



AMBITIONS 2025



FONDATION GRAMEEN
CRÉDIT AGRICOLE



Microfinance & Social Business

Mission

Contribute to the fight against poverty and inequality through financial inclusion, particularly for women in rural areas in fragile countries.

The Foundation provides long-term support to Microfinance Institutions

and social impact enterprises to finance their development and adaptation needs. **The Foundation wants to build a global relationship with each partner through the financing of loans or guarantees, technical assistance, equity participation and as an advisor to investment funds.**



Ambitions 2025 in brief

CONTEXT

Our partners are faced with two major transformations:

- **the digital boom and the opportunities** it holds in store for making financial inclusion accessible to all;
- **climate change** and its direct impact on the customers of all our partners



A CLEAR ROADMAP:

Combining financial inclusion and the promotion of a 3-Zero economy: zero Carbon, zero Exclusion, zero Poverty.

THE STRENGTH OF OUR MODEL:

- **Two cultures** driven by the same mission
- A **unique positioning**: Promoting entrepreneurship among the most vulnerable, particularly women in rural areas, in regions least prepared for climate change, through microfinance and impact enterprises.

AMBITIONS 2025

STRENGTHEN

- Provide guidance and support to our partners in their digital transformation and their climate change transition through bespoke global advice: **devise jointly personalised financial, technical and organisational solutions.**
- **Prioritise our mission** in regions particularly impacted by climate change and the digital transformation: Africa, Asia and South-East Asia, Europe and Central Asia.

INNOVATE

- **Launch new climate change adaptation** programmes dedicated to rural farming.
- **Introduce new forms of mixed financing** with public and private stakeholders.

COOPERATE

- **Cooperate better to act more effectively among our partners, with**
 - > **our peers who share a common mission,**
 - > **our founders:** the Crédit Agricole Group and the Grameen Trust
 - > **and the Fintechs / Insurtechs in inclusive finance**

ONE CONDITION: AIM FOR OPERATIONAL EXCELLENCE AND CONSTANT EFFICIENCY IN THE WAY WE WORK AND HOW WE GET ORGANISED

- **Acquire** sound expertise in the agricultural and agri-food sectors in the face of climate change.



THE CONTEXT

The digital boom and climate change have a direct impact on financial inclusion.

Tackling instability with ambition and humility



Rising poverty, widening inequality, a shortfall in agricultural financing, higher inflation and persistently inadequate access to finance are some of the current challenges facing the organisations supported by the Foundation.

This requires a major capacity in financial inclusion stakeholders to adapt and transform so as not only to perpetuate but also to expand their field of operations:

- **the digital transformation of the sector** must advance financial inclusion by making essential services accessible to as many people as possible.
- **climate change** is affecting all the customers of the organisations we support, encouraging all stakeholders to innovate in order to build resilience into rural economies and to adapt agriculture. •

Digital boom in emerging countries

Observation: The share of mobile payments in 2021 stands at 57%, which remains under-represented in agricultural payments (26% in Africa). Formal savings are becoming more common, thanks to mobile or savings accounts. The share of formal credit is also rising: 23% of loans in 2021.

Access to bank accounts is increasing (71% of the population). Inequalities persist for women, young people and

the poor, but they do not prevent the development of the business: distance from financial institutions, lack of identification documents and mobile phones are among the main reasons cited.

The acceleration of the digital transformation of small and medium-sized microfinance institutions is vital if they are to be sustainable. This requires new skills, major investment and bolstered financial solidity on their part. •



* Sources : Étude Taméo, Findex 2021.

Combating global warming and eradicating poverty: two sides of the same coin

The IPCC 2022 report shows that **half of humanity is highly vulnerable to climate change, i.e. between 3.3 and 3.6 billion people worldwide.** Africa and South Asia are the regions least prepared for this disruption. Vulnerability includes the following indicators: food, water, health, ecosystem services, human habitat and infrastructure and facilities.

Climate inequality: Even though they emit the least carbon, the countries of the South are the hardest hit by climate change. This affects access to drinking water and food security in many countries in Africa, Asia and Latin America, which have the lowest financing capacities in the world.

Given its economic weight in these territories, agriculture overs the triptych of food security, adaptation to climate change, and economic inclusion and entrepreneurship. Its financing is key. •



THE FONDATION TODAY



**A Fondation
distinguished by its history
and positioning**

The Foundation came into being from the meeting of two cultures

The Foundation came into being from the meeting of two cultures, namely that of Professor Yunus, Nobel Peace Prize laureate, and that of Crédit Agricole.

Two cultures with the same vision: contrary to common misconceptions, lending to the poor creates jobs and generates sustainable income for the benefit of all. ●



PROFESSEUR YUNUS



RAPHAËL APPERT,
Chairman



VÉRONIQUE FAUJOUR,
Managing Director

“ There are two ways of looking at things. The first is to consider that we are guiding and supporting a generation of a world on the brink of extinction. The second is to consider that we have the chance to guide and support the first generation to contribute to a new world. I am opting for the path of optimism. ”

Raphaël Appert

A Foundation distinguished by its positioning



WOMEN IN RURAL AREAS _

Most often excluded from the banking system, women in rural areas represent an economic force for the entire local economy and for the stakeholders in their communities.



FRAGILE REGIONS _

The Foundation is more exposed than its peers to countries classified as “non-investment grade” (the riskiest) by Moody’s (76% vs 60%). **41% of the Foundation’s investments are in these fragile countries.** Sub-Saharan Africa is the priority region (44% of the portfolio vs 7% for microfinance funds).



IN LOCAL CURRENCY _

The Foundation takes the risk of currency hedging, with almost 90% of its funding in local currency (compared with an average of 35% for peer organisations).

The Foundation today in a few figures

END OF 2022



36 COUNTRIES OF INTERVENTION



79 PARTNERS,

including

69 MICROFINANCE INSTITUTIONS

and

10 IMPACT ENTERPRISES



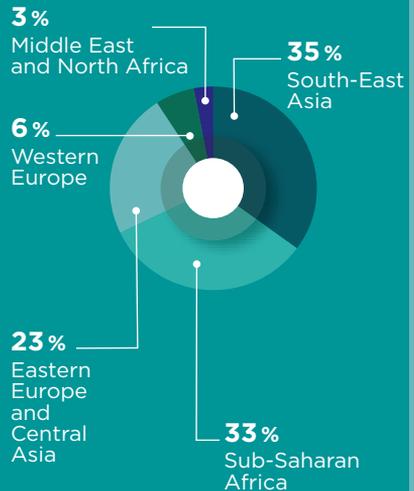
€86,2 MILLION IN

MILLION IN COMMITMENTS MONITORED BY THE FOUNDATION.

> **5** TECHNICAL ASSISTANCE PROGRAMMES

> **74** COORDINATED MISSIONS.

BREAKDOWN OF PARTNERS:



9,2 MILLION DE BENEFICIARIES REACHED BY ALL OUR PARTNERS, OF WHICH

> **91%** of microcredit beneficiaries are women

> **82%** of microcredit clients are in rural areas.

THE FOUNDATION TOMORROW



Financial and economic inclusion in the years to come must go hand in hand with the promotion of a three-zero economy: zero Carbon, zero Exclusion, zero Poverty. The Foundation must have accelerated its action by 2025: Strengthen, Innovate, Cooperate are the three action verbs of its ambitions.

Strengthen... our guidance and support for our partners

(LINE OF ACTION 1)

We will guide and support our partners in their climate and digital transformation through **a comprehensive range of financial services** (microcredit, but also savings, microinsurance, digital payments and transfers) - a global offering to enable them to improve their operational and financial performance, perpetuate their mission and meet the expectations of their customers better.

These programmes will focus on the challenges of climate change adaptation, with a particular emphasis on sustainable agriculture, digital transformation and micro-insurance to boost people's resilience. •

(LINE OF ACTION 2)

We will develop **a new approach to our technical assistance veering towards comprehensive advice for our partners**. The Foundation has up to now acted primarily as a technical assistance coordinator. From now on it will be a matter of building new programmes directly linked to the needs of our partners and through a strengthened dialogue with them, while developing consulting expertise in the Foundation.



Strengthen the impact of our actions

(LINE OF ACTION 3)

We will strengthen our impact by refocusing our efforts in three regions particularly hard hit by climate change and the challenges of digital technology:

- 1 Sub-Saharan Africa**, the Foundation's historical region
- 2 South and South-East Asia**, with solid and innovative MFIs working on digital, environmental and organisational issues, representing an interesting potential for innovation for all our partners.
- 3 Asia and Central Europe**, in 6 countries with solid and innovative MFIs focusing on the inclusion of women and young people and on the adaptation to climate change.

(LINE OF ACTION 4)

We will strengthen our tools for measuring and analysing the impact of ESG risks, notably on ESG issues, with a particular focus on environmental challenges so as to generate a strong net impact by 2025.

(LINE OF ACTION 5)

We will improve our impact by strengthening our capacity to deal with rising country, security and climate risks. This will require us to take better account of such risks in our analyses and to build new protection mechanisms. ●

Innovate... to empower rural farming to adapt successfully to climate change

Innovation must be at the heart of the development of the «Ambitions 2025» strategy to provide concrete responses to the challenges faced by our partners.

(LINE OF ACTION 1)

We will launch new solutions dedicated to adapting to climate change such as improving irrigation, enhancing seed varieties, developing agroforestry and setting up warning and forecasting systems to anticipate climatic incidents.

(LINE OF ACTION 2)

Develop programmes co-financed by private and public organisations with recognised and complementary agricultural expertise. •



Innovate... to support the most vulnerable - women, young people and refugees - better

(LINE OF ACTION 1)

We will launch new programmes to adapt to climate change, dedicated to rural farming and help to promote the autonomy of women through entrepreneurship and the development of rural areas.

(LINE OF ACTION 2)

We will set up new forms of mixed financing with public and private stakeholders, and initiate more dialogue and inclusion to meet better the expectations of our partners' customers. •



Cooperate – To amplify our action

Pooling forces is key when it comes to fighting against poverty and financial inclusion. The context encourages cooperation between all stakeholders who share the same vision.

(LINE OF ACTION 1)

Strengthen cooperation:

- **with our peers** with whom we share the same vision,
- **with our founders:** the Crédit Agricole Group on financial innovation and Grameen Trust with new synergies.
- **with new stakeholders:** develop ties with Fintechs/Insurtechs in inclusive finance as well as with local incubators.



(LINE OF ACTION 2)

Propose new strategic alliances that can extend as far as including equity interests in partners committed to the same goals. •

Committed team and governance



Achieving our Ambitions 2025 depends on operational excellence in the way we work and how we get organised:

Aim for operational excellence and constant efficiency **in the way we work and how we get organised: with the**

presence of solid governance and revised, more effective investment processes.

Acquire extensive expertise in the agricultural and agri-food sectors in the face of climate change by training our employees in new skills. •

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