

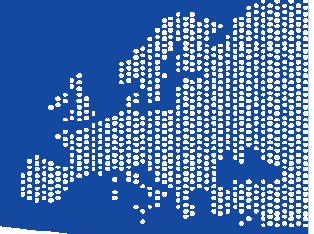
JASMINE

Developing a sustainable micro-credit sector in the EU

Philippe Delvaux

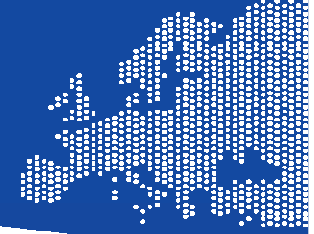
Directorate General for Regional Policy
European Commission

Milano - 28 September 2011



Background

- **Access to finance: a real challenge for entrepreneurs with no collateral**
- **EU Communication on Microcredit of 2007: Underlining the need for sustainable solutions and the design of new options**
- **A non-traditional approach**



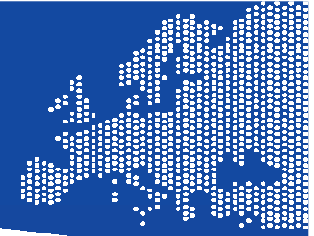
A Communication on micro-credit

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

- 1. Improve the legal & institutional environment**
- 2. Further develop entrepreneurship**

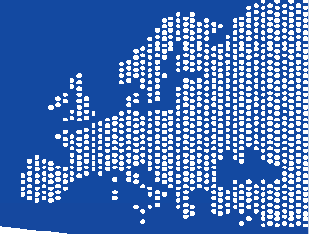
- 3. Develop Capacity Building for MFIs**
- 4. Provide Funding for selected MFIs**

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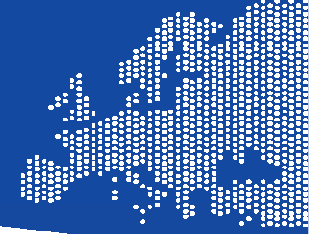
The JASMINE concept

- **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

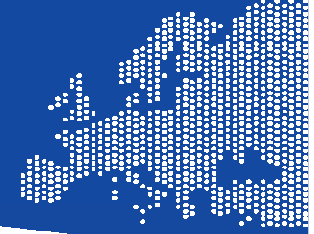
- **Assessment and/or rating (2010)**
- **On the ground training (2010)**
- **Business Development services (2011)**
- **A European Code of Good Conduct for micro-credit provision (2011)**
- **JASMINE online (2012)**
- **A Quality Label for MFIs (2013)**
- **A Prize ? (2013)**
- **JASMINE Final evaluation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



Assesment/rating

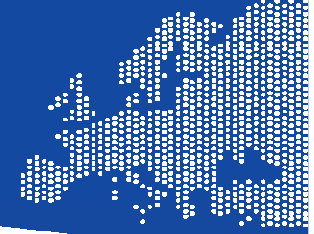
Main elements to be assessed :

- Institutional Governance
- Information System and Data Quality
- Risk management
- Strategic planning and portfolio management
- Social impact
- Assets and liability management



On the ground training

- **Provided by MFC**
|
- **Adaptable tTailor-made trainings**
- **Based on results of the assessment**
- **Includes also consulting if needed**



Business Support Services

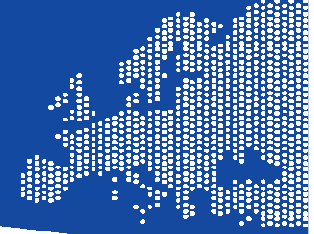
Accessible to all micro-credit providers

- **JASMINE Helpdesk**

http://ec.europa.eu/regional_policy/thefunds/instruments/jasmine_helpdesk_en.cfm

<http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=jasminhelp&lang=en>

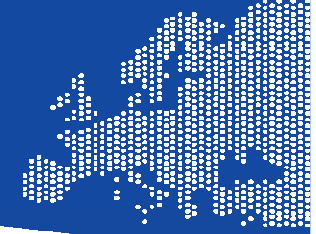
- **Organisation of specialised workshops**
- **Documentation**



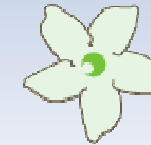
Code of Good Conduct for micro-credit providers

- 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

in co-operation with the stakeholders



JASMINE online



Public website

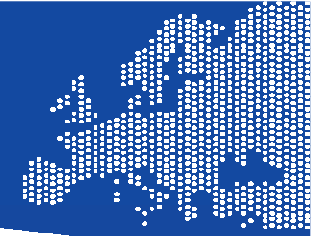


- Information on EU MFIs
- Information on sector
- JASMINE Helpdesk

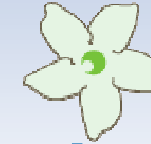
Restricted area for MFIs



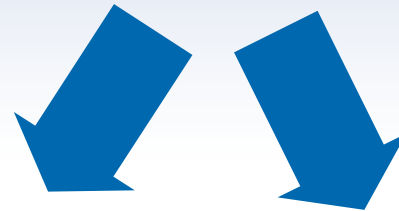
- Complements the Code of Good Conducts (administrative and financial data)
- Practical tool for MFIs (calculations & reporting)



JASMINE online



Public website



Restricted area
for MFIs

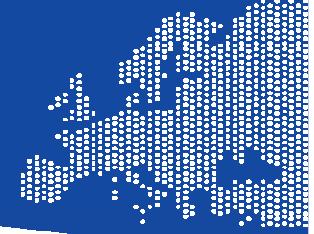


The screenshot shows the public homepage of JASMINE OnLine. The header includes the European Union logo and the text "JASMINE OnLine Joint Action to Support Microfinance Institutions in Europe". A navigation menu on the left lists "Search Micro Finance Institutions", "Code of Good Conduct", "Events", "FAQ", and "Contacts". A prominent red button says "Register your MFI!". Below this is a section for "MFI Restricted area" with a login form containing fields for "Username: mfuuser1" and "Password: *****", along with a "Login" button and a "Forgotten password?" link. The main content area features a map of Europe with the instruction: "Click a country in the map to access the list of Micro Finance institutions".

The screenshot shows the restricted area for Micro Finance Institutions (MFIs). The header is identical to the public site but includes a "Jasmine OnLine homepage" dropdown menu. The main content area is titled "Edit Account details" and shows the profile for "MicroFinanceInstitution1" with an "Account status: Approved". The form contains the following fields:

- MFI Name: MicroFinanceInstitution1
- Address: Text box
- Country: Belgium (dropdown menu)
- Telephone number: +32049473726
- Fax number: +320497501545
- Website URL: http://www.microfinance1.com
- Short description: This is a new micro finance company
- Contact person - Name: Name
- Contact person - Surname: Surname
- Contact person - Email: microfinance@microfinance1.com
- Username: mfuuser1
- Password: *****
- Confirm Password: *****

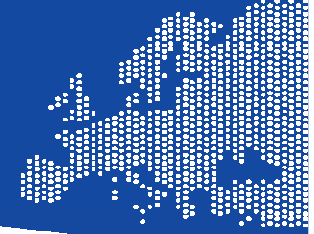
 A "Save" button is located at the bottom right of the form.



Designing a quality label for MFIs

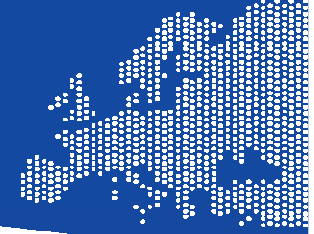
Criteria (e.g.):

- 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

- Run a pilot on the Code of Good Conduct and pursue its development
- Finalise the tools in the pipeline
- Review strands 1 and 2 of the Communication on micro-credit of 2007
- Award a prize aimed at successful MFIs in the framework of Regio Star Awards
- Implicate local actors to secure efforts made by MFIs to create local activity

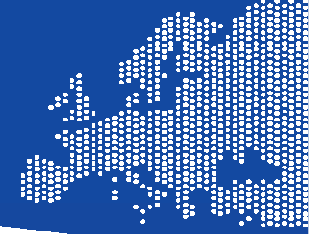


Conclusions

- 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
- Contribute making micro-credit in the EU a win-win story



European Union
Regional Policy



Thank you for your attention

DG REGIO – Unit D3 ‘Financial Engineering, major projects’

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