European Code of Good Conduct for Microcredit Provision

Frequently Asked Questions

Closure of EaSI MicPro application

Disclosure of financial and operational information template

Social Europe
FAQ: Closure of EaSI MicPro application
Disclosure of financial and operational information template

Frequently Asked Questions: Closure of EaSI MicPro application; Disclosure of financial and operational information template

1. **Why is EaSI MicPro closing?**
   - As of July 2022, the current EaSI Technical Assistance Programme has officially transitioned to Social Inclusive Finance Technical Assistance (SIFTA). SIFTA is managed by the European Investment Bank (EIB) and funded by the European Union under the InvestEU Advisory Hub with a contribution from the EIB. The transition from EaSI to InvestEU comes with changes in practice for European microcredit providers who wish to **sign up to** or **endorse** the European Code of Good Conduct for Microcredit Provision - a prerequisite to benefit from the financial instruments in support of microfinance under the InvestEU. One of such changes is the closure of EaSI MicPro.

2. **When is EaSI MicPro closing?**
   - EaSI MicPro application has not accepted new registrations or modifications from microcredit providers **from 31 July 2022**. It was taken permanently down in mid-September.

3. **My institution has registered in MicPro. Do I need to delete my account? What happens with the information that is already in MicPro?**
   - You do not need to delete your account. All of your information has been automatically deleted when MicPro closed in mid-September.

4. **What will replace EaSI MicPro?**
   - The Code Steering Group has decided that, as of 14 June 2022, microcredit providers that start a Code evaluation will, instead of MicPro, publish their Code related financial and operational information with a standard template[1] (see point 5) on their own website. The information published is related to Code clauses 4.2, 4.2.1 - 4.2.10, 4.3, 4.4.1 - 4.4.10 and 4.5. The information on the template should be updated every year to ensure compliance with the Code.

5. **Where can I find the new template for disclosure of financial and operational information?**
   - The "Disclosure of financial and operational information" template is accessible on the Code webpage here (see related documents).

6. **Who should fill-in the template?**
   - Providers who are undergoing a Code evaluation, and providers who have been awarded the Code since beginning of 2021 (based on the updated Code).

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[1] Please note that, although the template is aimed at providers undergoing a Code evaluation and Code awarded providers, publishing the template or disclosure of this information does <u>not</u> always mean that the provider is Code awarded. To verify if the provider is awarded, please consult the official list of institutions complying with the Code, communicated on the Code webpage under "List of awarded institutions".

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7. How do I fill in the template, and what should I do with it afterwards?

a) If you are currently undergoing a Code evaluation or re-evaluation and are publishing the template for the first time:
  i. Request the template from the external evaluators sifta@mf-rating.com (it is also available on the Code website here).
  ii. Fill in the first column "Externally validated provider data" of Annex I of the template and get it validated during the evaluation process by the external evaluators. Rest of the columns are left empty.
  iii. Once validated, publish the entire filled in and validated template on the website of your institution.
  iv. Inform the evaluators of the location of the published template by providing them a direct web link.
  v. The published template should be kept visible for the whole duration of the Code award and updated annually. See also point b) and Question 13.

b) If you have already published the template once, and need to update it (for subsequent years from receiving the Code award):
  i. Open the published template from your institution's website. Fill in the next column of Annex I: "Self-reported provider data (non validated)".
  ii. This data is self-reported and it will not be validated by the evaluator.
  iii. Leave the original validated data in the first column visible (and if applicable, the previously self-reported data).
  iv. Re-publish the filled in template on your institution's website.
  v. You do not need to notify the evaluators, the EIB or the Commission for self-reported data (see question 12), unless if the location (direct web link) of the template changes in the process. In that case, see question 13.
  vi. Repeat annually to keep complying with the Code.
  vii. When/if your institution is eventually re-evaluated, go back to point a).

8. Will external evaluators validate my data on this template?
- The Code evaluators will validate your data during the Code evaluation process. It should be validated before publication. Validated data is added to Annex 1: "Externally validated provider data" column of the template. In the following years, your institution needs to update this data and re-publish the template annually. This updated data will be self-reported and it will not be validated.

9. Why does my institution need to disclose this information on my website?
- The European Code of Good Conduct for Microcredit Provision defines a unified set of standards for the microfinance sector in Europe. It serves as a self-regulation tool and a quality label for microfinance institutions committed to ethical finance.
  As part of the evaluation of compliance with the Code, the provider has to disclose publicly financial and operational information with a view to enhancing transparency and comparability in the European microfinance sector.

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The Code clauses 4.2, 4.2.1 - 4.2.10, 4.3, 4.4.1 - 4.4.10 and 4.5 require online publication of this information. Other clauses of the Code do not require online publication of information.

10. **How does the closure of MicPro and use of the new template change the Code evaluation process?**
   - Instead of reporting some of your institution's financial and operational data in EaSI MicPro, your institution will report it by using this template. As in the past, the external evaluators will validate this information before publication. If awarded with the Code, your institution is also required to update this information every year and re-publish it on your website. This updated data will be self-reported and no longer validated by the evaluator. Everything else in the Code evaluation process remains the same as before.

11. **What about providers that are already Code awarded?**
   - Microcredit providers that have been awarded based on the updated Code (since 2021) will need to publish the filled in template by the time of their mid-term progress reporting, two years into the four-year award period. These providers will be contacted directly by the European Commission to inform of this change of practice. For instructions, see point 7 b) – your institution should start filling in the template from the second column of Annex I: "Self-reported provider data (non validated)".
   - Microcredit providers that have been awarded based on the old version of the Code (before 2021) with a three-year award period do not need to use the new template before their next Code re-evaluation.

12. **How does the Code Steering Group keep track of the published information?**
   - During Code evaluation, the external evaluator will ensure that the validated data is accessible/available online. Link to the exact location will be added in the evaluation report. The Code Steering Group reserves the right to do spot checks on the availability and completeness of the template to ensure compliance with the Code throughout the award period.

13. **What if the location of the published template changes after the Code evaluation?**
   - If your institution needs to change the online location of the published template, please inform the EIB (sifta@eib.org) who will notify the Commission.

14. **What about the Helpdesk, hosted in the EaSI MicPro platform?**
   The Helpdesk is a free-of-charge service developed by the European Commission. Through the Helpdesk, users, e.g. microfinance institutions, investors, funds, and clients, have asked questions in all EU languages on the EaSI financial instruments, EaSI Technical Assistance, European Code of Good Conduct for Microcredit Provision, and other EaSI Programme related issues. Until July 2022 it has been accessible via the EaSI MicPro platform.
   From August 2022, questions related to the Social Inclusive Finance Technical Assistance (SIFTA) or the Code evaluation can be addressed to the EIB via email to (sifta@eib.org). Please consult the SIFTA website for more information.