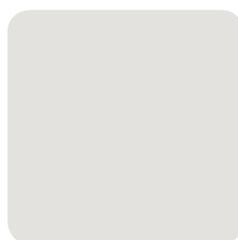
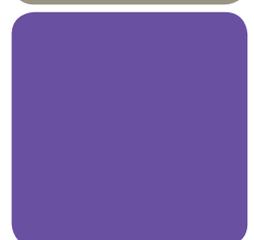
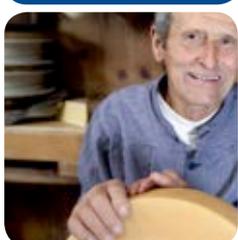
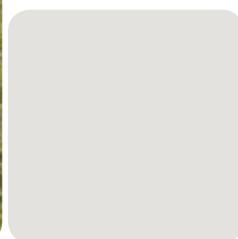
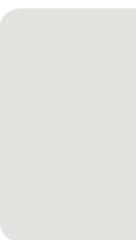


EUROPEAN
MICROFINANCE
NETWORK

2013 Annual Report



emn





2013

emn





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The seven-year Programme 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.

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- relaying the views of the stakeholders and society at large

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Foreword

by Faisal Rahman,
EMN President

Welcome to the first annual Activity Report of the new EMN which was officially registered and active in Brussels from January 1st 2013!

In this European Year of Citizens it is good to be reminded that microfinance rightly plays a role in social and financial inclusion and is a key support tool for migrants and the unemployed to become active economic agents in the EU. This seems more apt as the importance of inclusion was paramount in all countries recovering from the financial crisis.

Towards this end the EMN continued its strategy of advocacy, lobbying, improving microfinance delivery, encouraging greater participation and promoting best practices across the EU. In this we have been successful through our continued delivery of high quality support through the JASMINE Microfinance Development Services in partnership across 10 different EU countries as well as promoting a range of online support tools for practitioners and various publications.

The EMN's approach of membership involvement was no better shown than at our Annual Conference, held this year in Stockholm under the theme of innovation. It was well received by hundreds of delegates from nearly 20 EU countries. The Secretariat and EMN member NEEM worked hard to deliver a truly memorable conference and Innovation Race that involved clients, practitioners and supporters of microfinance. I can honestly say the bar has been raised high for future conferences.

This year also welcomed a new Board to the EMN and a re-organisation of our Working Groups. As a network we are proud at the level of involvement of our members which is consistently high and of good quality. As a light touch network it is important that the EMN utilises the vast skill and experience of our membership to help shape policy and improve practices; and it is something we will continue to do.

Last year I wrote that I would look forward to when the EMN had members in all EU countries, too date we are at 22 and growing. I hope by the next report we report a full EU representation.

I do hope you enjoy reading this summary of activities. The Secretariat has worked hard and done well to deliver a fantastic range of good quality services through the year, while representing the interests of microfinance practitioners at every level. If you want to find out more about any aspect of this report do get in touch with the team.

1.

Highlights of 2013

2013 was the “European Year of Citizens”, dedicated to the rights that come with EU citizenship. In line with the 2013 European Year theme and in accordance with the EU 2020 strategy, EMN activities focused on the rights that come with EU citizenship, particularly on social and financial inclusion and the role of microfinance for migrants.



EMN held its **10th Annual Conference on the 25th & 26th of June in Stockholm**, on the topic, “Innovative Pathways for European Microfinance.” Over 275 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. An Innovation Race including the participation of 20 clients from microfinance providers from all over Europe was also organized in parallel to the conference.



At the end of 2013, **the network totalled 85 members from 22 European Countries. Five new members joined the organization during 2013:** Microfinance Ireland (Ireland), CEEI Burgos (Spain), Micro Development (Serbia), Romcom (Romania) and SIS Credit (Bulgaria).



The 5th edition of the European Best Practices Award, organized jointly by EMN and FGDA, was awarded to **Savings House Moznosti** (Macedonia) during the 10th EMN Annual Conference.



The management of the **EC JASMINE MDS (Microfinance Development Services)** allowed the exchange of good practices between stakeholders and enabled EMN members to participate in 10 workshops, focusing on key issues for the development of microfinance in the EU. Moreover, in 2013, the on-line Helpdesk provided answers to more than 80 enquiries related to microfinance in the EU posted by practitioners, clients, academics and various beneficiaries.



EMN as a French organization ceased its activities while the new EMN aisbl, legally registered in Belgium, started its activities. As part of the process, an entire new Board of Directors was selected by the members during the General Assembly celebrated on the 24th June in Stockholm.



2.

The Action Plan



2013 was a significant year for the development of the European Microfinance Network in all three areas outlined in EMN's strategic plan for 2011-2013. EMN's internal organization was enhanced by a fully staffed secretariat. Our network has continued to grow with the inclusion of 5 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 2013:

2.1. TO IMPROVE THE GOVERNANCE, SUSTAINABILITY AND IMPACT OF THE ORGANIZATION

- EMN will aim to organize its activities in an efficient and economical way with lean and sustainable support facilities. Projects and Services will always be delivered in a way to ensure that the costs of delivering the core service are covered.
- EMN will maintain and develop a sustainable and diversified funding base.
- EMN will be an initiator of projects and encourage the membership to develop and take ownership of the process. EMN's role will be of facilitator or coordinator. If members are unable to take up opportunities, EMN may take a more proactive role but will need to draw resources from the membership to ensure legitimacy and efficacy.
- EMN will develop expertise in capacity building but will not aim to employ its own implementing / executing training, consultancy and/or research team. It will lead and coordinate opportunities with members. Its competitive advantage is pan European perspectives, direct access to microfinance agencies and close links to the Commission. The EMN puts itself in the position of commissioner and, if able, lobby to have its views included on microfinance in Europe.
- It is the role of the EMN Board to lead on advocacy and direct representations, with the support of the secretariat. Board members will be expected to take on more active responsibilities in promoting and raising the profile of microfinance both nationally and internationally.
- Therefore, board membership will need to be strengthened to assist this additional external requirement, with membership moving from being purely representative to also including skills based on the need to fill gaps at a strategic level.
- Board Meetings will move towards a priority based approach, incorporating some standing agenda items to ensure oversight while focusing on a specific priority area (e.g. one item focusing on EMN strategic development priorities for the year; one item focusing on finances and services development; one general review item of Exec Team Activities and programs development; and one item focusing on wider political strategy and lobbying activities).

2.2. TO EMPOWER MORE MEMBERS TO BECOME ACTIVE PARTICIPANTS IN THE NETWORK AND BUILD SUSTAINABILITY IN THE SECTOR

- EMN will decentralize as much of the organization and execution of its activities through the membership as possible, encouraging and facilitating local and regional collaboration by forming working groups in which members actively participate and provide input into activities.
- EMN will focus its training and capacity building activities in the growth, quality and sustainability of microfinance agencies to increase the impact of microfinance in Europe.
- EMN will promote transparency and disclosure of members and their annual activities. A common and simple framework will be developed for information to be collected and reported to the EU and national governments.
- EMN will initiate an in-depth discussion amongst the membership as to the type of members who should be part of the network.

2.3. TO CHANGE AND IMPROVE THE REGULATORY AND LOCAL ENVIRONMENT FOR MICROFINANCE BY INFLUENCING POLICY AND BUILDING PARTNERSHIPS ACROSS A RANGE OF SECTORS TO SUPPORT THE MEMBERSHIP

- The EMN Secretariat will aim to develop active partnerships, but not memberships, with other microfinance networks at both national and international levels.
- EMN will build partnerships and relationships with financial and banking intermediaries to facilitate support for the network and encourage collaboration.
- EMN will promote opportunities for investment in microfinance and development partnerships.
- EMN will aim to build closer and stronger relations with the EU to lobby for and maintain a voice among policy makers, regulators and funders of the sector.
- EMN will support members to lobby for change and improvements in the national microfinance environment, and act as a conduit of information on national and international policy and advocacy.

3.

Activities in 2013

3.1.

INCREASING INVOLVEMENT AND GOOD PRACTICES AMONG EMN MEMBERS ORGANIZATION AND DISSEMINATION OF GOOD PRACTICES

In 2013, EMN collected and disseminated 15 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

In partnership with Fondazione Giordano Dell'Amore, EMN organized the Good Practices Award during the Annual Conference (Stockholm, 25-26th June). The 3 MFI finalists selected for the Good Practices Award were:

- ▶ DMI (Deutsches Mikrofinanz Institut), Germany, with the proposal "Early risk warning system for high-growth MFIs".
- ▶ Partner Microcredit Foundation, Bosnia-Herzegovina, with the proposal "Solar Energy as the future of Sustainable Development".
- ▶ Savings House Moznosti, Republic of Macedonia, with the proposal "Delightful-loan for non-documented micro business" (Winner 2013).



Three videos from the experiences of the 3 selected MFIs were presented. These videos, made by FGDA in collaboration with EMN, were screened to promote and disseminate the Good Practices among the participants of the EMN Annual Conference.



European Research Award

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.

The European Research Award 2013 was granted to Ms Marinette Kamaha (Université Bordeaux 4) for her study on "The impact of microcredit in France: which evolution for the beneficiaries?"

Ms Kamaha was awarded the prize of 1.000€ by Fundacion Nantik Lum. In her paper, she investigated the evolution of the beneficiaries of microcredit in France and the role of microcredit in this evolution. The results revealed a contrast between perception and economic reality. There appears to be a strong psychological impact of microcredit but low economic spin-offs.

EMN EXCHANGE & PEER-TO-PEER VISITS

EMN Exchange and Peer-to-peer visits 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 on the 2014-20 EU Funds for Microfinance was organized in Brussels by the end of the year. The event included the participation of 47 organizations. From these, 30 participated via on-line as the event was streamlined for the members for the first time in the life of the organization. The event was organised on the 18th December 2013 in Brussels.
- **Peer-to-Peer Visits.** This year, four peer to peer visits have been organized, namely:
 - 23rd & 24th May, between **Qredits** (visiting org.) and **Permico** (hosting org.).
 - 25th & 26th June, between **microStart** (visiting org.) and **ADIE** (hosting org.).
 - 23rd September, between **DMI** (visiting org.) and **FGDA-RITMI** (hosting org.).
 - 21st & 22nd November, between **Permico** (visiting org.) and **Qredits** (hosting org.).
 - November 2012, between **Microcredit Solidaire Suisse** (MSS) and **Qredits**.

3.2 FACILITATING ACCESS TO CAPACITY BUILDING

EMN Programmes and Resources:

In 2013, 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 to 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:



	EIF Topic for Jasmine	Date	City/country	Event organization
1	The importance of corporate governance for MFIs development	17/12/2013	Brussels, Belgium	EMN / ESBG
2	Innovative techniques for offering non-financial services	29/11/2013	Bucharest, Romania	EMN / Patria Credit
3	Alternative models to fund microenterprises: P2P lending, guarantees and micro-equity	14-16/11/2013	Luxembourg	European Microfinance Week
4	Comparing business models in European microfinance	15/10/2013	Milan, Italy	Permico-RITMI
5	Social inclusion/personal lending: a new trend in microfinance?	17/09/2013	Paris, France	Convergences World Forum
6	Savings the forgotten half of microfinance?	04/07/2013	The Hague, The Netherlands	The Hague University of Applied Sciences
7	How to increase outreach towards specific target groups	26/06/2013	Stockholm, Sweden	EMN AC
8	Raising funds and attract new investments	25/06/2013	Stockholm, Sweden	EMN AC
9	Implementing the European Code of Good Conduct	25-26/06/2013	Stockholm, Sweden	EMN AC
10	Cooperation between banks and MFIs	22/05/2013	Majorca, Spain	FEBEA General Assembly

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 2013, EMN received 80 questions. **The most common question asked was related to funding access in the EU**, mostly concerning funds below the minimum of €1 Million necessary to access the JASMINE or EPMF programmes. In response, consultants recommended options for funds available at the EU and national level. Other questions included general enquiries about the JASMINE programme and the EC Code of Good Conduct.

Online Training Modules

EMN has made available two new on-line training modules to the sector during 2013:

1. EMN organized a web-stream to around 70 participants with regards to the Exchange Visit on EU funds celebrated on the 18th December 2013 in Brussels.

The video of the streamed session is available on the EMN website: www.european-microfinance.org/index.php?rub=activities&pg=exchange-visits&spg=exchange-brussels-eufunds

2. EMN coordinated the creation of 7 video productions on microfinance business models in Europe that are available on EMN website. These videos show in a very concrete and efficient way, diverse MFI business models around Europe that are very instructive on the reality of microfinance in Europe.

The videos are available at:
www.youtube.com/watch?v=VTBIDgDtWBI&list=PLayMZn55oNy25d_KiKfJG-9Ej5DMchVQR&index=1

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 2013 are summarized below:



3 EMN Working Groups (WG) started their activities at the beginning of 2013 focusing on the following themes: Growth, Legal Environment and Regulation, and Research. 20 EMN members actively participated in the undertakings of the 3 Working Groups.

6 Working Group meetings have been organized during 2013:

- **Research WG**, Brussels, April, 19th 2013;
- **Research WG**, Stockholm, June, 24th 2013;
- **Legal Environment and Regulation WG**, Zagreb, April, 18th 2013;
- **Legal Environment and Regulation WG**, Stockholm, June, 24th 2013;
- **Legal Environment and Regulation WG**, Budapest, September, 26th & 27th 2013;
- **Growth WG**, Amersfoort, May 14th, 2013;
- **Growth WG**, Stockholm, June, 24th 2013.



During the 2013 EMN General Assembly Meeting held in Stockholm on June 24th, a new structure for the EMN Working Groups was approved in order to maintain a high level of involvement of the members in the network.

Two Idea-labs ("Self-Managed Financing Systems SMFS" & "Enabling online distant tools supporting small and micro-entrepreneurs") and one Think-tank ("Interested Parties on Financial Inclusion – IPFI") have started their operations during 2013, with the participation of 16 EMN members.



3 meetings have been held in the framework of the new EMN working groups structures, which included the active participation of 15 EMN members:

- **Interested Parties on Financial Inclusion (IPFI) Think-tank meeting**, 25th September 2013, Budapest, Hungary.
- **Self-Controlled Financing Systems (SCFS) Idea Lab meeting**, 10-11 December 2013, Den Haag, The Netherlands.
- **Enabling online distant tools supporting small and micro-entrepreneurs meeting**, 27th November 2013, Meeting Via Skype.

In total, 6 Working Groups have been active during 2013, with the participation of 36 EMN members.

PUBLICATIONS

Microfinance Growth Stories in the EU - A comparison of growth strategies of the members of the EMN working group on Growth and key findings for peer exchange

The starting point of the EMN Working Group on Growth has so far been limited to the explanatory power of success factors for microcredit provision at the institutional level in Europe. Moreover, the growth of an MFI depends on a multidimensional set of factors. The analysis of success factors is of high relevance not only for individual MFIs, but also for the microfinance sector as a whole in Europe. This is due to the design and amount of recent EU funding, which is based on the idea of developing high-growth organisations throughout the EU-28 member states.

EMN Legislative Mapping Report - Hungary

The overall objective of the mapping exercise identifies key legislative elements and stakeholders who support MF providers, including both public (not for profit) and private (commercial MFIs) to improve outreach, efficiency and the effectiveness of their operations, as well as to comply with the requirements described in the European Code of Good Conduct for Microcredit Provision (ECoGC).

Legal & Regulatory Working Group: Mapping report - Croatia

The objective of the mapping exercise in Croatia is to identify the key stakeholders of the microfinance sector, to map their interest and capacity in lobbying for the creation of an enabling legal framework, contribute to the development of an efficient and effective microfinance sector capable of serving un-bankable entrepreneurs, and to benefit the socio-economic development of the country within the European Union context.

The Importance of Microfinance Legislation for the Development of the Sector in Spain

The II National Microfinance Meeting was titled The New Spanish Microfinance Legislation. Experts both from the European Microfinance Network (EMN) and from European Institutions, such as the European Social Fund (ESF) and the European Investment Fund (EIF) attended the meeting. The objective of the meeting was to examine experiences in other countries that could serve as a lesson for the development of Spanish microfinance legislation. This Monograph of the Spanish Legislation Forum compiles the work developed during these days.

E-Bulletin on Microfinance as a tool of active social inclusion and poverty alleviation

EMN, in collaboration with its Research WG, released the 5th issue of the Electronic Research Bulletin (eRB) on "The impact of Microfinance as an Active Inclusion Strategy". This review is an annual output of the RWG and is intended to promote microfinance research in Europe by giving researchers a permanent forum through which their work can reach a pan-European audience.

EVENTS

2 national advocacy workshops were organized during 2013:

- "Workshop on the Legal and Regulatory Environment for Microfinance provision in Croatia Zagreb", 19th April 2013, Zagreb
- "The experience of the Hungarian legal framework for MF provision and its lessons in an international context, and the possible effects of the implementation of the EU CoGC for the sector". 25th September 2013, Budapest, Hungary

3.4

EMN COMMUNICATIONS RESOURCES

➤ During 2013, EMN has refreshed its **website** to increase accessibility and clarity for users. The new website is accessible on www.european-microfinance.org

➤ Moreover, **EMN has been updating its website regularly**. The following contents were uploaded to the website by the 31st December 2013: 53 microfinance related news and calls published; 20 job opportunities in microfinance or related fields advertised; 33 Microfinance related events promoted; 25 microfinance related reports and documents uploaded.

➤ One edition of the **EMN Magazine** on the topic, "Migrants' financial inclusion in the EU: which role for the microfinance sector?" was published in March 2013. Also, an **EMN Research Paper** was published in December 2013 with the title "European Green Microfinance: a first look."

➤ Four EMN Policy Notes were published during the year:

- Policy Note on the implementation of the European Code of Good Conduct for Microfinance provision
- Policy Note on Green Microfinance
- Policy Note on the EU Social Investment Package
- Policy Note on the role of Microfinance and entrepreneurship in the next EU budgetary period.

➤ EMN held its **10th Annual Conference** in Stockholm on June 25-26th on the topic: "Innovative pathways for Microfinance in Europe." More than 275 participants from 18 European countries attended the Conference and took part in the 15 thematic events organized over 2 days. All the conference information, film, pictures and conclusions can be found at www.emnconference.org/archives/stockholm2013

➤ **During the EMN Annual Conference**, a 48 Hour Innovation Race was organized with the participation of 20 clients from different European MFIs as a managed brainstorming model to produce innovative ideas for the sector in Europe. Films, outputs and reports about the Innovation Race can be found at www.emnconference.org/archives/stockholm2013/index.php/innovation-race



➤ **Two EMN Debate were held in 2013**: EMN organized a Debate on the topic, "Migration and Microfinance" in collaboration with EMN member microStart (Belgium) on May 29th in Brussels. 33 participants attended the event. More information on www.european-microfinance.org/index.php?rub=activities&pg=emn-debates&spg=role-microfinance

The second EMN Debate was organized on the 18th November in Rome with the title, "The impact of Microfinance as Active Inclusion Strategy" in collaboration with the EMN Research Working group: www.european-microfinance.org/index.php?rub=activities&pg=emn-debates&spg=impact-microfinance

➤ EMN has published **4 Newsletters** and disseminated them among more than 3.800 contacts.

- Newsletter Spring 2013 (mid-March);
- Newsletter Summer 2013 (beginning June);
- Newsletter Autumn 2013 (beginning September);
- Newsletter Winter 2013 (mid-December).

➤ EMN also renewed its **social networking activities** via Facebook, Youtube, Flickr, Linkedin and Twitter. As of the end of 2013, 2.082 people have "liked" the network on Facebook and the EMN Twitter has 388 followers.



➤ EMN has participated in different conferences and events during the year, with the purpose of identifying organizations that fit the criteria or vision to be new potential members:

- **"Nuevo escenario financiero Europeo"** 2014-20. 31st January, Sevilla (Spain).
- Presentation **"Microfinance in Europe"**, Real Instituto de Estudios Europeos (RIEE). 20th April, Brussels.
- **Meeting Balearic Island Government**. 15th May, Brussels.
- **Meeting of Regional Spanish Offices** in Brussels to introduce to them the basics of Microfinance in Europe. 4th June, Brussels.
- **Microfinance Lunch Break**. Organized by ADA & KBC. 11th October 2013, Brussels.
- EMN participated in the **Working Group Meetings on Microfinance** organized by the peer network Convergences, France, on 13th February, 12th June and 20th November 2013. EMN also contributed to the yearly publication issued by the Convergences Network **"Microfinance Barometer 2013"**, available under: http://www.convergences2015.org/Content/biblio/BMF_ENG_2013_2205_web.pdf and organized a workshop during the Convergences World Forum on 17th September 2013.

➤ EMN has conducted regular meetings with European Microfinance stakeholders and Progress Networks working on issues related to the Social Investment Package. EMN has increased its presence and has coordinated meetings together with other European stakeholders and European partners working in the microfinance sector. Regular meetings have been conducted with European Commission units, EIF, EMN partners (ESBG, BNP Paribas, ADIE, MFC, etc.) and other stakeholders working on issues related to the Social Investment Package, namely:

- Participation in the workshop **"Microfinance as impact investing: but what impact?"** 7th March 2013, Brussels.
- Participation with ADIE in **meetings with Microstart & DG EMPL**. 3rd April 2013, Brussels.
- Participation at the **Stakeholders Meeting on Financial Instruments in Cohesion Policy 2014-20**. 17th May 2013, Brussels.
- Participation in the launch event of **EUFFI study on new payment methods**. 5th June 2013, Brussels.
- Participation in the **Stakeholders Meeting on the new Financial Instruments**. 20th June 2013, Brussels.
- **Proposed Framework For Financial Instruments Under The European Structural And Investment (Esi) Funds 2014-20**. 2nd Informal Stakeholders Meeting. 7th October 2013, Brussels.
- **UIA Associations Round Table – Europe**. Tuesday 12th November 2013, Brussels.

➤ EMN Participated in different conferences and forums related to Microfinance, Entrepreneurship, Youth employment, Social inclusion and Social performance of microfinance:

- **Club microfinance Paris**. 27th March 2013, Paris.
- **3rd International Social Enterprise Forum**. Business School EDHEC. 5th May 2013, Nice.
- **Strengthening the democratic legitimacy of the European Semester - Civil Society proposals for smart, sustainable and inclusive recovery** - Public Hearing European Parliament - EAPN. 14th May 2013, Brussels.
- One-day **JASMINE** initiative event organized by the European Commission (DG REGIO) and the European Investment Fund. 24th May 2013, Brussels.
- 16th MFC Annual Conference **"Microfinance 2.0: charting new waters?"** 28-30th May, Budva, Montenegro.
- European Commission Workshop: **"Crowdfunding: untapping its potential, reducing the risks"**. 3rd June 2013, Brussels.
- Participation in the **Conference on social innovation in micro-savings**. 9-10th September, Brussels.
- Participation in the presentation of **"Microfinance: the stories behind your loans and other tools for poverty alleviation"**. Organized by the European Parliament and chaired by Syed Kamall MEP. September 25th, 2013 in Brussels.
- **What Progress on Poverty and Participation?** EAPN workshop on Europe 2020. 30th September 2013, Brussels.
- **European Code of Good Conduct for Microfinance provision: Presentation of the evaluation methodology**. DG REGIO / University of Salford. 14th October 2013, Brussels.
- European Microfinance Week 2013 – **The Future of Microfinance: Investing in Inclusive Growth**. European Microfinance Platform. 12-14th November 2013, Luxembourg.

➤ EMN also took part in the European Platform against Poverty meetings and activities:

- Participation in the **European Platform Against Poverty 6th Stakeholder Dialogue meeting**, 7th June, Brussels.
- Participation in the **7th Stakeholder Dialogue on the European Platform Against Poverty and Social Exclusion**. 30th September, Brussels.

➤ EMN has carried out an advocacy strategy at the EU level for Microfinance to be considered as a key tool for the implementation of the EU 2020 strategy and for the development of specific policies and instruments to be implemented in the 2014-2020 programming period.

An EMN Position paper with the subject **"EMN position on the Microfinance sector needs to achieve its**

sustainability while enhancing the entrepreneurship across the EU” was sent to the Vice-President of the European Commission and Commissioner of Industry & Entrepreneurship on 23rd April 2013.

A series of advocacy meetings were carried out by EMN President and General Manager with the following EU institutional representatives:

- **Meeting EMN – EIF.** Meeting held on 4th September 2013 at EIF premises in Luxembourg
- **Meeting EMN – DG EMPL.** Meeting held on 4th December 2013 at DG EMPL premises with DG EMPL Director General
- **Meeting EMN – DG REGIO.** Meeting held on 4th December 2013 at DG REGIO premises in Brussels
- **Meeting EMN – MEP Syed Kamall.** Meeting held on 4th December 2013 at the European Parliament with Mr Syed Kamall (MEP from London)

➤ **EMN has built alliances with European networks and national actors dealing with the Social Investment Package and the Europe 2020 Strategy for smart, sustainable and inclusive growth.**

- Participation in the 2nd forum on **“Microfinance and EU Policy: Resources and opportunities for the microenterprise and social inclusion”** organized by the Italian National Public Agency for Microcredit, on January, 31st and February, 1st 2013 in Rome.
- Participation as a speaker in the **“Jornada Tecnica sobre Microcreditos”** CECA Bank. The event was a presentation of the new department created within the Spanish Confederation of Savings Banks (CECA Bank) to address microfinance related initiatives from its members in the future. The meeting was held on 27th February 2013 in Madrid (Spain). As a consequence of this participation, CECA Bank is applying to become an EMN member during 2013.
- Organization of the first meeting of the **“Interested Parties on Financial Inclusion”** which brought other national microfinance networks to the table to establish a coherent national and European level lobbying strategy. The meeting was held in Stockholm on 26th June 2013 and included the participation of the following organizations: CDFA -Community Development Finance Association (UK); PEM - Plataforma de Emprendimiento y Microfinanzas (ES); RITMI - Rete Italiana di Microfinanza (IT); FEBEA - European Federation of Ethical and Alternative Banks (BE); DMI - Deutsches Mikrofinanz Institut (GE); EMN - European Microfinance Network (BE); MFC – Microfinance Center (PO); Hungarian Microfinance Network (HU); AEM - Asociacion Espanola de Microfinanzas (ES). As a consequence of this meeting, the parties created the EMN Think-tank “Interested Parties on Financial Inclusion – IPFI” to deal with

advocacy issues at the national and European level.

- EMN participated in the round table of the **Nordic Microfinance Network**, celebrated on 26th June 2013 in Stockholm. During the meeting, EMN introduced the most relevant aspects of its internal management and governance that could be useful to set up this new organization.
- Participation as a speaker in the **Presentation of Youth Business Spain**. 20th November 2013, Madrid (Spain). The EMN’s role was to support the initiative of several Spanish EMN members of the establishment of YBI in Spain. YBS has successfully started operations in 2014. <http://youthbusiness.es>
- EMN participated in the celebration of the **15th Anniversary of Microcredit in Portugal** celebrated on 13th December 2013 in Lisbon (Portugal). The event was attended by EMN President, Mr Faisal Rahman, who participated as a speaker.

➤ **EMN has given support to pilot microcredit initiatives in several countries by facilitating contacts with EMN members, potential funders and other social actors:**

- **Meeting with the organization KEPA (Greece)** to support its initiative of establishing the first microfinance project in Greece. The meeting was held on 22nd May 2013 in EMN offices and, KEPA is applying for EMN membership as a result from our continued collaboration.
- Participation (as speaker) during the presentation of the **Spanish Microfinance Association** celebrated on 23rd May 2013 in Madrid. EMN was also invited to the meeting afterwards in which key aspects of EMN internal management/governance were presented that could also be implemented in the recently created AEM – Asociacion Espanola de Microfinanzas. The AEM plans to apply for EMN membership during the next few months.
- EMN participated in the **Parliamentary audition** to lend support for the development of the microfinance sector in Norway. Mr Jorge Ramirez, EMN General Manager, participated as a speaker explaining the EU funds available for the promotion of the sector and the different MF business models and their replicability in Norway, 18th November 2013, Oslo (Norway).
- Through the petition of the Economic and Social Committee (CESE) of the French Assembly, EMN participated in an audition for the **“Délégation à l’Outre-mer du CESE”** with the title “La microfinance dans les Outre-mer” with the aim of enhancing the microfinance role on these areas. 10th December 2013, Paris (France).

3.6 ORGANIZATION AND GOVERNANCE

EMN's governance is aimed at strengthening and empowering members to become active participants in the network and building sustainability in the sector. This includes an increased awareness of microfinance activities from a governmental 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 2013 the **Board of Directors** met on five occasions to discuss its annual objectives, namely:
 - 28th February 2013 in Torino (Italy)
 - 15th April 2013 in Lisbon (Portugal)
 - 24th June 2013 in Stockholm (Sweden)
 - 19th September 2013 in Brussels (Belgium)
 - 28th November 2013 in Bucharest (Romania)
- ii. Due to the organization's transfer of activities to Belgium, which implied the closure of the French EMN (EMN) and the opening of operations of the Belgium EMN (EMN aisbl), 3 **General Assemblies** were organized during the year, namely:
 - EMN aisbl General Assembly. 24th April 2013, via video-conference
 - EMN General Assembly. 24th June 2013, Stockholm.
 - EMN aisbl Annual General Assembly Meeting. 24th June 2013, Stockholm
- iii. At the end of 2013, **EMN had reached a total of 80 members** from 22 European countries. **Five new members joined the network in 2013:** Microfinance Ireland (Ireland), CEEI Burgos (Spain), Micro Development (Serbia), Romcom (Romania) and SIS Credit (Bulgaria).
- iv. **The EMN 2012 Annual Report** was printed and distributed during the EMN Annual Conference in Stockholm and is available on EMN website: www.european-microfinance.org/index.php?rub=emn-aisbl&pg=annual-reports&spg=emn-annual-report-2012
- v. EMN finalised the audit certification process for its 2012 accounts (as a French legal entity). The final report has been certified and signed by the statutory accountant Jean-Pierre VERCAMER, Deloitte & Associés, Paris. Also, the Final Financial Report for the Specific Agreement VS/2012/0398 was audited by the same statutory accountant.
- vi. The Evaluation process for 2012 activities was carried out in the first months of 2013 by the University of Salford. The Final Evaluation Report was received and distributed among the Board members and sent to the DG EMPL and all EMN members.

REM Secretariat Team

The EMN Secretariat has continued being composed by four staff members:



Jorge Ramirez
General Manager



Francesco Grieco
Programme Manager



Caroline Lentz
Finance and Administrative Coordinator



Roxane Lienart
Communications and Events Coordinator

The 2013 team also included the collaboration of four interns: Raquel Sanchez and Gemma Cavaliere as Communication and Event Assistants and Giulia Diacci and Francesca Pantani as Project Assistants.

Board of Directors

In 2013, the Board of Directors met on five occasions. On the occasion of the General Assembly celebrated on 24th June in Stockholm, the organization went through an election procedure for the selection of all the members of the **EMN Board of Directors**.

As a result from this, the new EMN Board was composed by the following organizations/representatives:



Faisal Rahman
President
Fair Finance
(United Kingdom)



Elwin Groenevelt
Treasurer
Qredits
(The Netherlands)



Patrick Sapy
Vice-president
microStart
(Belgium)



Linda Facchinetti
Secretary General
Fundación
Nantik Lum
(Spain)



Helena Mena
Millennium bcp
(Portugal)



Bogdan Merfea
Patria Credit
(Romania)



Hajo Winkler
DMI
(Germany)



Financial Resources

EMN received financial support from its members through annual fees and participation in the EMN Annual Conference.

EMN met the remainder of its expenses through the contract Agreement with the European Commission (DG Employment, Social Affairs and Inclusion), as well as with other European networks fighting social exclusion and poverty.

EMN also received private funding from NEEEM, VINNOVA, ALMI Foretagspartner, FERN Software and the City of Stockholm. These institutions offered their support for the 10th EMN Annual Conference held in Stockholm.

EMN has also participated in several projects during the year (CAPIC and Grundtvig Programmes) **and has offered its services to develop the sector** through the JASMINE Initiative managed by the EIF.

The remainder of resources came from 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),
- Annual Conference and
- Programmes.

4.

Annual Financial Accounts

Financial Report

The EMN accounts were audited by an external auditor, Deloitte & Associates. They present income and expenditures of EMN between 1 January and 31 December 2013



INCOME STATEMENT 31/12/2013

Revenues	CORE	ANNUAL CONFERENCE	PROGRAMMES	TOTAL
Beneficiary's Contributions in Cash				
Membership Fees	45.580,32 €	- €	- €	45.580,32 €
Other Income	4.119,66 €	- €	- €	4.119,66 €
SUB-TOTAL	49.699,98 €	0,00 €	0,00 €	49.699,98 €
Revenue generated by operation				
Annual Conference	- €	158.605,40 €	- €	158.605,40 €
Training & Consulting	- €	- €	- €	- €
SUB-TOTAL	0,00 €	158.605,40 €	€ 0,00	158.605,40 €
Public Funds				
EC Contract	253.767,93 €	174.638,01 €	- €	428.405,94 €
Jasmine Workshops	- €	- €	142.600,00 €	142.600,00 €
Jasmine Helpdesk	- €	- €	33.747,75 €	33.747,75 €
Capic	- €	- €	6.077,89 €	6.077,89 €
Inti	- €	- €	-2.597,00 €	-2.597,00 €
SUB-TOTAL	253.767,93 €	174.638,01 €	179.828,64 €	608.234,58 €
Total revenues:	303.467,91 €	333.243,41 €	179.828,64 €	816.539,96 €

Expenditures	CORE	ANNUAL CONFERENCE	PROGRAMMES	TOTAL
Staff	168.607,69 €	64.130,43 €	27.875,79 €	260.613,92 €
Travel and Accommodation	76.537,86 €	45.054,47 €	17.902,39 €	139.494,72 €
Services				
Evaluation	10.000,00 €	- €	- €	10.000,00 €
Information and Dissemination	79,40 €	4.611,39 €	- €	4.690,79 €
Interpretation	- €	2.804,96 €	- €	2.804,96 €
Reproduction and Publications	20.604,74 €	3.839,61 €	- €	24.444,35 €
Services	78.170,19 €	144.753,28 €	36.558,43 €	259.481,90 €
Translation	3.026,78 €	- €	- €	3.026,78 €
Services SUB-TOTAL	111.881,11 €	156.009,24 €	€ 36.558,43	304.448,78 €
Administration				
Administrative Costs	50.185,70 €	8.470,92 €	205,44 €	58.862,06 €
Audit	8.815,14 €	- €	- €	8.815,14 €
Depreciation	581,55 €	- €	- €	581,55 €
Hire of Rooms	2.061,11 €	14.455,35 €	5.348,79 €	21.865,25 €
Administration SUB-TOTAL	61.643,50 €	22.926,27 €	5.554,23 €	90.124,00 €
Total Expenditures:	418.670,16 €	288.120,41 €	87.890,84 €	794.681,42 €

Balance	-115.202,25 €	45.122,99 €	91.937,80 €	21.858,55 €
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BALANCE SHEET

AS OF 31/12/2013

ASSETS	2013	2012	2011	EQUITY AND LIABILITIES	2013	2012	2011
Long term assets	17.961,60 €		58.928,36 €	Own and General Funds			
Total I	17.961,60 €		58.928,36 €	Own funds	127.831,28 €	222.882,87 €	191.268,40 €
				Surplus of the year	21.858,55 €	-95.051,59 €	31.614,47 €
				Total I	149.689,83 €	127.831,28 €	222.882,87 €
				Provisions for risk	20.000,00 €	20.000,00 €	24.780,00 €
				Total II	20.000,00 €	20.000,00 €	24.780,00 €
Current Assets				Current liabilities			
Accounts Receivable	60.764,79 €	245.565,09 €	130.659,17 €	Accounts payable	72.514,12 €	172.449,33 €	38.324,16 €
Bank	243.201,89 €	100.576,35 €	212.975,04 €	Fiscal and social debts	45.622,71 €	25.794,31 €	52.748,83 €
Prepaid Expenses	20.465,02 €		1.943,80 €	Other debts			63.478,48 €
Total II	324.431,70 €	346.141,44 €	345.578,01 €	Revenue received in advance	54.566,64 €		2.292,00 €
TOTAL GENERAL (I+II)	342.393,30 €	346.141,44 €	404.506,37 €	Total III	172.703,47 €	198.243,64 €	156.843,47 €
				TOTAL GENERAL (I+II+III)	342.393,30 €	346.074,92 €	404.506,34 €

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 2013, EMN had 85 members located in 22 European countries. Between them, 64 are active members, 10 are corporate members* and 11 are partners**.

Country	Members	
Albania	FondiBesa**	
Belgium	Brusoc	Coopest
	CREDAL – Crédit Alternatif	ESBG**
	Fonds de Participation	Hefboom
	MicroStart	RFA – Réseau Financement Alternatif**
	Sowalfin	
Bosnia – Herzegovina	Lok Micro**	Partner Mikrocreditna Organizacija**
Bulgaria	Nachala Cooperative	Mikrofond
Croatia	DEMOS	
Finland	Finnvera	
France	Adie	BNP Paribas Group Finance*
	ABC Microfinance - BABYLOAN	Créa-Sol
	Chaire de Microfinance Audencia Nantes	Fédération Nationale des Banques Populaires*
	Crédit Coopératif*	PlanetRating
	Fédération Nationale des Caisses d'Épargne**	Initiative France*
	Groupe ESC Dijon Bourgogne	France Active
Germany	DMI	Evers&jung
	GLS Bank*	
Hungary	CREInfo	Fejer Enterprise Agency
	The Hungarian Microfinance Network	
Ireland	Microfinance Ireland	
Italy	Banca Popolare Etica*	Etimos Foundation*
	Fondazione Don Mario Operti Onlus	Fondazione Risorsa Donna
	Fondazione Giordano dell'Amore	Microfinanza srl
	Fondazione Pangea Onlus	Permicro
Norway	Microfinance Norway	
Poland	PZFP – Polish Association of Loans Funds	MFC**
	Inicjatywa Mikro	Rural Development Foundation
Portugal	ANDC – Associação Nacional de Direito ao Crédito	Millennium bcp*
Romania	Eurom Consultancy & Studies	FAER NFI S.A.
	Fair Credit House	Good.bee Credit
	OMRO – Opportunity Microcredit Romania*	Patria Credit
	Post Privatization Foundation	RoCredit IFN SA
	S.C.M. Aurora IFN S.A.	RomCom
	UTCAR Hunedora	UNCAR (Uniunea Nationala A Caselor de Ajutor Reciproc Ale Salariatilor Din Romania)
Russia	The Russian Microfinance Center**	
Spain	ACAF	Nantik Lum
	CEEI Burgos	Fundación ICO
	CP'AC	Marcelo Abbad Consultoría Social
	Fundación Cajasol*	MITA ONG
	Fundación Tomillo	PIGNUS**
	Microbank*	
Sweden	NEEM. Network for Entrepreneurs from Ethnic Minorities	
Switzerland	AKAM. Aga Khan Agency for Microfinance	Microcrédit Solidaire Suisse
The Netherlands	Cultur en Ondernemen	Qredits
	Research Group FINE (Financial Inclusion and New Entrepreneurship), The Hague University of Applied Sciences	TriodosFacet
United Kingdom	Business Finance Solutions	Foundation East
	CDFA**	FEBA – First enterprise Business Agency Ltd.
	Fair Finance	IACD (International Association for Community Development)**





EUROPEAN
MICROFINANCE
NETWORK



European Microfinance Network aisbl

10 rue de l'Industrie - 1000 Brussels, Belgium

www.european-microfinance.org

With financial support from the European Union

