



MINUTES FROM MEETING

Meeting	DIFASS project seminar
Date	16-17 October 2012
Venue	Hotel Zenit, Vonyarcvashegy HU
Participants	according to the signature sheet attached

Tuesday, 16 October 2012

András Nagy, managing director of ZMVA welcomed the participants and described the agenda of the meeting. He invited the partners to participate interactively during the seminar and express their comments, suggestions related to the presentations.

Tibor Szekfü, managing director of Fejér Enterprise agency reported on the **legal and financial framework of microfinance** activity in Hungary. The first microfinance programme in Hungary was supported by the Phare pre-accession programme of the European Union. The European Community and the Hungarian government granted the donation to the Hungarian Foundation for Enterprise Promotion and to its members, the Local Enterprise Agencies. Since then, the LEAs in Hungary are very successful in microfinancing. He described the legal framework of microfinancing activity (the act on credit institutions doesn't apply to LEAs). Questions concerned the setting of the interest rate and the role of commercial banks. Actually, commercial banks in Hungary are not interested in microfinancing, and they are withdrawing capital from this sector.

In the following presentation, Tibor Szekfü reported on the **European Code of Good Conduct for microcredit provision**. The European Code of Good Conduct was designed in the framework of JASMINE, a pilot project developed in the aftermath of a Communication on microcredit adopted by the Commission in November 2007 and also feeds on work carried out previously on the regulation of microcredit in Europe. The objective of the Code is to set out good practice guidelines that will better enable the sector to face the challenges of accessing long-term finance. A pilot phase to test the "European Code of Good Conduct for Microcredit Provision" of one has started in November 2011. Its aim is to identify potential implementation problems and to clarify clauses where deemed necessary. The Fejér Enterprise Agency is one of the participants in the pilot project.

Miklós Kókai from ZMVA reported on the existing **micro-credit schemes in Hungary**. The general aim of the micro-credit programs is supporting the micro-enterprises through a financial supporting and advising mainly in the special fields, where the commercial banks can not meet the demands of the small-enterprises at the moment. The other aim is to make these enterprises able to become the clients of the commercial banks – as the result of the support - as soon as possible. He described the national and local microcredit programs such as: New Széchenyi and New Széchenyi Combined microcredit program.

Agnes Fiedler from Credinfo Ltd. reported on the **Credinfo credit decision management system**, developed by Credinfo Ltd. The Credinfo system is complex credit information and enterprise promotion tool. The core of the system was created in 2001, and nowadays it has 27 MFIs and thousands of enterprises among its registered users. Credinfo can be divided into different modules. A public portal constitutes an important part of it, where registered MFIs can present their



European Union
European Regional Development Fund



organization and its operation on a unified interface, and can place their loan products with their description in the “credit webshop”. These loans can then be applied to by registered users online via the Credinfo system.

There is an internal interface for registered users (entrepreneurs and microcredit clients), where they can benefit from several enterprise promotion services. On a unified interface users may upload their details regarding the enterprise, products and services (including descriptions and photos). They can submit a loan application online for the loan product selected from the “credit webshop” to the MFI offering the loan product via a microcredit cart. When completing the loan application an assistant helps the applicant to compile the business plan for the requested loan product.

For MFIs a separate interface is made available, where each user may access functions and data according to their eligibility. MFIs can set their own datasheet on this interface, and complete their loan product list (also providing technical parameters which relate to the business plan necessary for the application). In addition, the entire online credit assessment module also includes an online value appraisal module, thus appraisers having the eligibility may the appraisal of the given collateral directly in our system, from which data the system creates a PDF document on request. The credit assessment function provides an opportunity for handling complex credit assessment processes.

The Credinfo system won important international awards and recognitions: Microfinance best practices award for innovation and sustainability in 2009 and Investment and Innovation in Microfinance award in 2011. The Credinfo system has been recently launched in Norway, by Microfinance Norway. The system is easily adaptable to different legal and linguistic environments in the SaaS (Software as a Service) model.

Nandor Benczur, managing director of Credinfo Ltd. introduced the participants to the **Credinfo Back Office System** and held an **interactive presentation of the Credinfo system**, testing the loan application, loan assessment and other functions.

Wednesday, 17 October 2012

Francesco Grieco, EMN representative opened the EMN workshop. He welcomed the participants and shortly introduced the EMN organization; its members, events and connections to the EU.

Filippo Vettorato, Expert reported on the **Business Development Services**; from point of view of paying for the services (**Who is going to pay for?**). Business development services (BDS) are carried out by financial institutions for the benefit of their target group. They can be combined with a financial intervention. The main goal of BDS is to increase or maintain the repayment capacity of the clients. BDS are strongly recommended by the EU and can be found in many European policies. However, there are many questions as well concerning BDS: sustainability of the services, measuring effectiveness etc. In his presentation, he showed two good practices for useful and sustainable BDS: BGE (France) and Telecoaching (Germany).



European Union
European Regional Development Fund



Tibor Szekfü, managing director of FEA **presented the good practice from FEA. Fejér Enterprise Agency** ® The Fejér Enterprise Agency was established as a non-profit organization in 1991 in Székesfehérvár in order to handle the Hungarian enterprise development projects of Phare in Fejér county. Székesfehérvár lies about 60 km to the west of Budapest, and it is the centre of Fejér County and the Transdanubian region. The mission of the foundation is to provide high-level, easily accessible financial, advisory and training services in the Transdanubian region to start-ups and existing micro and small enterprises in order to improve their financial and social standing and living standards.

The activities of the foundation have changed several times in the past few years since the Phare project ended. Currently, its most important activity is microfinance, but in addition to this the foundation also deals with training and provides economic and financial advice.

FEA is a member of the European Microfinance Network (EMN) and the Hungarian Microfinance Network. On the basis of the authorization provided by Act CXII of 1996 on Credit Institutions and Financial Enterprises, FEA is an MFI entitled to carry out microcredit activities independently of banks.

Fejér Enterprise Agency ® started its microfinance activities in 1992 under the national co-ordination of the Hungarian Foundation for Enterprise Promotion as an experimental project of the Phare enterprise development programme by starting up the National Microcredit Programme in Fejér County. In the past 18 years FEA has carried out significant developments in order to improve the quality of microfinance activities and the related enterprise development services. It has started several experimental microcredit programmes (for both social and enterprise development purposes), which proved to be sustainable. The foundation is a mediator of the Hungarian JEREMIE programme in the Transdanubian region.