



# Evaluation of the implementation of the EU CoGC for Microcredit Provision

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## Contents:

1. Meaning of “evaluation” of the CoGC;
2. Evaluation process;
3. Why the evaluation exercise is important.



## Code Evaluation: what is the meaning?

- **Assessment** and **verification** of the compliance with the Code of individual providers (MCPs)
- The **evaluator** (*MicroFinanza Rating* consortium) checks the consistency of provided information (through docs review, interviews with management/staff and governance members) and makes a recommendation.
- **Minimum threshold**: comply with all the priority clauses and 80% of applicable clauses
- The **EU Steering Committee** makes the final decision on the award

# Evaluation Process



PRE-EVALUATION

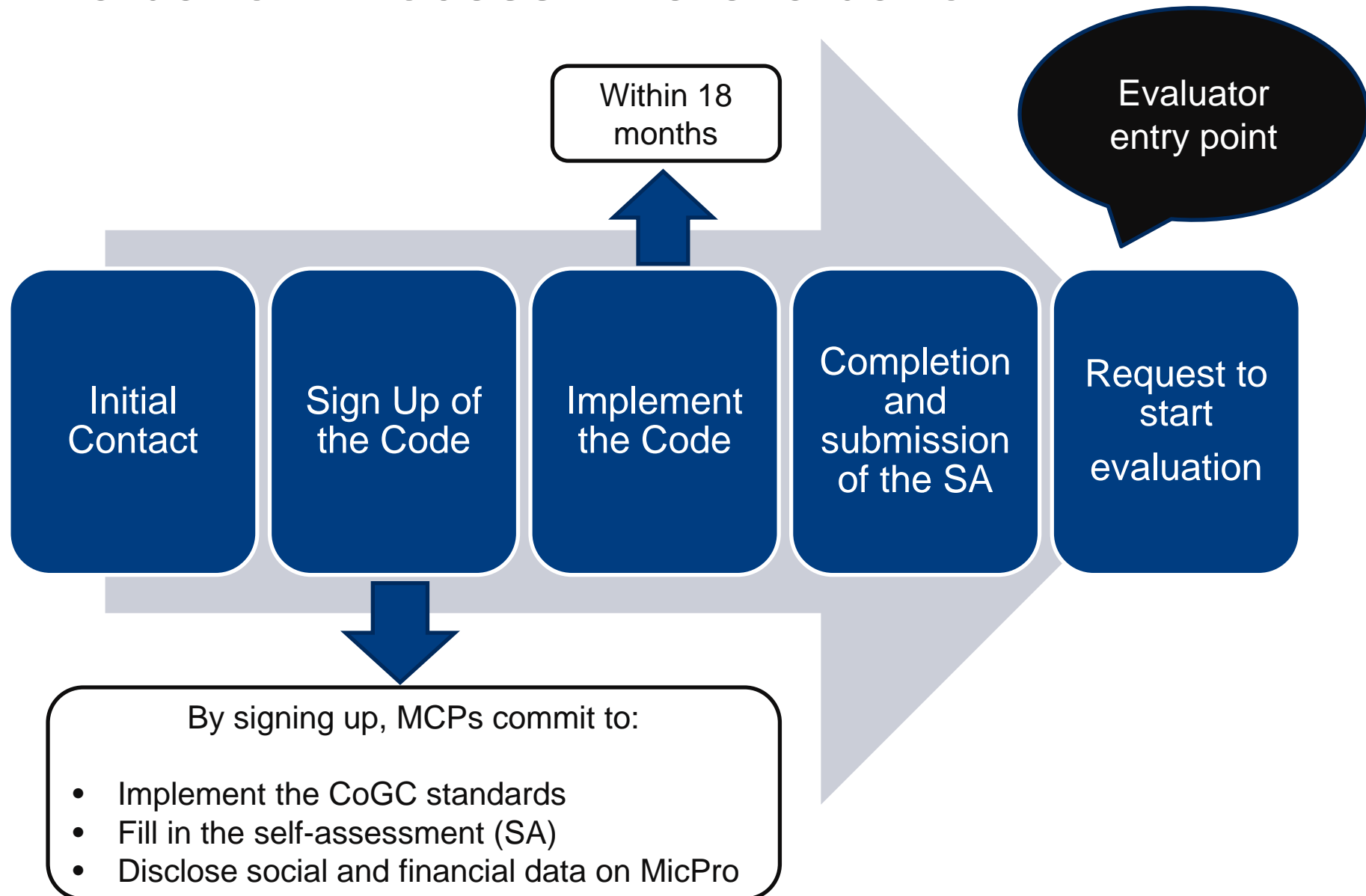
EVALUATION

POST-EVALUATION





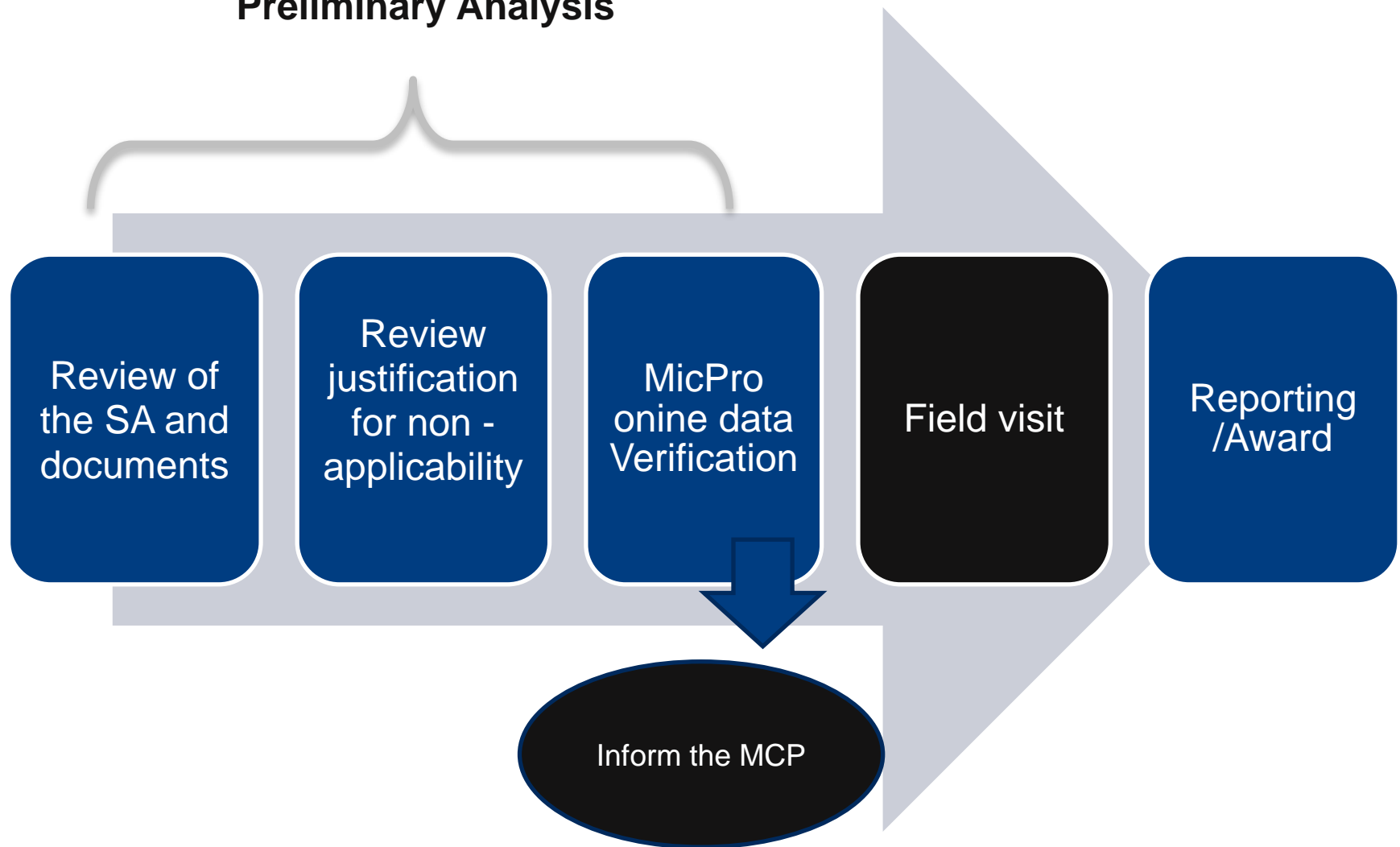
# Evaluation Process: Pre-evaluation





# Evaluation Process: Evaluation

## Preliminary Analysis





## MicPro data verification

- MCPs should possibly submit data that have been validated by independent third parties (as rating agencies)
- If self-reported, the evaluator will perform the following tests:
  - ✓ Consistency with other data submitted
  - ✓ Consistency with comparable providers
  - ✓ Ask to see raw data



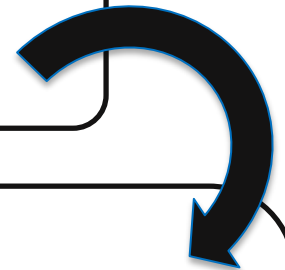
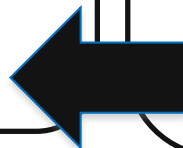
# Evaluation Process: Reporting and Award

The evaluator fills the excel sheet (SA) and draft a narrative report (within 30 days)

The evaluator sends the SA and draft report (within 30 days) to the MCP (two weeks to send feedbacks) and EU steering committee

The evaluator sends the final report to the **EU steering committee** and submit its recommendation

The **EU steering committee** sends the notification status to the MCP







## Post-Evaluation : two scenarios

### **Scenario 1:**

*The MCP meets all the Priority clauses (P) and 80% of the weighted total of the clauses (GLOBAL MARKING)*

**PASS**



The MCP gets the Award

### **Scenario 2:**

*The evaluator identifies some gaps to be fixed*

the MCP has **four months (TBD)** to meet the global marking and to show evidences to comply with the clauses (can access support from TA provider)

Evaluator reviews evidence of changes and provide a new recommendation to the EU steering committee



# Why a third-party evaluation?

Transparency in the sector/infrastructure

Responsible investments and TA (selection of committed MCPs)

Reporting standards: MCPs are stimulated towards the discipline of adopting a “language” recognized by the sector

Benchmarking: investors, donors, DFIs, regulators can compare the performances of the different MCPs evaluated

Capacity building: the evaluator provides professional guidance remarks to the evaluated MCP in each of the five areas regulated by the Code

Enhance the sector towards maturity: stimulate the practitioners to adopt sound practices in managing microcredit services

Intelligence (on-the-field visit): the independent evaluator provides first-hand, validated information after direct observation



# Thank you!

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