



Brussels, 4/11/2013

1. GLOSSARY ON MICROFINANCING

CERISE	<i>Comité d'Echanges de Réflexion et d'Information sur les Systèmes d'Epargne-crédit</i> is a knowledge exchange network for microfinance practitioners. CERISE is richly diverse, bringing together a variety of practitioners, researchers, donors and investors. CERISE was founded out of the desire of its five members (three NGOs, CIDR, GRET and IRAM, a public research institute, CIRAD and an academic institution IRC) to share and learn from each other. In 2009, CERISE issued a technical guide with regards measuring results of microfinance institutions and in 2012, another guideline regarding the Regulation and Supervision of Microfinance.
CGAP	Consultative Group to Assist the Poor. It is an independent policy and research centre supported by 30 development agencies and private foundations dedicated to advancing financial access for the world's poor. It is headquartered at the World Bank and supported, among others, by the EC.
Counter-guarantee	A guarantee issued by a financial institution to cover another financial institution acting as a guarantor of debtor risk. Through the counter-guarantee, the guarantor financial institution is covered against the loss or damage that it may suffer in the event of default of debtors.
CSSF	The Commission de Surveillance du Secteur Financier is Luxembourg's regulator of financial services and has experience in regulating microfinance investment vehicles.
EIB	The European Investment Bank or European Investment Bank Group (if EIB and EIF are referred to altogether) is the financial institution of the European Union and has been established by the Treaty. On the basis of Art. 267, this Luxembourg-based IFI offers financing to financial intermediaries in the EU Member States, many of which are specialised in SME finance.
EIF	The central mission of the European Investment Fund (EIF) is to support Europe's SMEs by helping them to access finance. EIF designs and develops venture capital and guarantee instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.
EMN	The European Microfinance Network is a non-governmental organisation launched in April 2003 with the support of the EC and French Caisse des Dépôts et Consignations. It is the largest microfinance interest group in Europe (see also MFC).
EMP	The European Microfinance Platform is a Luxembourg-based network representing the interests of microfinance, especially in developing countries.

	It organises the yearly European Microfinance Week.
EFSE	The European Fund for Southeast Europe aims to foster economic development and prosperity in the Southeast Europe region. The Fund offers long-term funding instruments to qualified partner lending institutions to better serve the financing needs of micro and small enterprises and low-income private households.
EURES	EURES was set up in 1993. It is a co-operation network matching jobseekers and employers across the EU. Its purpose is to provide information, advice and recruitment/placement (job-matching) services for the benefit of workers and employers as well as any citizen wishing to benefit from the principle of the free movement of persons.
Europe 2020	Europe 2020 is the current growth strategy of the EU establishing three mutually reinforcing priorities: smart, sustainable and inclusive growth, delivering high levels of employment, productivity and social cohesion. In this regard, the Union has set five ambitious objectives - on employment, innovation, education, social inclusion and climate/energy - to be reached by 2020. Each Member State will adopt its own national targets in each of these areas.
European Code of Good Conduct for Microcredit Provision	In the framework of the JASMINE initiative, the European Commission designed and published the European Code of Good Conduct for Microcredit Provision. The release of this document was seen as an important element to promote best practice in the field of microcredit. The drafting of the document was assigned to the EIF.
Financial exclusion	Financial exclusion refers to a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society to which they belong.
Graduation	Stage in the development of MFIs at which an MFI reaches organisational, operational and financial maturity, i.e. the MFI is not relying on third parties to continue operations under excessive cost bases.
Leverage effect	Leverage means how many euro of funding (public and private) have been raised and paid for micro-enterprises for each euro of public (EU and Member State) funding paid.
MFC	Microfinance Centre for Central and Eastern Europe and New Independent States. It is one of the two major microfinance interest groups in Europe (see also EMN).
MFF	The multiannual financial framework is a seven years spending plan that translates the EU priorities into financial terms. The current MFF period started in 2007 and will end in 2013. The new MFF will enter into force in January 2014.
Microcredit/microloan	Loan under 25 000 euro
Micro-enterprise	Enterprise employing less than 10 people and whose annual turnover and/or balance sheet total does not exceed 2 million euro, as per Commission recommendation 2003/361.
Micro-enterprise in the Social Economy	A micro-enterprise which produces goods and services with a clear social mission and/or which provides services to members of the community with a non-profit purpose.
Microfinance	In the context of this APM, microfinance consists of grants (in the form of allowances, benefits in kind, technical assistance) or financial instruments (microcredit) for the benefit of a micro-enterprise.

LuxFLAG	The LUXEMBOURG FUND LABELLING AGENCY (LuxFLAG) is an independent, non profit making, association created in Luxembourg in July 2006 by seven founding partners who are the Charter Members.. It supports the financing of sustainable development by providing clarity for investors through awarding recognisable labels to eligible Microfinance Investment Vehicles (MIVs) and Environment related Investment Vehicles (EIVs).
PROGRESS	PROGRESS, established with the Decision 1672/2006/EC, is the EU's Programme for Employment and Social solidarity (2007-13). It helps the EC to fulfil its tasks in term of EU law-making and EU policy coordination among the MSs. PROGRESS focuses on the EU dimension of the employment, social and equality policy. It relies on a network of partnerships involving national authorities, employers and workers organisations and NGOs. The programme had initially a budget of 743,25 million euro for seven years.
Smart campaign	A joint initiative of CGAP and other key players in microfinance worldwide, including Deutsche Bank Social Investment Group, KfW and MFC. It sets 7 fundamental client protection principles for MFIs.
SME	As per Commission Recommendation 2003/361, the category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed 10 million euro
SPTF	Social Performance Task Force has as mission to engage with microfinance stakeholders to develop, disseminate and promote standards and good practices for social performance management and reporting. It has over 1,500 members from all over the world and every microfinance stakeholder group (practitioners, donors and investors). In 2012, SPTF issued a set of universal standards for Social Performance Management.
Unemployed persons	As per Commission Regulation (EC) No 1897/2000, unemployed persons are persons aged 15 to 74 who are: <ul style="list-style-type: none"> a) Without work during the reference week, i.e. neither had a job nor were at work (for one hour or more) in paid employment or self-employment; b) Currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week; c) Actively seeking work, i.e. had taken specific steps in the four week period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of at most three months.

* Extract from the report “Do the EU microfinance initiatives contribute in achieving their objectives of inclusion?” of the ECA