

Joint Board Meeting Report

Istanbul, 13-14 February 2019

MFC
&
EMN

Executive Summary

The Boards of MFC and EMN met for a joint meeting on 13-14 February in Istanbul, the third such joint meeting, to further explore and progress the integration of the two organisations.

Shared Vision, Values and Commitment for a New Organisation

The participants agreed that a new organisation will be started, that will embody the strengths of both MFC and EMN, and will work towards the common vision and embody the shared values.



A Roadmap

The participants agreed the most important core issues of the new organisation: geographical reach, membership, approach to governance, focus and activities. For the issues that needed further discussion 3 working groups were set up, with a clear timeline to feed back their results into the next joint board and membership meetings, May & June 2019.



Purpose of the meeting



The meeting was carefully prepared, with thorough negotiation and agreement between the boards about the purpose and the scope of the meeting: ambitious and practical, with concrete progress to show for it and good progress towards the goal. The purpose of the meeting was to:

- agree and commit to the common organisational vision,
- build a strong common ground based on mutual knowledge and respect for the values both organisations embody,
- create alignment on critical issues to enable a successful integration of the two organisations

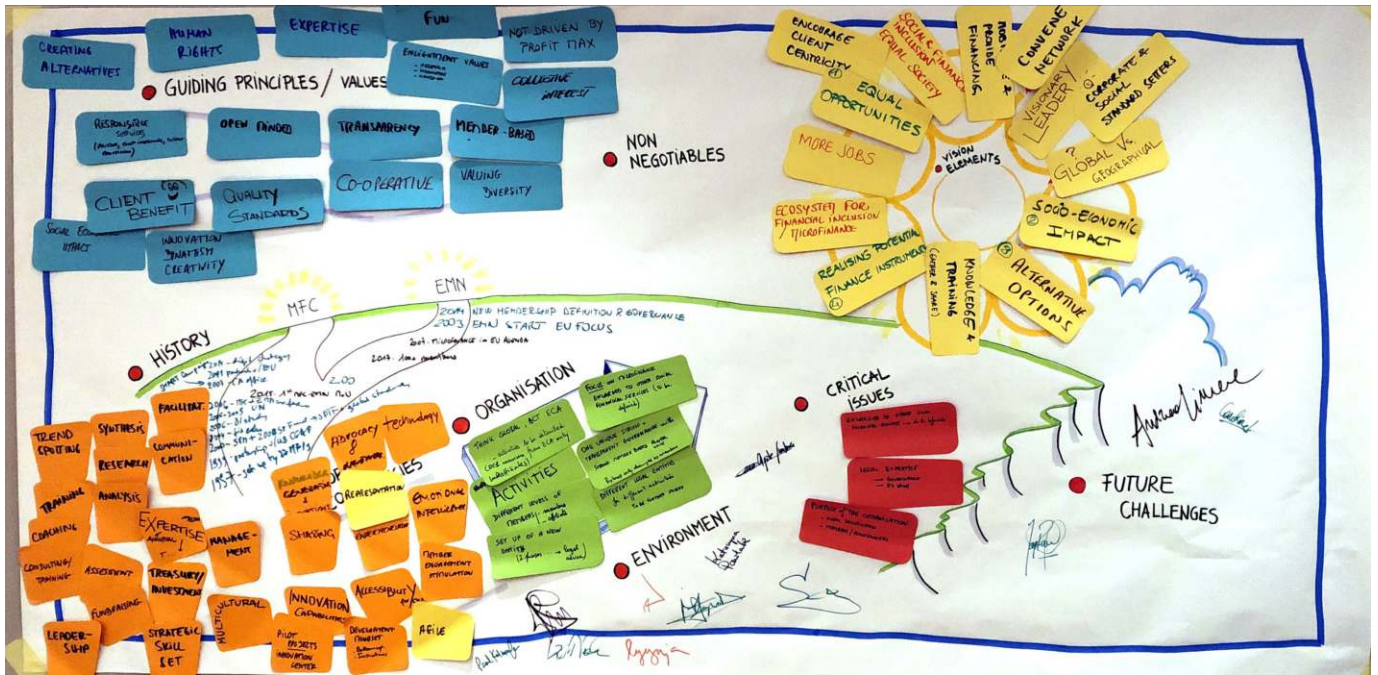
The meeting was design to deliver:

- A common vision and shared commitment to it;
- A solid case for the merger, that can be shared with the members and stakeholders;
- the fundamental coordinates/ criteria for the new organisation;
- A common declaration about the common road to the integration;

But beside all the tangible deliverables, the meeting also had the important role to increase mutual knowledge and trust between the two organisations, help understand the corporate values, culture and priorities.

Developing trust and shared commitment for the common vision and roadmap is an essential success factor, and the organisers were very intentional in facilitating this outcome.

Approach



The meeting was designed as a workshop (on the 13th) and as a tactical meeting (on the 14th).

The approach on the 13th was to give space to exploration, extensive and meaningful conversation between all the members of the two boards and the staff members of the two organisations. There was space for meeting and jointly exploring the common vision, the differences and the critical issues, possible future scenarios.

The participants engaged in joint conversations about all subjects, and their commitment to bring forth and strengthen the value they already bring to their members was obvious throughout the meeting.



Conversations

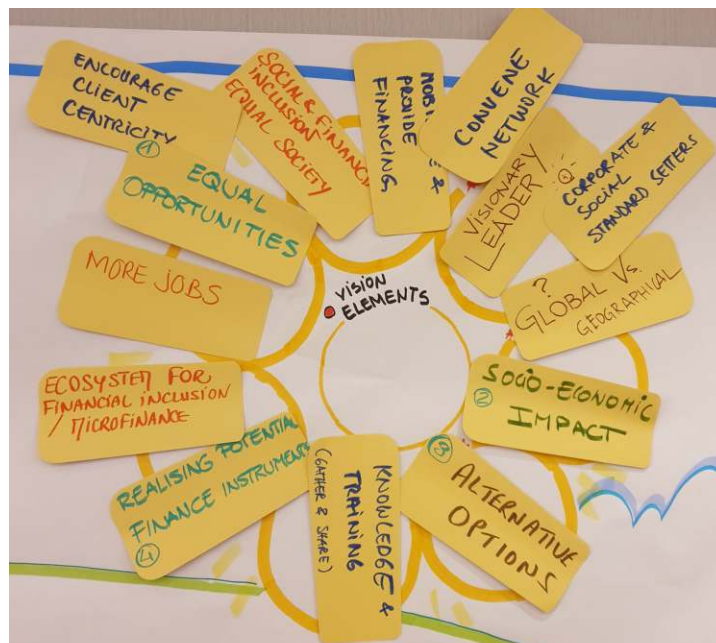
Trust is of essence (and better the relationships, more trust we have): the first hour of the meeting was dedicated to build relationships and deepen knowledge about the respective organisations..

Vision

Acknowledging that both organisations work already in the same ecosystem, with largely overlapping visions of the future, the participants collected components of the joint vision they have for the new, integrated organisation.

What future do we aspire to create together?

- Strive for having socio-economic impact and promote equal opportunities
- Promote social & finance inclusion leading to equal society
- Help realize the potential through finance instruments
- Create jobs
- Visionary leader
- Promoter/facilitator of ecosystem for financial inclusion/microfinance
- Encourage client centricity
- Set corporate and social standards for the sector



- Explore/provide alternative options
- Gather and share knowledge and provide training
- Mobilize and provide financing for the sector
- Convene the network
- Geographical scope: this was raised as a point of open conversation about whether the new organisation should have a global focus or it should definitely be focused on some regions?

Values / Principles

What values/principles are important for us to uphold and embody in the future organisation? How do we want to act together?

The conversation on values was rich and deepened the mutual appreciation and understanding among members of the two boards.

The values below were shared by all the participants.

- Creating alternatives
- Human rights
- Expertise
- Not driven by profit maximization
- Enlightenment values – evidence, knowledge,
- Collective interest (community interest)
- Member based
- Cooperative
- Valuing diversity
- Transparency
- Open minded
- Quality standards
- Responsible services (pricing, over indebtedness, client protection)
- Social economic impact
- Innovation, dynamism, creativity



Future Scenarios



Exploration

Seeking to establish the best way forward for the new organisation, the participants collaborated in finding answers to some difficult and important questions and to develop some agreements about the fundamental aspects of the new organisation.

The most discussed topics were:

- **Clarifying the purpose of the new organisation.** At this point some philosophical questions (with real implications) were raised: who do we serve primarily? Our members or the final beneficiaries (by supporting our members)?
- **The geographical / regional scope of the new organisation:** should it focus on European Union (like the EMN), on Europe and Central Asia (like the MFC) or should it be global (like many of the actors in the microfinance field)?

Which is the range and scope where we can be most effective now? What does it mean to think big? How broad should we aim? Can we have different geographical reach depending on the project?

- **Membership Structure:** what role will the members play? Will there be different categories of members? How to engage the larger field beyond the microfinance institutions?
- **Various forms of governance.**

At this stage it was important to explore listen and keep an open mind about what could be possible... even if it means significant change.

Decisions and commitments

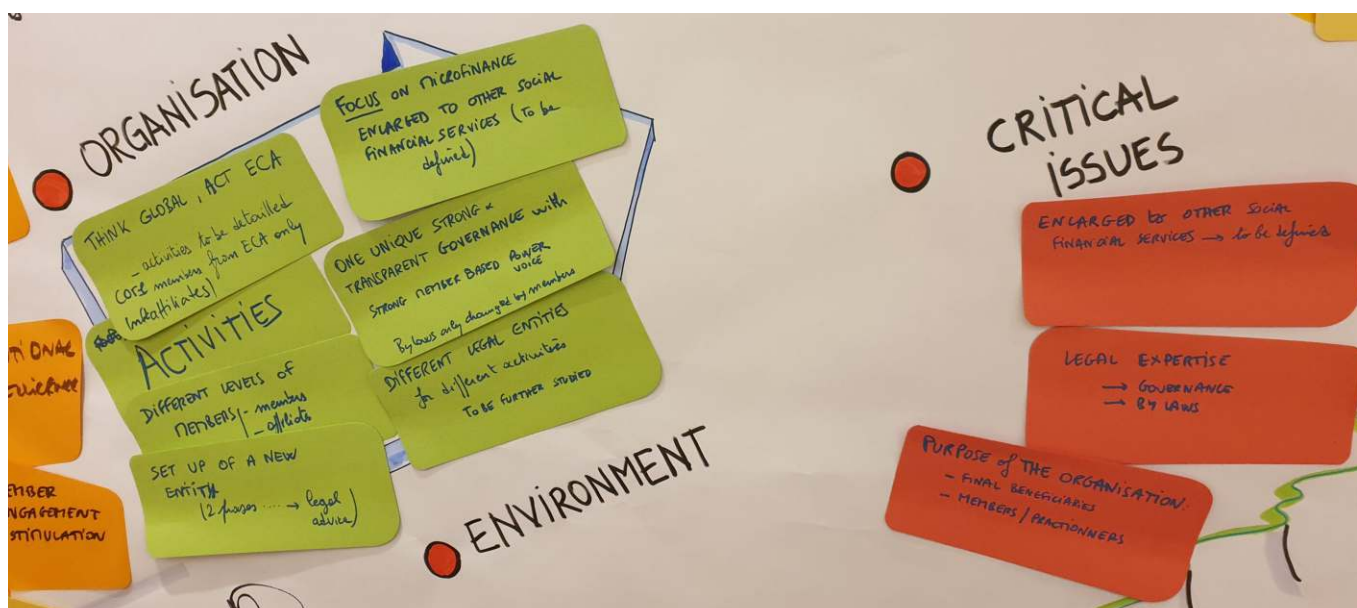
Based on the emergent common threads and on the very robust conversations around them, several important issues were agreed.

Issues agreed

Think global, act ECA

Core members from ECA only

To do: activities to be detailed, different types of membership/affiliations to be detailed



Activities

- Awareness raising
- Advocacy
- Training
- Consulting
- Information & knowledge generation and dissemination
- Research & Innovation
- Networking
- Convening/representation
- Fundraising
- Funding
- Standard Setting
- P2P learning
- Public goods
- Facilitation of partnership

Different levels of membership e.g. core members, affiliates

To do: different types of membership/affiliations to be detailed

Set up of a new entity

To do: process and phases to be detailed, legal advice to be sought

Focus on microfinance enlarged to other social financial services

To do: the boundary and types of other social financial services to be defined

One unique strong and transparent governance with strong member based power and voice

To do:

- solution identified to ensure both flexibility, strength and members voice on the board as well as other mechanisms to address the risks of power concentration by different groups – members, board, etc. e.g. bylaws defining restrictions for the board by members, board members not limited to members only, etc.
- explore different legal entities for different activities e.g. fund, network, research/consulting, etc.

Next steps

1. Create 4 WGs that would further discuss the new organization's basic principles (or fundamentals?) listed under "issues agreed".

2. Draft and sign a joint declaration/commitment to set up a new organization

In the course of the discussion it was agreed that the participants will kick off with only 3 WGs (mission, products and governance) as the 4th one will depend on the first three WG findings.

All agreed that Patrick Sapy (on the EMN side) and Piotr Korynski (MFC side) will manage/facilitate the WGs work, the results will be presented at the meeting in Munich in mid-May.

Working Groups

#1 Mission & Vision	#2 Products & Services	# Governance	# Org. setup, structure, budgets
Issues 1,3,5	Issue 4	Issue 3	ON HOLD
Peter Kasia Lucija Dominique	Jorge Grzegorz Laure Alisher	Paul Cristian Elwin Andrea	

Next Steps

When?	What?	Status
Feb 18	#1-3 WGs kick off	
25-30 Mar	Check-point by SG	
1 May	WG end work	
1-10 May	individual meetings MFC/EMN Boards	
15 May	Joint board meeting at the Munich airport	
20 May	WG final outputs	
29 May/June	Presentation of work at the MFC/EMN membership meetings	

Participants

MFC Board: Lucija Popovska, Cristian Jurma, Izabela Norek, Alisher Akbaraliev, Paul Kalinauckas, Samir Bajrovic

MFC Management: Grzegorz Galusek, Katarzyna Pawlak

EMN Board: Elwin Groenevelt, Dominique de Crayencour, Marie DeGrand-Guillaud, Laure Coussirat, Oscar Ugarte, Peter Surek, Andrea Limone

EMN Management: Jorge Ramirez, Caroline Lentz

The meeting was facilitated by Dr. Nora Ganescu

