- **"Microfinance regulatory frameworks in EU,"** co-organized by EMN and the Nordic Microfinance Network, Katrineholm, October 26th, 2012.
- **"Public Private Partnership (PPP) models in microfinance,"** organised by EMN at the EMN Annual Conference, Bucharest, November 8th, 2012.
- **"Promotion of the European Code of Good Conduct for EU MFIs,"** organised by EMN at the EMN Annual Conference, Bucharest, November 8th, 2012.
- **"The importance of local currency lending,"** organised by EMN at the EMN Annual Conference, Bucharest, November 9th, 2012.
- "Is there an ideal business model for MFIs in the EU?" organised by EMN and DMI, Offenbach, November 28th, 2012.
- **"Accessing EU programmes available for microfinance,"** co-organised by EMN and Plataforma Española de Microfinanzas, Madrid, December 14th, 2012.

*After the delivery of each workshop, participants were encouraged to load the training materials onto an online e-learning platform, MOODLE, and pose further questions on the topic to the training institution for 30 days following the workshop's conclusion.



II. Implementation of the JASMINE Help-Desk. In 2011, EMN launched the Jasmine Help-Desk, through which MFIs, investors, researchers and other interested parties can send their questions about microfinance in Europe. During 2012, EMN received more than 60 questions. The most common question asked related to funding access in the EU, mostly concerning funds below the minimum €1 Million fund necessary to access the JASMINE or EPMF programmes. In response, consultants recommended options for funds available at the national level. Other questions included general enquiries about the JASMINE programme and the EC Code of Good Conduct.

3.3. EMN WORKING GROUPS GO FORWARD

With the implementation of the strategic plan 2009-2011, EMN launched its Working Groups in order to strengthen the involvement of its members. Their key activities for 2012 are summarized below:



Social Performance Working Group

Headed by Triodos Facet, the main goals for 2012 were: deliver a comprehensive product for the benefit of MFIs to measure their social performance and disseminate the product and train users, so that MFIs implement SPM and report SP.

The SPWG held **three meetings:**

- 31st May & 1st June, Madrid
- 23rd October, Brussels
- 18th December, Brussels

In addition, there were two bilateral meetings with the EMN Board representative and the WG Leader:

- 20th April, Brussels
- 17th October, Katrineholm

The SPWG also facilitated a workshop during the 9th EMN Annual Conference on "Social Performance Management for European Microfinance Practitioners."



Information Technologies and Innovation Working Group

Led by Giordano Dell Amore (Italy), the mission for 2012 of the EMN IT&I WG was the sharing of knowledge among EMN members, the provision of useful tools, technical assistance for the identification of needs in the field of IT and advocating the use of social networks to strengthen Microfinance Institutions.

To achieve the overall goal for 2012 the WG carried out a range of activities:

- Dissemination of the manual, "**The use of technology in Microfinance**" organizing 3 national events and an internet and social networks based promotional diffusion. The document was finished in March and disseminated via the EMN website during the following months. A "one page" version was created and distributed during the Annual Conference.
- Organization of an **interactive**

workshop organized during the 9th EMN Annual Conference focused on the impact of social networks with the title, "The magic of the social media revolution and how to benefit from this as an MFI"

IT&I WG meetings:

- 23rd March, Oslo
- 28th September, Milan
- 7th November, Bucharest



Working Group on Growth

The EMN Working Group on Growth (WGG), coordinated by Evers & Jung GmbH, aims to develop a framework for a practice-based assessment of MF organisations in Europe in order to identify growth strategy success factors.

In 2011, the group developed an analytical framework for such a practice-based assessment of the growth perspectives of European MFIs, including instruments for gathering and organising relevant

data. During 2012, the group fine-tuned these instruments and produced data for pilot case studies. The outputs in detail are:

Analytical work:

- A revised analytical grid to assess the market perspective of microfinance in European countries. The grid combines information on MF target groups, market sizes/shares for MF and services needed/provided at the national level. EMN members completed the grid for six European countries.
- A revised list of easy-to-use indicators to assess the growth performance of MFIs. Data on performance indicators was produced for three MFIs.
- A questionnaire to assess success factors and barriers for MFIs. The questionnaire encompasses issues related to legal environment, general market trends, products, target groups, human resources, funding and IT. It was filled out by three organisations.

WG Growth meetings:

- London, 21st March
- Brussels, 20th September
- Bucharest, 7th November

Workshops:

- A workshop with representatives of the European Commission and EIF was held in Brussels to present the analytical framework and discuss implications of the first results from the pilot cases.
- A workshop was held as part of the EMN Annual Conference programme. The main task was to prepare the interactive workshop

format conducted by the Working Group with the aim to disseminate the developed approach and test the validity in discussion with the workshop participants.



Asset Building Working Group

The Asset Building WG, led by IACD, main goals were to unite asset-building practitioners to share expertise and learning, influence policy and support asset building in Europe. In addition to this 'internal' networking, the Asset Building WG this year developed relationships with organisations outside its membership, notably, the European Financial Inclusion Network (EFIN) and the European Anti-Racism Network (ENAR).

Raising awareness of saving

Awareness raising through a) events and b) publications. In March 2012, the Runnymede Trust and other members of the Working Group collaborated with ENAR to deliver a major event on Asset Building and Ethnicity, which took place in Brussels. In May 2012, MFC included a high-profile panel on saving as part of its annual conference in Georgia. Members of the Working Group were also prominent at the launch of EFIN's 24 Priorities for Financial Inclusion, at an event attended by European Commissioners, held on May 25, 2012. The afternoon of the event was dedicated to a panel on saving. Finally, the WG delivered a workshop at the EMN Annual Conference in Bucharest, on 8th November, 2012.

In terms of **publications**, the WG produced the **EMN Policy Note – "Saving: the forgotten half of microfinance?"** – copies of which were disseminated electronically via the IACD website and e-bulletin, and in hard copy at the EMN annual conference. Members of the Group also contributed to an IACD publication focusing on Anti-Poverty Strategies, which was launched at the UK Federation for Community Development Learning conference in Derbyshire in November 2012.

Advocacy

The Working Group contributed to the Financial Inclusion Priorities launched by EFIN in May 2012. This gives a high profile to saving in the work being done at EU and national level to advocate for financial inclusion.

WG Asset Building meetings:

- 24th May, Brussels
- 7th November, Bucharest
- 14th November, via teleconference



Research Working Group

Led by Fondazione Risorsa Donna, the Research WG objective is to foster the exchange of knowledge, experience and good practices in the research field of microfinance within Europe.

Three meetings were held by the Research WG in 2012:

- 7th May, Rome
- 28th September, Brussels
- 7th November, Bucharest

European Microcredit Research Award

Within the framework of the EMN 9th Annual Conference, the 5^o European Research Award was delivered as a joint initiative of the EMN and Fundación Nantik Lum. The objective of the award is to promote pan-European research projects by linking universities, researchers, practitioners, regulators and clients.

EMN Debate on "Microfinance as a tool of active ageing"

The Research WG organized a debate on "Microfinance as a tool of active ageing" on Friday, December 14th in Brussels, Espace Banca Monte Paschi Belgio, Belgium. The objective of the debate was to discuss different ways active ageing can be encouraged to ensure that older people remain productive members of society.

e-Bulletin (eB)

The Electronic Bulletin (eB) written by the Research Working Group was published on-line in January 2013. This eB stems from contributions to the EMN debate on "Microfinance as a tool of active ageing" that took place in December 2012 in Brussels.



Legal Environment and Regulation Working Group

Coordinated by EUROM, the objective of the LER WG in 2012 has been to contribute to the creation of an enabling legal and regulatory framework for microfinance activities in the EU, strengthening the capacity of the EMN to lobby at the level of EU institutions and supporting the transfer of know-how and best practice among the EU microfinance sector.

Three meetings were held by the LER WG in 2012:

- 18th April, Madrid
- 24th September, Hamburg
- 7th November, Bucharest

Besides the three meetings described above, the group's activities included the following:

1. Presentation at the 2nd National Conference of Microfinance.

During the LER-WG meeting in Madrid, all members of the LER WG attended the Spanish National Conference on Microfinance, organized by Foro de Microfinanzas. The National Conference was focused mainly on the need for a legal framework for microfinance

in Spain; the members of the LER-WG presented the experience of introducing a legal framework in their respective countries.

2. Organization of a workshop during the 9th EMN Annual Conference.

The workshop focused on the evolution of EU legislative initiatives and programmes in the area of microcredit from 2007 to present, with the most representative initiative being the European Code of Good Conduct. In addition, the workshop brought up different stories and needs in European Countries like Italy, Romania, France, Spain, etc., characterized by a great variety of laws and codified in a diversified manner.

In terms of deliverables, the LER-WG prepared in 2012 an Electronic Bulletin (eB) including a collection of national case studies on the legal and regulatory framework for microcredit provision. The brochure included a set of three case studies on Hungary, Romania and Spain. The goal was to present the different legal and regulatory frameworks in a uniform way so as to better describe the similarities and differences between the legal environments across countries within the EU. The brochure is available on the EMN website.



www.european-microfinance.org

3.4. EMN COMMUNICATIONS RESOURCES



➤ During 2012, the **"Programmes"** section of the **EMN website** was updated with the addition of information on the EC JASMINE Microfinance Development Services Workshops and Help Desk and the EC JASMINE Technical Assistance.

➤ Moreover, **EMN has been updating its website regularly**, publishing 58 microfinance related news items and 18 job opportunities in the microfinance or related fields. Also, 35 microfinance related events have been promoted via the EMN website Promoting 35 Microfinance Events and more than 25 Microfinance related reports and documents have been uploaded.

➤ One edition of the **EMN Magazine** was published in December on the issue "Senior Entrepreneurship." Also, an **EMN Research paper** was published on "How Microfinance can support Senior Entrepreneurship and the Transfer of Competences."

➤ Four EMN Policy Notes have been published during the year:

- "Savings, the forgotten half of microfinance," October 2012.
- "Perspectives for EU financial instruments for microfinance and SMEs for the upcoming 2014-2020 period," December 2012.
- "EMN Overview Survey 2010-11. Executive summary and results," December 2012.
- "Active Ageing in the European Union," December 2012.

➤ EMN held its **9th Annual Conference on the 8th & 9th of November 2012 in Bucharest**, on the topic: "Building sustainable microfinance in Europe." Over 240 participants from 18 European countries attended the conference and took part in 15 thematic events organized over two days. The event was celebrated in the Hotel Crowne Plaza. The event concluded with the European Good Practices and Research Awards Ceremonies and a micro-entrepreneurs market.

➤ **One EMN Debate was held in 2012:** Through the collaboration of the Research Working Group, EMN organized the debate "Microfinance as a tool of active ageing" on December 14th, 2012 in Brussels (Espace Monte dei Paschi Belgium). More than 50 participants attended the three different thematic sessions organized in the framework of the event:

1. Current activities, evaluations and future initiatives to tackle the challenges of an ageing population;
2. Adapting microfinance according to demographic change; and,
3. Innovation barriers and future perspectives of microfinance as a tool of active ageing.

➤ EMN also focused on increasing its **social networking activities** using Facebook and Twitter. As of the end of 2012, 1,599 people have "liked" the network on Facebook and the EMN Twitter has 200 followers.

3.5. ESTRENGTHENING OF ADVOCACY ACTIVITIES FOR AN INCREASING RECOGNITION OF THE SECTOR

➤ Participation on the hearing of EMPL Committee of the European Parliament in February 2012, Brussels.

➤ Advice to the European Commission (Unit EMPL C.3) about the link between funding and capacity building for microfinance practitioners. February 2012, Brussels.

➤ The position of the European Microfinance Network (EMN) on the EU programme for Social Change and Innovation 2014-2020 was sent to the European Commission and the European Parliament in May 2012, Brussels.

➤ EMN participated in the Enterprise Europe Network National Conference celebrated in Palma de Mallorca (Spain) on the 6th & 7th of June, 2012. The EEN Spanish members are principally public bodies, chambers of commerce, technology institutions and business associations and organisations working on the development of the internal market, entrepreneurship, financing tools and the transfer of technology among SMEs in the EU. During the conference, EMN introduced itself and the situation of microfinance in

Europe as a tool for financing micro-SMEs and supporting self-employment. This participation has generated a vivid interest among the conference participants and several meetings have been celebrated with EEN members to identify possible collaboration between both networks.

➤ Interactive debate on "The use of EU funds for sustainable microfinance" was celebrated during the EMN's 9th Annual Conference with the participation of representatives from the DG EMPL, DG REGIO and the EIF. November 2012, Bucharest.

➤ EMN contributed to the organisation of the "Commission conference on inclusive entrepreneurship," celebrated in November 2012, Brussels.

➤ Active participation in the meeting "New EU financial instruments for 2014-2020," organized by the European Commission (DG Budget). December 2012, Brussels.

➤ On December 6th, 2012, EMN took part in the "Young European entrepreneurs' seminar," organized by the European Economic and Social Committee, as a representative of the microfinance practitioners in Europe.

➤ EMN has continued its lobbying activities at the EU, scheduling regular meetings between EMN and Unit C3 at DG Employment (the office responsible for youth employment, entrepreneurship and microfinance). In addition, regular contacts have been maintained between EMN and EIF in relation to Progress microfinance and the JASMINE Technical Assistance Programme; other regular contacts were made with EU officials at DG Regional Policy, DG Enterprise and DG Internal Market.

➤ EMN participated in three meetings concerning the European Platform against Poverty (EPAP). Meetings and events attended by EMN representatives in 2012: 4th Stakeholder Dialogue on the European Platform Against Poverty and Social Exclusion. Brussels, 3rd May 2012; Conference on Youth and Social Inclusion. European Commission (DG Research and Innovation) in collaboration with Youth on the Move and the EPAP. 17th & 18th November 2012, Brussels; Second Annual Convention of the EPAP. 5th to 7th December 2012, Brussels.

EMN 2010-11 Overview Survey

For the first time, the 5th edition of the Pan-European overview report on the microcredit sector in the European Union for the period 2010-11 covered widely Non-EU member states in Eastern Europe, including all potential EU candidate states. Compared to past editions, this survey put a special emphasis on gathering and analyzing data from the EMN membership base and the most active and visible organizations in the sector. Another new aspect of this year's edition is a strong focus on identifying institutional blueprints and lending models for European microcredit provision. With the sector developing for more than 20 years in Western and Eastern Europe and the number of loans provided by dedicated microfinance organizations reaching new highs, the need for cross-country observations of institutional success factors is more evident than ever. Another important aspect is the differentiation of general lending models of European micro lending activities. Therefore, this edition of the survey proposes, for the first time, a definition for differentiation of lending activities into two categories: (1) microenterprise lending and (2) social inclusion lending.

Within the 32 countries covered by this iteration of the EMN Overview Survey, 154 out of 376 MFIs have provided

data to the survey, which equals an overall response rate of 41 percent.

The 376 organizations contacted for the survey are already a selection of the organizations that provide microcredit of some form in the countries covered. A key finding from the survey is that, in 2011, all MFIs covered disbursed a total of 204,080 microloans with a total volume 1,047 million EUR. The organizations based in EU member states reported 122,370 loans with a total volume of 872 million EUR. Compared to the results of the survey for the years 2008 and 2009, this marks a rise of 45 percent in the number of loans disbursed and a 5 percent rise in total volume (compared to 2009). The average volume of the loans disbursed in 2011 was 5,135 EUR. In the covered EU member states, the average volume was 7,129 EUR, a decrease compared to the result from the previous edition (2009: 9,641 EUR).



3.6. ORGANIZATION AND GOVERNANCE

EMN's governance is aimed at strengthening and empowering members to become active participants in the network and build sustainability in the sector. This includes an increased awareness of microfinance activities from a government standpoint, a more favourable legal and regulatory environment, better and easier funding options, a focus on capacity building in different European projects and the promotion of social inclusion through enterprise development.

- i. In 2012 the Board of Directors met on four occasions to discuss its annual objectives.
- ii. The EMN General Assembly was celebrated on the 7th of November in Bucharest. This GA had the particularity of being the last from the EMN as a French registered organization. The assembly served as a transition meeting between the French EMN and EMN aisbl registered in Belgium.
- iii. At the end of 2012, EMN had reached a total of 93 members from 21 European countries. Eight new members joined the network in 2012: RoCredit (Romania), European Savings Bank Group - ESBG (Belgium), Credinfo (Hungary), Hefboom (Belgium), ABC Microfinance (Babyloan) (France), The Haagse Hogeschool (The Netherlands), Fundacion Tomillo (Spain) and Fondazione Pangea Onlus (Italy).

Reinforcement of the EMN Secretariat

The EMN Secretariat has been rebuilt by the incorporation of four staff members:



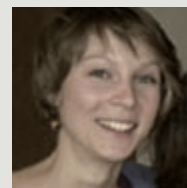
Jorge Ramirez
General Manager



Francesco Grieco
Programme
Manager



Caroline Lentz
Finance and
Administrative
Coordinator



Roxane Lienart
Communications
and Events
Coordinator

Organization and Human Resources

During the first quarter of 2012, Sandra Moreau resigned from her position as General Manager and was replaced by Jorge Ramirez.

The 2012 team also included Francesco Grieco as Programme Manager; Caroline Lentz, who replaced Pauline Chancellee as Finance and Administrative Coordinator; and Roxane Lienart, who replaced Eva Otanke and Caterina Verde as Communications and Events Coordinator. A short-term assignment was addressed by an intern –Marianna Gabrielle– who collaborated in the elaboration of one of the EMN Magazines. A volunteer –Keith Luckcuck– completed the team.

Board of Directors

In 2012, the Board of Directors met on four occasions: 9th March in Brussels, 14th May in London, 14th September in Brussels and 7th November in Bucharest.

In March 2012, Triodos Facet (represented by Klaas Moleenaar) resigned as President of the EMN Board of Directors and was replaced by Fair Finance (represented by Faisal Rahman). In May 2012, EUROM (represented by Maria Doiciu) resigned as member of the EMN Board of Directors.

The EMN Board of Directors ended 2012 with the following organizations:



Faisal Rahman,
President
Fair Finance
(United Kingdom)



Jean Pierre Watthy,
Treasurer
Fonds de Participation
(Belgium)



Klaas Moleenaar,
Vice-president
Triodos Facet
(The Netherlands)



Joyce Kimwaga,
Secretary
NEEM
(Sweden)



Giampietro Pizzo,
Vice-president
Microfinanza
(Italy)



Linda Facchinetti
Fundacion Nantik Lum
(Spain)



Corrado Ferretti
Permico
(Italy)



Helena Mena
Millennium bcp
(Portugal)

Financial Resources

EMN received financial support from its members through annual fees and through their participation in the various activities organized by EMN (Annual Conference, exchange visits, training, research).

EMN met the remainder of its expenses through the involvement of third party organizations and donors including the European Commission (DG Employment, Social Affairs and Equal Opportunities), as well as other European networks fighting social exclusion and poverty.

EMN also received private funding, in particular from The Romanian Agency for Implementing Projects and Programmes for SMEs (AIPPSME), Patria Credit, RoCredit, OMRO, RAF, UNCARSR, Finance in Motion, Post-Privatization Foundation PPF, FAER IFN SA, U.T.C.A.R. HUNEDOARA, Alpha Bank, CEC Bank, OTP Bank and Banca Transilvania. All these institutions offered their support for the 9th EMN Annual Conference held in Bucharest. EMN also received a sponsorship from EIF for the publication of the 2010-11 EMN Overview Survey.

The remainder of resources comes from its various activities, services and projects in which EMN participates.

Expenditure is divided into three categories: core activities (mainly internal governance activities and membership related activities), member services (training, consulting, technical assistance, conferences and exchange visits) and programmes (in 2012: JASMINE, CAPIC and Grundtvig programmes).

4. Annual Financial Accounts

Financial Report

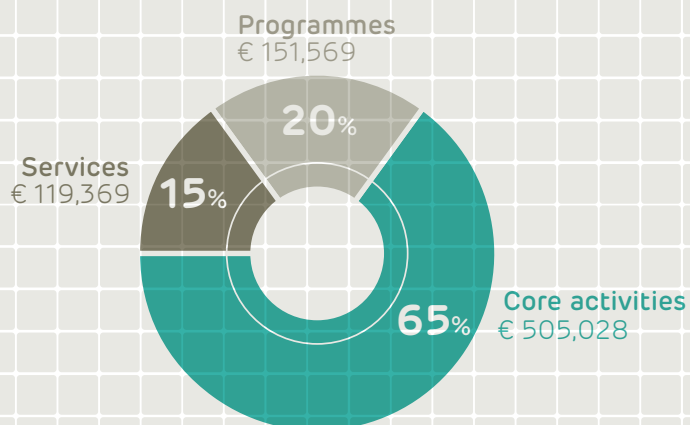
The EMN accounts were audited by an external auditor, Deloitte & Associates. They present the income and expenditure of EMN between 1 January and 31 December 2012

INCOME STATEMENT 31/12/2012

Expenditures	2012	2011	2010	Revenues	2012	2011	2010
Core activities							
Staff	€ 166.629,60	€ 113.940,49	€ 125.638,69	Membership fees	€ 63.050,00	€ 43.453,73	€ 58.650,00
Travel and Accommodation	€ 52.319,47	€ 65.330,12	€ 68.284,72	Misc.& financial revenues	€ 13.175,03	€ 5.052,92	€ 32.991,53
Publication & Translation	€ 10.519,61	€ 32.287,84	€ 52.532,24	EU	€251.436,99	€ 265.423,86	€ 258.423,40
Services	€ 177.014,35	€ 70.593,55	€ 82.079,19	Private funds	€ 0,00		€ 18.533,62
Administration	€ 67.759,93	€ 93.529,72	€ 84.358,83				
Provisions	€ 30.785,00	€ 24.780,00		Provisions reversal	€ 26.280,00		
Sub-total core activities	€ 505.027,96	€ 400.461,72	€ 412.893,67		€ 353.942,03	€ 313.930,51	€ 368.598,55
Balance core activities					(€ 151.085,93)	(€ 86.531,21)	(€ 44.295,13)
Services							
Staff	€ 51.609,46	€ 128.614,45	€ 129.405,20	Training		€ 6.021,11	€ 3.055,00
Travel and Accommodation	€ 43.928,71	€ 135.050,68	€ 161.692,43	Conference	€ 69.098,80	€ 125.150,85	€ 152.946,88
Publication & Translation	€ 13.140,78	€ 14.009,80	€ 41.606,04	Exchange Visit		€ 2.255,75	€ 11.012,57
Services	€ 13.911,04	€ 56.496,82	€ 61.627,84	Consultancy		€ 19.926,10	€ 8.511,64
Administration	€ 28.979,05	€ 52.044,54	€ 6.656,30	Donors			€ 18.533,62
				EU	€ 75.461,30	€ 265.423,86	€ 242.094,88
Sub-total Services	€ 151.569,04	€ 386.216,29	€ 400.987,81		€ 144.560,10	€ 418.777,67	€ 436.154,59
Balance Services		€ 32.561,38	€ 35.166,78		(€ 7.008,94)		
Programmes							
Staff*	€ 22.988,84	€ 23.410,10					
Travel and Accommodation	€ 20.582,51	€ 17.572,71	€ 2.621,85	JASMINE Program	€ 187.687,50	€ 121.980,84	
Publication & Translation	€ 2.978,50	€ 1.053,05		Other EU projects	(€ 5.208,00)	€ 37.067,24	€ 7.463,82
Services	€ 70.997,28	€ 55.735,83		Other		€ 24.966,00	
Administration	€ 1.822,57	€ 658,09					
Sub-total Programmes	€ 119.369,70	€ 98.429,78	€ 2.621,85		€ 182.479,50	€ 184.014,08	€ 7.463,82
Balance Programmes	€ 63.109,80	€ 85.584,30	€ 4.841,97				
Global Surplus	(€ 94.985,07)	€ 31.614,47	(€ 4.286,38)				
Total Expenditures	€ 775.966,70	€ 885.107,79	€ 816.503,33	Total revenues:	€ 680.981,63	€ 916.722,26	€ 812.216,96

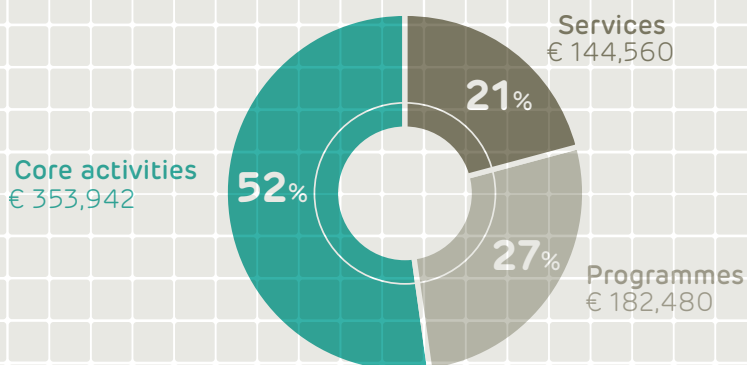
EMN
Expenses by activity
2012

Total Expenditure
€ 775.966,70

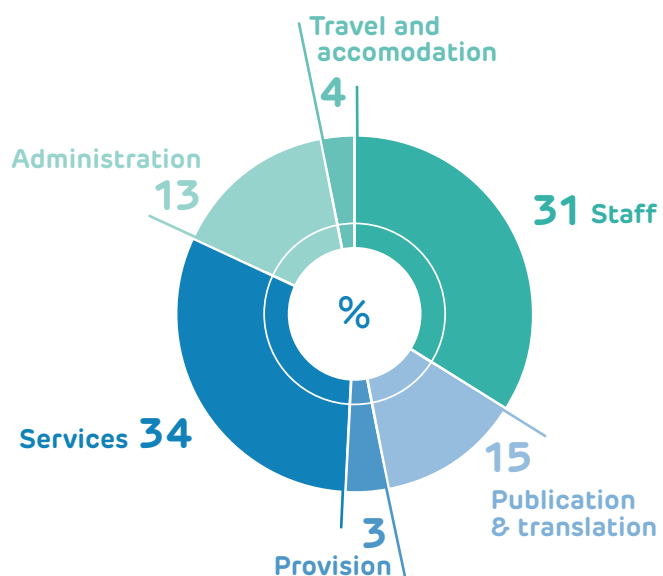


EMN
Revenues by activity
2012

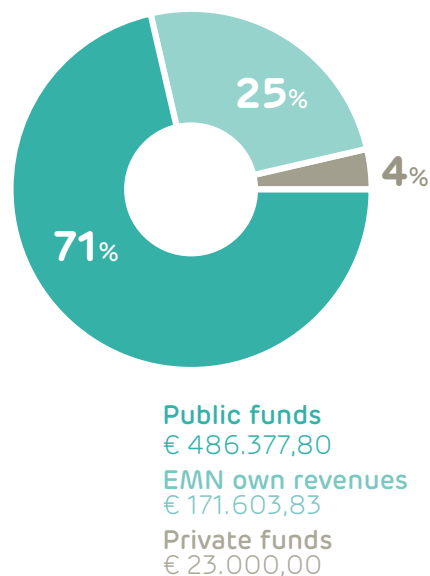
Total Revenue
€ 680.981,63



EMN
Expenses by category
2012



EMN
Revenues by category
2012



BALANCE SHEET

AS OF 31/12/2012

ASSETS	2012	2011	2010	EQUITY AND LIABILITIES	2012	2011	2010
				Own and General Funds			
Long term assets		€ 58.928,36	€ 55.390,48	Own funds	€ 222.882,87	€ 191.268,40	€ 195.554,78
				Surplus of the year	€ (94.985,07)	€ 31.614,47	(€ 4.286,38)
Total I	€ -	€ 58.928,36	€ 55.390,48	Total I	€ 127.897,80	€ 222.882,87	€ 191.268,40
				Provisions for risk	€ 20.000,00	€ 24.780,00	
Current Assets				Dedicated Funds			
				Total II	€ 20.000,00	€ 24.780,00	€ 0,00
				Current liabilities			
Accounts Receivable	€ 245.565,09	€ 130.659,17	€ 122.148,11	Accounts payable	€ 172.449,33	€ 38.324,16	€ 66.721,16
Savings accounts			€ 371.874,13	Fiscal and social debts	€ 25.794,31	€ 52.748,83	€ 41.988,11
Bank	€ 100.576,35	€ 212.975,04	€ 57.836,56	Other debts		€ 63.478,48	€ 57.373,38
Prepaid Expenses		€ 1.943,80	€ 14.301,10	Revenue received in advance		€ 2.292,00	€ 264.199,33
Total II	€ 346.141,44	€ 345.578,01	€ 566.159,90	Total III	€ 198.243,64	€ 156.843,47	€ 430.281,98
TOTAL GENERAL (I+II)	€ 346.141,44	€ 404.506,37	€ 621.550,38	TOTAL GENERAL (I+II+III)	€ 346.141,44	€ 404.506,34	€ 621.550,38

EMN Vision

EMN envisions a society in which all those who are financially and socially excluded have access to the full range of financial and complementary support services empowering them to start new ventures, consolidate existing businesses and finance personal needs that improve their lives.

EMN sees itself as the leading network of institutions in Europe empowering excluded people to become active citizens who turn an idea into a reality, who take their destiny in their own hands and contribute positively to society.

EMN Mission

EMN's mission is to build universal and open access to appropriate financial and complementary support services suited to society's needs at affordable prices allowing people to deploy their talents in order to create wealth and value while having a positive social impact.

Empowering EMN members to become acknowledged actors and partners in the financial sector that reach out to a large number of enterprising people who in turn create jobs and contribute to sustainable growth.

Values

The six core values for EMN can be defined as the SPIRIT of EMN:

Sustainable: EMN believes that Microfinance must be a vector for sustainable growth in Europe, with sustainable financial and business development service providers that design, develop and render sustainable quality services and generate long-term economic growth. EMN's advocacy efforts are focused on ensuring that policies, funding strategies and regulations allow the Microfinance sector in Europe to become sustainable.

Practice-driven: EMN is a network of effective organizations that are motivated to deliver services in a pragmatic way and that meet practical needs of people in society. EMN as a network by and for its members puts learning from successful practices from within as well as from other regions in the world, central on its agenda and stimulates its replication throughout Europe.

Inclusive: the activities of EMN and its members focus on providing services to persons who are financially or socially excluded and which result in their financial inclusion and a subsequent growing social inclusion.

Responsive: Networking is the essence of EMN in which the members govern the Network and set the agenda and EMN strives to respond and provide solutions to the needs of its members. A permanent flow of impulses, ideas and information in the network, where members feed into the network, and the network feeds back towards the members (especially through its working groups), is what keeps EMN a vibrant, solid and legitimate network for and by members.

Innovative: EMN is innovative by nature and motivates its members to innovate in their work and strives at providing them with innovative tools and services to improve their activities.

Transparent: EMN works in a transparent way and promotes transparency amongst its members at governance, management and service rendering level, advocating for disclosure of their activities and benchmarking of their performance.



5. Members' List

As of 31 December 2012, EMN had 93 members and partners located in 21 European countries. Between them, 70 are active members, 2 are founding members*, 12 are corporate members** and 9 are partners***.

Country	Members
Albania	FondiBesa***
Belgium	Brusoc
	CREDAL – Crédit Alternatif
	Fonds de Participation
	MicroStart
	SOWALFIN
Bosnia – Herzegovina	Lok Micro***
Bulgaria	Microfond EAD
Croatia	DEMOS
Finland	Finnvera
France	Adie*
	ABC Microfinance - BABYLOAN
	Chaire de Microfinance Audencia Nantes
	Crédit Coopératif**
	Fédération Nationale des Caisses d'Épargne***
	Groupe ESC Dijon Bourgogne
	PlanetRating
Germany	DMI
	GLS Bank**
Hungary	CREDinfo
	The Hungarian Microfinance Network
Ireland	First – Step Microfinance
Italy	Banca Popolare Etica**
	Fondazione Don Mario Operti Onlus
	Fondazione Giordano dell'Amore
	Fondazione Pangea Onlus
	Microfinanza srl
Norway	NCN. Network Credit Norway
Poland	Inicjaywa Mikro
	PSFP. Polish Association of Loans Funds
Portugal	ANDC. Associação Nacional de Direito ao Crédito
Romania	Eurom Consultancy & Studies
	Fair Credit House
	OMRO. Opportunity Microcredit Romania**
	Post Privatization Foundation
	S.C.M. Aurora IFN S.A.
	UTCAR Hunedora
Russia	The Russian Microfinance Center***
Spain	ACAF
	CP'AC
	Fundación Cajasol**
	Fundación Tomillo
	Microbank**
	Nantik Lum
	SURT
Sweden	NEEM. Network for Entrepreneurs from Ethnic Minorities
Switzerland	AKAM. Aga Khan Agency for Microfinance
The Netherlands	Cultur en Ondernemen
	Research Group FINE (Financial Inclusion and New Entrepreneurship), The Hague University of Applied Sciences
United Kingdom	Business Finance Solutions
	Fair Finance
	Foundation East
	PSYBT. The Princess Scottish Youth Business Trust

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Fax: +32 (0)2 218 31 41

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www.european-microfinance.org

2012

