

NOVEMBER 2021

# The Newsletter

## n°40

# The Foundation strengthens its commitments towards its partners



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GRAMEEN CRÉDIT AGRICOLE  
FOUNDATION

[www.gca-foundation.org](http://www.gca-foundation.org)

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### THE FOUNDATION'S KEY FIGURES AS OF OCTOBER 30<sup>TH</sup> 2021

#### ACTIVITY

- 37** COUNTRIES of intervention
- 84.7M€** PORTFOLIO followed by the Foundation
- 47%** Outstandings in FRAGILE STATES
- 86%** Funding in LOCAL CURRENCY

#### SOCIAL PERFORMANCE (AS OF SEPTEMBER 2021)

- 75** microfinance INSTITUTIONS
- 11** SOCIAL IMPACT enterprises
- 7.3M** BENEFICIARIES of supported institutions
- 83%** Microcredit beneficiaries IN RURAL AREAS
- 87%** WOMEN beneficiaries of microcredits

With this year coming to an end, we thought we were done with this health crisis that has shaken us all. This is somewhat true, as you will see in the «Impact Focus», but these indicators remain contrasted from one region to another.

In this Newsletter, you will discover the testimony of Olivier Mancini, our Solidarity Banker who conducted a field mission in favour of Oxus Tajikistan, as well as the interview of Thomas Dovonou, Head of Credit in charge of the promotion of new products at RENACA, our partner in Benin.

Enjoy the reading

Éric Campos  
Managing director  
Grameen Crédit Agricole Foundation

## News

The Foundation publishes its report « our technical assistance offer »

In 2020, the Grameen Crédit Agricole Foundation conducted an in-depth evaluation of its technical assistance offer. Through this publication, the Foundation reports on this work by sharing its experience and recommendations with all those who contribute to the consolidation of the inclusive finance sector.

[Learn more](#)



New tools implemented to increase resilience to climate change

Winner of the GEF Challenge, the Grameen Crédit Agricole Foundation will provide intervention frameworks and common indicators for various actors to increase financing for climate change adaptation and biodiversity conservation. The Foundation will also pilot a triple assistance programme (financial technical and technological) for partner microfinance institutions.

[Learn more](#)



The Foundation is a signatory of a major initiative in favour of client protection

The Client Protection Pathway is a tool developed by CERISE and the Social Performance Task Force (SPTF) to help financial service providers ensure the protection of their clients. The Foundation is one of the signatories of this initiative and it strongly encourages its partners to join in.

[Learn more](#)



[See all the news](#)





## Signs of economic recovery remain mixed

ADA, Inpulse and the Grameen Crédit Agricole Foundation joined forces in 2020 to monitor and analyse the effects of the COVID-19 crisis on their partner microfinance institutions around the world. This monitoring was carried out periodically throughout 2020 to gain a better insight into how the crisis has developed internationally. We are extending this work this year, on a quarterly basis.



### IN SUMMARY

This article is a synthesis of the results of the seventh survey<sup>1</sup> of the series conducted by ADA, Inpulse and the Grameen Crédit Agricole Foundation. Responses from our partner microfinance institutions (MFIs) were collected in the second half of July 2021. The 78 institutions that responded are located in 40 countries in Sub-Saharan Africa (SSA-32%), Latin America and the Caribbean (LAC-30%), Eastern Europe and Central Asia (ECA-22%), North Africa and the Middle East (MENA-9%) and South and Southeast Asia (SSEA-6%)<sup>2</sup>.

The fairly positive overall trend nevertheless conceals highly contrasting realities, with the largest number of institutions returning to growth and others continuing to encounter difficult economic conditions. The first group shows growth in their assets and positive development projections for the end of 2021. This outlook remains moderate nonetheless (mostly between 0 and 10% of portfolio growth) as factors such as client demand and risk management continue to affect expansion opportunities.

Conversely, some institutions are facing difficulties specific to health contexts, the effects of which are weighing on economic life and are having a strong impact on transaction volumes. As a result, the profitability of their financial performance has been affected to the point of having a negative effect on the equity capital of the most fragile.

- 1. An operating environment that continues to improve overall**
  - 47% of the surveyed institutions said that they no longer faced operational

- constraints on a daily basis. 72% have either returned to a pace similar to that before the crisis or are experiencing a gradual recovery without major interruptions.

- 2. Part of microfinance institutions have returned to growth**

- 36% of the MFIs still report a decline in their outstanding loans.
- 53% indicated that they did not meet their disbursement targets in this period.
- 86% expect to have more outstanding loans than in December 2020 by the end of the year 2021.

- 3. Even if still present, credit risk remains under control**

- 58% stated that the current portfolio at risk remains higher than in early 2020.
- 59% have increased their provisioning levels compared with before the crisis.
- 59% indicated that loan write-off levels for the year were either down from previous years or at the same level.

- 4. Equity has been largely spared so far**

- 51% indicate a drop in their profitability.
- 80% have a level of profitability that is at least balanced, which does not affect the capital of their structure.

The conclusions presented in this article follow the second quarter of 2021. With this regular analysis, we hope to contribute, at our level,

to the construction of strategies and solutions adapted to the needs of our partners, as well as to the dissemination and exchange of information by and between the different stakeholders in the sector.

**Discover the full results of our Q2 2021 survey**



**Discover our report : «The impact of the crisis on microfinance institutions. Analyses and perspectives.»**



(1) The results of the first five surveys are available here : <https://www.gca-foundation.org/en/covid-19-observatory/>

(2) Number of responding MFIs per region: SSEA 5 MFIs; MENA: 7 MFIs; ECA 17 MFIs; LAC 24 MFIs; SSA 25 MFIs.





## RENACA or the strengthening of inclusive green finance



RENACA provides individual and group loans to a predominantly female clientele in six regions of Benin. RENACA has received support under the African Facility, a programme developed by the Grameen Crédit Agricole Foundation and the AFD, to strengthen its actions in inclusive green finance.



### THE ORGANISATION AND THE FOUNDATION

Under the African Facility, RENACA has received a €182,000 grant from the Agence Française de Développement [French Development Agency] for the implementation of 18 technical assistance missions in various fields (information system, business plan, etc.), including a mission to strengthen inclusive green finance. The Foundation has also granted three loans to RENACA since 2013, for a total amount of €1,738,000.

### CONTEXT OF THE MISSION

Faced with the deterioration of ecosystems, RENACA wanted to engage in inclusive green financing activities, particularly through the financing of agricultural activities that preserve forests and biodiversity and activities that contribute to reducing the vulnerability of clients to climate change. The institution thus benefitted from the support of an international firm (YAPU Solutions) to chart a green strategy and to assess and develop its green product offering.

on inclusive green finance for RENACA agents, the definition of a list of activities excluded from financing because they are harmful to the environment, the charting of an environmental and social policy, and the development of an environmentally friendly agricultural product offer

**Discover the interview of Thomas Dovonou, Head of Credit Department, in charge of the Promotion of New Products at RENACA.**

### RESULTS

Thanks to this mission, a diagnosis was made of RENACA's actions in the area of inclusive green financing and the institution benefitted from advice on developing its product offering. The mission also helped raise awareness among the staff and governance on the topic of inclusive green finance and climate smart agriculture. An institutional green strategy and an action plan were also devised, allowing RENACA to clarify its objectives in terms of inclusive green finance.

### OUTLOOK

Following the mission, several priority actions were defined, including the organisation of awareness raising sessions

  
**€15,573,000**

**OUTSTANDING LOANS**



**34,610**  
**ACTIVE BORROWERS**

of whom 59% are women and 76% are in rural areas



**€450**  
**AVERAGE LOAN**  
per borrower

\* Key figures (as at the end of December 2020)

**SOLIDARITY**  
Bankers

## Solidarity Notebooks: a Solidarity Banker in Tajikistan



**Testimony of Olivier Mancini, Head of Collection Processes, Crédit Agricole du Languedoc**

Launched by the Grameen Crédit Agricole Foundation and Crédit Agricole SA in June 2018, Solidarity Bankers is a skills volunteering programme open to all Crédit Agricole group employees for the benefit of microfinance institutions or impact enterprises supported by the Grameen Crédit Agricole Foundation. Olivier Mancini, Crédit Agricole du Languedoc's Solidarity Banker, carried out a field mission in favour of Oxus Tajikistan (OTJ) in September 2021.



Once the terms of reference were finalised and the health situation improved, I only had 5,000 km to go and 18 hours of flight left to achieve the mission!

### TO TAJIKISTAN

The next morning after my arrival, meeting with Vantasho, Chief Executive Officer, then with the managers of the various divisions to get a better understanding of the conduct of activities. I was also able to speak with beneficiaries to discuss with them the requests for financing and the characteristics of the goods offered as collateral. The documentation and information collected on site, in addition to the documents studied previously, enabled me to construct and submit my recommendations to Vantasho. With its validation, I continued the work started with Umedjon, Chief Risk Officer, and Shurhat, Chief Financial Officer, to establish the foundations of a new methodology for valuing guarantees and then providing the elements supporting this new method to be implemented.

The mission in the field lasted 10 days, which was sufficient to meet the terms of reference of the mission and develop the supports necessary for the implementation of the recommendations planned a few weeks after my departure. In this perspective, the mission will continue remotely for a few days of support in order to provide additional insight and vision on the implementation modalities and assessment of the relevance of the methodology.

### AN UNFORGETTABLE EXPERIENCE

This experience undoubtedly exceeded my expectations, both on a human and professional level.

Confronted, over a short period, with the expressed desire to fulfill the objectives of

the mission in order to provide concrete and appropriate responses, I was able to count on the great availability of all OTJ employees regardless of their function. I was also able to rely on the expression of a mutual critical look in a real spirit of openness by my main interlocutors. The co-construction of the offered solutions was very rewarding, especially since it was necessary to achieve the same requirement in terms of consistency and solidity of the recommendations as in my professional activity, but with clearly fewer external facilitating tools. It is thus a real satisfaction to have been able to contribute to the evolution of the organisation's practices with OTJ team.

Obviously, and despite the short stay, the human experience is unforgettable thanks to their hospitality. The (many) moments of conviviality were real opportunities for sharing. It allowed me to learn more about the history of Central Asia, Tajikistan and even their personal history. I would do it all over again with great pleasure. I keep the precious memory of people who greet with their hand on their heart but who also are open-handed / big-hearted 

I would particularly like to thank the people of Crédit Agricole du Languedoc who supported my project; to Caroline Brandt, Carolina Vignet, Cécile Delhomme from the Grameen Crédit Agricole Foundation who made this mission possible; to Aurélie Cacciotti of Crédit Agricole SA for logistical support; and of course to Vantasho Vatanshoev, CEO of OTJ, and Umedjon shodiev, Head of Risks, Shurhat Zoidoc, CFO, as well as to all the OTJ teams for their help and welcome, with a special greeting to Bakhtiyor and Yosuman.

Discover the Solidarity Banker's missions to be filled 

### AN UNFAILING MOTIVATION

I discovered the Solidarity Banker programme through a call for applications launched by the Grameen Crédit Agricole Foundation at the end of 2019. The offered mission, in favour of Oxus, a microfinance institution in Tajikistan, caught my attention and motivated an initial contact.

After a rewarding experience in Zimbabwe in 2018 as part of a solidarity leave, I wanted to invest myself again in similar missions. Immersion in a new context, the discovery of a different culture and the opportunity to practice a foreign language strengthened my motivation as much as the desire to share my knowledge.

When the mission in favour of Oxus was launched early 2020, I did not hesitate to apply! However, due to the Covid-19 situation, the mission was postponed. Never mind, it would leave me plenty of time to prepare the field mission upstream.

### MISSION PREPARATION

The objective of the mission was to review the valuation process for different types of guarantees and to consider the introduction of additional valuation methods in order to be as close as possible to best practices in this area. To achieve this result, the mission had to be well framed and prepared before joining the teams in the field. So I learned about the principles of microfinance and I studied the internal documentation of the institution in order to acquaint myself with their procedures. I also spoke many times with OTJ and the Foundation to better formulate the expectations of the mission.