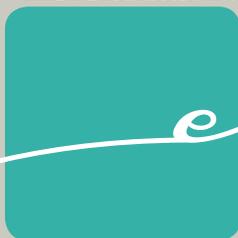


November
2014

EMN POLICY NOTE on the 11th EMN Annual Conference Employment: Challenges and Opportunities for Microfinance



EUROPEAN
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The European Microfinance Network (EMN) held its 11th Annual Conference on the 19th & 20th of June 2014 in Lisbon (Portugal). The intention of the event was to be a meeting of minds, ideas and experiences on the role of microfinance on employment in Europe.

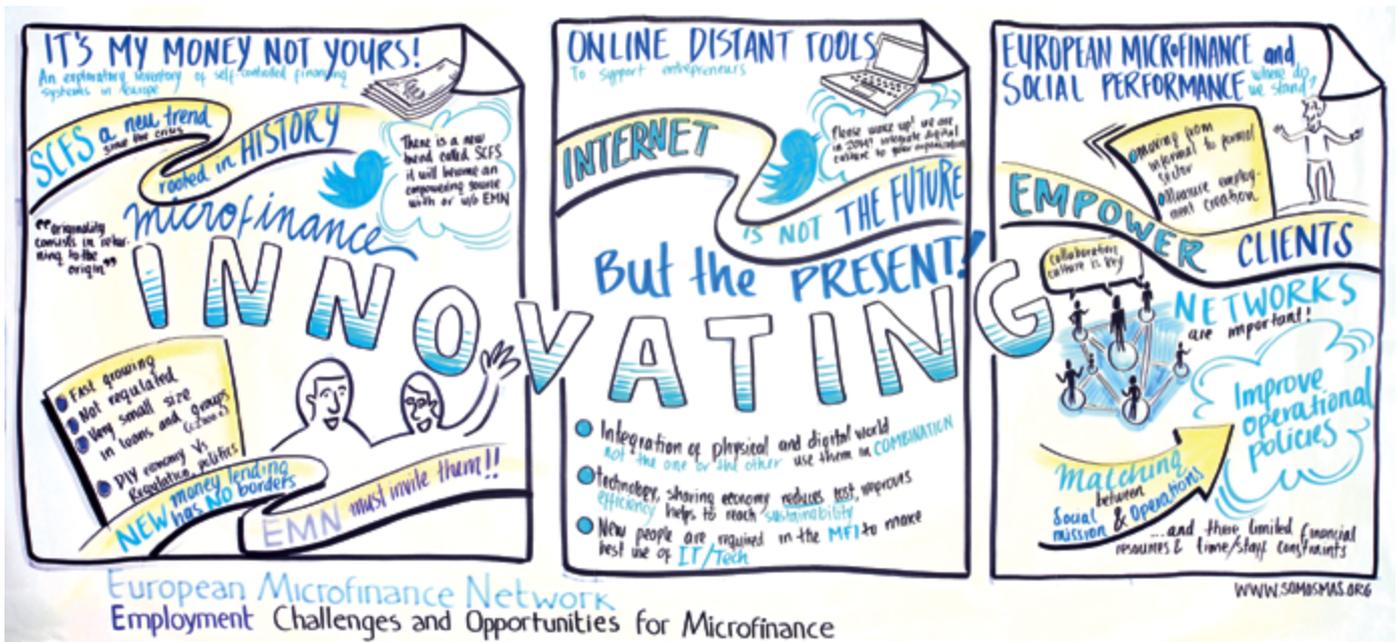
Microfinance, and microcredit in particular, plays an important role in job creation and helps people achieve their goals. As we cross this period of crisis, microfinance can help create opportunities for entrepreneurs, people with the will and initiative to succeed.

Over 275 participants attended the event, including EMN member organizations, speakers, and representatives of other institutions active in the microfinance sector. The participants shared and challenged best practices in microfinance on the topic of employment. The conference aimed to achieve in-depth and interactive sharing through plenary sessions, workshops, roundtable meetings, and open space dialogues.

The event was organized in a matrix of nine highly interactive workshops across three topics: Microfinance Innovating, Microfinance Funding and Microfinance & Employment. Each topic included three respective workshops that were complemented by additional plenary sessions.

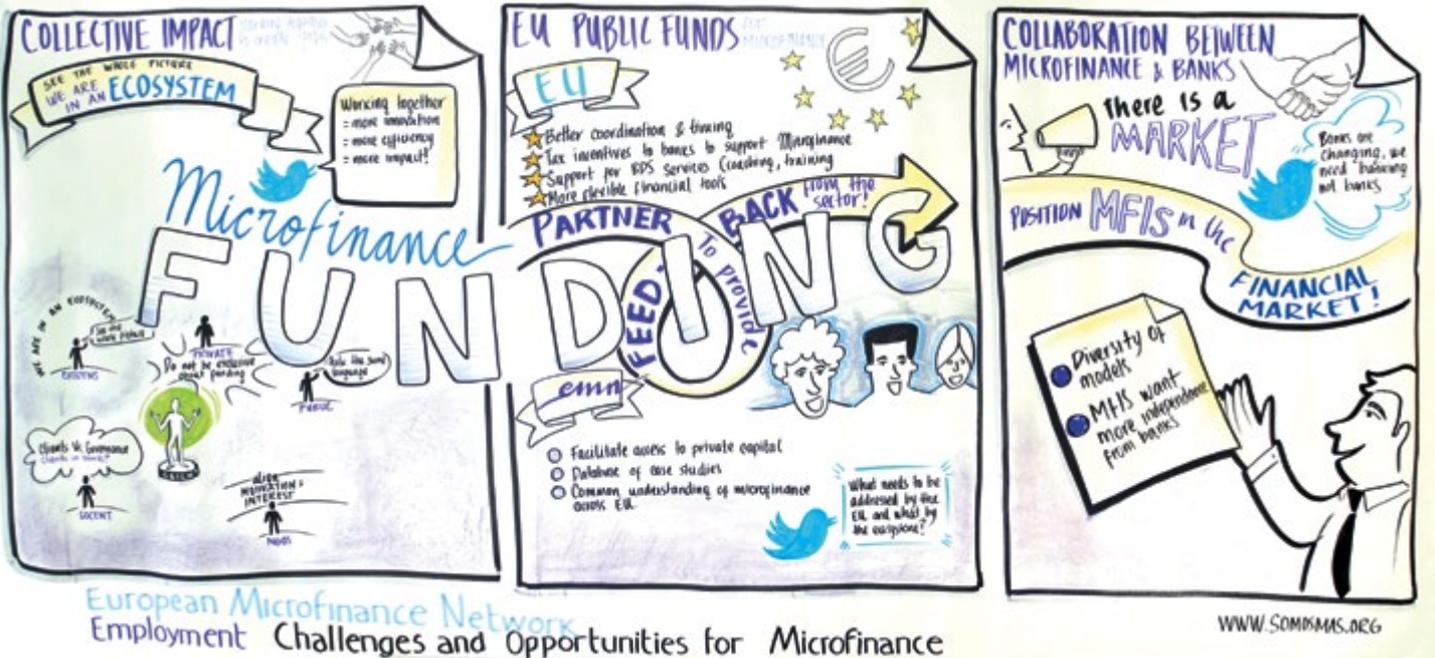
The main conclusions from the conference can be summarized as follows:

Microfinance Innovating



Self-employed and micro-entrepreneurs can benefit from the variety of alternative models of self-controlled financial systems. These models are rooted in history but have a large growth potential today due to technological innovations. These new technologies have become fundamental for microfinance actors to improve client relationships, increase efficiency and to help measure and increase client empowerment.

Microfinance Funding



The microfinance sector needs to look at the full picture in order to establish fruitful partnerships that increase employment. For these partnerships to succeed, both partners must understand and share the same commitment: the client. By keeping clients front and center, MFIs will need to position themselves within the financial landscape and enhance different models of collaboration with the mainstream financial sector.

The European Institutions can play a big role on this issue by increasing the coordination and flexibility of various grants and programmes. Specific support for business development activities is required from the sector in order to further develop its impact on entrepreneurship and job creation.

Microfinance & Employment



Though studies show that microcredit significantly contributes to self-employment and job creation, indicators and methodologies often lack the rigour to prove definitive conclusions. Initiatives at local level, such as credit unions or credit cooperatives, have shown a big impact in their communities, but new challenges will require to them to adapt in order to cope with expansion and growing demand.

Diversification in services will be key for the development of microfinance. At the same time, targeted customer groups will need more tailored services. For example, migrant communities (composing a significant percentage of the microfinance clients in Western Europe) require a specific approach combining financial and non-financial services that increase their opportunities for self-employment and entrepreneurship (often developed out of "necessity" rather than "opportunity").



ADVANCE ON THE 12TH EMN ANNUAL CONFERENCE 2015 IN DUBLIN

EMN will hold its 12th Annual Conference in Dublin (Ireland) on the 18th & 19th of June 2015, with the main topic: "Microfinance and banks: Are we the right partners?"

The primary objective of the conference will be to discuss the cooperation potential between traditional financial institutions and the microfinance sector so that greater collaboration and cohesion is achieved between both sectors in the expansion of products to the underserved.

Although Europe is characterized by a dense network of banks (counting more than 8,300 institutions), the financial crisis has demonstrated important weaknesses within the system. Microfinance provided by non-banking financial institutions has emerged and grown

over the last twenty years as a genuine alternative for thousands of micro-entrepreneurs who have been refused access to credit by mainstream banks.

Stable partnerships within the mainstream financial sector will be fundamental for the continued development of the microfinance sector. To date, these partnerships have existed mainly with banks, and the question is whether alliances with alternative financial institutions could also be positive for the sector in order to improve and diversify our range of services (deposits, money transfer, microinsurance, etc.). In addition, new technologies offer a wealth of opportunities that the microfinance sector should attempt to capitalize upon (crowdfunding, peer-to-peer lending, mobile banking, etc.).



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