The Foundation consolidates its action in favour of financial inclusion

In 2021, the Foundation once again demonstrated the usefulness of its activity: it supported 81 microfinance institutions and impact enterprises that serve over 9 million beneficiaries, particularly women and rural populations, in 37 countries. These are some key figures that we present to you in the 2021 Integrated Report.

In this edition of the Newsletter, you will also discover the testimony of a Solidarity Banker from Crédit Agricole CIB who went to Kyrgyzstan and the joint interview of two managers of microfinance institutions benefiting from the African Facility, the first technical assistance programme launched by the Foundation, in partnership with the French Development Agency.

Enjoy the reading

Éric Campos
Managing director
Grameen Crédit Agricole Foundation

The Foundation publishes its 2021 Integrated Report

The Grameen Crédit Agricole Foundation publishes its 2021 Integrated Report that retraces the highlights and key figures of a year still marked by the health and economic crisis linked to Covid-19, but also by the Foundation’s commitments in favour of climate and microfinance clients protection.

Learn more

A reinforced support to cocoa cooperatives in Côte d’Ivoire

The Grameen Crédit Agricole Foundation is stepping up its support for Advans Côte d’Ivoire as part of the SSNUP programme (Smallholder Safety Net Upscaling Programme). The institution received a grant to support cocoa cooperatives in improving the level of reimbursement of member producers.

Learn more

Podcast series of Solidarity Bankers

The Grameen Crédit Agricole Foundation and CACEIS Luxembourg have launched a series of podcasts giving the floor to Solidarity Bankers who have carried out a mission in favour of microfinance institutions and impact enterprises supported by the Foundation. Discover all the podcasts and the richness of the missions proposed.

Podcast #1 Podcast #2 Podcast #3

A reinforced support to cocoa cooperatives in Côte d’Ivoire

The Grameen Crédit Agricole Foundation is stepping up its support for Advans Côte d’Ivoire as part of the SSNUP programme (Smallholder Safety Net Upscaling Programme). The institution received a grant to support cocoa cooperatives in improving the level of reimbursement of member producers.

Learn more
Microfinance must play a greater role in helping vulnerable populations cope with climate change

“...The need to act in the face of environmental risks is a logical consequence of the mission that our institution has set itself: assist the most vulnerable populations.”

Historically organised to promote access to finance for vulnerable populations, the microfinance sector must change its tools and methods of intervention in a climate and environmental emergency that can no longer be ignored. Rural populations living in economically fragile areas are very exposed to these effects in fact, as they are dependent on agriculture and have difficulties in accessing basic services.

We conducted a series of qualitative interviews with the MFIs that are partners of the Grameen Crédit Agricole Foundation so as to gain a better understanding of these mechanisms. This approach enabled us to identify the main environmental risks gauged by these institutions and the means implemented to prevent and address them.

1. Les risques météorologiques sont ceux auxquels il est le plus urgent de répondre

Natural disasters of meteorological origin and the disruption of the seasonal cycle are having an increasing impact on the activities of MFI clients. For 65% of our partners, meteorological risks will be the most important environmental threat in the near future. Vulnerable and rural populations in particular are more exposed because they depend on agriculture, their infrastructures are fragile or they have difficulties in accessing healthcare.

2. Une prise de conscience forte, mais une mise en œuvre encore peu significative

Our partners are largely aware of the environmental risks that weigh on their activities. The vast majority of respondents (88%) consider that protecting their beneficiaries against environmental risks is part and parcel of their mission. This does not necessarily translate into concrete actions at the moment, however. The commitment of the institution’s governance appears to be an indispensable prerequisite: many institutions indicate that decisions in this direction are taken and implemented only when governance is really involved in monitoring environmental issues.

3. MFIs are not yet sufficiently proactive on environmental issues

One of the levers for encouraging institutional governance to take action is client demand: many institutions have observed that when clients express their expectations regarding specific services or financing relating to the climate transition (irrigation equipment, adapted seeds, access to energy, etc.), boards of directors are more inclined to want to develop new offers and to ask their teams to be more involved in this issue. Only 40% of our partner MFIs get explicit requests from their clients on these environmental issues however, which suggests that there is real potential on this point.

4. Inspiring initiatives have already been implemented by some institutions

Several of our partners have already put in place interesting initiatives to strengthen the resilience of their activities to environmental risks and limit the portfolio’s contribution to these risks. In order to protect clients and by extension their business, 51% of our partner institutions are making their clients aware of the vulnerability of their business to the effects of climate change (lower yields, impact of meteorological hazards, etc.).

5. MFIs face many obstacles in implementing their environmental offerings

Whereas we can provide many examples of initiatives among our partner institutions, these still concern a limited number of them. Although 64% of the institutions that responded to our survey have future plans on these themes, they are confronted with financial and technical obstacles: 78% of them claim to lack the financial resources and 52% the expertise to implement their projects.

6. Conclusion

In order to move the microfinance sector forward on environmental issues, it seems necessary to mobilize the governance bodies of microfinance institutions.

Technical assistance is essential to enable institutions to implement concrete actions. As regards the Grameen Crédit Agricole Foundation, adapting the offer to the needs of the institutions is one of the key learnings of the in-depth assessment of “Our Technical Assistance Facility”.

Discover the full article here

www.gca-foundation.org

Follow us on

© Didier Gentilhomme
In 2013, alongside the French Development Agency (FDA), the Foundation launched its first technical assistance programme: the African Facility. The objective of this scheme is to support small and medium-sized rural microfinance institutions, with a strong social impact, in Sub-Saharan Africa. More than eight years after its launch, the Facility’s results bear witness to the importance of providing not only financial but also technical support to partner microfinance institutions.

Through the African Facility, the Foundation and the FDA have supported 26 microfinance institutions, which have themselves financed income-generating activities of more than 500,000 borrowers with average loans of €200. The programme, that allowed carrying out 328 technical assistance missions, has covered many areas of expertise, from the development of environmental strategies to the digitalisation of the credit granting process and the strengthening of the governance.

In this context, Bimas and MicroLoan Fondation, two microfinance institutions in Africa, received several technical assistance missions. Spotlight on their assessment of the African Facility. Discover the interview of Elizabeth Karinga, financial manager of BIMAS and Randall Williams, former CEO of MicroLoan Malawi, who look back on this programme.

What is your assessment of the African Facility?

Elizabeth: The African Facility has been an extraordinary adventure for BIMAS. The progress made by our institution is important. For example, when we started to be supported by the African Facility, our operations management processes were still manual, whereas, through the support of the programme, we were able to begin a digitalization process. Thanks to the African Facility, we have also improved our social performance management and the communication with our clients.

Randall: MLF Malawi joined the African Facility in 2018 and has benefited from several missions, particularly on digitalisation. For example, with the assistance of the facility, we have implemented a new HR platform which has made it possible to automate some HR procedures and ensure more efficient staff management such as the management of staff leave. Prior to implementing the platform, it took branch staff two days and four sheets of paper to get approval on their leave requests. It now takes less than five minutes and no paper for that same approval. We were also able to implement a new cloud-based accounting platform to replace the legacy system that we had. This came at absolutely the right time as it allowed our Finance staff to work remotely from home during the Covid-19 crisis, something that was not possible before. I should point out as well that both platforms have centralised file archiving capabilities that allows teams to access digital files securely and remotely. So, apart from the significant gains in productivity, we have also become a more agile organisation since Management is now able to use the real time access to information on the platforms to make strategic decisions faster.

Elizabeth: The African Facility has really helped us in terms of developing our business. One of the essential things in microfinance is to be able to gauge how many people we reach, what type of disbursement we make and how to increase the financial inclusion of the greatest number. At the start of the programme, BIMAS had approximately 18,000 clients; today we serve 42,000 people, thanks to the new processes that we have implemented within the framework of the African Facility. We have moved up from 21 to 40 branches and this has created jobs in our new areas of intervention, particularly in rural areas. This growth demonstrates the positive impact of the programme and the partnership with the Grameen Crédit Agricole Foundation.

Randall: We are really grateful for the support that we have received under the African Facility to implement these capacity building initiatives. These technical assistance missions have really helped to strengthen our operations by improving the governance structure and increasing the overall resilience of our organization. More importantly, it has helped us to minimize the disruption linked to the Covid-19 pandemic and has also enabled us to scale our outreach at a much faster rate than before. For context – we were able to grow our branch network from 15 to 22 over the last two years (despite the pandemic) and this is largely due to the productivity improvements which has allowed our staff to better focus on scaling outreach, improving customer satisfaction, as well as driving other key social performance management objectives. I hope that the Grameen Credit Agricole Foundation will be able to continue this very important initiative because as you can see, there are clear benefits not only to the institution itself, but also to the base of pyramid clients that we serve.

Discover our technical assistance offer
Solidarity Notebooks: a Solidarity Banker in Kyrgyzstan

Testimony of Mark Diakhaté, Account Manager in the Structured Finance Distribution team at CACIB

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. Mark Diakhaté, CACIB’s Solidarity Banker, carried out a field mission in favour of Salym in September 2021.

I was delighted to be able to put my skills at the service of a company with an impact, in an unknown cultural environment (Central Asia remains a landlocked area with few tourists) and particularly exotic. I came back with the image of a dynamic country, rich in entrepreneurial opportunities.

I sincerely thank Carolina Viguet, Maxime Borgogno, Gabrielle Ferhat of the Foundation but also my hierarchy at RPC (Natacha Gallou, Hubert Frédéric, Michael Beucher) and the Human Resources of CACIB (Virginie Halipré, Nawel Frioui), who allowed me to participate in this mission as a Solidarity Banker.

Discovery of the programme and preparation

I have always had a keen interest in the fight against poverty. Indeed, I had participated in associative projects based on microcredit in Vietnam in 2008 and in Senegal in 2016, and I had followed a microfinance course during my university exchange in Manila in 2011, but I haven’t had the opportunity to work in a real financial institution offering this type of product. So, applying to the Solidarity Bankers programme and in particular to the mission with Salym in Kyrgyzstan was an obvious choice for me.

Salym is a microfinance institution that provides financial services to low-income populations in Kyrgyzstan and my mission consisted in launching the environmental and social risk management (E&S) approach in the lending process.

To frame the mission, I was able to draw on my skills in internal control and risk management - having been an internal auditor and then a credit analyst - I also benefited from a training course on Salym and Kyrgyzstan provided by the Grameen Crédit Agricole Foundation. In mid-July, we started preparing the mission with Salym so that I could get to know their organisation and procedures. In addition, I looked for various resources on microcredit and took some private lessons in Russian - which was my third language during my studies - in order to be able to have simple conversations on the spot without an interpreter.

The mission in Kyrgyzstan

I visited Salym’s premises in Bishkek for two weeks in September 2021. I arrived in Bishkek on the first Sunday of September and on Monday morning, I presented the mission during a kick-off meeting with the Management Committee. During the first week I met with the main managers and also with some borrowers, in order to get acquainted with the conditions of Salym’s activity and to map the main E&S risks inherent to the lending activities.

During the second week, I discussed with the management a first version of the risk mapping, and then possible evolutions of the credit process in order to integrate E&S risk management. At the end of the second week, I conducted a training session on E&S risk management with the Salym Management Committee and presented the roadmap for the deployment of the E&S risk management system. The pace during the mission was fast. Thus, I was able to finalise the initially planned deliverables (E&S risk matrix, proposal for a new credit process, training, roadmap) during my stay on site.

Homecoming

Back in Paris, at the request of Salym’s General Manager, I proposed a new and more comprehensive version of the Kyrgyz microfinance institution’s E&S policy. Mid-October, we had a final meeting by videoconference to discuss my proposal, with a view to deploying the E&S risk management system in 2022.

I sincerely thank Carolina Viguet, Maxime Borgogno, Gabrielle Ferhat of the Foundation but also my hierarchy at RPC (Natacha Gallou, Hubert Frédéric, Michael Beucher) and the Human Resources of CACIB (Virginie Halipré, Nawel Frioui), who allowed me to participate in this mission as a Solidarity Banker.