

COPIE II - FINANCE FOR ALL EVALUATION AND ASSESSMENT FRAMEWORK ON "GOOD PRACTICES"



A. INTRODUCTION

I. Aim of the framework

This Evaluation and Assessment Framework is created for the sub Community Of Practice (COP) 'Finance for All'. The sub COP is part of the COPIE II programme, which aims at improving inclusive entrepreneurship. This sub COP is led by Flanders with support from the Czech Republic, other partner countries are Germany, Spain and Lithuania. The aim of this sub COP is to improve the effectiveness of policy in the EU with regard to finance for entrepreneurs from ESF priority groups.

This framework is designed to detect, describe and analyse good practices in the different partner countries of the sub COP. It is inspired by the COPIE I- framework and the IMPART peer review manual. The intent is not to dictate one 'good practice', but rather to support diverse approaches within a framework of basic good practice principles that work well in a specific context.

II. Methodology

In 2010 and 2011, 4 meetings of the sub COP 'Finance for All' will take place in order to describe, visit and assess good practices in the diverse partner countries.

Each partner country suggests maximum 2 good practices. The framework is not a questionnaire, but a guideline that will help to obtain a structured description of the selected good practice as well as the context in the partner country.

First the framework should be filled in by the representative(s) of practices in the partner country. Then the framework will be completed by ESF Flanders on the basis of the Base Line Study COP 'Finance for All', the EMN/Latham&Watkins, 'Legal Survey on Microcredit in Europe' and a contact of ESF Flanders with the good practice. During this contact a detailed working programme will be determined for the COP meeting by the partner country and ESF Flanders.

Before the COP meeting the completed framework will be distributed to all members of the sub COP 'Finance for All'. This way, the COP members can prepare the meeting and determine which peers they will invite to join them for the meeting.

On the 1st day of the meeting the good practice will be presented and visited. The 2nd day will be reserved for discussion, exchange of know-how and an assessment of the practice.

III. Definitions

In order to avoid any confusion, we start with some definitions of key concepts that are crucial for this COP.

'Good Practice', as defined in *'COPIE 2 Proposal for Learning Networks, Annex D2: Detailed work programme, p.11'*:

In simple terms a best practice can be defined as a technique or methodology that, through experience and research, has proven to reliably lead to a desired result. A more detailed definition is the following: "Best Practices are those documented, accessible, effective, appropriate, and widely accepted strategies, plans, tactics, processes, methodologies, activities, and approaches developed by knowledgeable bodies and carried out by adequately trained personnel which are in compliance with existing laws and regulations and that have been shown over time through research, evaluation, and practice to be effective at providing reasonable assurance of desired outcomes, and which are continually reviewed and improved upon as circumstances dictate." To this rather demanding list the notion of transferability or evidence of successful transfer is sometimes added as some practices turn out to be harder to transfer than foreseen especially across national boundaries.

'Target entrepreneurs', these are entrepreneurs from the ESF priority groups

'Target groups', as defined in *'Wikipreneurship, 2010'*

- disabled people
- older people
- ex-offenders
- women
- migrants
- young people
- BME
- Roma

'Microcredit', as described in *'Commission Staff Working Paper, "Microcredit for European small businesses", 2004, p. 5'*:

Microcredit has been one of the targets of European MAP financial instruments decided by the European Council in December 2001 and implemented since June 2002. Microcredit to small enterprises is since then considered as a loan below € 25,000 in the EU.

Peer review

The peer review is a method based on the exchange of experiences between a 'host country' who presents and wishes to gain feedback on an effective policy (and associated good practice), and 'peer countries' who are interested in: i) learning from the host example and potentially transferring it into their national setting; and ii) sharing their own policy experiences with the host and other participating countries, hence, the process is very much based on a two-way exchange.

Currently the policy example should have the following features:

- Concrete response to one or more Employment Guidelines, either as a single measure, a set of measures or on aspects of governance and delivery.
- Evaluation results or monitoring data should be available; and
- Where relevant, attention should be paid to the experience drawn under the ESF.

The peer review takes place in the host country with representatives from up to 12 peer countries. Each country is represented by a national government official and an independent expert. The Peer Review takes place over one and a half days, involving presentations on the host country policy example, a round table of the peer countries' experiences, followed by a number of working group discussions to facilitate mutual exchange and learning. Each Peer Review also includes a study visit organised by the host country where participants can see the direct application and impact of policy on the ground.

B. STARTING POSITION

The following documents contain background information and will also be useful in the assessment of the good practice:

- COPIE 2 Access to Finance Baseline Study (2009)
- EMN/Latham&Watkins, Legal Survey on Microcredit in Europe – Legal and regulatory framework and main obstacles to development of microcredit in Europe (April 2008)

C. FRAMEWORK

I. CONTEXT

Please complete following table: **Fehler! Keine gültige Verknüpfung.**

II. DETAILED DESCRIPTION AND ANALYSIS OF THE PRACTICE

1) IDENTIFICATION OF PARTNERS

Partner 1		Partner 2		Partner 3		Partner 4	
Legal structure:		Legal structure:		Legal structure:		Legal structure:	
Contact:		Contact:		Contact:		Contact:	
Function:		Function:		Function:		Function:	
Address:		Address:		Address:		Address:	
Tel. & fax:		Tel. & fax:		Tel. & fax:		Tel. & fax:	

E-mail:		E-mail:		E-mail:		E-mail:	
Website:		Website:		Website:		Website:	
Total staff (FTE):		Total staff (FTE):		Total staff (FTE):		Total staff (FTE):	
Microcredit staff (FTE):		Microcredit staff (FTE):		Microcredit staff (FTE):		Microcredit staff (FTE):	
Role within practice:		Role within practice:		Role within practice:		Role within practice:	

2) ABSTRACT

Describe the practice in a few sentences. Give a graphical overview of the selected case.

3) DESCRIPTION AND ANALYSIS

Policy context

- What are the origins of the specific project?
- What is the specific policy context in which this case is situated?

Mission & strategy

- What is the mission of the various partners?
- What are the objectives of this partnership?
 - Economic objectives
 - Social objectives
- How long does the partnership exist in its current form?
- How is the partnership coordinated?

Financial organisation

Use the following table to present an overview of the financial share of different stakeholders (partner/shareholders/ federal authority/ regional authority/ ESF/ ...) in the project for 2008 and 2009.

2008:

	Stakeholder 1	Stakeholder 2	Stakeholder 3	Stakeholder 4	Stakeholder 5	Total
Funding						
Risk						
Operational costs						
Total						

2009:

	Stakeholder 1	Stakeholder 2	Stakeholder 3	Stakeholder 4	Stakeholder 5	Total
Funding						
Risk						
Operational costs						
Total						

Please do also give a schematic overview of your stakeholders

- What price is paid for funding (interest rate and/or amount)?
- What price is paid to cover risk (interest rate and/or amount)?
- How is the practice's operational self-sufficiency (operational revenues/ (financial expense + loan loss provision expense + operating expense))?
- What is the practice's debt/equity ratio (total liabilities/total equity)?

Please do give a schematic overview of the credit process

Client perspective

- What is the target group of your service?
- How is this target group monitored/defined?
- How is the outreach to the clients organised?
 - Are there links with NGO's to outreach to certain groups?
 - Are services provided in the right places? Are they delivered in the community as well as from central offices?
 - Are services provided at the right times? (e.g. with regard to care responsibilities and religious observance)

- Are services accessible to disabled people (blindness, deafness, physical disability etc.)
 - Have care responsibilities been taken account of in the way that advice and training sessions are delivered?
 - Do advisers come from similar backgrounds to their clients and understand how diversity affects their clients when setting up and running a business (age, gender, disability, ethnic minorities)
 - Are the services provided in the language of the participant?
- What are the different credit products/services that are offered?

Name Product 1		Name Product 2	
Maximum amount:		Maximum amount:	
Interest rate:		Interest rate:	
Repayment period:		Repayment period:	
Grace period:		Grace period:	
Guarantees asked:		Guarantees asked:	

- Does your service include Business Support to your clients?
 - What is the content of this business support?
- Are the staff members properly educated and/or do they have the necessary competences?
 - Are there specific selection criteria for the staff members?
 - Is there access to a balanced range of high-quality specialist advisers (e.g. lawyers, designers, IT specialists, social enterprise advisers...)?
 - Are there inhouse training programs available?
 - Does the organisation use a quality standard?
 - What is the caseload of the staff?
- How does a client obtain a microcredit/business support? Describe the different steps in the procedure and the timing.
- What measures are taken to reduce failure rate?
 - is post-start-up support continued for more than the first 12 months?
 - are there opportunities and incentives for collaboration with other start-ups? (e.g. networks)?
- Is there a portable record of achievement, such as a skills passport, USB stick or online record of support?

Results

- How many microcredit applications/pathways were there in 2009? In 2008?
- How many microcredits were distributed in 2009? In 2008?
- What is the percentage of start ups financed/total financed?
- What is the percentage credits distributed/credit demands?
- How many of the financed/supported entrepreneurs were still active in the 1st year?
- How many of the financed/supported entrepreneurs were still active in the 2nd year?
- What is the repayment rate (value of amounts collected/value of amounts fallen due)?
- What do you consider as the most important parameters of the practice, and if not mentioned above, how do you score on them?
- How are the performances measured?

Internal assessment

- What are the critical factors of your practice? Why does your practice work?
- Make a Strengths, Weaknesses, Opportunities & Threats analysis for the practice:

Strengths	Weaknesses
Opportunities	Threats

III. ASSESSMENT OF THE PRACTICE *(for the experts)*

In order to have a good review we kindly ask you to answer following document:



ASSESSMENT OF
THE PRACTICE (expe

D. KEY LEARNING AND DISCUSSION POINTS

E. RECOMMENDATIONS