Lessons Learned from EaSI financial instruments and EaSI TA capacity building services

Webinar

28/06/2022
EaSI Technical Assistance to the European Microcredit Sector

European Commission
DG Employment, Social Affairs and Inclusion

Programme Snapshot 2022

This project has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2018-2022).
**EaSI Technical Assistance to the European Microcredit Sector**

**EaSI Technical Assistance Overview**

**What is offered to whom?**

- **Selected Beneficiaries**
  - Tailored trainings
  - Investment-readiness trainings
  - Institutional Assessment
  - Optional Financial or Social Rating

- **Microcredit providers signed-up to the Code**
  - Trainings on the implementation of the Code
  - Post-evaluation trainings
  - Evaluations of the Code compliance

- **Wider European microcredit sector**
  - Microfinance Workshops and Webinars
  - Peer-to-peer trainings
  - Study Visits
  - Helpdesk

**Project Duration**

- **July 2018**
- **July 2022**
- **4 years**
EaSI Technical Assistance

For more information, about:

Technical Assistance, contact: easi.ta@fs.de

Ratings and Evaluations, contact: easi.ta@mf-rating.com

The EaSI Programme, visit: ec.europa.eu/social/microfinance

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The author of this presentation takes full responsibility for its contents. The opinions expressed do not necessarily reflect the view of the European Commission.
Do you have a question?

Use this icon 🤣 to let the presenters know that you would like to be given the floor.

Use the chat to talk with one person in particular.

Use the Q&A to ask questions in writing.
Speaker Profiles

Cristina Dumitrescu
Senior Investment Manager
https://www.eif.org/what_we_do/microfinance/index.htm

Sheryl Loh ,
Senior Project Manager
https://www.frankfurt-school.de/home
Lessons Learned
EaSI Financial Instruments
EMN Webinar
EIF Inclusive Finance
**EaSI GFI impact**

**€420mn**

- **166 agreements**
  - 61 banks
  - 55 non-banks

- **116 FIs**

- **30 countries***

**Aiming to mobilize**

**€4.2bn**

***25 EU-member countries & 5 non-EU countries

**Already deployed to:**

**€3.0bn**

- **148,736** micro and social SMEs supported
- **420,866** jobs preserved
- 71% self-employed
- 24% migrants of non-EU origin
- 30% female entrepreneurs
- 79% unbanked/no prior loans
EaSI CBI

✓ EUR 40m committed and signed; over EUR 38m disbursed
✓ 18 operations

✓ 11 countries, out of which 9 in the EU

Engaging 17 financial intermediaries - micro-lenders, ethical banks, social lending platforms

Investing mainly in IT infrastructure and digitalization tools

Source: EIF internal data: signed commitments as at 30 June 2021
What part did you find the most difficult?
- Application process
- Appraisal and Due Diligence
- Legal Documentation
- Reporting, monitoring and audit
Lessons Learned

Guarantee Instrument
- High interest from various intermediaries
- NBFIs reach more borrowers, especially vulnerable groups
- Banks reach more volumes
- Impact data reporting – key

CBI Product
- High Interest for subordinated loans
- Digitalization projects

- Timely reporting, both in terms of portfolio inclusion reports, but also financial reporting
- Need for advisory support during the application process, but also for reporting/monitoring especially for the NBFIs
- Very good cooperation and feedback during the monitoring/audit missions
Thank You!

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Cristina Dumitrescu
Inclusive Finance
c.dumitrescu@eif.org

To find out more please visit us at: www.eif.org

European Investment Fund
37B avenue J.F. Kennedy

L-2968 Luxembourg
Phone: +352 2485-81545
EaSI 2018 - 2022 – KEY HIGHLIGHTS

TAILORED TRAININGS

- Institutions: 72
- Training Days: 691
- People Trained: 1038

CODE TRAININGS

- Institutions: 59
- Training Days: 177
- People Trained: 248

EXCHANGE EVENTS

- Workshops: 53
- Webinars: 77
- Peer Trainings: 16
- Study Visits: 11
- Participants: 5107
Which of the following topics do you think was of high interest for the Microcredit Providers during 2018 – 2021?
- Strategic Planning
- Marketing, Sales & CRM
- Risk Management

Start presenting to display the poll results on this slide.
Topics of Tailored Training (2018 – 2021)

- Marketing, Sales and CRM: 23%
- Risk Management: 17%
- Social performance & governance: 11%
- Team Building and Communication: 8%
- Others (MIS/IT support, legal regulation, business planning, product development etc.): 25%
- Strategic planning: 8%

Others include MIS/IT support, legal regulation, business planning, product development, etc.
As of December 2021, 56 microcredit providers from 17 countries received or are currently receiving TA to implement the European Code of Good Conduct for Microcredit Provision. This accounts for more than 50% of the sign-ups. A total of 56 institutions have been certified as compliant with the Code.

The Code is recognized as an important standard and relevant quality label for microcredit providers.
Question 2: Which section of the Code do you think was/would be the most challenging in being compliant?

- Section I: Customer and Investor Relations
- Section II: Governance
- Section III: Risk Management
- Section IV: Reporting Standards
- Section V: Management Information Systems

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Webinars remained the most popular type of events, followed by workshops. EaSI Technical Assistance beneficiaries demonstrated an evolving interest in the various topics that had a direct impact on their operations.
Case Study on Digital Tools & Channels for FULM Savings House

Established in 1999 with the mission “People help people”, FULM Savings House remains one of the most trusted savings and credit unions in North Macedonia, providing its members a full range of safe and high-quality financial services and products.

Prioritising the quality of services, coupled with fast, dynamic and simple channels of financial access, FULM Savings House had **11,794 members in 2020** (3,342 of which were using credit services). With **6 branches**, FULM Savings House is constantly developing and implementing new technological solutions in its operational and strategic tasks.
The aim of the EaSI TA tailored training was to **acknowledge, discuss, and start implementing the most suitable digital techniques and solutions for FULM Savings House.**

The main objective was to present theoretical knowledge, deliver several sample case studies and engage all the participants in a group work to test out digital sales techniques in action.

Major achievement of the conducted tailored training was the **outline of a customised action plan**, to be implemented by FULM Savings House by expanding the number of distribution channels through altering the technical side of their digital communication via specific customer data platforms, such as Customer Relationship Management (CRM) or digital archive systems.

Based on the outcomes of the training, FULM Savings House will develop **a new digitalisation strategy for 2021-2026.**
Thank You
Lessons Learnt from EaSI financial instruments and EaSI TA capacity building services

Caroline Lentz
c.lentz@european-microfinance.org

Do you have any questions?
EaSI Financial Instruments – Lessons Learnt from practitioners

➢ 3 essential guarantee parameters to make a good deal: **Guarantee amount, guarantee rate and cap rate**

➢ The size of the envelopes must cover 3 years → too cumbersome to implement otherwise

➢ The portfolio guarantees have proven very effectively in the outreach towards vulnerable population and for financing start-ups

➢ They provide security and visibility to pursue your strategy

➢ It helps to bring on new investors and shareholders (or keep them)

➢ The first contract requires quite some efforts in time and energy
EaSI TA– Lessons Learned from practitioners

- The application process was very easily accessible
- The number of days of tailored training are too low
- Allow for some alternative channels (e.g. job shadowing over a longer period) or possibility to engage in partnerships with existing courses
- Flexibility of the services is needed to really support a transition journey or lifting the organisation to the next level
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Caroline Lentz
c.lentz@european-microfinance.org

Do you have any questions?