

# IMPACT REPORT



# THE FOUNDATION'S IDENTITY CARD IN 2019

## Specific Targeting

### ECONOMIC DEVELOPMENT IN RURAL AREAS

**78%** BENEFICIARIES IN RURAL AREAS

The supported microfinance organisations target rural populations (compared to 56% for the microfinance sector <sup>(1)</sup>)

### FEMALE EMPOWERMENT

**85%** WOMEN BENEFICIARIES

A high proportion of clients of supported microfinance organisations are women (compared to 67% for the microfinance sector <sup>(1)</sup>)

### SUPPORT FOR MEDIUM-SIZED ORGANISATIONS

**73** MICROFINANCE institutions

**10 %** large-sized (tier 1 : loan portfolio > 100 m \$)

**56 %** medium-sized (tier 2 : loan portfolio between 10 and 100 m \$)

**34 %** small-sized (tier 3 : loan portfolio < 10 m \$)

### SUPPORT TO SOCIAL IMPACT COMPANIES

**12** SOCIAL IMPACT companies

**37 %** Agribusiness

**36 %** Financial services

**18 %** Essential services

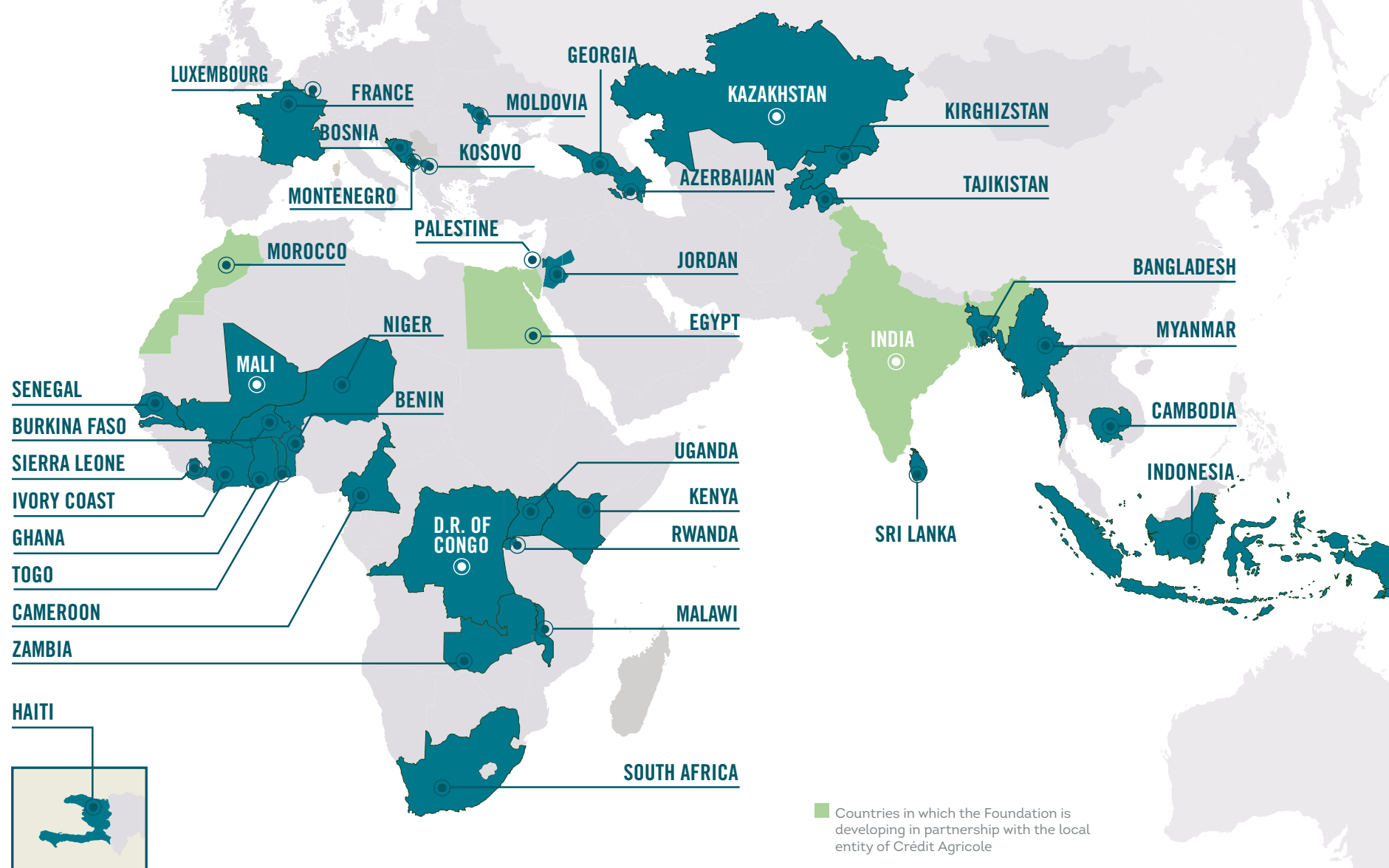
**9 %** Culture and education

**39 COUNTRIES**

Including **6** new ones in 2019

**€96** MILLIONS in outstandings monitored

**94%** IN LOCAL CURRENCY (19 different currencies)



■ Countries in which the Foundation is developing in partnership with the local entity of Crédit Agricole

■ Other countries of intervention



# IMPACT REPORT

## CONTENTS

"The Foundation: partner of  
impact entrepreneurs"  
/ p.02

-04  
**OUR APPROACH TO  
IMPACT**  
Our mission,  
our commitments

Impact model:  
concrete results  
/ p.06  
Our contributions to  
the Global Agenda  
/ p.08

-10  
**DIRECT IMPACTS**  
Promoting more sustainable  
finance

Sustainable social impact  
organisations  
/ p.12  
Enhanced social and environ-  
mental performances  
/ p.14  
A more inclusive and sustain-  
able financial sector  
/ p.16

-18  
**INDIRECT IMPACTS**  
The impact in the field via our  
partners  
Greater access to essential  
services  
/ p.20

Resilience of fragile  
economies  
/ p.22  
Improved living conditions for  
vulnerable segments of the  
population  
/ p.24

-26  
**ACTING AND WORKING  
TOGETHER**  
Roadmap 2019-2022

Impact evaluation  
conducted with  
the support of:







(CAMBODIA) ©Philippe Lissac

## “The Foundation: partner of impact entrepreneurs”

### We are facing a period hitherto unknown in the history of mankind.

Our societies, economies, industries, activities and practices are being daunted by an unprecedented challenge: The challenge of reinventing ourselves to fight global warming. The shortages of resources, the loss of biological diversity and climate change could trigger major crises: rising prices for access to energy, epidemics, water wars, famines, massive waves of climate refugees, of which the current dramas in the Mediterranean are only a modest prelude.

In a world of growing inequality, rural populations are disproportionately affected, exacerbating inequality and rural poverty: almost two-thirds of those experiencing extreme poverty live in rural areas, most of them in sub-Saharan Africa and South Asia <sup>(1)</sup>.

### In this context, financial inclusion is a way to improve the resilience of vulnerable populations.

The Grameen Crédit Agricole Foundation works with microfinance institutions and social enterprises that are committed to financial inclusion.

### The Foundation's mission is to help reduce inequality and poverty through its operational commitment to more inclusive finance.

The Foundation provides funding and strengthens the functioning of microfinance institutions and companies with social impact, all over the world. It promotes the empowerment of women through entrepreneurship, which is a great vehicle for shared development.

With almost 12 years of action, on three continents and in nearly 40 countries, the Foundation can testify that, thanks to the ethical industry of inclusive finance, local entrepreneurship is developing, useful for the societies where it spreads, and that it manages to bring together human benefits and economic balance. Herders in Senegal or farmers in Kenya, small entrepreneurs in the Democratic Republic of Congo, village communities in Bangladesh, female entrepreneurs in India ... There are so many examples! And each one of them suggests so much hope for the world of tomorrow.

## “Together with our partners, we help to develop local entrepreneurship”

### Today, the Foundation publishes its first Impact Report, produced with CERISE, a pioneering organisation specialising in the promotion of responsible finance.

It aims to shed objective and synthetic light on the contribution of the Foundation and its methods of action. Defining its impact model, its objectives, its beneficiaries and its action levers was the first step towards a more active management of our impact and our social utility. This is a first exercise which will be followed by an operational deployment of impact tools and a field study to verify the solidity of the Foundation's impact model (cf. Management of the impact of the Foundation).

Even though we have been working for many years to improve the social performance of our local partners, with very good results, it is only recently that we have integrated the dimension of their environmental impact. On this dimension, we know we still have some way to go, which is also true for the microfinance sector.

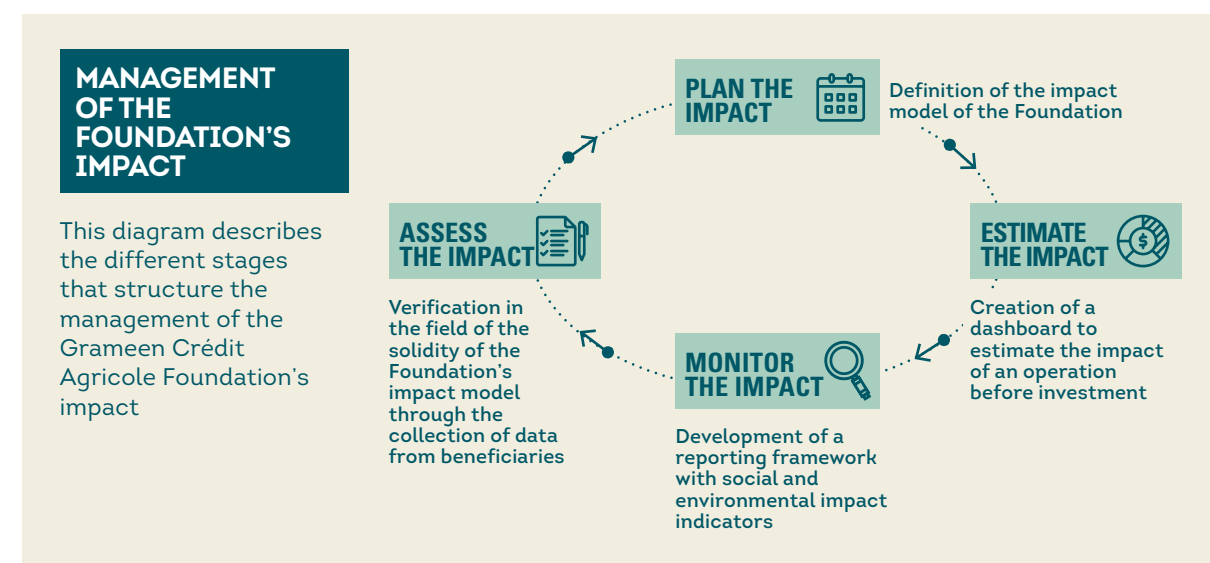
You will discover in this report the DNA of the Foundation: the Foundation works in fragile countries <sup>(2)</sup> (48% of the outstanding balance), in particular in Sub-Saharan Africa,

by building long-term relationships to support its partners towards sustainable growth; the Foundation has a particularly recognised approach to promoting social performance management and the desire to contribute to improving the environmental performance of the organisations it supports; the Foundation is a real lever for the Crédit Agricole group (30 entities and partner Regional Banks) to engage in inclusive finance through multiple cooperation with traditional banking partners and major players in the development aid sector.

This impact report bears witness to our work. It also reflects the contribution of all the stakeholders behind the scenes: founders, directors, the Grameen network, the Regional Banks and Crédit Agricole Group entities, donors, technical partners, microfinance institutions and socially responsible companies.

It is also our way of paying tribute to them.

**ÉRIC CAMPOS**, Managing Director,  
Grameen Crédit Agricole Foundation  
& Head of CSR, Crédit Agricole SA



(1) World Bank Poverty and shared prosperity 2016: Taking on Inequality, Washington, DC  
(2) According to World Bank and OECD lists





# OUR APPROACH TO IMPACT

## Our mission and commitments

Since 2008, the Grameen Crédit Agricole Foundation has been committed to the fight against poverty and inequality through financial inclusion and social impact entrepreneurship. It finances and supports microfinance institutions, companies and projects that promote inclusive finance throughout the world. In 2019, the Foundation managed €96 million in outstanding loans to 85 organisations in 39 countries, benefiting nearly nine million people, mainly women and rural populations.

### THE FOUNDATION HAS FOUR LINES OF BUSINESS:



#### Financing



#### Investment



#### Technical assistance



#### Investment advice

Loans, guarantees and other financing solutions for microfinance institutions and social impact enterprises.

Minority equity holdings in the capital of social enterprises, essentially in the agri-food sector, or financial services.

Coordination of programmes and expertise missions to improve the performance of organisations supported.

Advice and support for investors in their commitments to inclusive finance or investments with an impact in rural areas.

### THE FOUNDATION HAS OVER THE YEARS ASSERTED ITSELF THROUGH SPECIFIC ACTIONS:

## 3 Its action is characterised by three areas of specialisation:



#### FEMALE EMPOWERMENT

**85 %**

of the beneficiaries of the organisations supported by the Foundation are women



#### RURAL ECONOMIES

**78 %**

of the beneficiaries of the organisations supported by the Foundation live in rural areas



#### FRAGILE COUNTRIES

**20**

fragile countries\* in which the Foundation intervenes, out of a total of 39 countries

\* According to the lists of the World Bank and the OECD



# OUR IMPACT MODEL

## Concrete results

The Foundation has prepared its first impact report, a financial and extra-financial assessment, based on the activity data for 2019, in order to gain better understanding and to share the results of its action. In 2020, the Foundation will organise the collection of new outcome and change indicators from organisations it supports in order to verify the robustness and relevance of its impact model.

### Mission

Help reduce inequality and poverty through financial inclusion and the promotion of social impact entrepreneurship.

### Action levers

The Foundation invests in the capital, finances, supports and reinforces microfinance institutions, companies and projects that promote inclusive finance and the development of rural economies around the world.

### 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 Fondation



**3 / PROMOTE**  
inclusive and sustainable finance



### Impact of organisations supported

**1 / FACILITATE**  
access to essential services for vulnerable segments of the population



**2 / STRENGTHEN**  
the resilience of fragile economies



**3 / IMPROVE**  
the living conditions of vulnerable segments of the population



### Definition

The Foundation defines impact as consisting of the sustainable improvements to which its actions have plausibly contributed, which can be estimated by scope, outcome and change indicators. The Foundation's impact report was drawn up in 2019 with CERISE, an independent firm of experts in impact and social performance measurement.

### Resources committed



#### FUNDS MOBILISED

**€50 MILLION** initial endowment from Crédit Agricole

**€43,9 MILLION** raised among donors

**€9,7 MILLION** raised for the Fund for Inclusive Finance in Rural Areas (FIR)

#### HUMAN CAPITAL

**11 DIRECTORS**  
Representatives of Grameen Trust, Crédit Agricole and independents

**23 STAFF**

**4 CONSULTANTS**  
based in Africa

**14 SOLIDARITY** bankers

#### PARTNERSHIPS

**51 PARTNER** organisations, of which:

**5** international **DONORS**

**30 ENTITIES** of the Crédit Agricole Group, of which:

**21 REGIONAL** banks

Figures as at 31 December 2019

- (1) Percentages in number of institutions  
(2) Percentages in number of companies with a social impact  
(3) Beneficiaries of microfinance institutions supported by the Fondation  
(4) Number of beneficiaries attributed to the Fondation's funding in a microfinance institution = (Foundation's outstanding loans / MFI's loan portfolio) x Number of borrowers of the MFI  
(5) Based on the number of equipment sold  
(6) Laiterie du Berger, Société Sénégalaise des Filières Alimentaires, Vert Ltd and Grameen Danone Food  
(7) Study carried out in 2018 by the Foundation on 52 partners.

### Achievements in the field



#### ORGANISATIONS SUPPORTED

**73 MICROFINANCE** institutions<sup>(1)</sup>

**10 %** large-sized (tier 1)

**56 %** medium-sized (tier 2)

**34 %** small-sized (tier 3)

**12 SOCIAL IMPACT** enterprises<sup>(2)</sup>

**37 %** Agribusiness

**36 %** Financial services

**18 %** Essential services

**9 %** Culture and education

#### LOANS

**€96 MILLION** outstandings monitored

**94 %** IN LOCAL CURRENCY  
(19 different currencies)

**47 %** ORGANISATION supported in Sub-Saharan Africa

#### TECHNICAL ASSISTANCE MISSIONS

**72 MISSIONS** carried out or launched in 2019

**123 DAYS** of Solidarity Bankers missions since June 2018

### Impact of organisations supported



#### 1 / FACILITATE

access to essential services for vulnerable segments of the population

**8,9 MILLION** active beneficiaries of microcredits<sup>(3)</sup>, of which

**189 953 ALLOCATED<sup>(4)</sup>** to loans from the Fondation

**85 %** women beneficiaries of microcredits

**78 %** microfinance clients in rural areas

**43 729** customers of supported companies that supply solar equipment<sup>(5)</sup>

#### 2 / STRENGTHEN

the resilience of fragile economies

##### PROMOTE JOB CREATION

**8 528 SMALL FARMERS** supported by social impact enterprises<sup>(6)</sup>

**49 176 EMPLOYEES** of the organisations supported

**3 037 JOBS** created

##### CONTRIBUTE TO THE ECOLOGICAL TRANSITION

**84 %** of institutions have established an exclusion list of activities dangerous for the environment<sup>(7)</sup>

**42 %** of institutions offer green products

#### 3 / IMPROVE

the living conditions of vulnerable segments of the population

**36%** OF THE ORGANISATIONS FINANCED measure the poverty level of clients to make sure that they reach their target clientele

# OUR CONTRIBUTION TO THE GLOBAL AGENDA

As the financial partner of 73 microfinance institutions and 12 social enterprises in 39 countries, the Foundation supports a wide variety of projects. Responsible and committed, such activities help to achieve the Sustainable Development Goals set by the United Nations.

## Strengthening food security in rural areas

The Foundation contributes to food security by financing food-producing agriculture in rural areas. It invests in impact enterprises that structure the **local agricultural sectors**.

**TERRAL**  
Société Sénégalaise des Filières Alimentaires bolsters rice production in Senegal.

**La Laiterie du Berger**  
and its subsidiary KOSSAM promote the emergence of a local dairy sector in Senegal.

**vert**  
Vert is a social business that provides technical assistance and supports the organic certification of small Kenyan producers

**GDFL** (Grameen Danone Foods Limited) provides staple dairy products at accessible prices in Bangladesh.

**8 528** small producers supported by social agri-food enterprises financed

**4** Strengthened agriculture sectors  
**4** Supported agribusinesses

## Helping to fight poverty

The Foundation helps fight poverty by financing and supporting organisations that facilitate **access to financial and essential services** for vulnerable segments of the population: **rural populations**, microentrepreneurs, small agricultural producers and, more recently, refugees.

**8,9 Million** clients served by the institutions supported (compared to 760,000 in 2010)

**78%** of the clients of the institutions supported live in rural areas

**36%** of the organisations financed measure the level of poverty of the clients to make sure they reach their target clientele.

## Developing access to drinking water and energy in remote areas

The Foundation **finances and/or invests in the capital of social impact enterprises** that provide essential services to disadvantaged people, particularly in the water and energy sectors.

**Oshun**

Oshun provides a quality water service through water dispensaries situated in rural areas in Senegal and soon in other countries.

**55** water dispensaries in operation  
**20 t** less plastic thanks to dispensaries deployed

**Palmis Enèji** and **ZOLA**

Palmis Enèji in Haiti and ZOLA in Ivory Coast offer solar equipment which replaces CO<sub>2</sub>-emitting sources.

**13,729** customers of supported companies that supply solar equipment

## Supporting the empowerment of women through entrepreneurship and financial inclusion

The promotion of **women's leadership** and women's participation in economic activity is at the heart of the Foundation's strategy. It finances and supports microfinance institutions and social enterprises that promote financial inclusion and the empowerment of women through entrepreneurship.

**85%** women beneficiaries of microcredit

**28%** of the organisations supported are headed by women

**34%** women employees in the institutions supported

\*woman on the board or management committee

## Promoting sustained economic growth and decent work

The Foundation seeks to promote **economic development that creates quality jobs** by financing small and medium-sized businesses. It uses the ALINUS\* tool to measure the social performance of microfinance institutions, including responsible treatment of employees.

**29%** of the institutions financed offer products for SMEs

**49 008** Employees of organisations supported

**76%** ALINUS\* score on the "responsibility to staff" dimension (compared to 60% for the benchmark)

## Strengthening the resilience of rural economies in the face of climate change

Faced with the critical environmental situation in the countries of intervention, the Foundation promotes **sustainable solutions** to adapt to climate change. It also promotes the development of products that finance ecological practices such as renewable energies, waste management, and access to clean water.

**9%** of the institutions raise awareness about climate risks among their clients

**42%** of the institutions supported offer green products

**5** technical assistance missions on climate finance

## Establishing sustainable partnerships

Stemming from a **unique partnership between Crédit Agricole and the Grameen network**, the Foundation is developing numerous technical and financial partnerships to promote inclusive, sustainable and responsible finance.

**51** partner organisations of which **5** international donors

**30** Crédit Agricole entities that are partners of the Foundation

\* ALINUS stands for "Aligning Investors due-diligence and monitoring to the Universal Standards." SPI4-ALINUS is a subset of SPI4-CERISE which enables investors to conduct their due diligence exercise on providers of financial services.





# DIRECT IMPACTS

## Promoting more sustainable finance

The direct impacts are the lasting improvements to which the Foundation has plausibly contributed in favour of the organisations it supports. Aligned and made consistent, these three impact objectives are broken down into operational purposes. Resulting from the Foundation's approach, the entire undertaking has beneficial effects in terms of the dissemination and implementation of responsible and inclusive finance among organisations and initiatives operating in close proximity to populations in the territories.

### THE 3 IMPACTS:

#### 1 Sustainable organisations with a social impact

Perpetuation of organisations that provide essential services



SUPPORT TO COMPANIES IN THE DEVELOPMENT PHASE



DEVELOPMENT OF AN APPROPRIATE FINANCIAL OFFER



STRENGTHENING AND DIVERSIFICATION OF TECHNICAL ASSISTANCE

#### 2 Social and environmental performance

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



MEASUREMENT AND PROMOTION OF THE ORGANISATIONS' PERFORMANCE



RESPONSIBLE MANAGEMENT OF THE FOUNDATION'S ACTIVITY

#### 3 A more inclusive and more sustainable financial sector

Promotion of inclusive finance practices in the bank



ENTITIES OF THE CREDIT AGRICOLE GROUP COMMITTED TO INCLUSIVE FINANCE



SHARING OF THE FOUNDATION'S EXPERIENCE AND DISSEMINATION OF INCLUSIVE FINANCE PRACTICES



# SUSTAINABLE SOCIAL IMPACT ORGANISATIONS

— The Foundation helps consolidate and perpetuate organisations that provide essential services to vulnerable segments of the population.



RENACA (BENIN) ©In Venture

€ 96  
million in outstandings

73  
microfinance institutions

12  
social impact enterprises

Whether for financial inclusion, access to clean energy or sustainable agriculture, the microfinance institutions and businesses supported by the Foundation promote access to essential services for vulnerable populations in often fragile economic situations.

In microfinance, for instance, the Foundation is present in the countries least served by international donors, particularly in Sub-Saharan Africa (44% of outstanding microfinance loans monitored).

Its specific controlled financing approach enables it to grant loans with a 99.6% repayment rate. The Foundation's support is part of a long-term relationship: 69% of loans are renewed.

In addition to financing and investments, the Foundation has developed a solid offer of technical assistance aimed at strengthening

the organisations supported to structure, manage and run their activities. The Foundation coordinates missions under two programmes: the African Facility since 2013 with the Agence Française de Développement [French Development Agency] and Banquiers solidaires [Solidarity bankers], a skills volunteering programme launched in 2018 with Crédit Agricole Group entities.

Three new projects will strengthen the offer in 2020: a programme for the financial inclusion of refugees with the UNHCR<sup>(1)</sup> and the Swedish Cooperation, a programme to support microfinance in West Africa with the EIB<sup>(2)</sup> and the Luxembourg government and a project to promote microinsurance with Proparco and the ILO<sup>(3)</sup>.

(1) United Nations High Commissioner for Refugees  
(2) European Investment Bank  
(3) International Labour Office

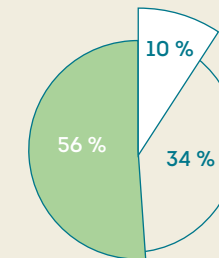
## COMPANIES IN THE DEVELOPMENT PHASE

A long-term relationship to support and guide the partners financed towards sustainable growth

### Microfinance institutions:

Small or medium-sized institutions are targeted as a matter of priority:

- Tier 1 (large size)
- Tier 2 (medium size)
- Tier 3 (small size)



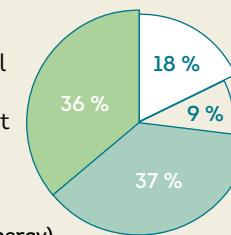
5 institutions, of which the Foundation is the only international donor

41% of outstandings in Sub-Saharan Africa (compared to 8% for the microfinance sector\*)

### Social impact enterprises:

The rural location is a specific feature of the social enterprises in the portfolio for the inclusive development of the territories

- Agribusiness
- Essential services (water and energy)
- Financial services
- Culture and education



NB : percentage in number of institutions supported

5 social enterprises of which the Foundation is a co-founding shareholder (out of 12 social enterprises in the portfolio)

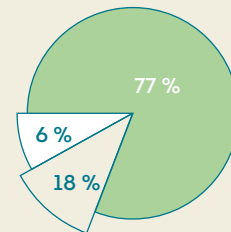
## ADAPTED FINANCIAL OFFER AND TECHNICAL ASSISTANCE

The Foundation offers a wide range of financial and technical assistance solutions

### Financing

Flexible financing with loans ranging from €300K to €5M  
Average loan of €1.1M (compared to 2.5 M€ for the microfinance sector\*)

- Senior loans
- Guarantees
- Subordinated debt



€91M in microfinance outstandings

94% loans in local currency

### Investments

€5M mobilised in the capital of 12 social enterprises\*\*

10 years of financing horizon

4 exits (out of 15 initial investments)

\* Symbiotics VIM Survey 2019  
\*\* Minority equity holdings

### Technical assistance

African Facility II since 2017

144 missions  
22 institutions supported  
91% small institutions (Tier 3)  
446,706 impacted borrowers\*

\*Clients of the organisations supported by the Foundation

SOLIDARITY Bankers since 2018

13 missions  
12 enterprises and institutions supported  
14 Solidarity Bankers  
123 days of mission

# ENHANCED SOCIAL AND ENVIRONMENTAL PERFORMANCE

— The Foundation strengthens the social performance of the organisations it supports continuously through its advice and guidance. It is now starting to integrate the environmental impact into its due diligence and its technical assistance programme. It also continues to improve its own.



**19%**  
of institutions financed were given a social rating

**26%**  
Green index score of the institutions financed (vs. 15% in the sector\*)

**1**  
Finance, Risk and Impact Committee

A pioneer in approaches to inclusive finance, the global microfinance industry has defined its Universal Social and Environmental Performance Standards. Expressed as standardised indicators, they help streamline the practices and responsible management of financial activities.

As a stakeholder in these innovations, the Grameen Crédit Agricole Foundation assesses, audits and monitors its counterparties using this approach, which combines financial with social and environmental performance. The result is a quality portfolio with partners whose impact capacity is constantly improving.

At the operational level, this partnership-based monitoring with the organisations financed takes various forms: recommendations, preconditions for financing, technical assistance

missions. This is a mastered know-how for which the Foundation has an internal centre of expertise. It shares its best practices in responsible management, particularly with Crédit Agricole Group entities, on behalf of third-party investors.

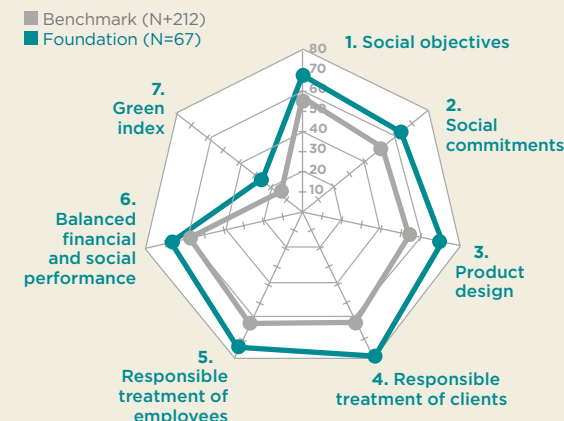
Finally, the Foundation pursues an exemplary approach by applying these principles to itself, particularly in its management: training plans, quality of life at work, and areas for progress in the representation of women in key positions.

(\*) CERISE's 2019 assessment on 212 microfinance institutions audited

## SOCIAL PERFORMANCE

### Performance of supported organisations

The Foundation's portfolio is assessed using the microfinance reference tool SPI4-Alinus.



In all areas of social performance, the microfinance institutions supported by the Foundation have performed better than the sector benchmark and are constantly improving.

### Performance of the Foundation

The Foundation applies to itself, internally, responsible business management practices.

#### Responsible treatment of employees

**1** Human Resources Committee  
**1** Annual training plan  
**437** Hours of training

#### Promote gender diversity

**23** Staff  
**65%** Women **35%** Men  
**11** Directors  
**27%** Women **73%** Men

In 2020, the Foundation is committed to have **39%** of women on the Board of directors

## ENVIRONMENTAL PERFORMANCE

### Performance of supported organisations

The financial services offered by microfinance institutions supported by the Foundation strengthen the resilience of vulnerable populations in the face of climate shocks. Even if environmental performance management is more recent, it is making progress.

#### Minimize adverse effects on the environment

**84 %** of institutions have established an exclusion list of activities dangerous for the environment\*  
**23 %** of organisations have a formal environmental strategy

#### Improve resilience with green initiatives

**42%** of the institutions offer green products that finance ecological practices\*  
**9%** of the institutions raise awareness about climate risks among their clients

#### Contribute to the energy transition

**Palmis Enèji** offers economical cooking stoves with a high ecological impact in Haiti.

**ZECI**, in Ivory Coast, markets off-grid solar kits that replace CO<sub>2</sub>-emitting sources.

### Performance of the Foundation

#### Responsible management

The Foundation has set up a working group on environmental performance and formalised an ad hoc action plan.

**139 t** CO<sub>2</sub> emitted are offset with the Livelihoods Carb

**0** disposable plastic cups at the Foundation's office. They have been replaced by cups and glasses

#### Develop securitisation with environmental impact

Crédit Agricole CIB and the Foundation have launched a securitisation pilot project with an environmental impact in favour of ZECI (p.17), with a specific environmental reporting framework managed by the Foundation.

**1 impact securitisation** with Crédit Agricole CIB

\*Study carried out in 2018 by the Foundation on 52 partners.



# A MORE INCLUSIVE AND SUSTAINABLE FINANCIAL SECTOR

— Positioned as a centre of expertise for financial inclusion within **Crédit Agricole**, the Foundation intensifies the promotion of banking practices with a social impact through innovative proposals carried out in cooperation with Group entities.



CHAMROEUN (CAMBODIA) ©Philippe Lissac

**30**  
partner Regional Banks and Crédit Agricole entities

**“These missions can only strengthen our usefulness and pride of belonging to the Crédit Agricole Group”**

**JONATHAN MICHAUD**,  
Solidarity Banker in 2018  
CA Franche-Comté

The Grameen Crédit Agricole Foundation shares its experience as a financier and investor with a social impact. In almost 12 years of activity, it has modelled its responsible approach and designed efficient operating methods to reconcile financial yield and social performance. It is now disseminating its know-how to step up its commitment to inclusive and sustainable finance.

The Foundation's action is part of an open eco-system: multinational corporations, institutional and financial partners (European Investment Bank, Agence Française de Développement), with NGOs, startups, microfinance players (ADA Microfinance), etc.

It is also assuming an increasing role as an expert in inclusive finance within the Crédit Agricole Group through multiple cooperative

ventures, projects or joint programmes with the entities of the Group. Its partnerships, such as those with Crédit Agricole SA's International Retail Bank (BPI) and with Crédit Agricole CIB in India and the Ivory Coast are significant in this respect, as is the collective mobilisation around the Fund for Inclusive Finance in Rural areas (FIR).

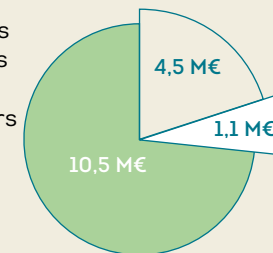
Beyond the practices of inclusive finance, the Foundation implements a banking approach adapted to address daunting challenges: vulnerable populations, the development of rural areas, and the empowerment of women often in the context of fragile countries.

## AN ACTION SHARED WITH THE CREDIT AGRICOLE GROUP

A strategic priority of Crédit Agricole, the social impact is a source of responsible innovations

### Guaranteed financing

The Foundation provides advice for commitments in microfinance, grants guarantees and monitors loans.



- Crédit Agricole Egypte
- Crédit du Maroc
- Crédit Agricole CIB India

### Solidarity Bankers



The skills volunteering programme has offered Crédit Agricole staff an opportunity to embark on technical assistance missions to social impact enterprises since 2018.

**14** Solidarity Bankers  
**10** countries

**123** days of mission

### Securitization of the impact

The Foundation and Crédit Agricole CIB advise and support the impact enterprise ZECI which provides solar equipment in rural areas of the Ivory Coast. The structuring and financing of the project have been devised as an impact securitization offer where the Foundation monitors the extra-financial performance.

### Fund for Inclusive Finance in Rural areas (FIR)

Advised by the Foundation, this Fund enables the entities of the Crédit Agricole Group to finance microfinance institutions operating in rural areas among populations who have no access to banking.

**21** Regional banks, CA Assurances and Amundi, investors of the FIR Fund  
**4** microfinance institutions already financed

**€9.75 million**  
FIR Fund's outstanding amounts

## PROMOTION OF A SINGULAR EXPERIENCE

Dissemination of inclusive finance and social impact entrepreneurship practices

### Publications

The Foundation aims to disseminate its experience and expertise through various publications on the scale of the financial sector.



**Booklet on the Foundation's 10 years**



**Strategic Plan 2019-2023**



**White Paper on Social Business**



**Microfinance Barometer 2019**

### Meetings

The Foundation bolsters its ecosystem by organising events and interventions on microfinance, the financing of rural economies and projects with the Group.



**7** Events organised in 2019 of which

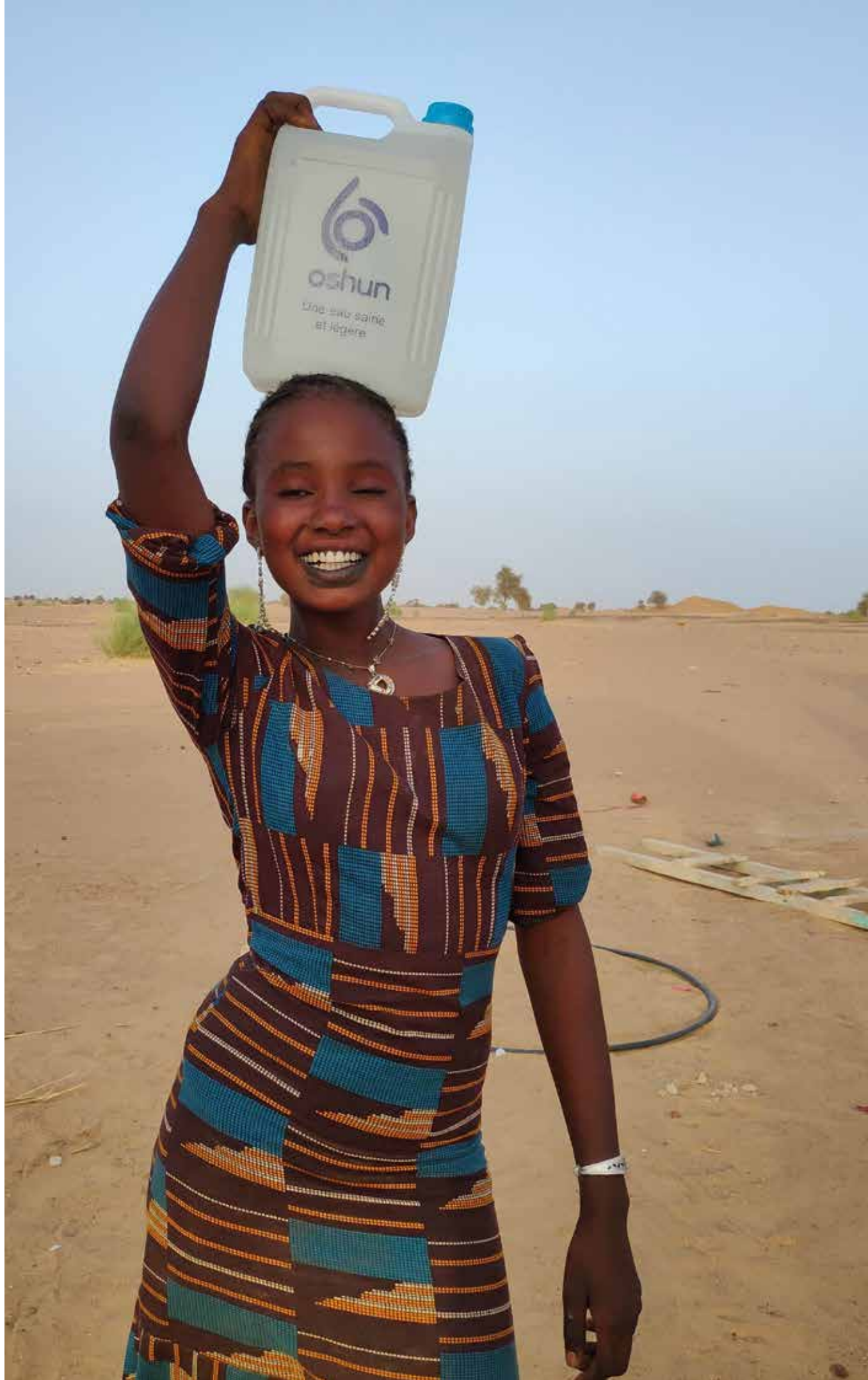
**2** Meetings of the Foundation Friends Club

**1** Solidarity Cents operation



**37** Interventions in conferences, workshops, meetings

**394** Members of the Foundation Friends Club, a group composed exclusively of Crédit Agricole employees interested in the Foundation's activities.



# INDIRECT IMPACTS

## Impact in the field via our partners

The microfinance companies and institutions supported by the Foundation operate in the field, in contact with socially and economically vulnerable populations. They are the ones who bring the Foundation's commitments to bear day in and day out with their outreach and their contribution to economic development.

The organisations supported by the Foundation work to provide greater access, particularly in rural areas, to a

range of essential goods and services related to financial inclusion, nutrition, and access to water and energy. The Foundation supports mainly companies that develop sustainable local agricultural value chains, the cornerstones of the resilience of fragile economies.

Finally, the Foundation supports and encourages the organisations financed to monitor the living standards of the vulnerable populations they serve more closely and to work to improve them.

### THE 3 IMPACTS:

**1 Greater access to essential services for vulnerable segments of the population**



FACILITATING ACCESS TO FINANCIAL SERVICES



CONTRIBUTING TO ECONOMIC INCLUSION



STRENGTHENING ACCESS TO ESSENTIAL RESOURCES

**2 Strengthened resilience for fragile economies**



CONTRIBUTING TO THE DEVELOPMENT OF VULNERABLE REGIONS



PROMOTING RURALITY AND EMPLOYMENT

**3 Improved living conditions for vulnerable segments of the population**



ENCOURAGING SUPPORTED ORGANISATIONS TO BETTER ASSESS THE IMPACT OF THEIR ACTIONS ON THEIR BENEFICIARIES



SUPPORTING WITH TECHNICAL ASSISTANCE THE IMPACT MEASUREMENT IN MICROFINANCE AND SOCIAL ENTREPRENEURSHIP



# GREATER ACCESS TO ESSENTIAL SERVICES

— The Foundation supports the activity of microfinance institutions and social impact enterprises with advice and guidance so as to guarantee access to financial services but also to nutrition, water and energy.

## Financial Inclusion

**Financial services:** The organisations financed by the Foundation distribute microcredits to people who usually have no access to banking services so that they can develop their own income-generating activities. These microfinance institutions also

offer them savings or insurance solutions (44% of the institutions).

**Non-financial services:** 55% of microfinance institutions offer financial training, health services or business support.

8,9 M €

clients of the micro-finance institutions financed

5,2 M

savers, with 34% of them in fragile countries \*

\*According to the lists of the World Bank and the OECD

## Economic inclusion

**Towards women.** Particularly vulnerable, women constitute a priority for the Foundation in order to support their empowerment through entrepreneurship.

**Towards rurality.** Support for food-producing agriculture, inclusion of territories: the Foundation targets primarily organisations rooted in rural territories.

**Towards refugees.** Together with the United Nations High Commissioner for Refugees (UNHCR) and the Swedish International Development Cooperation Agency (Sida), the Foundation has launched a programme to promote access to financial services for refugees and host communities. Uganda will be the pilot country in which the Foundation will advise and support microfinance institutions to develop an adapted offer.

85 %

women clients of the institutions financed (compared to 67% for the microfinance sector)

78 %

rural clients in the institutions financed (compared to 56% for the microfinance sector)

100,000

beneficiaries by the end of the programme with UNHCR and Sida

4

Companies (among the 12 in the portfolio) enhance the agricultural sectors\*

\*La Laiterie du Berger (dairy production) and SFA (rice farming) in Senegal, Vert Ltd (vegetable production) in Kenya and Grameen Danone Foods Ltd (dairy production) in Bangladesh.

## Essential resources

**Nutrition, water, energy...** the impact enterprises supported by the Foundation are experimenting with innovative models, driven by positive social and environmental goals.

**This takes concrete shape in the field:** for example, 55 water dispensaries deployed throughout

Senegal by Oshun, which has already created 131 jobs, 50% of which are held by women; or 33,500 lamps, solar kits, and improved LPG ovens sold by Palmis Enèji in Haiti, representing more than 136,000 beneficiaries and a reduction of 72,943 tonnes in CO<sub>2</sub> emissions.

AMZ - ZAMBIA



Contributing to the economic inclusion of rural populations by providing them appropriate financial services



AMZ (ZAMBIA) ©Didier Gentilhomme



719,892€

Amount of commitment with the Foundation

4

Loans granted since 2016 by the Grameen Crédit Agricole Foundation

2

Technical assistance missions (African Facility)

## CONTEXT

Zambia is a country of 18.6 million inhabitants, more than 60% of whom live on less than \$1.9 a day, notably in rural areas.

85% of the population are employed in agriculture which occupies a central place in the economy.

## ORGANISATION

AMZ is a developing microfinance institution created in 2011 to provide economic opportunities for the poorest people in rural

areas. The Foundation has supported AMZ since 2016 by providing financing and technical assistance. Thanks to this support, AMZ has structured a pilot system for assessing its agricultural loans to small farmers.

Today, AMZ has a loan portfolio of €4.5 million, 16% of which is earmarked for financing agriculture. AMZ provides seven types of microcredits and other financial services (micro-insurance, mobile payment) to more than 53,000 clients, of which 60% are women and 92% live in rural areas.

## IMPACT

AMZ operates in a fragile\* country that is vulnerable to climate change, the consequences of which impact the livelihoods of the population. Thanks to its 16 branches in rural and remote areas and to the diversity of the microcredit products offered (financing of small informal shops, financing of very small/ medium-sized enterprises, agricultural loans, emergency loans), AMZ helps to develop access to income generating activities for rural populations and to supporting food-producing agriculture.



\*According to the lists of the World Bank and the OECD

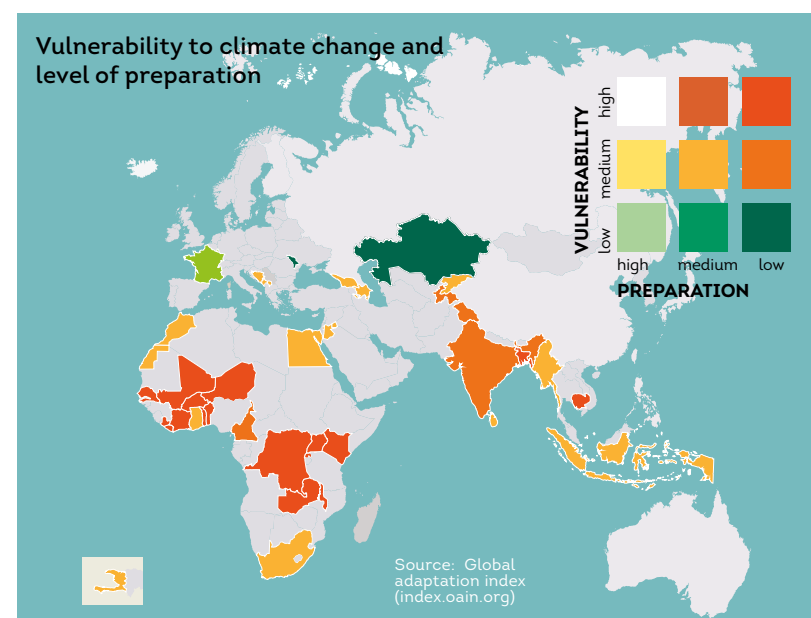
# RESILIENCE OF FRAGILE ECONOMIES

— The organisations supported by the Foundation are distinguished by the fact that they operate in particularly fragile social and economic contexts. For these populations, local action, particularly in agricultural areas, is indispensable.

## Vulnerable regions

With a marked presence of the organisations supported in African and Asian countries, the Foundation contributes to generating positive effects in particularly fragile regions of the world that combine different types of vulnerability:

weak institutions, civil or military tensions, deteriorated security conditions, exposure to the effects of climate change.



## Rurality and employment

Often isolated and far from basic services, populations living in rural areas require priority action to bolster the resilience of fragile economies. The Foundation focuses its intervention on targeted organisations: rural microfinance institutions or social enterprises linked to agricultural value chains.

More broadly, the Foundation's support for microfinance institutions and social enterprises helps to generate economic activity and employment in the territories.

\*According to the lists of the World Bank and the OECD

48 %

of the outstandings monitored in the regions that are the most vulnerable to climate change

45 %

of outstandings monitored in fragile countries

8 528

small producers supported by social agrifood enterprises financed

4

agricultural sectors supported

49,176

persons employed by the organisations supported, of which 31% in fragile countries

LAITERIE DU BERGER - SENEGAL



Structuring the local agricultural value chains to foster the resilience of fragile economies



LAITERIE DU BERGER (SENEGAL) ©Philippe Lissac



1,086 M€

Amount of the Foundation's capital investment

2

Solidarity Bankers technical assistance missions

## CONTEXT

"90% of the milk consumed in Senegal is imported in powder form, whereas 30% of the population live traditionally from livestock breeding and can produce milk. This observation led to the creation of the Laiterie du Berger." Bagoré Bathily, Founder of the Laiterie.

## ORGANISATION

The social enterprise was created in 2006 to enhance local dairy production and improve the

income of farmers. The dairy collects milk from Fulani farmers in the Richard Toll rural area in the north of the country and uses it to make dairy products.

In 2019, a new subsidiary called Kossam was created to structure the Senegalese dairy sector by providing material resources and training to farmers and by developing an innovative "mini-farm" model. It is run by Jonathan Michaud, an agronomy engineer stemming from Crédit Agricole Franche-Comté, dispatched on a two-year Solidary Banker mission in 2018.

## IMPACT

The Laiterie du Berger is the second largest company on the fresh dairy product market in Senegal, with 7,011 tonnes of products sold in 2019. The dairy helps meet the nutritional needs of vulnerable segments of the population and to secure the purchase of milk from 1,230 Fulani farmers who have seen their income go up by 77% between 2018 and 2019. The dairy creates employment in rural areas, with a network of 344 staff who undergo regular training.



\* Average income = average volume delivered per farmer \* purchase price for milk paid to farmers



# IMPROVED LIVING CONDITIONS FOR VULNERABLE SEGMENTS OF THE POPULATION

— In order to document and improve their impact, the Foundation and the organisations it supports join forces to monitor changes in the living standards of the beneficiary populations.

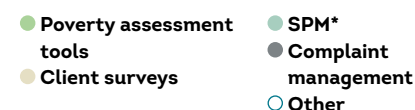
## Financial services

This is particularly the case of the **22 microfinance institutions** supported under the African Facility with which a first workshop on impact measurement was carried out in 2019.

Having often already integrated social performance management

in their activities, the microfinance institutions surveyed plan to go further in order to understand better the changes taking place in the living conditions of their clients. The project to establish poverty assessment tools is therefore becoming a real topic of interest.

## Interest of participating institutions, African Microfinance Week, October 2019



## A development to support

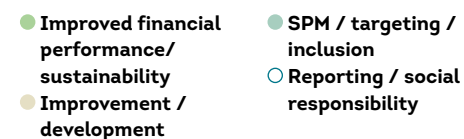
According to the feedback from the beneficiary institutions of the African Facility, integrating impact measurement in microfinance is received favourably.

Nonetheless, the initiative is still up against operational obstacles: lack of reliability of the data collected

from the field, possible reluctance on the part of agents, cost and implementation issues.

A professional and institutional approach, accompanied by technical assistance support, seems to be the way forward to achieving this development.

## Advantages impact measurement estimated by the institutions



36 %

of the institutions supported monitor the development of their clients' standard of living

22

microfinance institutions supported under the African Facility

\* SPM : Social Performance Management

## Our commitment

In 2020, the Foundation will organise the collection of new outcome and change indicators from the supported institutions in order to verify the robustness and relevance of its impact model

KOMIDA - INDONESIA



Giving women excluded from the banking system access to adapted financial and non-financial services



€2,6 M

Amount of commitment with the Foundation

7

Loans granted since 2011 by the Grameen Crédit Agricole Foundation

## CONTEXT

Indonesia is the fourth most populous country in the world with 268 million inhabitants, 10% of whom live below the national poverty threshold. The country is particularly exposed to the effects of climate change.

## ORGANISATION

KOMIDA is a microfinance cooperative created in 2004 that serves over 675,000 borrowers with a loan portfolio of \$100 million.

The Foundation has provided advice and support for the institution's growth since 2011. KOMIDA's clients are poor women who live in rural areas: in 2019, 63% live on less than \$2.5 a day, and half of them were previously excluded from the banking system.

KOMIDA proposes many savings and credit products as well as non-financial services to empower women: gender equality training, domestic violence prevention, financial education, etc.

## IMPACT

KOMIDA is a socially high-performing organisation with excellent customer protection practices, certified by the Smart Campaign. Its governance is 78% female and is involved in achieving its social objectives. The institution monitors and measures the poverty level of its clients using the PPI<sup>(1)</sup> questionnaire. 97% of beneficiaries declare that their income increased once they joined the cooperative and 92% have been able to meet current expenses.



(1) PPI: Poverty Probability Index, an index which is used to measure the poverty level and to assess the probability that an individual is below the national poverty threshold





# ACTING AND WORKING TOGETHER

## Roadmap 2019-2022

In 2019, the Grameen Crédit Agricole Foundation defined a specific impact model for its activity for the first time. Underpinned by its Strategic Plan, it is pursuing its responsible growth through a process of commitment and cooperation. In 2020, the Foundation will continue our impact measurement work to study further the concrete effects and relevance of its actions with its partners.

Consolidating microfinance expertise, strengthening rural economies and promoting finance with social impact are the three pillars of development that govern the Strategic Plan 2019-2022 adopted by the Foundation, its framework for action and contribution to an increasingly shared practice of inclusive finance.

Drawing on its solid experience in finance and social impact investments, the Foundation continues to play a pioneering role. By proposing its impact model, this first report represents a new step forward for the Foundation: that of correlating financial activity, operating methods and impacts. As both an international donor and expert, the Foundation shows that the path to successful financial inclusion requires constant and in-depth support, for example technical assistance, for the field partners with whom it chooses to work.

Reinforced in its convictions by this model, the Foundation will as of 2020 adopt an advanced approach to the concrete study of the direct and indirect impacts of its activities, in terms of positive repercussions for populations and territories, through the microfinance institutions and social enterprises partners it supports. This will entail collecting change and result indicators from supported organisations and, in some cases, through field surveys in the countries so as to verify the robustness and relevance of the effects induced by the Foundation's

activity under its impact model. Three themes of investigation will be prioritised: access to essential services, the empowerment of women and technical assistance. The conclusions will be known in early 2021.

Almost 12 years after it was created, the Foundation continues to write the chapters of its history: more collective, more committed, more cooperative. It embraces fully its objectives of financial inclusion in a dynamic vision where value creation is combined with both financial and extra-financial criteria. In this respect, a spirit of cooperation that is reinforced every day is key with the organisations supported in the field, as well as with institutions and players in the financial sector, first and foremost with its partners in the Crédit Agricole Group and the Grameen network.

**“The road to success of financial inclusion runs through the advising and supporting partners in the field”**

See the video on the Strategic Plan: [youtu.be/DI0LVYB3xCk](https://youtu.be/DI0LVYB3xCk)







**FONDATION GRAMEEN CRÉDIT AGRICOLE**  
5, Allée Scheffer – L-2520 Luxembourg

[www.gca-foundation.org](http://www.gca-foundation.org)  
Contact : [info@gca-foundation.org](mailto:info@gca-foundation.org)

Suivez-nous sur

