Dear Readers,

Our second project newsletter brings you important milestones for the EaSI TA project: namely the successful completion of the Second Call for Expression of Interest, as well as the conclusion of the pilot phase of the EU Code of Good Conduct for Microcredit Provision (“the Code”).

We are pleased to share updates to the Code, as well as to present the Helpdesk dedicated to support the microfinance sector in Europe. We’re also happy to announce that three highly interactive EaSI TA workshops took place during the 14th EMN Annual Conference in Italy in June 2017. Below is the feedback from beneficiaries of the project, as well as attendees from past EaSI TA events. Finally, we conclude with a new segment introducing the key organisations involved in EaSI TA called “Who’s Who?”, a short introduction to the project and key links. For questions related to microfinance in Europe, send your inquiries through the Helpdesk.

Happy reading and enjoy your summer holidays!

Your EaSI TA team

What is new with the Code?

The pilot phase of the Code ended in April 2017. In order to adapt it to the market, the Code Steering Group revised some clauses. The Annual Percentage Rate (APR) clause 1.2 now states that to be compliant with the Code, MCPs no longer have to disclose the APR as the cost of borrowing, but rather the Total Cost of Borrowing (TCB). Further, when applying for EaSI financial instruments, the grace period has been extended from 18 to 36 months for Greenfield financial intermediaries. Lastly, in order to adapt the Code to developments in microfinance, the Commission will consult microfinance sector stakeholders on a regular basis. The Code could be further revised on an ad-hoc basis. More details can be found here.

What do beneficiaries have to say about the Code?

Garrett Stokes, CEO of Microfinance Ireland: “We received coaching when preparing our inputs for the European Code of Good Conduct for Microcredit Provision. The TA helped us review all aspects of our business to ensure our organisation’s compliance with the good practice guidelines. As a result, we successfully passed the external Code evaluation and received the Certificate of Compliance.”

Marcel Abbad, Director General of Fundación Oportunitas, Spain: “We started to work with EaSI TA in the implementation of the European Code of Good Conduct. This provided us with good practice guidelines for investor and client relations, governance, risk management, and reporting standards. We’ll also be able to use this for our newly set-up finance company.”

Filippo Chiesa, Compliance & European Funds team of PerMicro, Italy: “Since the launch of EaSI TA, we have been actively involved in all offered activities - ranging from capacity building, Code TA and Certification, as well as various events sharing our experience. We’ve incorporated all take-aways into our daily routine.”
EaSI TA Launches the Helpdesk

The Helpdesk is a free service accessible on the redesigned EaSI MicPro website, the European Commission's platform dedicated to microfinance in Europe. The tool aims to assist institutions and individuals interested in European microfinance and can answer questions on a multitude of topics, including: EaSI Financial Instruments, EaSI TA and the Code of Good Conduct. In the future, webinars will complement the Helpdesk to provide well-rounded support that will strengthen the microfinance sector in Europe.

EaSI TA Events during the 2017 European Microfinance Network Conference

During the actual conference, two additional EaSI TA workshops took place on 22 June. The first - "The Mentoring Challenge", demonstrated the potential of a volunteer mentoring programme that enhances the non-financial services of MFIs. The second EaSI TA workshop - “Financial Tools to Empower People through Microfinance” discussed alternative models for financial intermediation in order to channel EU funds towards the MFIs that have no access to traditional EU-centralised instruments for microfinance.

In addition to the workshops, the conference featured an interactive EaSI TA booth where conference participants met some of the EaSI TA team experts. Besides brochures, attendees participated in interactive learning games and were informed about the project work streams and the challenges of European microfinance.

The Venice Declaration

The Venice Declaration was drafted in line with the conference's main theme: "Financial Education to Empower Citizens. All Aboard". It aims to promote microfinance in Europe as an instrument for a safer and more sustainable community. At the conference, about 130 people from 19 countries signed the declaration, which was also later endorsed by the European Savings and Retail Banking Group. Read more here.
Here is what event attendees said about the EaSI TA workshops

Crinuta Sandu, Executive Director of RoCredit Romania: “We are delighted to participate in this fascinating training seminar (EaSI TA pre-conference event). This seminar allows us to learn more about our clients’ unique entrepreneurial qualities, characteristics and spirit. It will help us to better understand what might drive our existing and prospective clients. This seminar and the overall EMN conference give us an important opportunity to meet with other microfinance providers across Europe and exchange experiences and new ideas and concepts.”

Daniele Treccarichi, Loan Officer from PerMicro, Italy: “It was a great opportunity to share knowledge and best practice, but also discuss challenges and doubts with my peers from all over Europe.”

Alessandro Celoni, Middle Management of Banca Etica, Italy: “The pre-conference workshop on entrepreneurship has been an excellent day, providing a platform to exchange ideas and experience with all the participants.

Pavel Velev, Executive Director of Ustoi JSC, Bulgaria: “I found the mentorship workshop very interesting; in particular doing the interactive exercise was fun, since it showed the challenges of being a mentor and a mentee. I would like to see another event discussing in-depth the recruitment and management of mentors.”

Results from the Second EaSI TA Call and TA Progress

The deadline for the 2nd EaSI TA Call was 19 May 2017. We had a good response from the microfinance sector in Europe with 47 MCPs applying for TA. The selection process is ongoing.

The selection process is ongoing. Overall, there are 70 applications since the project’s start. By July 2017, 10 microfinance ratings, 19 institutional assessments, and 9 Code evaluations were completed. More MCPs are currently receiving these services. Overall, we provided technical assistance trainings to 26 MCPs and are currently providing TA to another 14. In addition, 42 MCPs are receiving TA to implement the Code.

What is EaSI TA?

EaSI Technical Assistance (TA) is the primary source of capacity building support for microcredit providers (MCPs) operating in the EU and other eligible European countries. It offers a suite of professional services including institutional assessment or rating of the MCP, consulting services to strengthen institutional capacity and eliminate operational weaknesses, and support for the implementation of the EU Code of Good Conduct for Microcredit Provision. In addition, the programme organises and implements tailored events designed to spread good practice in the wider European microcredit sector, as well as a dedicated Helpdesk.

Here is what Beneficiaries have to say about the EaSI TA

Paul Petreanu, President of CAR Decebal IFN, Romania: “My colleagues and I are very pleased with the quality of the services provided so far. We have benefited from the comprehensive experience of the trainer and are determined to apply all recommendations made during the TA. Following the three training sessions (social performance, selling/communication techniques, risk management) provided to CAR Decebal personnel under EaSI TA, we consider that more assistance is needed in order to fulfil the requirements of the EU Code compliance.”

Plamen Yonchev, Director General of SIS Credit Bulgaria: “The Institutional rating received by MicroFinanza Rating was a really valuable experience for SIS, which gave us guidelines for improvement and thus made our plans for sustainable growth more achievable.”

Radu Toma, General Director of Vitas, Romania: “Having a track record of more than 20 years, Vitas Romania had the opportunity to benefit from various TA programmes. Comparing the current EaSI TA with all other TAs, Vitas Romania management and all staff involved consider it the most successful. Within the limited timeframe, we managed to cover a diversity of tasks with concrete results. The TA was focused on four key areas - improving collection, risk assessment framework, risk-based pricing and FX risk hedging.”
**Who’s Who? - Featuring DG EMPL and EIB**

The EaSI programme is funded by the European Commission (EC) and managed by fi-compass, which is a platform for advisory services under the European Investment Bank (EIB).

EIB is jointly owned by the EU countries and seeks to boost Europe's potential in terms of jobs and growth, as well as to support mitigation of climate change. It is the world’s largest multilateral borrower and lender, providing finance and expertise for sustainable investment projects that contribute to the EU policy objectives. EIB offers a wide range of products and services, among others loans, guarantees, microfinance, equity investment, as well as help with administrative and project management capacity to facilitate investment. To support the EaSI microfinance providers, EIB is working via its advisory platform fi-compass.

The EC is the EU's politically independent executive arm, responsible for drawing up proposals for legislation and implementing the decisions of the European Parliament and the Council of the EU. The Directorate General for Employment, Social Affairs and Inclusion addresses challenges linked to globalisation, the ageing of Europe's population, changing social realities and increasing access to finance for vulnerable groups and social enterprises. You can learn more here.

### Useful EaSI Links

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EaSI is the EU’s financial instrument that supports microfinance providers and social enterprises by providing them with the necessary support to develop and strengthen their business plan.