



JUHUDI KILIMO, KENYA
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GRAMEEN CRÉDIT AGRICOLE
FOUNDATION

STRATEGIC PLAN

2019-2022

**A roadmap for reinforcing rural
and inclusive finance**



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TABLE OF CONTENTS

03 Editorial

04 Chapter 1: Our mission and business model

- A unique partnership
- Our mission
- Our business model

06 Chapter 2: A dynamic environment: evolving challenges

- The challenges ahead
- Three transitions that shape the way forward
- Implications for the Foundation

10 Chapter 3: A new roadmap: the 2019-2022 strategic pillars

- Accompany microfinance institutions in the face of change
- Strengthen the resilience of rural economies
- Promote a social performance perspective in the financial sector

15 Chapter 4: Medium term financial projections

17 Chapter 5: The people behind the Foundation

- A professional team
- A committed governance

EDITORIAL

Since its inception in 2008, the Foundation has explored ways to promote finance that is concerned about its positive impact, that acts as oxygen to local economies in developing countries, and contributes to reducing poverty and inequalities.

The Foundation today finances more than 70 microfinance and social business institutions in 35 countries. Its economic model is balanced, profitable and, above all, positive in terms of impact on society. Each of our partners endeavours to improve the living conditions in their country, in their region and at their scale, by opening up access to financial services that promote the development of income generating activities. Women entrepreneurs and populations living in rural areas are in this respect the Foundation's priority targets, and have been from the outset.

As inequalities continue to widen inexorably, the dangers of climate change are becoming increasingly imminent, and tensions of all sorts keep growing. Access to financial services remains a challenge of our times just as it was ten years ago.

Experience shows that, when respect and client protection are at its centre, microfinance is a formidable catalyser and vector of resilience for economic communities with low revenues.

As the Foundation embarked in the preparation of its medium term strategic plan, it reaffirmed its belief that microfinance is an adapted tool to address the specific challenges of rural development and adaptation to climate change. Digital finance also opens up perspectives that we will seize in order to accompany these small rural economies. We also strongly believe that responsible practices, social performance and environmental and social impact must remain at the heart of microfinance, and that much is to be gained by disseminating the good practices developed in the inclusive finance sector to the traditional finance industry.

After ten years of action, the Foundation is now building a new chapter of its history: more collective, ambitious and committed.



CHAPTER 1 OUR MISSION AND BUSINESS MODEL

VISIONFUND, MYANMAR
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OUR MISSION AND BUSINESS MODEL

THE FOUNDATION: A UNIQUE PARTNERSHIP

Co-founded in 2008 by Crédit Agricole Directors and Professor Yunus, the founder of Grameen Trust and 2006 Nobel Peace Prize laureate, the Grameen Crédit Agricole Foundation is a unique partnership driven by the aspiration that a fair, more inclusive economy is not only possible, but a concrete responsibility. Building on this premise, the Foundation promotes inclusive finance and social entrepreneurship to fight against poverty and provide opportunities to people that are socially and economically excluded.

Over the last ten years, the Foundation has established itself as a reference player in microfinance and social business and is acknowledged by partners and investors for the strong commitment to its social mission.

Since its inception, the Foundation has made a significant contribution by supporting 87 microfinance institutions and 15 social businesses in 38 countries, with a strong focus on Sub-Saharan Africa and South Asia.

The Foundation is a versatile partner with a range of complementary instruments to provide financial and technical assistance to mainly rural microfinance institutions and social businesses. With the launch of the Fund for Inclusive finance in Rural areas (FIR) in 2018, the Foundation started its new investment advisory activity, which it will further develop in the coming years according to an ambitious plan. As an

investment fund advisor, the Foundation can diversify its business model and mobilize additional investors such as Crédit Agricole Regional Banks and other interested parties to take part of its mission.

In a fast-evolving environment, flexibility and a true understanding of the challenges people living and working in rural areas face are crucial for making a difference. The Foundation aspires to be a driver for positive change in rural areas and is committed to use its resources, expertise and relationships to support and connect different actors that share this mission.

Though significant progress has been made over the last decade in financial inclusion and the fight against poverty, much remains to be done and new global challenges such as climate change put past achievements at risk. In the words of Professor Muhammad Yunus: "Extreme concentration of wealth in the hands of a few, impact of climate change on people's living and working conditions, these are the challenges facing today's world. And these deep-rooted problems are global challenges irrespective of economic achievement of a country^[1]". Common challenges require joint approaches and knowledge sharing. Building on its deep experience in developing countries, the Foundation aims to enrich the reflections about a more inclusive and fairer economy.

[1] Grameen Crédit Agricole Foundation, Integrated Report 2017

OUR MISSION

The Foundation's mission is to finance and accompany microfinance institutions, enterprises and projects that promote inclusive finance and rural economic development, anywhere in the world. Ten years later, this mission has lost none of its relevance, as rural areas are still home to the majority of poor people and are already disproportionately affected by major global challenges such as climate change and migration. Resilient rural economies rely on a diversity of economic activities, mechanisms to cope with shocks, access to essential services and infrastructure as well as the respect of natural resources and the environment.

The Foundation contributes towards its vision of resilient rural economies by advancing financial inclusion and strengthening agricultural value chains. It provides financial and technical assistance to microfinance institutions and businesses with social impact in rural areas to help them be drivers of change.

The Foundation supports its partners to further explore new ways in which financial services can contribute to development goals and will foster partnerships to test new approaches and business models. It is strongly committed to measure its social, economic and environmental impact and shares its experiences with partners and the public to stimulate an honest discussion about the social responsibility of financial institutions and the private sector more broadly.

The Foundation's ability to deliver on its mission depends on its strong economic model which is based on the dual objective of economic performance and social impact. The Foundation aims to further strengthen its model through partnerships and the development of specialized investment funds that allow the Foundation to leverage additional resources to support its partners.



Sustainable Development Goals: The United Nations defined 17 Goals for 2030. The Foundation contributes with its actions to 8 of them.

OUR BUSINESS MODEL

A versatile partner: Funder, investor, technical assistance coordinator and investment fund advisor: the Foundation is a versatile partner with a range of complementary instruments at hand.

The Foundation's business model includes four business lines:

Funder: The Foundation grants funding to microfinance institutions (MFIs), or social impact enterprises through loans, guarantees or other funding instruments.

Investor: The Foundation acquires equity stakes and becomes actively involved in social impact enterprises or social businesses essentially in the field of agri-food processing and financial services.

Technical assistance coordinator: The Foundation sources and coordinates technical assistance for its partners with a focus on strengthening their operations and supporting the diversification of the financial services they offer to clients.

Investment advisor: As an investment fund advisor, the Foundation helps investors engage in inclusive finance and investments with positive impact in rural areas.

A solid financial model: The Foundation is proud to have reached its financial breakeven in 2017. It has chosen to refocus its resources on its core activity of

financing socially impacting microfinance institutions. It aims to further strengthen its financial position by expanding its financing activities, both directly and indirectly by providing advisory services to specialized investment funds.

Partnerships for scale: Partnerships allow the Foundation to expand its impact and tackle new challenges. The Foundation continues to develop ties with Cr dit Agricole Group entities and Regional Banks, positioning itself as a center of excellence for responsible inclusive finance within the Group. Through intra-network partnerships, the Foundation gains access to a broad range of expertise in agriculture finance and banking. Outside the Group, it will build on existing partnerships and look for new opportunities to cooperate with organizations that share its mission to advance rural economic development.

Experience sharing: Tackling rural poverty and exclusion is a complex undertaking and more innovation and experimentation is needed to test and scale models that make a positive contribution. The Foundation will continue to distill and share learning from its operations and thereby help advance the global dialogue on financial inclusion and rural economic development, as it has done with its White Paper on Social Business. The Foundation supports knowledge exchange and is an active member of responsible finance networks.



CHAPTER 2 A DYNAMIC ENVIRONMENT: EVOLVING CHALLENGES

ACAD, PALESTINE
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A DYNAMIC ENVIRONMENT: EVOLVING CHALLENGES

The context in which the Foundation and its partners are operating has shifted significantly since the Foundation's inception in 2008. Important progress has been made towards financial inclusion. With contributions from an increasingly diverse range of public, solidarity-based and private actors, the microfinance sector continued to grow and professionalize, and technology is enabling new ways of expanding access to finance. Yet still 1.7 billion adults worldwide lack access to basic transaction accounts.

The hypothesis that access to financial services is an important component in the fight against poverty still enjoys widespread support. Over the last ten

years, a rich body of research has advanced the industry's understanding of the financial needs of poor people and the impact financial inclusion can have on households, businesses and economies.

For the development of more resilient rural economies that offer opportunities for all inhabitants, including women and young people, more than access to finance is needed. In consultations and discussions leading to the Strategic Plan 2019-2022 the Foundation reflected on the forces that influence the realities of poor people living in rural areas, identified the key challenges ahead and prioritized ways in which it can have a positive impact in a changing environment.



UCAFODE, UGANDA
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THE CHALLENGES AHEAD



Climate change

We can no longer close our eyes to the devastating effects of climate change. Extreme weather conditions are becoming more frequent, desertification reduces productive land and rising temperatures reduce agricultural productivity. The negative consequences affect all domains of life, from food security to the ability of families to invest in the future through educating their children. Poor communities, especially those living in rural areas, are disproportionately affected, thus exacerbating inequalities and rural poverty.



Growing inequalities

The positive trend of numerous countries moving up the income ladder is coupled with growing inequality within countries². While economic growth has lifted millions out of extreme poverty in emerging and developing economies, its proceeds have not been shared fairly, increasing the gap between rich and poor, as well as between urban and rural areas. Growing inequality ferments social tension and limits welfare for all. In addition, economic inequality often reinforces inequality based on other characteristics such as gender, religion or ethnicity.



Persisting rural poverty

About two thirds of the extreme poor live in rural areas, most of them in Sub-Saharan Africa and South Asia³. The rural poor face multiple challenges: access to basic services such as water, energy, education and health services is more difficult and expensive. Weak infrastructure hinders access to markets and information. Employment opportunities are limited, and rural populations are overrepresented among the unbanked. Even with ongoing urbanization, most of the world's poor will continue to live in rural areas well into the XXI century.



Migration

Growing within-country inequality, persisting rural poverty as well as climate change will put more pressure on people to move. Migration from rural to urban areas, but also international migration, will become even more important as those trends continue. In addition, an unprecedented number of people are on the move forced by conflicts and persecution. Most of the world's migrants and refugees move to urban areas where their economic inclusion is not only necessary for their survival but enables them to contribute to the local economy.



Inclusive growth in Africa

Many countries in Sub-Saharan Africa have seen significant economic growth since the early 2000's, benefiting from more favorable business environments. This growth has created opportunities for small and medium enterprises but inequalities within the continent, and between rural and urban areas, are widening. Extreme poverty is increasingly concentrated in Africa (27 of the world's poorest 28 countries are in Sub-Saharan Africa)⁴. Given the continuously high population growth, providing economic opportunities to millions of youth joining the labor market every year is a major challenge.

[2] See OECD (consulted in January 2019). Inequality and Income. <http://www.oecd.org/social/inequality.htm>

[3] World Bank. 2016. Poverty and shared prosperity 2016: Taking on Inequality. Washington, DC: World Bank.

[4] World Bank. 2018. Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle. Washington, DC: World Bank.

THREE TRANSITIONS THAT SHAPE THE WAY FORWARD

The challenges ahead are all intertwined and call for a holistic approach to tackle poverty, especially in rural areas. The Foundation identified three major transitions at the nexus of rural economic development and financial inclusion.



Digital transition

Technology is an important driver of financial inclusion, especially in Sub-Saharan Africa, where 21% of adults have a mobile money account⁵. In some countries, access to digital financial services has helped decrease the access gap between the rich and the poor and between men and women. For microfinance institutions and banks alike, the advent of digital financial services is both an opportunity and a challenge. Digitalization helps financial institutions expand their outreach at lower cost, increases efficiency and allows developing more customized financial services. However, the market entry of new types of providers increases competition and microfinance institutions need to reposition themselves in this new market environment as responsible players that offer additional value to clients.



Green transition

There are some promising ways in which financial inclusion can contribute to advancing environmentally friendly solutions. Access to finance can help households invest in improved cook-stoves, which are safer and cleaner than traditional biomass cooking fuels and contribute to reducing deforestation. PAYGo companies are providing access to clean energy for lighting, powering appliances or charging mobile phones. Furthermore, through green financial services that support sustainable agricultural practices, microfinance institutions and other financial actors can play a major role in the transition to a low carbon economy.



Agricultural transition

Agriculture is the key to rural economic development. The Food and Agriculture Organisation (FAO) estimates that agriculture provides employment to 1.3 billion people around the world, 97% of whom live in developing countries. While agriculture is a major source of income for people living in rural areas, many engage in weak value chains or are trapped in subsistence farming. The transition towards a more productive, but also more sustainable agriculture is a necessity for rural economic development, alleviating rural poverty and food security. However, access to finance remains challenging for farmers and agribusinesses. Financial and development actors have a role to play in supporting this transition with financing and technical assistance to structure agricultural value chains.

IMPLICATIONS FOR THE FOUNDATION

Reflecting on the challenges ahead and the transitions that will impact the livelihoods and opportunities of people living in rural areas, what are the implications for the Foundation's Strategic Plan 2019-2022?



LA LAITERIE DU BERGER, SENEGAL
© Philippe Lissac



CHAMROEUN, CAMBODIA
© Philippe Lissac



ZECI, IVORY COAST



FATEN, PALESTINE
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A more holistic approach to rural economic development

Improving access to financial services for households and micro-enterprises based in rural areas remains a relevant priority for rural economic development. Building on its rural microfinance and social business portfolio, the Foundation is well placed to adopt a more holistic approach to rural economic development. Going forward, the Foundation is planning to play a stronger role in strengthening agricultural value chains and in the development of alternative livelihoods for people living in rural areas.

Accompanying MFIs in a rapidly changing environment

Microfinance institutions (MFIs) are facing multiple challenges linked to the disruption of the financial sector by new types of providers, evolving client needs, and economic and social risks exacerbated by climate change. The Foundation intends to strengthen its own capacity to help MFIs be drivers of change and support them with the financial and technical assistance they need to address those challenges. Capacity building, digital and ecological transitions will be at the heart of the Foundation's support.

Harness financial services to drive the green transition

Financial services have a role to play in enabling farmers, small businesses and households to access cleaner energy and transition to more environmentally sustainable agricultural and business practices. The Foundation will continue to play a leading role in advocating for social and environmental performance measurement. It will promote the transfer of proven practices from the microfinance sector to other impact investment themes and help partners and Crédit Agricole Group entities reinforce their own social and environmental performance measurement systems.

A partnership approach

Being close to its partners allows the Foundation to help them tackle new challenges in a fast-evolving environment. Going forward, the Foundation intends to amplify its impact by building new partnerships and better linking its different areas of expertise, in order to further expand its technical assistance offer, grow its portfolio and diversify its business model. It continues to seek new partnerships that bring together organizations with complementary expertise and resources to drive positive change. In this framework, the projects with the Crédit Agricole Group will be essential levers of action.



CHAPTER 3 A NEW ROADMAP: THE 2019-2022 STRATEGIC PILLARS

FMCC, KYRGYZSTAN
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A NEW ROADMAP: THE 2019-2022 STRATEGIC PILLARS

Over the last ten years, the Foundation has established a solid experience in financing microfinance institutions and promoting rural economic development. It is recognized by partners and investors as an organization that is strongly committed to its double-bottom line and actively contributes to financial inclusion in developing countries. While gaining in maturity and drawing lessons from its experience, the Foundation has managed to stay flexible and innovative.

In order to address the challenges ahead and make a positive contribution, the Strategic Plan 2019-2022 has been developed over the course of 2018 by the Foundation's team with guidance from the Board and consultation of partners and external stakeholders. The three pillars proposed in the Strategic plan build on the Foundation's strengths and focus on strategic axes that reinforce the Foundation's positioning, permit to scale its impact and help balance the economic model.



RENACA, BENIN
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PILLAR 1: ACCOMPANY MICROFINANCE INSTITUTIONS IN THE FACE OF CHANGE

STRATEGIC AXES

1. 1) Reinforce and diversify its technical assistance (TA) program around specific focus areas

The Foundation will strengthen and expand its technical assistance offer for partner MFIs. The need and demand for TA will be assessed during due diligence missions. The Foundation's TA offer will focus on specific themes that help reduce the vulnerability of poor households and are linked to key challenges MFIs face in relation to the digital transition, adaptation to climate change, the transformation of agriculture and migration.

The Foundation will also capture and share lessons from its TA activities to contribute to global learning on financial inclusion and rural economic development. Building on the experience with the African Facility programme funded by the French Development Agency (AFD)⁶, the Foundation will seek new partnerships with specialized actors to fund and deliver quality TA to its partners. In addition, the Foundation will propose TA missions through the "Solidarity Banker" programme. On the initiative of the Grameen Crédit Agricole Foundation and Crédit Agricole SA, skill-based voluntary missions are proposed to employees for the benefit of microfinance institutions or social enterprises, partners of the Foundation⁷.

1.2) Develop its financial offer, both through the Foundation's financing activities and investment funds

The Foundation directly finances MFIs through loans and guarantees. The total portfolio of loans to MFIs is expected to grow to EUR 80 million by 2022, while guarantees granted to facilitate access to funding for MFIs should reach EUR 18 to 20 million, namely through partnerships with Crédit Agricole entities. This implies providing total funding of EUR 165 million to MFIs over the four-year span, or the equivalent of approximately 250 000 microloans.

The focus will remain on tier 2 and tier 3 MFIs with a strong social performance. Tier 1 MFIs are on-boarded as partners if they offer superior social impact in line with the Foundation's mission. Total financing for tier 1 MFIs should not exceed 10% of total partnerships, as is the case today, and 30% of total assets under management. To further develop its financial offer for partner MFIs, the Foundation has launched a dedicated debt investment fund for financial inclusion in rural areas (FIR), which is open to Crédit Agricole regional banks and entities. FIR aims to reach EUR 27 million assets under management by 2022. Additional funds, such as an equity investment fund and an agribusiness investment fund with estimated envelopes of EUR 20 million each are under consideration.

1.3) Strategically expand its regional coverage, the choice of partner institutions and projects

The Foundation's partners are mainly intermediate-sized tier 2 institutions (with a portfolio between USD 10 and USD 100 million), and small tier 3 institutions (with a portfolio of less than USD 10 million), which currently represent around 90% of the institutions financed by the Foundation.

Under the Strategic plan 2019-2022, the Foundation will continue to mainly target small and medium IMFs. It aims to support a network of 100 partner MFIs in approximately 40 countries. Sub-Saharan Africa will remain the priority region for the Foundation, which sets it apart from most other specialized microfinance investors. Asia also remains an important target region. To further exploit synergies with the Crédit Agricole Group, the Foundation is considering activities in France.

As a guiding principle, the Foundation will develop its regional coverage to strengthen its focus on rural areas and its potential to generate impact. Any expansion will be driven by strategic considerations around country risk and opportunities for impact.

[6] More information at the Foundation's website
[7] gca-foundation.org/solidarity-banker

PILLAR 2: STRENGTHEN THE RESILIENCE OF RURAL ECONOMIES

STRATEGIC AXES

2. 1) Invest in businesses with social impact in rural areas

Over the last eight years, the Foundation has invested in 15 social businesses active in agriculture, finance, water, energy, culture and education. These experiences, synthesized in the Social Business White Paper, are informing the future investment strategy. Going forward, the Foundation will re-center its social business portfolio towards investments in businesses with social impact in rural areas, with a specific focus on agricultural processing companies that structure, strengthen and develop inclusive agricultural value chains.

In the short term, the Foundation will focus on accompanying existing partners by leveraging expertise from within Crédit Agricole Group and creating better linkages or joint offers with co-investors. In parallel, the Foundation will start preparing the launch of an agribusiness investment fund with an investment strategy focused on the transition towards a more sustainable agriculture. Beyond social and economic impact, the fund aims to actively contribute towards access to affordable clean energy (SDG 7) and food security (SDG 2).

2.2) Strengthen agricultural value chains

The Foundation intends to play a more proactive role in facilitating the emergence of more inclusive and resilient agricultural value chains. The Foundation will work mainly through its partner MFIs and businesses with social impact in rural areas, providing them with financial and technical assistance.

The Foundation will build on its local market knowledge and experience to convene different actors from the private sector, public sector and civil society to support local entrepreneurship and stimulate innovation. In particular, it will scope opportunities for technology-driven innovations that help increase access to finance among agribusinesses and promote better functioning value chains, notably by reducing transaction costs and facilitating the exchange of information. This implies exploring synergies with Crédit Agricole Group and might involve working with a more diverse set of partners such as mobile network operators, fintechs, commodity buyers, farmers associations, or solar panel distributors/PAYGo solar companies.

2.3) Promote access to agricultural micro-insurance and a broader range of micro-insurance services that protect clients

Agricultural micro-insurance helps reduce the vulnerability of smallholder farmers by protecting them against loss of or damage to crops and livestock. By reducing the risks for farmers, agricultural micro-insurance also helps stimulate investment in inputs and equipment, facilitating the transition towards a more productive, more resilient agriculture.

The Foundation will continue to promote and facilitate access to micro-insurance for farmers and agribusinesses through research and technical assistance. Taking into account smallholders' multiple income streams and the diverse risks they face, the Foundation will support partnerships between MFIs and insurance providers to promote the development of micro-insurance products that protect clients from a broader range of risks (e.g. health and life insurance).

PILLAR 3: PROMOTE A SOCIAL PERFORMANCE PERSPECTIVE IN THE FINANCIAL SECTOR

STRATEGIC AXES

3.1) Help Crédit Agricole Group entities advance financial inclusion in France and beyond

Recently, stronger ties between the Foundation and different entities of the Crédit Agricole Group have been forged, which helps the Foundation expand its scale and offers concrete investment opportunities for CA Regional Banks, entities and International Retail Banking (BPI). Going forward, the Foundation aims to establish further partnerships with interested Crédit Agricole entities to help them engage in responsible finance and impact investing. It will serve as an internal center of excellence for questions related to responsible and inclusive finance and intensify exchanges with the Group's Corporate Social Responsibility team.

The Foundation will continue to raise awareness across Crédit Agricole for its investment fund through financial inclusion in rural areas (FIR) and test interest for a new investment funds it is envisaging now (equity fund for microfinance institutions, fund for agribusinesses). Bringing the Foundation's expertise in inclusive finance to France is another opportunity that will be explored; a strategy for potential engagements in financial inclusion in France will be developed and presented to the Board.

3.2) Develop expertise in measuring and auditing social performance

Social performance and financial sustainability are the twin goals of the Foundation. The Foundation will continue to annually benchmark the performance of its portfolio using the universal standards of social performance (SPI4)⁸ and report on its contribution to the Sustainable Development Goals.

In addition, some comprehensive SPI4 audits will be conducted and recommendations made to MFIs on how to strengthen their social performance. As the SPI4 only applies to microfinance institutions, the Foundation will develop an internal methodology for measuring and auditing the social performance of its other impact investments (e.g. in agribusinesses).

At Crédit Agricole Group level, the Foundation will advise group entities that are engaging in funding MFIs thanks to a guarantee from the Foundation on how to measure the social performance of their portfolio. The Foundation will also offer its services and expertise to other Crédit Agricole entities that would be interested, in measuring and auditing social performance of their activities, projects or investments.

3.3) Measure environmental performance and promote more responsible and sustainable practices

Environmental performance needs to be measured and managed at different levels. At the Foundation level, the priority will be on measuring the carbon footprint and developing an action plan to manage it better. In addition, a comprehensive assessment of the Foundation's economic, social and environmental impact will be conducted.

At the partner level, the Foundation will refine its eligibility criteria for the type of agriculture it wants to support and include environmental performance indicators in its reporting. In line with the strategic pillar "Strengthen the resilience of rural economies", the Foundation will promote more responsible and sustainable agricultural practices through technical assistance to MFIs and social enterprises.

The Foundation will promote environmental performance measurement within Crédit Agricole Group and provide advice to interested entities and partner organizations to foster responsible financial sector.

[8] ALINUS SPI4 is a social performance reference tool developed by CERISE. For more information, go to <http://www.cerise-spi4.org/>

A NEW ROADMAP: THE 2019-2022 STRATEGIC PILLARS



STRATEGIC PILLARS

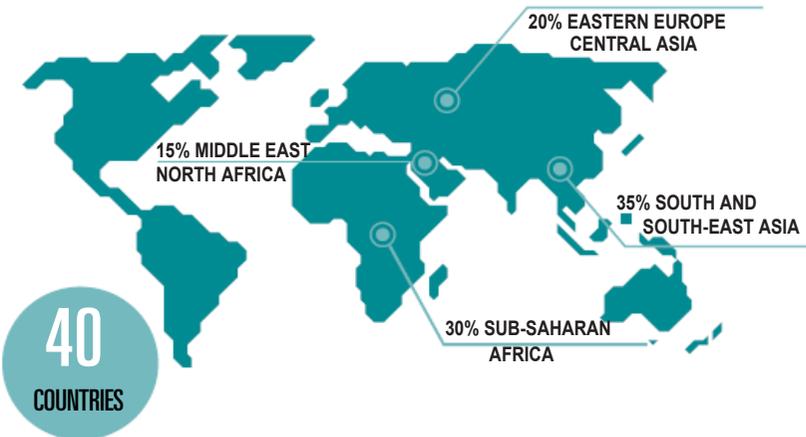
REINFORCE
our expertise and offer
in favour of the
microfinance sector

STRENGTHEN
resilience in local rural
economies

PROMOTE
a social performance
perspective in the
financial sector

€165M FINANCING GRANTED

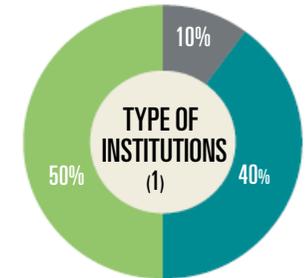
35 SOLIDARITY BANKERS



OUTREACH

100

MICROFINANCE INSTITUTIONS



SOCIAL IMPACT

BENEFICIARIES⁽³⁾

250 000 MICROCREDITS (2)

75% LIVING IN RURAL AREAS

80% WOMEN

(1) In number of partners (2) Calculated on the average loan granted by the Foundation's partners (3) Producers, processors, suppliers, employees and clients



CHAPTER 4 MEDIUM TERM FINANCIAL PROJECTIONS

KRK, KOSOVO
© Philippe Lissac

MEDIUM TERM FINANCIAL PROJECTIONS

The Foundation's development strategy and business plan for the coming years have been translated into financial projections, showing how the Foundation aims to build a stronger and more resilient economic model.

One of the pillars for development will be to leverage on the Foundation's endowment and on diversified levers for growth. Thanks to a period of strong growth from 2016 to 2018 (+116%), the Foundation reached breakeven and proved its ability to generate balanced economic performance. It aims to consolidate its model in the coming years, by increasing its own portfolio of loans and guarantees and by further

its impact and outreach through dedicated investment funds. The Foundation will continue to serve mostly Tier 2 and Tier 3 microfinance institutions with strong social performance, and to focus on Sub-Saharan Africa.

Furthermore, the Foundation will also invest in strengthening its team through training and recruitment of additional staff in the coming years. In parallel, there will be a pressure linked to decreasing interest rates on loans and guarantees, while the cost of funding will increase with the additional resources. Therefore, the Foundation will work on improving its efficiency so as to remain competitive in spite of increased pressure on its financial margin.



KOMIDA, INDONESIA
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Target key figures by 2022



Growing the Foundation's resources

The Foundation has already tied partnerships and mobilized significant resources for the development of its activities both from development institutions (European Investment Bank, French Development Agency) and through intragroup cooperation (CA-CIB, Amundi).

As its portfolio grows, and it develops specific projects, it will continue to seek new partnerships to secure funding both for its financing activities and for expanding its technical assistance offer in the coming years.

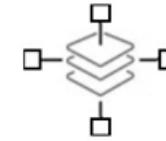
The Foundation aims to grow its own balance sheet to EUR 100 million, while also diversifying its development through investment funds.

Diversifying its modes of intervention through specialised investment funds

By acting as investment advisory for investment funds, the Foundation aims to on-board investors and specialized partners on specific themes and provide adapted solutions to microfinance institutions or social impact enterprises. A first example of this approach has been implemented in 2018, with the launch of the Fund for Inclusive Finance in Rural Areas (FIR). The FIR is expected to reach EUR 27 million assets under management by 2022.

New projects are being assessed, on specific themes such as funding the equity needs of microfinance institutions, strengthening agricultural value chains and supporting the transition to more sustainable practices, etc. These new projects are not factored in the financial projections presented below, as they are still under construction and will be presented to the Board for approval.

MEDIUM TERM FINANCIAL PROJECTIONS



SET UP A MANAGEMENT INFORMATION SYSTEM

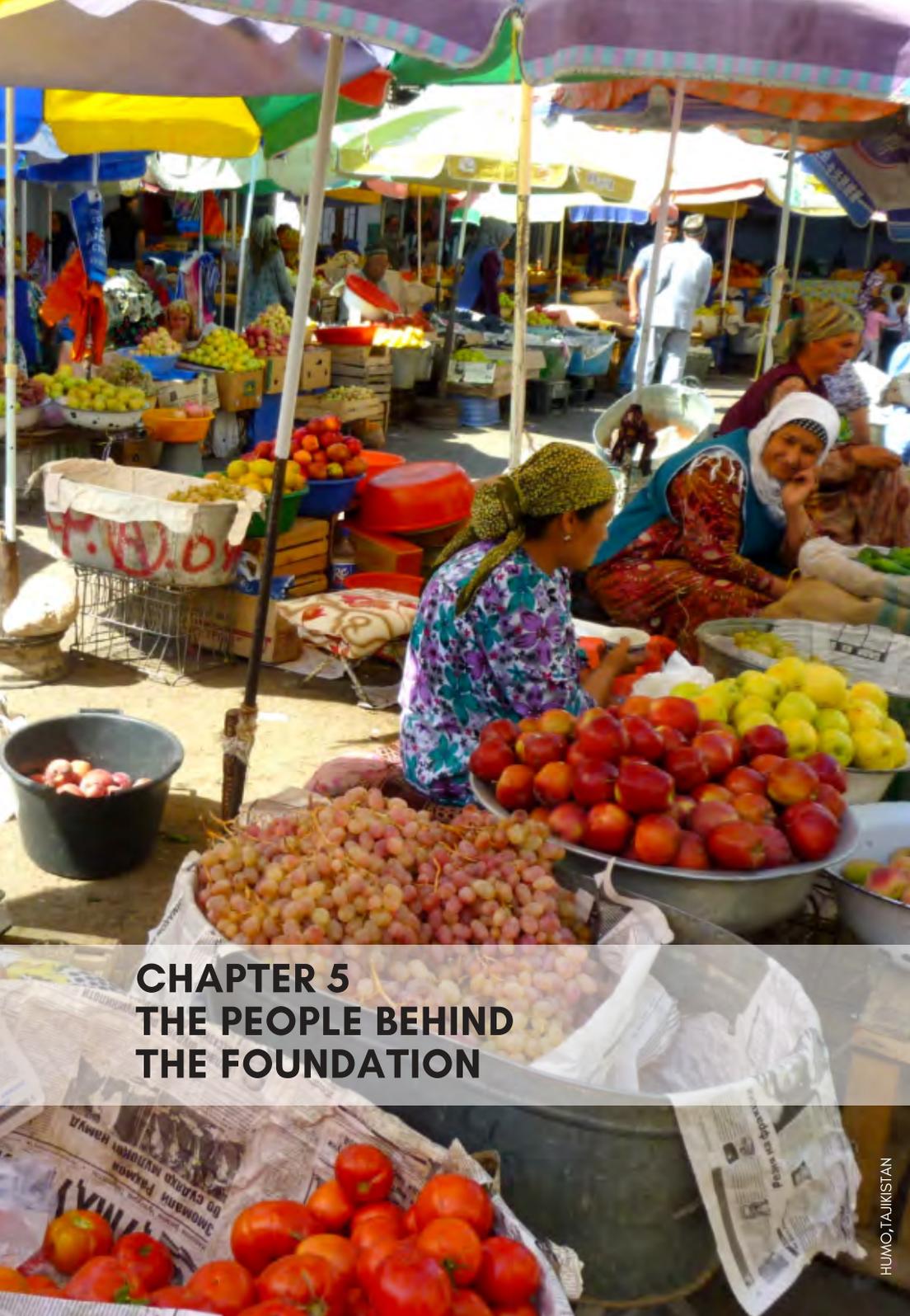


INVEST IN STAFF TRAINING AND ADVISORY SERVICES

Investing in a strong team and improving efficiency

The 2019-2022 Strategic Plan requires investments that enable the Foundation's team to deliver on the strategic objectives. Through the collective and individual training opportunities it offers its staff, the Foundation will seek to build the team's expertise in the strategic thematic focus areas, namely digital financial services and agricultural value chains. It will also recruit additional staff with relevant background on such issues and projects to implement a management information system. At the same time, the Foundation will work on streamlining its processes, and improving its efficiency.

The Foundation's operational result is expected to grow gradually to reach EUR 650 000 by 2022. These projections have been stressed on more aggressive financial margin scenarios, which would lead to an impact of approximately EUR 220 000 less on the operational and net result by 2022. The cost of risk included in the financial projections equals 1% of the outstanding portfolio.



CHAPTER 5 THE PEOPLE BEHIND THE FOUNDATION

HUJOND, TAJIKISTAN

THE PEOPLE BEHIND THE FOUNDATION

A PROFESSIONAL TEAM

The Foundation brings together a professional and passionate team of people who contribute with their expertise, ideas and commitment to support the Foundation's partners in their efforts to contribute to the fight against poverty.

The Foundation plans to invest in the team's capacity to manage a larger portfolio, deliver a more comprehensive technical assistance offer and to develop the new investment advisory business line. This implies building the expertise of existing staff as well as the recruitment of additional team members. In addition to collective training opportunities, staff can access on average 5 days of training on topics ranging from digital financial services and agriculture finance to AML/CFT and risk management.

Moreover, the Crédit Agricole's Solidarity Banker Programme gives the Foundation access to a pool of relevant expertise in banking and agriculture finance to better support the Foundation's partners.

The Foundation's team is organized around the following roles:

The **Inclusive finance development** team is responsible for business development, financial and social assessment and monitoring of partner institutions. It is also in charge of coordinating the Foundation's technical assistance offer.

The **Risk and Social performance management** team is responsible for risk analysis and management, compliance and controlling. It also tracks and measures the social performance of the Foundation and its partner institutions.

Another team is responsible for **Equity participations, Investment funds and Cooperation with Crédit Agricole**. This team develops and manages the new investment advisory business line.

The **Financial and Administrative management** of the Foundation is managed by the finance and administration team, which is responsible for middle and back office operations, as well as human resources.

The **Communication and Partnerships** team manages internal and external communications as well as investor relations and partnerships.

The Foundation's 2019 Team

Executive Committee



Eric Campos
Managing Director



Philippe Guichandut
Head of Inclusive finance development



Carolina Herrera
Head of Communication & Investors and Partners relations



H el ene Keraudren-Baube
Chief Financial Officer



Edouard Sers
Head of Risk & Social Performance



Pascal Webanck
Head of Equity stakes, Investment funds & Cooperations with Cr dit Agricole

Managers & Advisors



Caroline Brandt
Senior Investment Manager



David Camara
Investment Advisor, East and Southern Africa and MENA



Pierre Casal Ribeiro
Program Manager Technical Assistance



Laurent Chauvet
Senior Investment Manager



Violette Cubier
Investment Manager



El Hadji Diop
Investment Advisor, West Africa and Caribbean

Risk & Social Performance



Gabrielle Ferhat
Junior Risk Manager & Permanent Control



Claire Lecocq
Middle-Office Officer



Rym Boukharouba
Middle-Office Officer



Maria Franco
Communication Officer



Alexia Jaunet
Executive Assistant

Middle Office & Support



Kathrin Gerner
Investment Advisor, East and Southern Africa and MENA



Jeanne de Guillebon
Investment Manager



C eline Hyon-Naudin
Equity Investment Manager



Faniry Ramampy
Equity Investment Manager



H el ene Sananikone
Equity Investment Manager



Julie Serret
Investment Manager

Interns (6-month internships)



Chlo e Chevrand
Investment Intern



Marin de la Rochefordiere
Investment Intern



Evelyne Offroy
Communication & Partnerships Intern

Foundation's Chairman



Jean-Marie Sander

Qualified personalities



HRH Grand Duchess
of Luxembourg



Soukeyna Ndiaye Bâ



Sylvie Lemmet
Replaced Agnès
Pannier-Runacher
in March 2019

Representing the Crédit Agricole Group



Raphaël Appert



Jérôme Brunel



Bernard Lepot
Chairman of the
Projects Committee



Jean-Pierre Pavlet

Representing the Grameen Trust



Pr Muhammad Yunus



Adul Hai Khan



Muhammad Shahjahan

A COMMITTED GOVERNANCE

The Foundation has a strong governance model with a Board of Directors, a Project Committee and an Ethics, Compliance and Audit Committee. They all reunite diverse backgrounds and personalities who share a deep commitment to the Foundation's mission

The Board includes representatives of the Foundation's founders, Crédit Agricole Group and Grameen Trust, and external personalities with expertise on financial inclusion, social entrepreneurship and rural economies.

The Board validates the Foundation's strategy, jointly drafted with the Foundation's Executive Committee and team.

The Projects Committee reviews proposals for financial commitments following an analysis and due diligence process.

The Ethics, Compliance and Audit Committee reports to the Board on a regular basis to monitor compliance issues and the financial situation of the Foundation, as well as topics relating to its Ethical charter.





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Publication Director: Eric Campos
Editorial Conception: Carolina Herrera
Editorial Committee: Maria Franco, Philippe
Guichandut, Hélène Keraudren Baube, Edouard Sers,
Pascal Webanck
Writing and Advisory: Barbara Scola, consultant
Art Creation: Evelyne Offroy

GRAMEEN CRÉDIT AGRICOLE
FOUNDATION

GRAMEEN CRÉDIT AGRICOLE FOUNDATION
5, Allée Scheffer - L2520 Luxembourg

www.gca-foundation.org
Contact : info@gca-foundation.org

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