



Development of The European Code of Good Conduct (CoGC) for Microcredit Provision

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Background...

- Gradual shift as MFIs professionalised to move away from subsidy to more sustainable approaches
- Today over 50 guidelines and manuals and there are several specialised MFI rating systems
- In 2004 G8 endorsed Key Principles of Microfinance: MFIs should be financially self-sustaining and disclose and measure performance



Towards a CoGC for Microcredit Providers in EU

- In 2007, Commission adopted communication “*A European initiative for the development of micro-credit*”
- Communication identified priority actions:
 - Improve legal & institutional environment for microcredit
 - Improve climate employment & entrepreneurship
 - Promote best practice in sector
 - Provision finance capital for non-bank MFIs
- Developing “code of good conduct” covering governance, management & client relations identified as priority in promoting best practice



Development of the CoGC

- Code drafted by University of Salford in liaison with European Commission
 - Selected through tendering process
- Developed through extensive consultation and based on best practice:
 - Review best practice
 - Stakeholder consultation
 - Piloting



Best practice

Review 60+ international standards & frameworks
Advice & input from leading experts

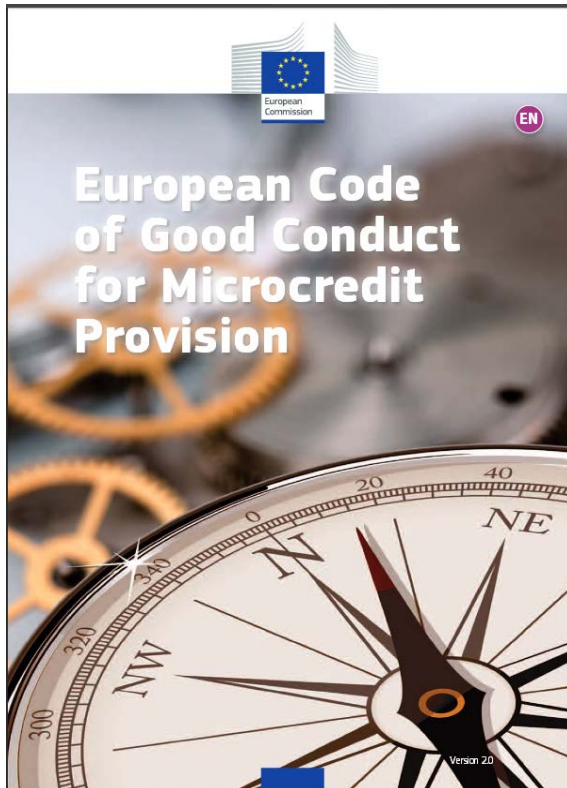
Consultation

Initial EC workshops
7 stakeholder workshops
Consultation with trade bodies
Online consultation
Drafts sent out for review

Piloting

Code piloted by 14 MFIs across 11 EU countries

European CoGC for Microcredit Provision



1. Customer & investor relations
2. Governance
3. Risk management
4. Reporting standards
5. Management Information Systems



Thank you

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