

# “A Code of Good Conduct for Micro-credit provision in the EU”

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**micro**finanza

# A Communication on micro-credit

11/2007: Micro-credit initiative (COM 2007/708)

1. Improve the legal & institutional environment
2. Further develop entrepreneurship
3. Develop Capacity Building for MFIs
4. Provide Funding for selected MFIs

# The JASMINE concept

- Micro-credit rests on two pillars:  
**Funding and Capacity building**
- Banks and non-bank micro-credit providers may have complementary roles
- Partnerships must be promoted
- Need for a quality system to create trust
- Provide appropriate guidance tools

# The JASMINE tools

- Assessment and/or rating (2010)
- On the ground training (2010)
- Business Development services (2011)
- A Code of Good Conduct (2011)
- JASMINE online (2012)
- A Quality Label (2012)
- A Prize ? (2013)
- JASMINE Final evaluation (2013)

# Assesment/rating

Main elements to be assessed :

- Institutional Governance
- Information System and Data Quality
- Risk management
- Strategic planning and portfolio management
- Social performance
- Efficiency and profitability

# Code of Good Conduct for micro-credit providers

- Set practical business standards
- Promote good practice
- Improve quality of operations
- Provide business security
- Facilitate refinancing needs
- Endorsed by MFIs on a voluntary basis
- Access to JASMINE online reporting tool

# Designing a quality label for MFIs

## Criteria (e.g.):

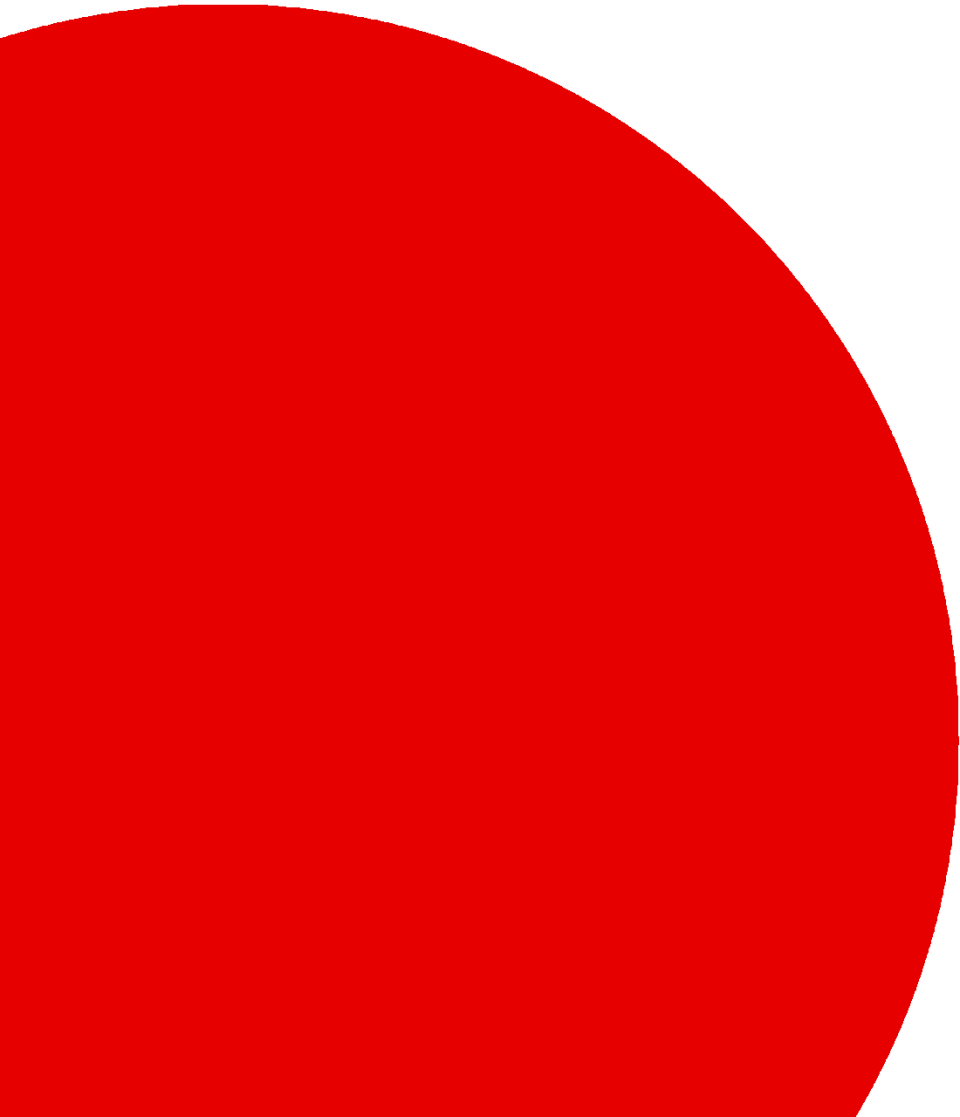
- Good institutional governance
- Quality of information systems
- Risk management
- Relation with clients
- Results compliant with business plan
- Financial performance
- Social performance
- Distance to sustainability
- Rating, if any
- ...

# Next steps

- Finalise the tools in the pipeline
- Review strands 1 and 2 of the Communication on micro-credit of 2007 in the framework of the Social Business Initiative
- Create a prize
- Networking of actors

# Conclusions

- Contribute to the development of a sound and sustainable micro-credit industry
- Increase the provision of micro-credit throughout the EU
- Involve stakeholders as much as possible in the work and facilitate networking of actors



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