



Mutual Learning on **Financial Inclusion**



EDITED BY
RESEAU FINANCEMENT ALTERNATIF



Supported by the European Community Programme for Employment and Social Solidarity (2007-2013)

This publication is supported for under the European Community Programme for Employment and Social Solidarity (2007-2013). This programme is managed by the Directorate-Generale for Employment, social affairs and equal opportunities of the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment and social affairs area, as set out in the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in these fields.

The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

PROGRESS mission is to strengthen the EU contribution in support of Member States' commitments and efforts to create more and better jobs and to build a more cohesive society. To that effect, PROGRESS will be instrumental in:

- providing analysis and policy advice on PROGRESS policy areas;
- monitoring and reporting on the implementation of EU legislation and policies in PROGRESS policy areas;
- promoting policy transfer, learning and support among Member States on EU objectives and priorities; and
- relaying the views of the stakeholders and society at large

For more information see:

http://ec.europa.eu/employment_social/progress/index_en.html

The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.



INDEX

1	What is this mutual learning on financial inclusion project about ?	5
2	A great mix of actors involved	7
3	Country Context Mutual Learning	9
3.1	Belgium	9
3.2	Bulgaria	10
3.3	France	11
3.4	Germany	12
3.5	Greece	13
3.6	Ireland	14
3.7	Italy	15
3.8	Netherlands	16
3.9	Norway	17
3.10	Poland	18
3.11	Spain	19
3.12	Slovakia	20
4	Main Financial Inclusion Issues	21
4.1	Basic Banking Account	21
4.2	Financial Inclusion Indicators	21
4.3	Regulation	21
4.4	Overindebtedness Prevention	22
4.5	Credit Unions and Microfinance	22
4.6	Financial Education and Cooperatives	22
4.7	Financial Education (general)	23
4.8	Corporate Social Responsibility and Financial Inclusion	23
4.9	Migrants and Financial Inclusion	24
4.10	Overindebtedness Treatment - Debt Settlement: Financial Inclusion or Exclusion?	24
5	What still needs to be done	25
5.1	...on the bank account access and use side	26
5.2	...on the credit access and use side	27
6	Mutual Learning... should go on!	29

Authors:

Iskra Christova-Balkanska - Institute of Economics, Bulgarian Academy of Science, **Caroline Corr** - Combat Poverty Agency, **Federica Poli, Mariarosa Borroni** - Università Cattolica del Sacro Cuore, **Georges Gloukoviezoff** - G2 Research and Training, **Bernard Bayot, Lise Disneur, Olivier Jérusalmy, Annika Cayrol** - Réseau Financement Alternatif, **Elizabeth Aro, Ornella Moro, Riccardo de Lisa** - System Consulting Network, **Piotr Błędowski, Małgorzata Iwanicz-Drozdowska** - Warsaw School of Economics, **Bożena Chovancova, Jarmila Tkačikova** - Slovak Consumer Institute, **Christian Poppe** - National Institute for Consumer Research, **Werner Sanio** - University of Mainz.

In collaboration with:

Center for European Policy (Rym Ayadi), **Confédération Général du Travail** (Jean-Marie Roux), **Confédération des Syndicats Chrétiens** (Annie Patureau, Philippe Paermentier), **Crédal** (Bernard Horenbeek), **Fédération Nationale des caisses d'épargne** (Elodie Asselin-Gressier, Cédric Turini), **Polish Bank Association** (Barbara Baranska), **University College Cork** (Noreen Byrne).



WHAT IS THIS MUTUAL LEARNING ON FINANCIAL INCLUSION PROJECT ABOUT?

Financial exclusion can be defined as *"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 in which they belong"*¹. The Mutual Learning on Financial Inclusion project, or MuLFI as we like to call it, approaches this issue from a positive aspect by fostering exchanges and debates on solutions to better financially include users.

The MuLFI project is therefore entirely in accordance with the PROGRESS programme that *"aims to support exchanges on policies, good practice and innovative approaches and to promote mutual learning in the context of the social protection and inclusion strategy"*².

Moreover, it is the continuation of the study "Financial services provision and prevention of financial exclusion" also coordinated by the Réseau Financement Alternatif. It was carried out from January 2007 to February 2008 for the European Commission Employment, Social Affairs and Equal Opportunities DG.

Completed in May 2008 by hosting a large final conference, this study has given the first comprehensive picture of the nature and extent of financial exclusion in Europe. Moreover, most effective policy measures to promote access to financial services and prevent financial exclusion were introduced.

The MuLFI project has two main directions: a data collection and analysis axis and a mutual learning axis. The first axis allowed developing four databases serving as tools in the domain:

- A Who's who in the field of financial inclusion
- A bibliography regrouping literature on financial inclusion
- Financial inclusion indicators
- Best practices

The mutual learning and dissemination axis is carried out through the website www.fininc.eu, the newsletters, the workshops and the final conference.

The ten workshops on eight different sub-themes of financial inclusion have reunited relevant stakeholders of various European countries to exchange their knowledge, interest and needs on policies, good practices and innovative approaches to promote financial inclusion.

Finally, the final conference held in Brussels on 5-6 November 2009 was the occasion to summarise the project's main findings. It also allowed gathering a significant number of stakeholders on financial inclusion in Europe to exchange learning and knowledge on the topic.

1 - Financial Services provision and prevention of financial exclusion, March 2008, <http://www.fininc.eu/gallery/documents/final-report-2007-and-summary/financial-services-provision-and-prevention-of-financial-exclusion-final-report.pdf>

2 - Open Call for Proposals, VP/2007/012, Mutual Learning on Social Inclusion and Social Protection, Under Budget Line 04.04.01.02, July 2007



A GREAT MIX OF ACTORS INVOLVED

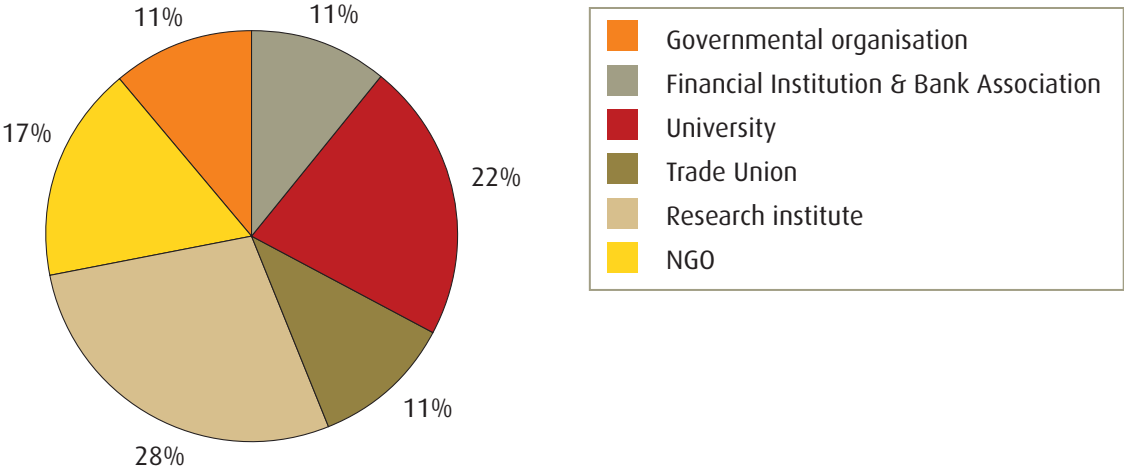
Various countries, various stakeholders, various knowledge and skills... This was the challenge the MuLFI project wanted to create to stimulate exchanges and debates on financial inclusion issues. Led by the Réseau Financement Alternatif, 16 partner organisations were involved in the project as listed in the table below. They are classified by country, organisational sector and partner type. The last category distinguishes partners that have carried out research (R) and partners that have brought field expertise (FE). They all have an excellent know-how or show a high interest in the topic of financial inclusion.

	Country	Partners' name	Organisation sector	Partner type
1	Belgium	Confédération des Syndicats Chrétiens de Belgique (CSC)	Trade Union	FE
2		Crédal	Non Governmental organisation (NGO)	FE
3		Center for European Policy Study (CEPS)	Research institute	FE
4	Bulgaria	Institute of Economics, Bulgarian Academy of Science	Research institute	R
5	France	Confédération Générale du Travail	Trade Union	FE
6		Fédération Nationale des caisses d'épargne	Financial Institution & Bank Association	FE
7		G2 Research and training	Research institute	R
8	Germany	Expert Debt Advice Centre at Mainz University	University	R
9	Greece	Università Cattolica del Sacro Cuore (UCSC)	University	R
10	Ireland	Combat Poverty Agency	Governmental organisation	R
11		University College Cork (UCC)	Universtity	FE
12	Italy Spain	System Consulting Network	Research institute	R
13	Norway	The National Institute for Consumer Research (SIFO)	Governmental organisation	R
14	Poland	Polish Bank Association	Financial Institution & Bank Association	FE
15		Warsaw School of Economics	University	R
16	Slovakia	Slovak Consumer Institute	NGO	R
17	UK	Personal Finance Research Center	Research institute	FE

Thanks to all the partners' knowledge and expertise, the specificities on financial inclusion in twelve countries, namely Belgium, Bulgaria, France, Germany, Greece, Netherlands, Ireland, Italy, Norway, Poland, Spain and Slovakia, have been indexed and analysed. Indeed, the project involved 17 organisations which include a total of twelve EU-27 Member States and EFTA/EEA countries. There is a good mix of Southern countries: Greece, Italy, Spain; Northern countries: Norway and Ireland; "old" members: France, Germany, Belgium, Netherlands and "new" members: Slovakia, Bulgaria and Poland. Together, the partners represent almost half of all current European Union Member States, more precisely 44%.

The field expertise partners possess great experience and show broad competences concerning financial inclusion. Research partners are renowned in the field of financial inclusion and are specialists on the topic in their countries.

Partner organisations come from six main sectors which are research institutes, universities, trade unions, financial institutions and bank association, governmental organisations and NGOs. This enables the partnership as a whole to better understand all facets of financial inclusion. The mix of organisation sector is very well-balanced in the project as illustrated below:



Finally, all partners are conscious of the diverse challenges faced by financial exclusion and are strongly interested in mutual exchange, learning and developing knowledge as well as competences to promote financial inclusion.



COUNTRY CONTEXT MUTUAL LEARNING

In this chapter, the twelve different countries studied will be approached through four main angles: their banking and credit situations, their success stories and their main priorities. The idea is to give a national snapshot of the various country contexts analysed during the course of the MuLFI project.

3.1 Belgium

Banking Situation

The use of a current bank account is extensive and the branches network has good geographical covering. The level of access is over 95%. The market structure is essentially composed by mainstream banks, profit oriented, but thanks to an effective regulation – a right to a basic bank account – the bank exclusion is very limited. The reasons why some people report not using a bank account are related to the cost of the account, the fear of seizure of sums paid on an account, sometime also because of bank or credit history. Some adjustments in the law have been made to solve these difficulties. Thanks to a long tradition of Identity (ID) card, the proof of identity is accessible for every official resident. The use of a bank account is necessary in many daily operations so being excluded from an account can lead to or reinforce social difficulties.

Credit Situation

The usual legal requirements to access credit are easily fulfilled by legal residents (ID and residence). Nevertheless, the market supply is not very diverse as already said. An anti-usury law exists that strictly regulates consumer interest rates (caps); moreover, a positive and negative credit database has to be checked during the pre-contractual period. This compulsory verification is a positive and objective action which is part of the legal obligation for lenders in order to identify the creditworthiness of a customer. The regulation about credit publicity is still an issue regarding the necessary control to be implemented by the authorities, which is very demanding (means are not sufficient enough to be satisfying).

Success Stories

Right to a basic bank account

All national retail banks provide the possibility to open a basic bank account according to the Belgium law of 2007. To guarantee this right, a non judicial and independent claim organism has been implemented, composed of the Banking sector and consumer protection organisation representatives.

Responsible credit, positive database and the Overindebtedness Treatment Fund

All lenders have to report credits and defaults in a national database and must consult it when studying a credit demand. It is the ratio between credit and credit default per creditor that is used to calculate the level each creditor finances the Overindebtedness Treatment Fund. This incites the providers to behave "safely".

Social account

A mainstream commercial profit-oriented bank on a national level designed for the Public Center of Social Action of Belgian municipalities (CPAS), an account which offers opening, managing, closing, money transfers and payments, standing orders and banking domiciliation, money withdrawals (electronic), account statements, self-banking, overdraft facility of maximum 20€ and possible phone banking for 2€ annually paid by the CPAS. There are around 200.000 accounts, which are break-even financially and are used by 575 out of the 589 CPAS in Belgium.

Main Priorities

- To implement a compensation system to incite the corporate social responsibility of the banking sector;
- To combat overindebtedness by developing a "reference budget" frame to better assess credit worthiness;
- To coordinate local and regional financial education initiatives;
- To support microcredit supply via long-term cooperation contracts and guarantee funds for credit.

Banking Situation

The use of a current bank account is estimated to be 52% in 2006. It was reported that the average wages' payment rate on a bank account is included between 50% and 75%. A right to a bank account exists with a precise definition of what conditions should be included. Proof of residence is also required to open a bank account. Not having access to a bank account is, in some circumstances, not necessarily socially damaging.

Credit Situation

The banking sector structure seems to be rather diverse. Mortgage and cash advance credit database (positive and negative) exist and the consultation is compulsory during the pre-contractual phase. Lenders and intermediaries respect laws and policies; if not they may be exposed to sanctions.

Success Stories

Guarantee Fund for Microcredit

The Labour and Social Policy Ministry and some banks have partnered to give, on a long-term basis, financial support to micro and small enterprises as well as cooperatives.

Ustoi Microfinance

Financed by USAID and the Catholic Church and operating at a regional level, the microcredits are offered to existing micro and small family businesses and in priority to women. More than 3.600 credits have been delivered since 2000.

Mikrofond Sofia Foundation

Attached to a mainstream national bank and completed by various other funds, the implemented microcredit programme targets registered firms, private agricultural farmers and self-employed persons. More than 2.500 credits have been granted since 1999.

Main priorities

To focus on financial education

To increase financial inclusion, financial education must be developed. There are plans to include financial education into the school curriculum aiming to improve knowledge in the fields of credit and finance. Moreover, special attention must focus on financial education of pensioners and young adults in the workforce.

To monitor and reduce overindebtedness

The global financial crisis exacerbated the economic and social disparities and created additional risks for financially excluded people. The risk of inadequate information to borrowers and the rise of interest rates can increase the risks of overindebtedness and insolvency.

To combat unemployment and therefore indirectly financial exclusion

It is suggested that this be done by supporting microcredit initiatives, strengthening human capital and productivity, lobbying for a more adequate bank regulation and improving users' data protection.

Banking Situation

The use of a current bank account is extensive and the branches network has a very good geographical covering. The market structure is mature and fairly diverse within mainstream banks that include cooperative, saving and postal ones. The access level is over 95%. A right to a bank account exists, not fully satisfying but it has been reinforced by a sectorial charter in 2008. Bank penetration is high and a lack of access can impact the social inclusion.

Credit Situation

The credit market regulation on lenders and intermediaries is rather homogeneous. The consultation of available negative credit database is not compulsory in the pre-contractual phase, but if lenders lend to someone registered they cannot intend legal procedures to recover the debt. Social-oriented providers develop some credit program for excluded people (credit municipal).

Success Stories

Parcours Confiance

The French savings banks created a scheme to prevent financial exclusion and to promote microcredit for low-income people or people facing an unfortunate event. The programme is financed by saving banks.

Finances & Pédagogie

It is a partnership between Finances & Pédagogie (NGO) and the French savings banks on a national level to tackle the lack of financial literacy. The project builds training programmes for intermediaries and people facing financial difficulties (social workers, human resources departments, association managers...).

Points Passerelle

A mainstream socially-oriented commercial bank, at a regional level, supports an initiative to tackle household financial problems mainly related to inappropriate indebtedness. Mainly advice and microcredits are provided.

Main Priorities

To increase personal microcredit possibilities

In order to give a solution to people who need to finance a non-professional project (to repair the car, to pay for medical spending, etc.), the Social Cohesion Funds guarantees 50% of microcredit provided in partnership between a bank and an NGO or social service.

To improve consumption credit access

Related to economic crisis consequences, some believe that consumer credit could be a good solution to maintain consumption until economic growth comes back. Despite the risks of such a strategy, regulation will probably be modified at the end of 2009 or start of 2010: usury rate will be increased for small loans (i.e. under 1.500€) to make them more profitable for lenders.

To monitor access to credit in order to avoid overindebtedness causes and consequences.

Simultaneously as access to credit should be increased, there are debates about the consequences of inappropriate access like overindebtedness. These debates are related to the way to prevent difficulties as well as it deal with consequences more effectively.

Banking Situation

The use of a current bank account rate estimate is discordant, ranging from 88% up to 93%. A sectorial agreement to guarantee access to bank account exist but some difficulties have been reported, explained by a lack of real constraints for actors which do not comply to it. The market supply seems fairly diverse (including social-oriented banks) and the geographical covering satisfying. Not having a bank account can create difficulties in the day-to-day life and impact social inclusion. Banking and credit history as well as overindebtedness are reported reasons that limit access to an account.

Credit Situation

The lenders market supervision and responsible credit practices are reported to be quite low. Positive and negative credit databases exist as well as negative ones for non credit debt such as telecommunications all centralised by a private operator called SCHUFA. The consultation is not compulsory in the pre-contractual phase.

Success stories

"Süßes Leben - überquellendes Kinderzimmer"

Caritas München developed a consumer educational program in kindergarten. During parents' evenings, they are made aware that their own consumer behaviour most probably has a lasting effect on their children's future behaviour. Supported by public money, it received excellent feedback from beneficiaries and could be transposed to other regions.

"Präventionsnetzwerk Finanzkompetenz"

This is a self-supported action network, composed by debt counselling organisations, associations for home economics, consumer associations, scientific and research entities that shares financial competency information and knowledge and coordinates socio-political lobby.

Online Services for Debt Counselling

Partly supported by private donations, these help lines provide short-term help through secure online accounts, preventive counselling and intermediation to adequate, local debt advice centres for further personal counselling. There is the German Caritas Association, the German Federal Association for Debt Advice and the Schuldenhelpline (which also provides short-term help by phone).

Main Priorities

To acquire the right to own a current account

Legal rules seem to be necessary because voluntary solutions have not been successful for years.

To foster nationwide learning opportunities in schools

Develop critical consumer awareness and impart financial competence.

To increase the standard rate of unemployment benefit

The state subsidy for people who are unemployed for a long time does not cover the margin of subsistence and often cause debt problems.

To preserve and develop debt advice

Provide financing to offer preventive work (today all the available time is used to counsel people who are already indebted - the answer to the demand is estimated at 15%).

Banking Situation

The bank account level of access ranges from 80% to 95%. The market structure is quoted as rather diverse, with a low branch density in some deprived areas and a satisfying Automated Telling Machine (ATM) network. Nevertheless, for some national particularities, lack of access or use is not necessarily socially damaging. A right to a bank account has been reported but banking and credit history as well as overindebtedness are reasons reported as limiting access to an account.

Credit Situation

A broad range of lenders, including postal and social oriented mainstream banks, are active on the market. Responsible lending is not strongly encouraged by law (interest caps, creditworthiness measure and no compulsory verification of the positive and negative credit database).

Success Stories

Economy: Knowledge with value

A mainstream commercial profit-oriented actor operates, on a national level to promote financial education of children to prevent overindebtedness issues. Started in 2006 and later evaluated, this programme is considered successful.

Consumer associations

National consumer associations (Kepka and Ekpizo) are increasing their activities to raise financial education in Greece by providing online and face-to-face information. Moreover, advice on specific financial products are offered, i.e., different types of households' loans (mortgage loans and consumer credit) and insurance contracts.

Main Priorities

To improve financial education

National and private initiatives aimed at raising financial education throughout the entire person's life cycle are still modest, generally lacking continuity and coordination at a national level.

To lobby for more market transparency and more basic products

Increasing product complexity calls for a broader circulation of basic products, which are easy to understand and use. Legal provisions concerning transparency and completeness of information provided by intermediaries on financial contracts must be more effectively implemented.

To decrease overindebtedness issues

Ideally, to cope with the phenomenon of overindebtedness, there should be legal norms aimed to introduce consumer bankruptcy and debt settlement procedures.

Banking Situation

It is estimated that bank access (i.e., those who hold a current account) is 57%. However this estimate does not include those who have credit union accounts and as Irish credit unions can be viewed as mainstream financial providers, the level of financial exclusion is lower than the Eurobarometer survey indicates. However, the phenomenon of self-exclusion is significant and many still maintain a primary or dual relationship with moneylenders. This has been well documented. Pre-requisites are superior to the legal minimum necessary by the EU and a particular issue regarding the identity proof exists (no ID card tradition or equivalent).

Credit Situation

The supply market structure is fairly large, with sub-prime providers. The credit market regulation is on a relative low level and responsible credits are mainly operated by credit unions. Credit positive and negative database have been reported, but the pre-contractual verification is not compulsory.

Success Stories

Financial literacy/financial capability

The Financial Regulator provides information on financial products and services in easy-to-understand English on a national level. It also adopted an education strategy aimed at raising awareness of financial competence.

Rights-based Money Advice

Public service on a national level, the Money Advice and Budgeting Service (MABS) deals with overindebtedness issues, in particular among low income households.

It provides a free and confidential financial advice, helps develop skills to prevent indebtedness and orients the target group towards adequate financial services. Currently it supports over 22.000 clients and has received positive feedback by research, clients and stakeholders.

Access to Financial Services for Marginalised Groups

Public service on a national level, National Traveller MABS addresses traveller issues related to failing to open a bank account due to inadequate ID forms and failing to access legal and affordable credit and savings. It facilitates the Traveller Community to develop skills around money matters.

Main Priorities

- To combat overindebtedness, since there is a high level of personal debt among the population.
- To lobby for a greater flexibility with regard to ID requirements to open a bank account
- To focus more on financial education.

Banking Situation

The level of access to a bank account ranges from 80% to 95%. A self-regulation exists within a bank consortium, which is rather diverse, but the efficiency of this measure is not very clear. An issue remains regarding the general “too high” cost for the provisions. Other exclusion reasons are identified as cultural gap (old people, migrant) and problems to prove identity.

Credit Situation

The Italian credit market structure is highly diverse (with alternative operators and postal bank), anti-usury laws exist as well as positive and negative credit database, but no particular incentives have been reported to improve responsible credit practices.

Success Stories

Mutual Guarantee Funds (Confidi)

Financed by public and private money, the Funds improve access to finance, mainly for small business and individuals. They cover a significant part of the credit risk (from 50% to 80%) and reduce the loan prices.

The PattiChiari Project

This consortium brings together 170 banks to tackle the lack of financial education. The most relevant initiatives are the large-scale financial education project for the general public and a web-tool that allows comparing different products.

Federazione Banche di Credito Cooperativo dell'Emilia Romagna

This bank partnership was introduced to tackle migrant difficulties to access banking services and credit. Appropriate skills, tools and training have been developed for bankers to deal properly with migrants, including translation of documents and folders. The project is supported by public funds.

Main Priorities

- To reach a better transparency and lower costs for banking products
- To solve overindebtedness situations for families and to fight usury practices through an effective law combined with other solutions (financial education, transparency, lower costs)
- To better financially include migrants via more effective actions such as specific products, more targeted services, a higher number of microcredit initiatives and migrants' recruitment in banks.

Banking Situation

The use of a current bank account is extensive and the branches network has a good geographical coverage. The level of access is seemingly over 95%. The market structure includes, beside mainstream profit oriented banks, cooperative and municipality banks, which have social orientation. The last one can be considered as a public bank. Access to a bank account is also protected by a constraining self-regulation of the banking sector that is positively assessed. Access or usage difficulties have been reported for elderly people and a specific solution has been developed for asylum seekers. The proof of identity and residence are necessary and may create difficulties for users in particular circumstances. The use of a bank account is necessary in many daily operations; being denied a current bank account can lead to or reinforce social difficulties.

Credit Situation

The banking sector uses a "reference budget" tool to assess creditworthiness of clients, on a voluntary base. This practice can be considered as the most responsible of all identified by this project. The credit provided by the municipal bank is socially oriented and covers the whole country. Positive and negative credit databases exist and a compulsory credit verification is required in the pre-contractual phase.

Success Stories

Social Credit provided by Municipal Creditbanks

Social banks, on a national level, give access to appropriate consumer credit. The social banks provide advice on maximum borrowing capacity to secure responsible monthly instalments and its duration in time. The Centraal Bureau voor de Statistiek stated that in 2007, the credit banks have granted credit for 73 million €.

Code of Conduct on Responsible Lending

Three autonomous private entities have created a code of conduct for loans using the reference budget developed by the National Institute for Budget Information (Nibud) for four household profiles. The Authority Financial Market controls the implementation of this code, since October 2008, and penalties can be applied in case of non-compliance.

Platform CentiQ, the Money-Wise Guide "Wijzer in Geldzaken"

Public-private and NGO partnership on a national level, this platform has researched the financial behaviours of the Dutch population to improve current policy measures. The aim is to improve the consumer's financial knowledge and skills and to stimulate an active attitude so that consumers can make informed financial choices.

Main Priorities

- To promote responsible lending through voluntary codes of conduct;
- To coordinate financial education initiatives;
- To tackle overindebtedness issues.

Banking Situation

The level of access to a current bank account is very high (over 95%), since a law for a right to a bank account exists. A reported moderate density of bank branches or ATM is certainly due to geographical specificities. The use of a bank account is also high; almost all wages are paid to a bank account. Not having access can therefore be socially damageable.

Credit Situation

The market structure is fairly diverse and lenders and intermediaries are invited to act responsibly by law. Positive and negative credit databases exist, as well as a non-credit debt database (e.g. phone, insurance). However, database verification is not compulsory during the pre-contractual phase.

Success Stories

The Consumers' Council (CC)

As a public service on a national level, the CC takes care of consumers' interests in market disputes including those concerning the financial markets. The CC is a major actor in public disputes over consumer rights as it serves around 120.000 people a year.

The Financial Supervisory Authority of Norway (FSAN)

As a public service on a national level, the FSAN promotes financial stability and orderly market conditions. It has a strong impact on the way providers behave and attend their businesses. Financial providers are controlled on a regular basis by the FSAN, which is an important factor in reducing financial exclusion to a minor issue in Norway.

The Norwegian State Housing Bank (HB)

As a public service on a national level, the HB provides adequate and secure housing for low-income households and other target groups (disabled, refugees). The HB is continuously evaluated and reports are available to the general public.

Debt Settlement Act

The Norwegian Debt Settlement Act was introduced in 1993 and gives defaulters a right to solve their debt problems – if necessary through a forced deletion of some debts. Some 1.500 – 3.000 persons apply for a debt settlement each year. In 2007, around 1.100 people completed their debt settlement schemes and were thus in principle re-integrated as "regular" market actors.

Main Priorities

- To combat poverty, with a special focus on children living in poor families;
- To build up initiatives in order to reduce and hopefully eliminate unemployment;
- To improve the financial counselling services in financial institutions as well as in the municipalities;
- To adjust the Debt Settlement Act to make it more accommodating and efficient.

Banking Situation

The level of access to a current bank account is under 70%. It has been reported that some geographically desolate areas are deprived of mainstream banks, which means that cooperative banks play a particular role in these rural areas. Regarding the public concerned (elderly and/or people living in rural region), non-access to a bank account is not always the origin of social difficulties and is related to habit to use cash instead of non-cash methods. A specific issue is that some banks ask for high fees, except internet accounts which are generally free of charge.

Credit Situation

The credit market is fairly diversified and includes cooperative banks and credit unions. Positive and negative credit databases exist but credit verification is not compulsory during the pre-contractual phase, although many financial services providers are checking their potential customers in order to reduce risks. The general level of credit regulation is harmonized with EU directives, but anti-usury restrictions exist. However, they do not especially tend to increase responsible credit.

Success Stories

Plan your Future "Zaplanuj swoją przyszłość"

Through training programmes, the Microfinance Center (MFC) helps low income families to deal with financial services and budget planning in order to increase the financial awareness. This initiative needs sustainable financing.

My Finance

Partnership carried out with the National Bank of Poland to educate secondary school students to understand personal finance. Participation to this programme reached around 200000 students and 2 500 teachers.

Financial and Consumer Advice Network

The SKEF (Association for Financial Education) related to credit unions deals with preventing overindebtedness in a face-to-face consultation, but the network of consultants is not satisfactory, as they have only 4 offices located in 4 big cities of Poland (Warsaw, Cracow, Gdynia and Katowice). This initiative is worth expanding.

Main Priorities

- To increase the level of financial education and awareness, especially among adults, since there are no specific educational initiatives directed toward that group of the population. Many adults are just relying on their bank information or advertisement.
- To increase the use of cashless instruments. The Ministry of Finance started in August 2009 a consultation process on these types of programmes for the years 2009-2013.
- To work on the standard basic account, since this seems to be a good instrument to attract unbanked customers.

Banking Situation

The use of a current bank account is extensive and the branch network has an excellent geographical covering with an access level over 95%. The market structure is mature and fairly diverse within mainstream banks including cooperative, saving and postal models. Access to a bank account is organised due to self-regulation. Some good practices to reach migrants have been reported, but also difficulties of access or usage for elderly or rural inhabitants. The use of a bank account is necessary in many daily operations, therefore being denied a current bank account can lead or reinforce social difficulties. Banking and credit history as well as overindebtedness are reported reasons limiting access to an account.

Credit Situation

In the past, credit exclusion was not a particular issue, because of the large range of financial service providers. Responsible practices are usually promoted by savings and co-operative banks. With the recent financial and economic crisis, access to credit for those who want to start a new job or business has become more difficult. Interest rate caps exist as well as credit and other debts negative databases. The credit verification by the lenders in the pre-contractual phase is not compulsory.

Success Stories

"Plataforma Bravo"

The Confederación Española de las Cajas de Ahorros and 40 Saving Banks on a national level offer a common platform to do swift, safe and competitive remittances via Internet. This money transfer service is also a mean to attract migrant clients to use other banking services.

Saving Banks' Microcredit Offer

Partnership between saving banks, social and private entities, on a national level, aims to provide accessible (micro) credit for people that do not manage to get a loan via the traditional financial system. It provides not only financial support but also advice and managerial support.

"Cuenta vivienda"

This account allows the client to have a fiscal deduction of 15 % on the amount deposited annually under the condition that the money deposited into this account will be used to buy or refurbish the house where his/her family lives. After 4 years, the client is obliged to fulfil his/her commitment or the tax benefit has to be refunded. It is a very positive incentive that motivates people to save money to improve their lodging accommodation.

Main Priorities

To facilitate credit access for people who want to start a new job/business.

Due to the recent economical crisis both demand and supply factors make this need more urgent: on one hand, self-employment becomes the only work opportunity for a growing number of people, on the other, criteria that banks use to grant credit are, in some cases, stricter than in the past.

To monitor the overindebtedness phenomenon.

Although the household debt level is, on average, lower than in other European countries, consumer credit has increased in the last years while the crisis of real estate markets affects the mortgage market. Therefore instruments and procedures to prevent and to promptly manage overindebtedness situations are needed.

To work on pension schemes for low-income people.

A latent need is pension schemes for low income people with unstable revenue due to the falling coverage of public schemes and difficulties for people with such features to access complex financial products.

Banking Situation

Despite the fact that some deprived areas have been reported as well as a low density of ATM, the level of access to a bank account is over around 95% and a right to bank account exists. The market structure is rather narrow (less than 3 types of operators). Reasons identified for non access is the high level of cost related to holding an account and the low level of income of the customer as well as fear of seizure. Banking and credit history as well as overindebtedness are also reasons reported to limit access to an account.

Credit Situation

The general level of credit regulation is high, contributing to a relative safe credit market (anti-usury, minimum income to receive credit, regulation on intermediaries and lenders to act responsibly).

Success Stories

Senior Accounts

Several banks have created a senior account to incite elderly people to open bank accounts instead of storing and using cash. They offer special fees and benefits. It seems the impact is positive since the savings amount is higher in these accounts than the national average.

Banking Ombudsman

Body created by the Slovak Banking Association to monitor and evaluate consumer claims. Moreover, new mediation processes between banks and clients have been conceived.

Country Literacy Research

The Slovak Banking Association conducted a nationwide research to identify financial education and training gaps. The demand concerns competent bodies, funds and implementation of programmes.

Main Priorities

- To focus on financial education;
- To support microcredit initiatives;
- To monitor and tackle overindebtedness situations.

4

MAIN FINANCIAL INCLUSION ISSUES

The mutual learning on financial inclusion issues were collected through debates, work and exchanges channelled throughout a series of ten workshops held between 17 November 2008 and 28 September 2009. The workshop topics were chosen in a participative way by all Mulfi partners. It was done in such a way that co-host organisers were able to select workshop topics that interested them in terms of mutual learning. Each workshop brought interesting conclusions. Those are summarised in the paragraphs below.

4.1 Basic Banking Account

The access to a basic bank account is high on the European political agenda and it is necessary to ensure social inclusion. Concerning this issue, it is crucial to determine responsibilities and roles played by the various stakeholders. This can be listed as follow:

- To define the role of the financial sector: Should basic bank accounts be part of the corporate social responsibility of mainstream banks?
- To reaffirm the role of the social sector that needs to build bridges with the financial sector.
- To confirm the role of consumer protection organisations, which is to inform the target population on basic bank account availability, to protect consumers and to ensure their rights are respected.

Workshop 1, Consumer Institute, Bratislava, Slovakia - 17 November 2008.

4.2 Financial Inclusion Indicators

The following actions are to be considered to build effective indicators of financial inclusion:

- To build a common lexicon on the European scale of financial vocabulary;
- To create a true picture of financial services offers on databases collected from the professionals (questionnaire/report) like the American system of "Community Reinvestment Act" from central banks, positive and negative databases (need for common standards) and from control authorities;
- To carry out a European investigation relating to financial exclusion within or alongside the European Union Survey "Statistics on Income and Living Conditions" (EU-SILC);
- To support the dissemination of these results within the interested parties.

Workshop 2, Réseau Financement Alternatif, Brussels, Belgium - 11 December 2008.

4.3 Regulation

A main conclusion, considering the fact that inclusion is not only a democratic and political issue but also an economic issue, is that the right to a basic account should be a common good and a universal service obligation with diversity in the national implementation.

This can be considered as a first step to a more comprehensive financial inclusion including savings, affordable and adequate credit as well as basic insurance.

To this end, the policies need to consider three elements:

- 1) Proximity to reinforce relationships (e.g. the Spanish model of savings banks),
- 2) Financial crisis that pushes up regulatory costs, and
- 3) Better design of products rather than specific financial products. Indeed, in some cases, disadvantaged people can become a business opportunity. Otherwise, a legal compensation system inside the financial sector can be envisioned to harmonise cost bearing.

Workshop 3, Center for European Policy Study, Brussels, Belgium - 27 January 2009.

4.4 Overindebtedness Prevention

Overindebtedness is an important social and economic issue. There is a need to focus on prevention methods, techniques and tools, because its treatment is rarely cost effective.

The two main dimensions of supply and demand should be considered:

- On the supply side, there should be adequate and easy to use products. National governments need to maintain confidence on the market by facilitating non-toxic sustainable products. More appropriate tools could be developed that would deal with life and income changes to reflect the economic realities. Moreover, adequate risks should be measured. Databases are good tools but data privacy remains an issue (who has access to what). The credit industry cannot consider them as the only way to measure risk. Finally, a creditworthiness analysis with objective criteria of responsible lending should be carried out before credit granting.
- On the demand side, the difficulty is to elaborate financial education messages that will be well-received by the target audience and incite them to change their behaviour. A clever way to impart prevention messages is through theatre plays or short films that can trigger this kind of involvement.

Workshop 4, System Consulting Network, Cagliari, Italy - 13 February 2009.

4.5 Credit Unions and Microfinance

The key results can be summarised as follow:

- To promote the visibility of microfinance is important for example in the National Action Plans. This can be achieved via communication and lobby. Moreover, the credibility of the sector can be reinforced through assessment.
- Systems to collect data on microfinance operations are still often informal – How can they be improved? Also, differences between East / West have to be further studied and understood;
- Microfinance approaches vary: sustainability is key for Central Eastern Europe while to provide appropriate loans is the focus of Western Europe.
- It is important to increase the competences and skills of the microfinance sector (e.g. Using tools that exist such as Basel II).
- As a speaker mentioned "microfinance completes and leverages the social provision", thus these two means to alleviate poverty should not be competing.
- Collaboration in the microfinance field is crucial be public-private-NGO as it is done in France or social entities and credit granting institutions as in Spain.

Workshop 5, Bulgarian Academy of Sciences, Sofia, Bulgaria - 20 March 2009.

4.6 Financial Education and Cooperatives

Some key points are stated below:

- Knowledge is often overestimated in financial education, i.e., adults have to learn to ask the right "questions" when using financial products.
- Financial education, if to be done properly, is very costly and long-term oriented.
- There is a lack of financial education on cost, some people still tend to think money-lenders are cheaper - and more convenient - on a weekly basis (they do not look at overall rate).
- Assessing financial education programmes is not impossible but can be more focused on qualitative indicators rather than quantitative.
- A possible benefit of community education is that both difficulties and solutions are shared, making target audiences more open to listen to new opportunities.

The overall conclusion from the workshop is that co-operatives, due to their distinctive nature, have an important and real role to play in financial education. However, they need to communicate with a coordinated voice and there is also a need to document best practices and develop valid evaluation methods.

Workshop 6, University College Cork and Combat Poverty Agency, Dublin, Ireland - 24 April 2009.

4.7 Financial Education (general)

The most important elements of discussion are listed below:

- A variety of programmes and best practices both in Poland and other European countries were presented. Most financial education programmes address children and teenagers but some are specifically devoted to households and overindebted people.
- In many countries the coordination of financial education is an issue, there is often a need for a national plan.
- The MABS life cycle approach used in Ireland has been acknowledged as a best practice's example.
- Sharing experience gives all participants a chance to learn about new channels of knowledge dissemination.
- It would be very useful to establish partnerships among NGOs, private and public institutions to reach all target publics.
- It is crucial to assess the impact of the financial education on the target groups.
- There are many financial education programmes and distribution channels and it is good to evaluate their effectiveness and validity on a regular basis.

For the Polish participants, representing authorities, regulators, educators, NGOs, foundations, central bank, banks and other financial institutions, this workshop was an opportunity to discuss all the financial education issues with a wide representation of EU countries and institutions. The discussions and results could serve as a basis to plan a national strategy concerning financial education in Poland.

Workshop 7, Polish Bank Association, Warsaw, Poland - 28 May 2009.

4.8 Corporate Social Responsibility and Financial Inclusion

Since money is a public property, factor of social cohesion, banks, consequently have a particular responsibility which should be the basis for their strategy and relate to the focus of their mission. Under these conditions, corporate social responsibility can be profitable but it should not be its main objective. Four elements should be further investigated:

- To set up a system that removes the distortions of competition by supporting responsible behaviours.
- To evaluate the devices of existing CSR and to develop compensation between parties.
- To maintain and reinforce the diversity of banking players.
- To promote dialogue and co-operation between all stakeholders without damaging competences proper to each party.

Workshop 8, Confédération Générale du Travail, Paris, France - 19 June 2009.

4.9 Migrants and Financial Inclusion

Concerning the migrants and financial inclusion context, it was valuable to see the life-cycle approach – to understand that a migrant goes through different stages with different needs.

The practice-oriented presentations of debt counselling taught us the importance of the attitude those services have towards migrant populations. The notion of respect is key to create trust and promote an open attitude. In Italy, many initiatives initiated by banks and targeted to migrants exist. However, none are coordinated on a national level.

Some opportunities have been outlined. The Spanish financial market, which is known as saturated, considers migrants as a niche that can be not only socially, but also economically interesting.

Regarding product innovation, remittances, mortgage and pensions schemes, they are considered as financial products that could be adapted and further represent potential markets.

The phenomenon of circular migration is also very interesting because financial education is done through migrants that come back home and teach their relatives and friends.

Public-private partnerships can be a best practice for financial institutions to better understand migrant populations.

Finally, a few challenges were debated:

- To facilitate language issues: work with interpreters, recruit staff that are migrants etc.,
- To harmonise the interpretation of the anti-money laundering regulation;
- To focus on financial education to avoid the fact that too often "the poor pay more" and reduce the risk of predatory lending.
- To lobby for market transparency to combat loan sharks and allow for easier financial product comprehension.

Workshop 9, University of Mainz, Mainz, Germany - 18 September 2009.

4.10 Overindebtedness Treatment - Debt Settlement: Financial Inclusion or Exclusion?

The main topics and conclusions on overindebtedness treatment were the following.

Concerning the Norwegian situation, there is a real concern at the Norwegian Ministry of Children and Equality which sees a clear link between financial exclusion, social exclusion and overindebtedness. Although all actors should be involved to find a solution, the government has a crucial role to play to avoid unacceptable social situations.

In Norway, the law states a right to a final solution but no fresh money for a new start in economic life. It is applied to people who request it on a voluntary basis. The Debt Settlement Act has three main steps: 1) debtor is considered as permanently unable to repay debts and has tried to find an arrangement with creditors, 2) the debt settlement period (5 years) and 3) an "after-period" (2 years). Debtors keep a fixed limit of minimum income and the rules to calculate it are based on the pension income conversely to other countries, where this is dealt on case by case. Norwegian creditors are satisfied with the current procedure and think that all parties gain from it. However, they do not wish to see it amended to favour more debtors.

The debtors, regrouped in an association, lobby to amend the Debt Settlement Act to favour debtors and highlighted the link between overindebtedness situations and not having access to basic bank account.

Although some difficulties remain, the overall debtor situation seems to improve after a debt settlement. Research should continue on the topic.

The Norwegian situation was compared with three countries: Ireland, France and Belgium.

Since the Irish legal system regarding the issue is very obsolete, some processes were developed by other actors, such as the Money and Advice Budgeting Service, to deal with overindebtedness. Now the Irish government is thinking of enacting what has been done informally.

In France, trade unions are interested in overindebtedness because it affects workers. The legal framework, such as the Belgium one, is quite developed, but there is still room for improvement.

Workshop 10, The National Institute for Consumer Research Oslo, Norway - 28 September 2009.

5

WHAT STILL NEEDS TO BE DONE...

This chapter sums some recommendations on what still remains to be done concerning the bank account and credit access and use.

Method

The financial inclusion indicators discussed were drawn from the national reports carried out by the research experts. This research was conducted in the form of a large questionnaire. Developed in a spreadsheet format, it was structured to collect data in six specific fields:

- 1) The general context relating to social and financial inclusion
- 2) Access to a bank account
- 3) The market structure and consumers payment habits
- 4) Access to credit
- 5) Types of credit available on the market
- 6) Good preventive and curative practices regarding financial exclusion

Due to the lack of direct, precise and comparable data regarding financial inclusion, the questions developed were focused on elements having a direct influence on the quality of the banking offer and thus on its capacity of being able to satisfy, in an adequate way, the demand (level of administrative prerequisites, legislative framework, structure of the market, responsible practices, use of the databases and solvency measurement...). This approach allowed the identification of various best practices at all these levels. Moreover, it seemed important to be able to identify the principal gaps in the data to fully apprehend and understand financial exclusion. Based on the collected data, after compilation, checking and validation work, the following financial inclusion indicators were gathered under the following headings:

Banking situation

- Level of access to bank accounts for people who want it
- Supply side elements that can impact financial inclusion
- Identified reasons why people do not use bank accounts
- Potential capacity to live a normal life without a bank account
- Bank account relative accessibility

Credit Situation

- Elements that impact credit access
- Opportunities to find credit with lower interest rate and/or better terms and conditions than mainstream commercial profit-oriented products
- Regulation elements that impact adequate credit supply
- Credit and debts database context

This section summarises the essential learning extracted from the analysis of all these elements.

5.1 ...on the bank account access and use side

Facilitate access to all, in each EU member states, to documents which are useful to prove identity and residence.

The difficulty of access to these documents constitutes a major cause of non-access to a bank account, for nationals and also, of course, for migrants, because proof of identity is a legal obligation on the scale of the EU (anti-laundering law).

This recommendation does not relate to the financial sector directly. It is up to each State to determine which documents it regards as valid for proof of identity and to implement procedures which guarantee access to these for any person living legally in the country. This question is particularly crucial for migrants.

In the long-term, eliminate geographical areas not served by the bank network.

This measure is essential to guarantee access for all. It is not conceivable today to consider a complete banking service without agencies and ATMs available on all the territory. The bank industry must be able to propose suitable solutions (automated agencies, shared structures...).

Access via Internet is indeed not universal: for at-risk groups such as underprivileged households, the elderly, some types of handicapped people (sight...). As long as such zones exist, banking exclusion will remain an issue in non-access or misuse of accounts.

Implement a basic bank account, offered by all players, allowing current financial transactions. This account must be proposed at a reasonable annual cost (fixed price?) and should not have an overdraft facility.

A basic bank account allows to solve, if it is well conceived:

- the non-access related to the excessive costs;
- the non-access related to the complexity of management;
- the non-access on a geographical level, as suggested by all active operators, when the preceding point is filled out;
- the non-access related to a history of problematic debt: refusal is not justified for an account without overdraft facilities.

Accompanying measures must be taken to guarantee the offer of an account to all. By a regulation or a professional charter, one notes that effective measures have as common points:

- to constrain or to be able to become constraining in the event of negative evaluation;
- to be evaluated - have the measures solved non-access/disuse problems?;
- to be communicated to the target public by adapted campaigns;
- to be adopted by all the sector and, if it is not the case, have measures aiming to pool the existing load via possible activation of a compensation funds.

Avoid solving the problem of non-access to a bank account by an alternative offer:

in particular when the latter goes against a non stigmatizing social inclusion. This answer must remain exceptional and be understood as an "urgent" response to a problem which should implement a more durable solution by means of an offer suggested by the banking environment. Only Ireland quotes a pilot project implemented by credit unions, but is this an answer model for the EU?

Organise a direct data collection regarding financial exclusion (investigation of the excluded public), in particular with regard to reasons of non-access or misuse ("request" aspects) and with regard to the difficulties relating to usage.

Complete, thanks to common standards of EU Member States (typology of the operators and products), **the banking reporting with useful data regarding the coverage offer and its quality.** This should be implemented by national supervisory authorities.

5.2 ...on the credit access and use side

Facilitate access to all, in each country of the EU, to documents which are useful to prove identity and residence

The difficulty of access to these documents constitutes a major cause of non-access to a bank account, for nationals and also, of course, for migrants, because proof of identity is a legal obligation on the scale of the EU (anti-laundering law).

This recommendation does not relate to the financial sector directly. It is up to each State to determine which documents it regards as valid for proof of identity and to implement procedures which guarantee access to these for any person living legally in the country. This question is particularly crucial for migrants.

The credit offer and consumer protection is still not homogeneous throughout the EU.

The Credit Directive 2008/48/CEE of April 23, 2008 should allow for the first significant step in many countries of the EU, but also risks to raise questions on the quality of the protection already implemented in some countries.

Support the offer of adequate credit for all, and especially adapted to the households excluded from the traditional banking offer.

It is still too early to imagine the implementation of “basic credits”, which would be easy to use, transparent in terms of cost and refunding, adapted to the required financings (small amounts) and not involving permanent debt (opening of credit). However, it should be noted that on financial markets where savings, co-operative, or postal banks exist (when they have not become a pure and simple commercial bank), or a structured network allowing offers in a social dimension (municipal banks, *credit unions*) exist, access to adequate credits by a generally excluded public is easier.

Support objective measurement practices of credit applicant solvency, by increasing the responsibility of the applicant as well as the one of the credit supplier. This will allow to consolidate the responsible practices of the credit sector institutions, which lower at the same time the risks of credit exclusion (a refusal due to lack of solvency is not a source of exclusion) as well as the risks related to the difficulties in concluding the credit refunding.

Support database management (positive and negative databases of lenders, but also of potential other actors of the economic sector) which is transparent, respectful of civil rights, independent and centred on the prevention of overindebtedness.



MUTUAL LEARNING... SHOULD GO ON!

This two-year project's main aim was to contribute to mutual learning on social inclusion, through the specific lens of financial inclusion. This chapter outlines the principal results of the mutual learning developed in the MuLFI project. It is a clear invitation for the reader to access the website www.fininc.eu and if more mutual interest, to join in the European Financial Inclusion Network that wishes to continue the work of the Mutual Learning on Financial Inclusion project.

The essential results of the project consist in four databases that were developed with up-to-date knowledge on financial inclusion. First, the stakeholders and publication identification in twelve countries including eleven EU member states (Belgium, Bulgaria, Germany, Greece, Spain, France, Ireland, Italy, Netherlands, Poland, Slovakia plus Norway) have allowed building:

A "Who's who" database

in the field of financial inclusion that includes 676 institutions from various categories:

	Institutions
Research	113
Bank and Credit industry	102
NGO & consumer protection	297
Policy makers, authorities and administrations	139
Others	25

An electronic **bibliography database on financial inclusion topics** that is regularly updated and that at the time of this publication (November 2009) lists around 700 items.

Then, the project's research experts have carried out country reports to develop:

A **financial inclusion indicator database** that provides inter-related information from various context elements. These include economic data, financial market structures and banking intensity, a view of the alternative social-oriented offer, a regulatory framework, an overview of the credit situation, all elements that influence the quality or the way the demand is met and explanations on the implementation of various practices.

And also, a **best practices database** was set-up which comprises 70 cases. Each practice offers an original solution related to at least one of the following main issues:

	Number
Bank access	15
Bank use	16
Credit access	22
Credit use	11
Financial education	20
Market control / consumer protection	4
Overindebtedness	13

After the implementation of these four databases, to foster knowledge transfer and mutual learning, a series of workshops on various financial inclusion sub-themes was organised.

This **ten workshop programme** was implemented to allow dynamic exchanges on a selection of specific issues. The interested stakeholders had the opportunity to present or learn about good practices and develop fruitful contacts.

The sub-themes were elected in a participative way by the partners and included the following topics: basic bank account, monitoring financial inclusion, regulation, overindebtedness treatment and prevention, micro-finance, credit unions & microcredit, financial education, corporate social responsibility and migrants.

All together 156 different people have participated, representing 111 different institutions. Besides the partner organisations, exchanges were carried out with 94 other entities. The 111 institutions can be classified by stakeholder type :

	Number
Research	21
Bank and Credit industry	26
NGO & consumer protection organisations	29
Alternative financial providers	10
Policy makers, authorities and administrations	14
Trade-unions	5
Others ³	6

Considering,

- the workshop popularity - The planned format was for 20 people but the actual participation came to an average of 23 people out of which 10 were non-project partners.
- the high level of diversity within the stakeholder type. On average 5 types out of 6 categories were present in each workshop - The less represented category was "others" and industry representatives were missing in only one workshop.
- an extensive geographical covering - In average, 9 different countries were represented in each workshop and around 2 extra countries from those represented by the partners were also present. All together, 18 different countries were represented via the intermediary of stakeholders.
- the commitment and interest to share knowledge and experiences - **the mutual learning aspect of the project has clearly been fulfilled.** The workshops allowed intensive exchanges on precise issues and filled in a gap.

This success can be explained by the workshop format, which favours debates and exchanges, by the possibility to exchange with other professionals that might have different opinions, thanks to their particular position or to their national context, but also by the financial support received by the EU Commission to cover an important part of the travel, accommodation and venue costs. Indeed, for many participants, attending such meetings in different countries would not have been possible if their own organisations had to pay the costs.

Overall, the main learning from this two-year project is the extreme interest to share experiences on financial inclusion matters at a European level since the different issues have found suitable solutions in some countries by private, public, NGO or mix operators. Not reinventing the wheel is definitely the *modus vivendi* of the MuLFI project as well as the **European Financial Inclusion Network** (EFIN) born out of the partners' will to pursue and develop the already existing contacts to transform a "one-shot" programme into a more sustainable one.

If you are interested in EFIN, please contact Réseau Financement Alternatif on www.rfa.be.

3 - This category includes religious entities, worldwide organisations or artist associations.



From Mutual Learning on **Financial Inclusion** to a...
European Financial Inclusion Network_____

▶ www.fininc.eu