



BEST PRACTICE FROM

THE EUROPEAN CODE OF GOOD CONDUCT FOR MICROCREDIT PROVISION

Signing up to or endorsing the European Code of Good Conduct for Microcredit Provision, (the Code) is an important step for any microfinance institution to demonstrate they apply ethical lending standards and recognised best practices for microfinance in Europe. Compliance with the Code is a prerequisite to benefit from EU support under the EU Programme for Employment and Social Innovation (EaSI).

This case study presents learnings from the experience of NOA Sh.a Albania in successfully implementing and complying with the Code.



Since its establishment in 1998, **NOA Sh.a Albania (NOA)** targets clients such as small businesses not served by banks in Albania. NOA is one of the largest microfinance institutions in the country, with 261 employees, 25 branches, 12,438 active clients and an outstanding loan portfolio of EUR 41m. With the support of EaSI Technical Assistance in 2017, NOA received a certificate of compliance with the Code in December 2018.

Starting point: In June 2016, NOA signed up to the Code to benefit from EU support under EaSI Financial Instruments.

Journey: In October 2016, NOA began the implementation journey with a comprehensive self-assessment of its degree of compliance with the clauses of the Code. An EaSI Technical Assistance expert provided NOA with detailed recommendations and steps to follow in the short and long term to achieve Code compliance. The entire process leading up to the official Code evaluation took 18 months, which proved to be an enriching learning experience. During this time, NOA gained a better understanding of its corporate governance and aligned itself with international best practices in microcredit provision.

Result: The Code certification helped NOA improve its customer service standards and also had a positive impact with international and national lenders, as well as with other partners. It gave NOA the opportunity to receive support under the EaSI programme. NOA truly believes the Code helps institutions to adopt best practices in the microfinance sector and establishes the basis of a good corporate governance and customer service, thus enabling institutions to be successful and sustainable in the long term.

Key learnings and tips from NOA regarding the implementation of the Code

- + **It is a sound investment** to sign up to or endorse the Code – while it can be a long process, implementing the Code opens up new opportunities and creates substantial benefits for your institution (e.g. enhanced reputation, access to EU support).
- + **Request EaSI Technical Assistance in the form of a training on the Code** (duration of up to three days) to help your institution identify gaps and receive guidance on how to bridge them.
- + Ensure you have **competent specialists in house**, who are familiar with the policies and procedures of your institution and can navigate the entire implementation and certification process.
- + The Code certification is a **quality label**, which enhances the institution's **reputation** and facilitates **access to additional services** such as EaSI Financial Instruments.

“As a result of the Code certification, we are now ranked among the most trustworthy financial institutions in Albania and the region, which makes our staff very proud.” Herjola Spahiu, Chief Executive Officer, NOA

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[EaSI Technical Assistance for Microfinance](#)
[EaSI Financial Instruments](#)

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