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The Newsletter

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Impact Special



GRAMEEN CRÉDIT AGRICOLE
FOUNDATION

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The Foundation's action and impact in response to Covid-19

The second wave of the Covid-19 epidemic seems for the time being less intense in the Foundation's countries of intervention than in Europe or America. Nevertheless, this global phenomenon, which has been weighing on the economies for several months, has a strong impact on the microfinance institutions and the social impact enterprises we support.

Initiated in May 2020 by the Grameen Crédit Agricole Foundation, the international coordination set up to protect microfinance institutions and their clients from Covid-19 allowed us to set up a programme to prevent financial difficulties. The results reflect the effective cooperation and coherence of action between the 30 organisations that signed the pledge. Since the beginning of the crisis, the measures taken by the Foundation are in line with this charter, its spirit and its framework.

Thanks to the swiftness of the measures taken, liquidity shortfalls have been, to date, avoided; and thanks to coordinated and focused technical assistance, the institutions have received support throughout the period.

Although we have not yet emerged from this crisis and its effects, we have seen a slight recovery in the activity of the organisations supported by the Foundation in recent weeks. We cannot yet say that a new chapter is opening, but in any case, there are some positive signals that reinforce our optimism.



Éric Campos
Managing Director

Our impact in 2020

At the end of September 2020

Impact of the Fondation

1/ CONSOLIDATE

the sustainability of organisations that provide essential services



2/ STRENGTHEN

the social and environmental performance of the organisations supported and of the Foundation



3/ PROMOTE

inclusive and sustainable finance



Organisations supported

75

MICROFINANCE
institutions

12

SOCIAL IMPACT
enterprises

Loans

95.3

MILLION €
Portfolio followed by the Foundation

Social performances (*)

65%

ALINUS SCORE()**
vs. 53% sector's benchmark

Environmental performances

84%

INSTITUTIONS
with an exclusion list of activities dangerous for the environment

Projects with Crédit Agricole

7

MISSIONS
Solidarity Bankers launched in 2020

1

NEW COOPERATION
scheme with CA Romania

New fundings


10.9

MILLION €
New financial support from the AFD Group to reinforce microfinance

Impact News

The Solidarity Bankers programme in pictures

Two years after the programme was launched at the initiative of the Foundation and Crédit Agricole SA, discover the testimonies and highlights of the missions in Senegal and Cambodia in 3 videos filmed on the field.

[See more](#) 


Covid-19 : A consortium to support microfinance in Africa

In addition to the International Coalition led by the Foundation (see "Focus Impact", p.2), a consortium has been launched with MAIN, SIDI and ACTES to better support microfinance institutions in Africa in the Covid-19 crisis.

[See more](#) 

UGAFODE, the Foundation's partner in Uganda, extends its services to refugees

UGAFODE, a partner of the Foundation, is extending its services to refugees by opening an agency in the Nakivale camp. The microfinance institution, at the forefront of the financial inclusion of refugees, has benefited from the support of UNHCR, Sida and the Foundation.

[See more](#) 

Impact of organisations supported

1/ FACILITATE

access to essential services for vulnerable populations



2/ STRENGTHEN

the resilience of fragile economies



3/ IMPROVE

the living conditions of vulnerable populations



Financial inclusion (***)

7.3

MILLION
active beneficiaries of microcredits

88 % Women beneficiaries of microcredit

84% microfinance clients in rural areas

Vulnerable regions

45%

OUTSTANDINGS
in countries that are the most vulnerable to climate change

46%

OUTSTANDINGS
in fragile States

Impact assessment (*)

36%

ORGANISATIONS FINANCED measuring the poverty level of clients to make sure that they reach their target clientele



(*) Figures at the end of December 2019
(**) Social performance management tool
(***) Figures at the end of June 2020

[SEE MORE](#)



IMPACT
FOCUSSignatory organisations report on Covid-19
Pledge implementation and lessons learned

Signatories of the Pledge

Over the past months, the financial inclusion sector has embarked on a journey to face the Covid-19 crisis. On the field, microfinance institutions have taken measures to face the health risks, lock downs and the economic recession. In the meantime, lenders, investors, support organisations and technical assistance providers had to adapt their intervention principles and coordinate their actions. By signing the Pledge on Key principles to protect microfinance institutions and their clients in the COVID-19 crisis (the "Pledge"), 30 organisations committed to complying with some key principles.

Six months after the signature of the Pledge, a working group of signatories (ADA, Cordaid Investment Management, Frankfurt School Impact Finance, Grameen Credit Agricole Foundation, Microfinance Solidaire, SIDI and the Social Performance Task Force) draw lessons from the implementation of the pledge principles. In a common publication, the signatories present the progress on the 10 principles of the Pledge, in relation to the rollovers and early stages of voluntary debt workouts, which we have experienced in the first months of the crisis.

We conclude to a very good coordination between international lenders who have agreed on terms of handshake agreements, avoiding lengthy restructuring discussions in the majority of cases. This prompt reaction has proved instrumental to avoid a liquidity crunch in the sector as most investees have maintained sufficient levels of liquidity. In rare cases when individual non-coordinated behaviors threatened the fair burden sharing amongst international debt providers, peer pressure has been effective.

We have also seen an unprecedented coordination on technical assistance that has already resulted in some collaboration between technical assistance providers, such as organising a common webinar on liquidity management, providing tools on business continuity and implementing field surveys on final clients. Coordination was however not up to our initial objective notably due to the need to prioritise issues that were more pressing. Given the important challenges that microfinance institutions will face on the field, we believe that we should pursue our efforts on this front to avoid duplication and steer efficiency.

Our pledge to client and staff protection lives on. We have encouraged initiatives to promote continued client and staff protection in these times of crisis and need to pursue such efforts to make sure that they remain at the center of the table of discussions. Many microfinance institutions will have to turnaround a business intimately linked to the financial health of clients, staff behaviors on the field and staff treatment. For that purpose, we encourage coordinated collection of information on staff treatment and client outcome throughout the crisis. We also encourage deepening sector initiatives that contribute to efficient reporting under these exceptional circumstances.

New debt funding has drastically slowed down during the crisis but has not completely stopped. As some economies begin to restart, many of our investees have shown promising signs of regrowth since July 2020, with significant differences among countries and sectors of activities. Acknowledging the opening of this new chapter, we commit to accompany and consolidate the economic recovery in a timely and responsible manner.

See more OUR ACTION &
IMPACT

KEY FIGURES

Signatories of the Pledge

30

FOUNDATION'S FIGURES

Loans with deferred instalments

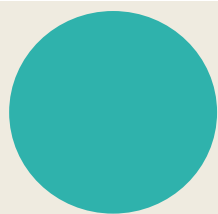
€ 37

Beneficiary organisations

29

Deferred instalments

€ 7.1M€



Joint interview: "With the FIR, the Regional Banks are opening up to microfinance".

[Joint interview]

This new section is dedicated to the partners of the Grameen Crédit Agricole Foundation. Supported organisations, founders, technical and financial partners share their actions, their projects, their work with the Foundation and the impact of their activities on the field. In this edition, you will discover the joint interview of Nicolas Denis, CEO of CA Normandie-Seine, and Jean-Christophe Kiren, CEO of CA Centre France.

Jean-Christophe Kiren: The new fund open to the Regional Banks is fully in line with our mutual assistance and cooperative action. First of all, its general mission, i.e. to promote economic and social inclusion in rural areas, is already at the centre of our actions at Crédit Agricole Centre France, given the specific rural features of our regions in Auvergne and Limousin. Secondly, I was particularly touched by the issue of the financial empowerment of women, which the FIR is intent on strengthening. Finally, this cooperation is an opportunity for the Regional Bank to open up to microfinance by drawing on the expertise of the Grameen Crédit Agricole Foundation and to develop new tools to serve the territories.

Launched by the Grameen Crédit Agricole Foundation, CA Indosuez Wealth (Asset Management) and CACEIS Bank Luxembourg Branch, the Fund for Inclusive Finance in Rural Areas (FIR) is the first microfinance fund of the Crédit Agricole Group. CA Normandie-Seine and Centre France have invested in the FIR Fund, reinforcing their mission as banks that promote economic inclusion.

What is your Bank's approach to investing in the Fund for Inclusive Finance in Rural Areas?

Nicolas Denis: The values of social responsibility are at the very heart of our Regional Bank's corporate project – they are in our DNA. It is natural for us to join the FIR supported by the Grameen Crédit Agricole Foundation because it promotes these same values. The expected impact is to fight poverty by opening up access to financial services for rural communities in developing countries. This will further the actions already undertaken by the Regional Bank, for example by supporting and financing responsible businesses such as the ecological oil producer Olvea, the manufacturer of sustainable acacia gum Nexira, or the scheme for the prevention of malnutrition in rural areas Nutriceps.

Which actions on financial inclusion and entrepreneurship with an impact does the Regional Bank pursue in the region?

Nicolas Denis: As a Regional Bank our economic action makes a full contribution to the social fabric of the regions. We guide and support many initiatives with beneficial effects at the local level. Microfinance and social and responsible entrepreneurship are realities whose development we support. Our Bank supports ADIE, a specialist in entrepreneurial microcredit, the Réseau Entreprendre [Entrepreneurship Network] and local initiative platforms for unsecured loans. We also take part in peer-to-peer lending platforms, such as Tubigo, Babyloan and Miimosa. In addition, we are also present alongside the AFDI in Normandy, an organisation that forges links between French agricultural professionals and projects in Cambodia and Mali in particular.

Jean-Christophe Kiren: The entire Regional Bank –elected representatives and salaried employees– is committed to and takes part in actions with a social impact. It carries out many operations ranging



SOLIDARITY
Bankers

SOLIDARITY NOTEBOOKS: A Solidarity Banker in Senegal



Testimony of Michèle Kouam,
Project Manager,
Crédit Agricole SA

Launched by the Grameen Crédit Agricole Foundation and Crédit Agricole SA in June 2018, Solidarity Bankers is a skills volunteering programme aimed at all Crédit Agricole group employees for the benefit of microfinance institutions or impact businesses supported by the Grameen Crédit Agricole Foundation. Read the interview with Michèle Kouam, Crédit Agricole's Solidarity Banker, who left for Senegal in 2020 to support SFA, a social impact enterprise financed by the Foundation.

The Solidarity Bankers adventure

When I discovered the Solidarity Bankers mission in favour of the Société Sénégalaise des Filières Alimentaires (SFA), it immediately made sense to me. The mission: to support the digitalization of rice collection for the company that works with small producers in the Senegal River Valley. By enabling access to credit, providing technical assistance and guaranteeing a fair price, SFA currently supports 3,200 small farmers and promotes the structuring of an inclusive rice sector in Senegal. The mission was therefore completely in line with what I wanted to do: work on a project with a positive and concrete impact on the populations, discover other professional contexts and go beyond my comfort zone professionally and humanly speaking.

Soon after applying, I received confirmation that my application had been accepted and the preparation of the mission began. The mission was carried out in Paris through telephone meetings with Kevin Torck (Managing Director of SFA), analysis of the documentation he sent me and meetings with the Foundation's team to fully understand the context and the stakes of the company. The preparation work is essential. Before leaving, we must be clear about the objectives, the approach and the expected deliverables. As I had a lot of people to meet and trips to make to Senegal, my detailed planning was finalised from Paris. Ten days go by quickly!

The mission in Senegal

On February 6, 2020, I landed in Dakar for a 10-day field mission. I was very well received by my interlocutors.

The first week was dedicated to meetings with the SFA teams and the editor of the software that will be used for the company's rice



SFA, Senegal

collection. On the SFA side, in addition to the General Manager, I had several meetings with Awa Fall, the Accounting Manager, as well as the Purchasing, Sales and Inventory Managers. On the publisher's side, I met the Director, the Sales Manager and the Project Manager. The objective was to enrich my understanding of the need, to see in situ the reality and constraints of all actors.

After the first scoping meetings and interviews with SFA employees, I made field visits. Visits to the rice fields and the rice factory and meetings with the staff (storekeeper, salesman, supply manager, accountant) were essential to understand the entire rice production chain at SFA and to propose solutions adapted to the realities on the ground.

I interacted almost daily with SFA's General Manager. This allowed me to get his feedback and to readjust my work if necessary. On the last day, I gave him a presentation of my synthesis report and next steps. Because I still had a few things to do when I got back to Paris.

Back in Paris

I came back to Paris happy to have lived this experience. Not only was I able to deliver all the expected deliverables, but I also learned a lot from SFA and the team in the field. Being confronted with working methods and conditions that were different from what I knew allowed me to develop my adaptability and to enrich my professional career.

This mission brought me a lot on a human level, I was able to discover another culture, have enriching exchanges and meet inspiring people. It is certainly an important investment in terms of time and workload, but the mission is truly worth it. Moreover, if you

are a fan of Sub-Saharan Africa, Dakar and Saint Louis are beautiful cities to discover!

I wish to thank Eric Campos, Celine Hyon-Naudin, Carolina Viguet from the Grameen Crédit Agricole Foundation for their support throughout the mission ; Kevin Torck, Awa Fall and the SFA team for their warm welcoming ; Sylvie Robin-Romet and Maxime Genestier from Crédit Agricole SA and Cyril Chelii from CALF.

See the video's mission

OUR ACTION & IMPACT

KEY FIGURES*

Solidarity Bankers missions

20



Business / strategic plans implemented

7



Risk control systems consolidated

2



Digital strategies / infrastructures enhanced

3

* Since 2018