



# ECDN Newsletter – November & December 2020



Dear members of the ECDN as always it has been a couple of very busy months to not say a very busy year indeed. The year started busy as ever with work on a Tender project commissioned by the EU Commission, this was followed by the planning of the first meeting of the Management Committee, everything was ready for a two-day meeting in Brussels when suddenly Europe and the world was hit by the now very infamous COVID-19 pandemic. Our president, Sandy Madar, knew that we had to move fast to not get taken aback by the economic consequences coming in the wake of the COVID-19 lock-down of the world. In this newsletter we will give you an update on what has happened in and around the association for the past months as well as the past year.

## Workshop on behalf of the European Commission

On November 10<sup>th</sup>, our president Sandy W. Madar participated in a workshop organized by ICF, regarding the formulation of a framework for the revision of the Consumer Credit Directive, on behalf of the European Commission's Directorate General for Justice and Consumers.



It is important for us that ECDN is represented, when decisions that overlap with our interests in terms of consumer credit are being discussed, especially considering the low representation of non-industry stakeholders.

Sandy contributed to the discussion by sharing the experience and knowledge of ECDN and its members, particularly in the area of over-indebtedness and responsible lending. We are assured that our presence at the workshop will meaningfully affect future legislation in the European Union, and thus have a positive effect on debt advice organizations, consumer agencies, educational organizations etc.

To read our input in more detail, click [Here](#).





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## Strategic Dialogue on the Action plan to implement the European Pillar of Social Rights

On the 21<sup>st</sup> of October 2020, the ECDN was invited by the European Commission to the online Strategic Dialogue on the Action plan to implement the European Pillar of Social Rights where our project manager and political consultant Younes Dalami had the opportunity to speak.

President Ursula von der Leyen has committed to putting forward an Action Plan to fully implement the European Pillar of Social Rights, to reconcile the social and the market in modern economy. The Strategic Dialogue was a great opportunity to ask the Commission for further clarification regarding the Action Plan and to promote the necessity of providing high-quality debt advice and to ensure Social Inclusion. The Dialogue was very informative and important as it showcased many different concerns and clarifications from many organizations in Europe concerning the Action Plan. Several important subjects were discussed, especially regarding the poor and most vulnerable people and how we can implement a strategy to help them. Also, how a social and green policy can and should be combined. Furthermore, there was also a focus on the education area and how financial education can help prevent more over-indebtedness. Similarly, easier and better access to income, social and healthcare support was addressed. Finally, it was emphasized that we should be aware of the limitless of the social pillar. We cannot fix all problems because these are national issues and a national legislating area. But we can push nations. We at the ECDN and other civil society organizations can push nations for better social policies and more social inclusion. We at the ECDN can push nations for easier and better access to good, quality debt counselling for the most socially vulnerable in Europe.

At the Strategic Dialogue, we at the ECDN was also able to express our deep concerns about the current pandemic. During the Covid-19 pandemic, we have seen many people been hit by economic difficulties and hardship because of firings and the current debt crises. We want to help ensure that we in Europe have well-established debt counselling bodies and organizations for the most vulnerable people. We need to have focus on fighting over-indebtedness and financial inclusion.





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We are thankful to the Director of Social affairs Katarina Ivanković Knežević for the opportunity to speak and hearing our concerns.

### VVA and the European Tender

During the fall of the present year, the VVA contacted ECDN with the purpose of seeking our assistance on the matter of a new report, which examined the debt advice situation in Europe. The report was requested by the EU Commission, as an important step in the process of improving the availability and quality of debt advice services in EU member states. Considering the knowledge and experience of the ECDN on the topics of debt advice and over-indebtedness, we were asked to aid the VVA in two specific areas: Firstly, we were to provide an overview of the supply and demand of debt advice services, in addition to examining the availability of said services in each respective country. Secondly, we contributed to the report by exploring the relationship between over-indebtedness and debt advice on the one hand, and mental health on the other, in combination with an analysis of the role debt counsellors can play in this regard.



In terms of the first part, chapter 3.3, our contribution consisted primarily in identifying the gap between the supply of debt advice and the need for debt advice, which varied from country to country. Furthermore, the debt advice systems of each EU member state were thoroughly analyzed, with the intent of categorizing each country into one of three categories (Good, bad or medium). This categorization was based upon three broad parameters; 1. The overall availability of debt advice in terms of funding, stability of funding, geographical reach and barriers to access, 2. The quality of the debt advice service in terms of scope and intensity of debt counselling, and the existence of nation-wide quality standards, 3. The knowledge base associated with debt advice, in terms of data quality and quantity. In the end, a comprehensive and detailed account of most debt advice systems across Europe was reached, identifying common patterns and tendencies and deriving useful insights for what makes debt advice work. Our contribution to the report is thus valuable, as it provides both a broad overview, as well as an elaborate examination.



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As for the second part, more specifically chapter 3.1.3, our role consisted in examining the scientific literature concerning the link between over-indebtedness and mental health issues. We analyzed how the provision of debt advice can help alleviate these issues, both directly by reducing debt, but also indirectly through the interaction with debt counsellors. Furthermore, the goal was also to identify existing efforts to provide psychological assistance across the EU. In some EU countries, debt counsellors were better able to recognize and address mental health issues, while in other countries less so. In other words, we conducted a literature review with the intent of deriving relevant conclusions for the positive effects of receiving debt advice, as well as looking into specific examples of cross-disciplinary cooperation and coordination.

We are assured that the expertise and knowledge of the ECDN will aid the European Commission in general, and the Directorate-General of Justice and Consumers in particular, in any future endeavor within the field of debt advice. We are convinced that policy efforts targeting over-indebtedness will have the greatest impact and sustainability, in so far as they draw upon the insights of civil society organizations such as the ECDN.

### Ordinary General Assembly

At the 13<sup>th</sup> General Assembly of the ECDN in Amsterdam last year, the Management Committee disclosed our plans to change the statutes of the association; during the meetings of the Management Committee in 2020 it has become more and more clear why these changes need to happen. It was therefore decided that the members of the ECDN would have to decide on these changes at the Ordinary General Assembly. Unfortunately, it was not possible for the members to meet physically in 2020 due to the ongoing COVID-19 pandemic. But the Management Committee still thought it necessary for the members to discuss these changes and therefore, on the 25<sup>th</sup> of November we held a Video Conference for the members, where we presented our ideas and the proposed changes, after this the Voting Ballot was sent to the members and they had 16 days to make up their mind.





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We had put the deadline on Friday the 11<sup>th</sup> of December, and when Friday came and went 84% of the active members had sent in their ballot and made their voice heard. This is an increase of just over 20%-points from the Extraordinary General Assembly, which was held in August! A huge thanks to all the members who have participated in the democratic process!

We asked the members to decide on 17 points of decision, first off five administrative points, then then six changes to the statutes and finally six changes to the internal rules. We can proudly announce that all changes were passed with overwhelming majorities of 75% or more! We are therefore first of all pleased to welcome Dr. Peter Daniel from Slovakia as a new passive member of the association, Dr. Daniel is currently working on establishing national debt advice services within Slovakia, and we are looking forward to working with him. The passing of all points also means that Sebastian Løper gets to continue as the coordinator of the ECDN, and we are looking forward to continuing our great collaboration!

What the changes to the statutes means to you as both active and passive members you can read more about in the Official Minutes of the General Assembly. For now the Management Committee has had a meeting on Wednesday December 16<sup>th</sup> to debate how to continue our work and how to implement the new changes to the statutes and internal rules. Stay tuned for more information on this in the new year!

We would also like to express our thanks to all the people who worked on making this possible, both the people in the coordination office but especially Piotr Tokarczyk from SKEF and Pauline Dujardin from CRESUS, who have worked hard on formulating the talk of the Management Committee into actual proposals of change in the statutes and internal rules.

## Funding opportunities

As we told you in the former issue of the ECDN's newsletter, the coordination office has been looking for funding opportunities to the ECDN. One of these is with the OECD. But we must also admit that this work has been more difficult than first expected. In collaboration with president, Sandy Madar,





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and special advisor, Kosta Skliris, we have been seeking out help for this. Brussels is full of consulting agencies which are specialised in helping organisations and associations find the funding they need; we have reached out to two of these agencies to learn whether and how they can help the ECDN find funding. Once we have a clear picture of our opportunities, we will debate it within the Management Committee and if necessary, ask you, our members, what you think.



We are currently working with three projects, which we believe could result in funding. First of all, we want to be able to build up the capacity of debt advisors across Europe and of course within our members. Secondly, we are working with the, to some people, rather abstract concept of social banks, which the Netherlands have great experience with – you can read more about social banks in the

Netherlands Here – Thirdly, we are working with the creation of special debt advice practices targeted SME (Small to Medium sized Enterprises), i.e. the companies who are currently hit very hard by the first and now in many countries also the second lockdown caused by the COVID-19 pandemic.

As always, we want your opinion, both in regard to these projects, but also if you have any ideas for new projects, which the ECDN can work on or help you with. The ECDN has a wide range of capabilities, and the new groups created in the wake of the COVID-19 lockdown in March, have helped us to ramp up these capabilities to both a more scientific and a more practical perspective. If you have any ideas or proposals, please send them to the coordination office at [info@ecdnet.eu](mailto:info@ecdnet.eu).



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## Looking forward to 2021!

No doubt, 2020 has been a year full of difficulties and hardship; many people have lost their livelihood, and many have unfortunately also lost much more than that. But there is light at the end of the tunnel! Earlier this month both the United Kingdom, Canada, and the United States have started vaccinating their people, and the latest estimate say that the EU Member States will be able to start vaccinating in the first half of January! Unfortunately, we cannot vaccinate all people on the same day, and most of us, who are not in any of the risk groups will have to wait. This means that we, as debt advisors, will still have our work cut out for us in the year to come. In the ECDN we will continue our work with VVA on the Tender, as early as January we will meet online to debate examples of best practice, which can be presented to the Commission. But we will also continue our work on the projects, which can help our members and the people of Europe, and with the EU Commission.



You will of course be able to follow our work both here in our newsletter, but also on our website ECDN.eu and on our social media pages Facebook, LinkedIn, and Twitter. Please do follow us then you will be able to keep up with the development of our work.

There is only one thing left to say: From all of us, to all of you, we wish you a very merry Christmas and a happy new year!

Best wishes,

Sandy Madar, President of ECDN / Sebastian Løper, Coordinator of ECDN

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