

OUR TECHNICAL ASSISTANCE OFFER



GRAMEEN CRÉDIT AGRICOLE FOUNDATION: OUR TECHNICAL ASSISTANCE OFFER




TABLE OF CONTENTS	
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_ CROSSED VIEWS	4
Editorial	5
The coordination of technical assistance: one of the strengths of the Foundation	7
• Interview: Agence Française de Développement [French Development Agency]	9
_ TECHNICAL ASSISTANCE PROGRAMMES IN THE SERVICE OF OUR PARTNERS	10
• Interview: Coopec-Sifa (Togo)	14
_ DIVERSIFYING AND STRUCTURING OUR TECHNICAL ASSISTANCE PROGRAMMES	15
Breadth of our offer	16
Our action framework and principles	23
• Interview: Friends Consult Ltd	24
Our economic model	25
Impact enterprises: a personalised approach	27
_ OUR IMPACT MODEL	30
Our contribution to the operational strengthening of the organisations	33
• Insight from the field: ACFIME (Burkina Faso)	39
• Insight from the field: MLF (Zambia)	40
• Insight from the field: Chamroeun (Cambodia)	41
Our support in the face of change	42
• Insight from the field: RENACA (Benin)	47
• Insight from the field: GRAINE (Burkina Faso)	48
• Insight from the field: SFA (Senegal)	49
The promotion of our activities in an open ecosystem	50
• Interview: United Nations High Commissioner for Refugees	52
• Interview: Group HR Director at Crédit Agricole S.A	53
_ LESSONS LEARNED AND RECOMMENDATIONS	54
_ CONCLUSION	65

CROSSED VIEWS

The Grameen Crédit Agricole Foundation was created in 2008 by Crédit Agricole and Professor Muhammad Yunus, Nobel Peace Prize laureate in 2006, to provide an operational tool capable of contributing to the fight against poverty in developing countries. The Foundation has since then taken organisational steps to acquire the tools and skills necessary to implement this challenging remit.

Popularised by Professor Muhammad Yunus, microfinance has become an essential tool in the fight against banking exclusion while contributing to the development of the local economy. In an unequal society, the poorest people have difficulty investing or developing an economic activity because of many constraints or refusals of credit. To address this issue, microfinance institutions (MFIs) offer them financial and non-financial services and products adapted to their needs.

In the early years of its existence, the Foundation accordingly focused on setting up a financing activity for microfinance institutions, gradually specialising in smaller-scale institutions located in rural areas and working mainly for women developing small income-generating activities. In defending the principles of responsible engagement, the Foundation opted from the outset to work exclusively with institutions that have a prevention and protection policy for their borrowers.

In a second phase, the Foundation opened its scope of assistance to the financing of social businesses within the meaning of the concept developed and popularised by Professor Muhammad Yunus. Between 2011 and 2017, the Foundation also acquired equity interests in the capital of these impact enterprises, in general to enable them to "scale up". As at 30 June 2021, the Grameen Crédit Agricole Foundation supports

80 microfinance institutions or social impact enterprises with outstanding financing of around €82 million and an investment portfolio of 11 equity interests.

In 2013, the Foundation decided to engage in the activity of coordinating technical assistance programmes with the valuable help of the French Development Agency so as to strengthen its impact. The experience of the first few years of activity dedicated exclusively to financing microfinance institutions made us realise that working with inclusive finance and impact entrepreneurship actors with a single lever of action (providing financing), and then two (providing equity), was not sufficient for a large segment of our partners. We needed to go beyond financial support by complementing our approach with targeted expertise in order to improve and bolster their operational performance. So we began developing, coordinating and implementing technical assistance programmes eight years ago. Once programmes are created and financed, we rely on a network of technical assistance providers that are based mainly in our countries of action to provide such technical assistance, which is greatly appreciated by many of our partners.

Technical assistance has thus become one of the Foundation's four lines of business, alongside investment, financing, and investment advisory (we launched the latter in 2018 and will discuss it in a future report).

The development and coordination of technical assistance programmes is a high-impact activity that complements valuably our financing activity. It enables us to develop thematic and targeted programmes: support for fragile and rural institutions, financing for refugee populations, and the strengthening of agricultural value chains. We work on new

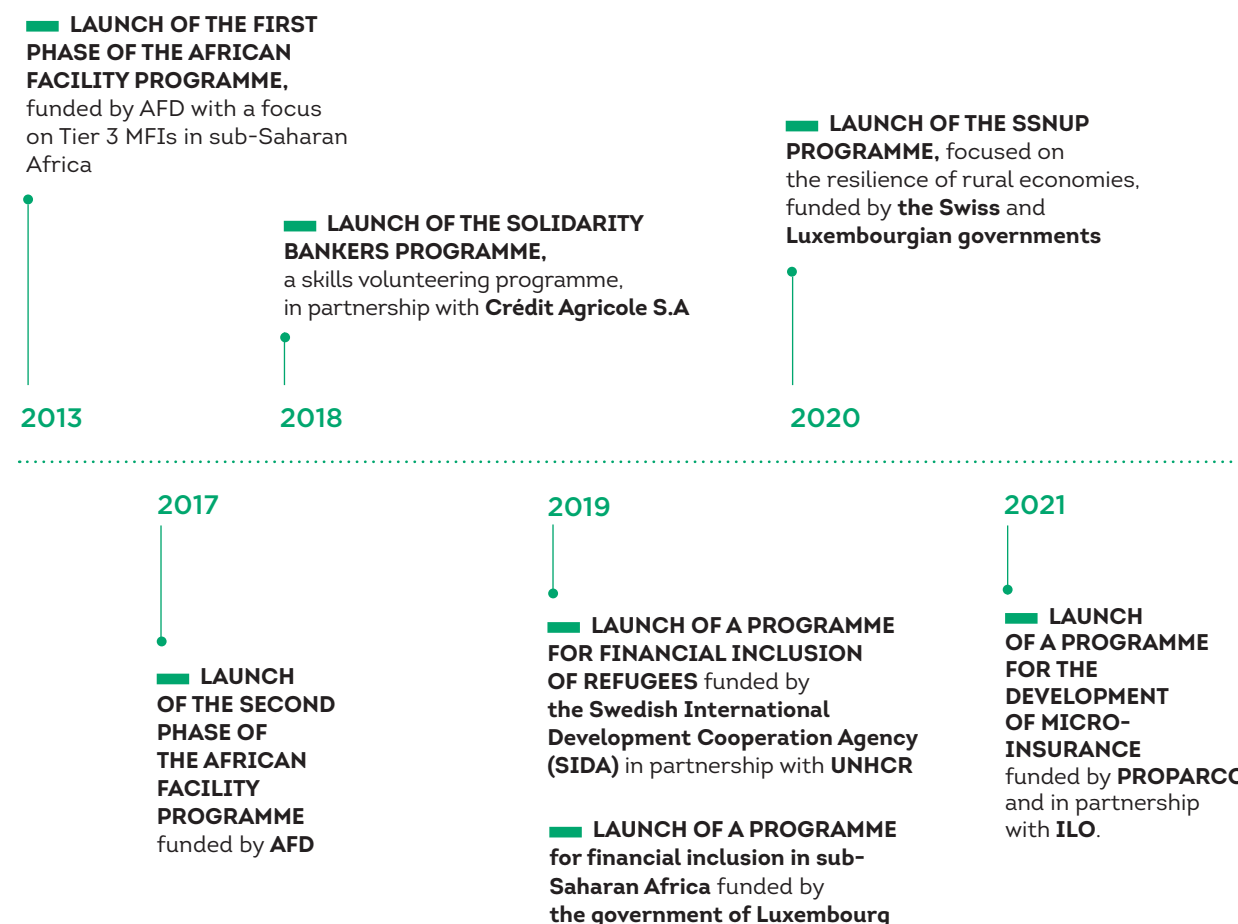
partnerships on a regular basis and new donors regularly call on us.

The purpose of this document is to share the experience we have accumulated over the past eight years. We have sought to do so transparently. Our successes in these programmes are first and foremost those of our partners. They are the ones who have to adapt to difficult contexts, in a sector, the microfinance sector, that receives little support and is often considered as secondary for national economies. Yet, the global sanitary crisis has shown us the extent to which this sector has played a major role as a social shock absorber, with a strong capacity for reaction, adaptation and operational resilience.

As far as we are concerned, we try to do this job as best we can: with the humility and determination of a hummingbird.

But this humility and determination would be nothing more than literary romanticism, without the benevolent, demanding, and unfailing support of our donors, and we would like to take this opportunity to thank them. ●

ÉRIC CAMPOS,
Chief Executive Officer
Grameen Crédit Agricole Foundation



THE COORDINATION OF TECHNICAL ASSISTANCE: ONE OF THE STRENGTHS OF THE FOUNDATION

The first support programme initiated by the Foundation was launched in 2013: the "African Take-Off Facility", known as the "African Facility." Funded by the Agence Française de Développement (AFD) [French Development Agency], this programme aimed from the outset to bolster the sustainability of microfinance institutions with fragile financial performances but with a social commitment by coupling a line of financing with a technical assistance programme.

Since this first initiative, the Grameen Crédit Agricole Foundation has continued **to develop bespoke support programmes for its partners.** The Foundation now offers five such programmes, in cooperation with international organisations, and a skills mobilisation programme in cooperation with the Crédit Agricole Group, to strengthen its network of microfinance institutions and impact enterprises in Africa, Asia, the Middle East and Europe.

This innovative technical assistance offer complements the financial services provided by the Foundation. It helps **strengthen the operations of organisations and impact enterprises** and thus contributes to improving their capacity for intervention. Since 2013, 318 missions have been launched for 47 partners. €7.06 million in grants have been awarded to the Foundation for the implementation of technical assistance programmes. All of this funding comes with specific conditions and requires reporting on performance and impact.

In 2020, the Foundation sought to **assess the soundness of its impact model** with the methodological help of an independent organisation, Cerise, through quantitative and qualitative analyses of partners who had received technical assistance. The results obtained enabled us to identify the elements of reinforcement that these missions made possible. Beyond the financial indicators, the beneficiaries of technical assistance confirm the perception of this positive impact in the improvement of their operational performance. They also attest to the uniqueness of the Foundation's approach compared with other technical assistance providers, particularly in terms of its flexibility, participatory approach, responsiveness and expertise.

Since 2013, the Grameen Crédit Agricole Foundation has gained in maturity and **has honed its role as a coordinator of technical assistance programmes.** Alongside its financing activity,





mainly for small and medium-sized institutions, it now has a proven mechanism for strengthening and developing financial institutions specialising in the inclusive economic development of rural areas in developing countries.

With this White Paper, the Foundation continues its work of cooperation with its stakeholders and peers **by sharing its experience and recommendations** for all those who contribute to the consolidation of the microfinance sector. ●

“The Foundation wanted to assess its technical assistance offer in order to improve its management and increase its impact. Our analysis has enabled to highlight several success factors, which now make it legitimate for the Foundation to share some practical recommendations, potentially useful to other actors of the sector”

Cerise

SIX PROGRAMMES COORDINATED BY THE FOUNDATION

	GOALS 	TARGET 	METHODS OF ACTION 	FUNDERS AND TECHNICAL PARTNERS
AFRICAN FACILITY (AF) 2013-2021	<ul style="list-style-type: none"> • Improve financial inclusion in sub-Saharan Africa • Strengthen selected MFIs according to criteria that are more flexible than the Foundation's traditional funding criteria, and support them towards financial sustainability 	<ul style="list-style-type: none"> • MFIs • Tier 2 and Tier 3 • Operating mainly in rural areas • Strong social vocation • Sub-Saharan Africa 	<ul style="list-style-type: none"> • Grant: €3.52 million • Ariz portfolio guarantee: €5.5 million • Line of credit: 6 million 	
SUPPORT FOR FINANCIAL INCLUSION IN SUB-SAHARAN AFRICA (EIB) 2019-2022	<ul style="list-style-type: none"> • Promote financial inclusion in Sub-Saharan Africa • Contribute to the improvement of MFIs' performance and strengthen their resilience after the COVID-19 crisis 	<ul style="list-style-type: none"> • MFIs • Tier 2 and Tier 3 • Sub-Saharan Africa 	<ul style="list-style-type: none"> • Grant: €0.56 million 	
SKILLS VOLUNTEERING (SOLIDARITY BANKERS) Since 2018	<ul style="list-style-type: none"> • Make use of the skills of Crédit Agricole Group practitioners to meet the varied support needs of the Foundation's partners 	<ul style="list-style-type: none"> • All the Foundation's partners: MFIs or impact enterprises • Tier 1, Tier 2 and Tier 3 • Africa, Asia, MENA region, Europe 	<ul style="list-style-type: none"> • Skills volunteering 	
PROMOTING THE FINANCIAL INCLUSION OF REFUGEES (UNHCR-SIDA) 2019-2022	<ul style="list-style-type: none"> • Improve the financial inclusion of refugees and their host communities • Improve their livelihoods and resilience 	<ul style="list-style-type: none"> • MFIs • Tier 3 and Tier 2 • Uganda 	<ul style="list-style-type: none"> • Grant: €2.4 million • Portfolio guarantee 	 
STRENGTHENING AGRICULTURAL VALUE CHAINS (SSNUP) 2021-2023	<ul style="list-style-type: none"> • Reinforce the resilience of small producers and the structuring of agricultural value chains • Encourage new investments and financing in the agricultural sector 	<ul style="list-style-type: none"> • MFIs or impact enterprises operating in the agricultural sector or willing to do so • Tier 1, Tier 2 and Tier 3 • Africa, MENA and Asia 	<ul style="list-style-type: none"> • Grant: €1 million 	   
DEVELOPING MICROINSURANCE (ILO-PROPARCO) 2021-2025	<ul style="list-style-type: none"> • Strengthen the skills of MFIs in structuring insurance products and services • Support the development of new or improved insurance products; 	<ul style="list-style-type: none"> • MFIs • Africa and Asia 	<ul style="list-style-type: none"> • Grant: €0.9 million 	 

MFI: Microfinance institution
Tier 3: Small MFIs (loan portfolio below \$10 million). **Tier 2:** Intermediate MFIs (loan portfolio between \$10 million and \$100 million). **Tier 1:** Large MFIs (loan portfolio over \$100 million)
MENA: Middle East and North Africa

AGENCE FRANÇAISE DE DÉVELOPPEMENT - FRENCH DEVELOPMENT AGENCY (AFD)

Laurent Mèlère, Project team leader in the Financial Systems Division of the AFD, talks about the key programme of the African Facility.

— Could you explain how the African Facility and the partnership with the Grameen Crédit Agricole Foundation came into being?

Laurent Mèlère: This programme was born out of a shared desire to improve access to financial services for underprivileged populations in Sub-Saharan Africa, particularly women and people living in rural areas, by working with local microfinance institutions (MFIs). The AFD is contributing through three tools: a concessional loan to support the credit activity of targeted MFIs, a grant to provide them with technical assistance, and a portfolio guarantee to cover part of the credit risk taken on by the Grameen Crédit Agricole Foundation. The African Facility is a critical piece of the relationship between our two organisations.

— What types of institutions are targeted?

L. M.: The facility supports the development of small (Tier 3, loan portfolio < \$10 million) and medium-sized (Tier 2, loan portfolio between \$10 and 100 million) MFIs, and also facilitates their access to appropriate local currency financing. The programme targets primarily MFIs with a strong social vocation located in rural areas, which, in addition to financing, require technical support to strengthen their institutional profile and their financial autonomy.

— What is your assessment of the programme?

L. M.: The African Facility has made it possible to support 26 MFIs in total that have themselves financed the income-generating activities of nearly 500,000 borrowers with average loans of around EUR 190 by the end of December 2020. Small MFIs play a major role in facilitating access to financial services for households and small businesses in remote areas. As long as they have the appropriate financial and technical resources, they show a strong capacity for innovation, including in digital finance. Unfortunately, the COVID-19 crisis has weakened several partner MFIs, sometimes leading them away from operational self-sufficiency. The Grameen Crédit

Agricole Foundation has been very responsive, however, offering training on liquidity management from the very beginning of the pandemic.

“In line with our objectives, the majority of borrowers are women (72%) and more than two-thirds are located in rural areas”

— How do you view the role of the Grameen Crédit Agricole Foundation as coordinator of technical assistance?

L. M.: With 250 technical assistance missions completed under the African Facility by the end of December 2020, the Grameen Crédit Agricole Foundation has covered many areas of expertise, from environmental strategy development to the digitalisation of credit delivery processes to governance strengthening. Such a volume and diversity entails significant coordination work, based on the identification of the needs, the definition of the required skills for the mission, the recruitment of adequate experts and the follow-up of the missions. One of the Foundation's added values is undoubtedly the quality of the dialogue with its partner institutions. ●



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TECHNICAL ASSISTANCE PROGRAMMES SERVING OUR PARTNERS

OUR PARTNERS

TECHNICAL ASSISTANCE PROGRAMMES SERVING OUR PARTNERS

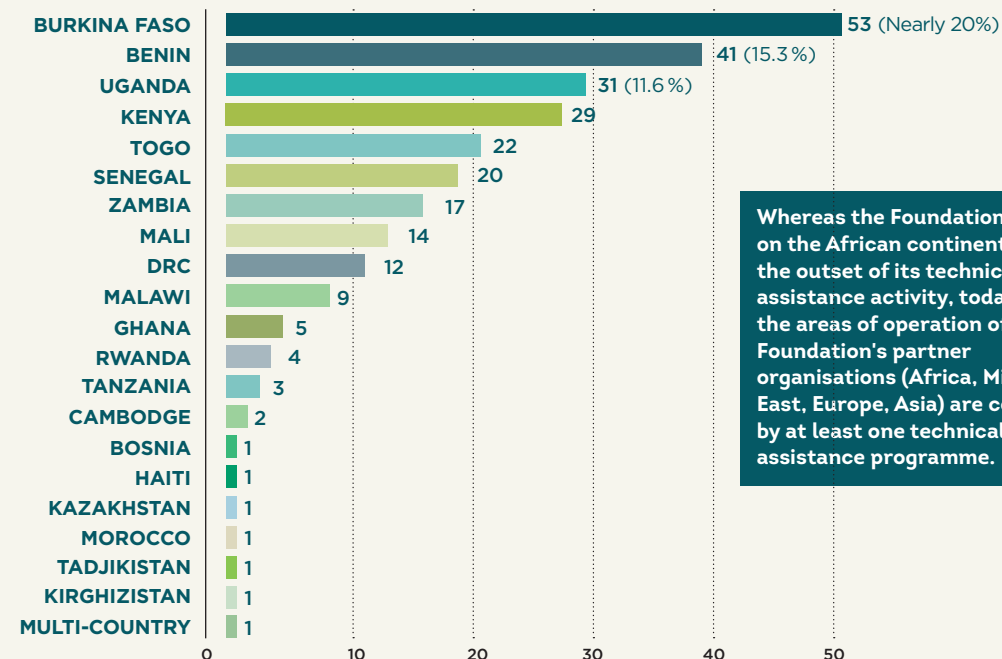
In 2013, the Grameen Crédit Agricole Foundation wanted to expand its capacity for action in order to help strengthen the operational efficiency of microfinance institutions. Often small in size and with certain operational weaknesses, these institutions had difficulties presenting a risk profile that would enable them to access international financing. As a result, the Foundation set up the African Facility, a technical assistance programme that initially targeted small institutions in Sub-Saharan Africa. This programme quickly proved invaluable in helping them consolidate their financing and risk monitoring processes and thus enable them to open up to new donors while increasing their capacity to have an impact on their territories. The first years of activity focused on rural areas of Sub-Saharan Africa, on consolidating risk management and on training MFI teams.

After experimenting with an initial assistance programme for a few years, in 2018 the Foundation decided to create new mechanisms to expand the target of beneficiary organisations. Each programme has its own selection criteria, which allows for a broader coverage in terms of size, region and maturity. While maintaining its mission of strengthening smaller institutions, the Foundation has since then offered a wide range of technical assistance, available to all the partner organisations it finances with debt or equity:

- Small (Tier 3, portfolio < \$10 million), medium-sized (Tier 2, portfolio between \$10 million and \$100 million), and large (Tier 1, portfolio > \$100 million) **microfinance institutions**
- **Impact enterprises**, active in various sectors (agribusiness, financial services, essential services, culture and education) and supporting vulnerable populations.

GEOGRAPHICAL DISTRIBUTION OF THE 269 TECHNICAL ASSISTANCE MISSIONS CARRIED OUT BETWEEN 2013 AND 2020, ALL PROGRAMMES TAKEN TOGETHER (programmes: African Facility, Solidarity Bankers, EIB)

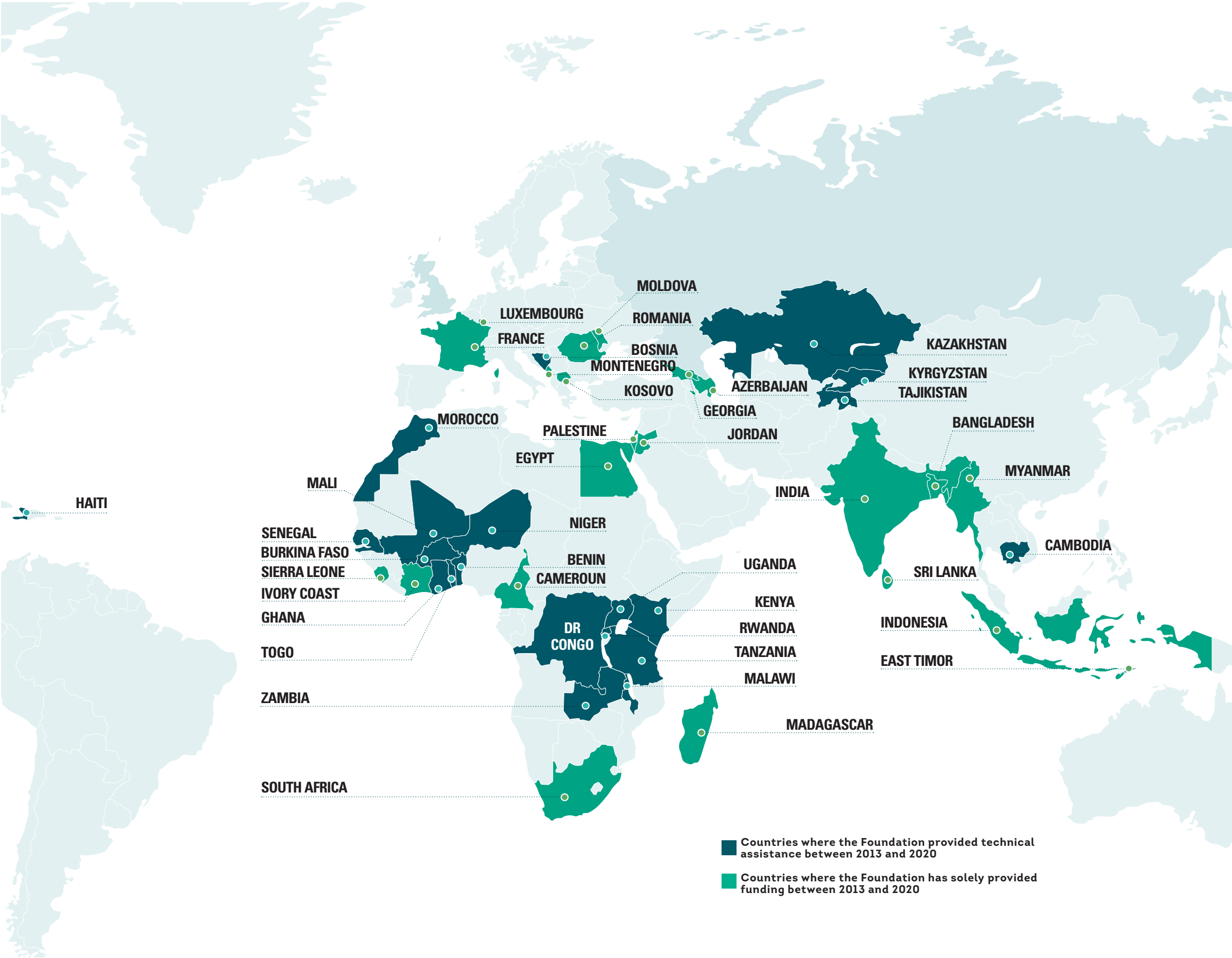
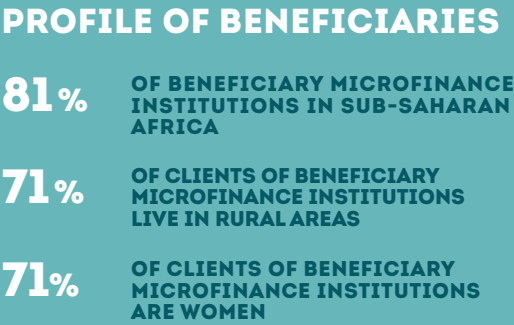
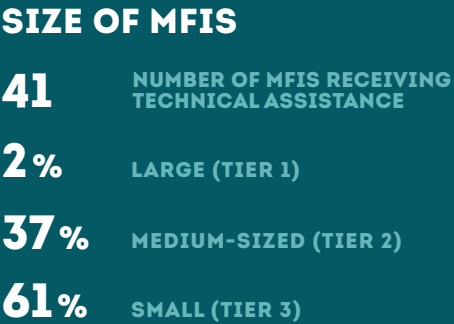
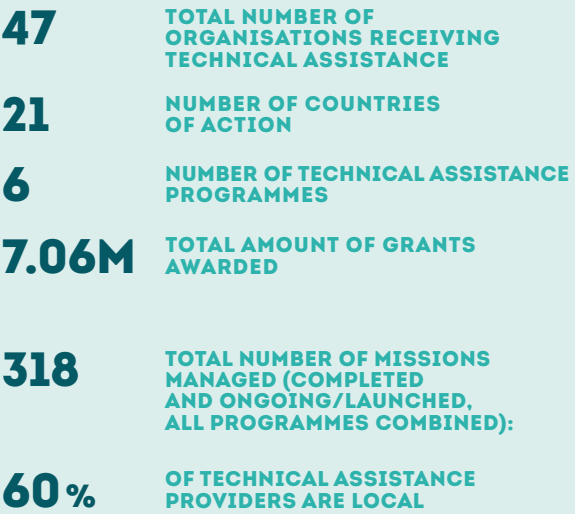
The large number of missions launched in Burkina Faso, Benin and Uganda is due to the number of Foundation partners in these three countries.



Whereas the Foundation focused on the African continent at the outset of its technical assistance activity, today all the areas of operation of the Foundation's partner organisations (Africa, Middle East, Europe, Asia) are covered by at least one technical assistance programme.

Source: Grameen Crédit Agricole Foundation Technical Assistance Evaluation Report for Better Direct Impact, Cerise, July 2021

KEY FIGURES ON TECHNICAL ASSISTANCE (2013-2020)



COOPEC-SIFA IN TOGO: PARTNER OF THE AFRICAN FACILITY SINCE 2013

In addition to the financial support provided by the Grameen Crédit Agricole Foundation, Coopec-Sifa has benefitted from the support of the African Facility programme. Philippe Fori, Managing Director of the MFI, looks back on this relationship of trust with the Foundation.

— Could you introduce us to Coopec-Sifa?

Philippe Fori: Founded in 1997, Coopec-Sifa is a Tier 3 microfinance institution that provides financial and non-financial services to vulnerable populations. At the end of December 2020, the institution had 43,232 clients for an outstanding loan portfolio of €5.37 million. Approved in 2011 by the Togolese Ministry of Economy and Finance, Coopec-Sifa operates in the Savanes region in northern Togo. Our clients are organised individually or collectively and are mostly women (72%) living in rural areas (70%).

— How did the various technical assistance missions you benefited from go?

P. F.: Under the African Facility programme, Coopec-Sifa has benefitted since 2013 from 16 technical assistance missions aimed at the institutional strengthening of our organisation. Most of these missions were conducted by local experts, always with rigour and in close cooperation with our teams. Dedicated to strategy, organisational strengthening, human resources or information systems, each mission has helped us progress. Among the missions carried out, the relevant analysis of our environment has allowed the development of the 2014-2018 and 2019-2021 business plans, integrating our strategic objectives, detailed financial projections and an action plan. A mission to strengthen risk management also led to the creation of an internal control procedures manual and training for internal controllers and members of the Supervisory Board, to enable them to play their roles satisfactorily. Finally, another essential project was the improvement of the information system and the interconnection of the databases of each agency with the headquarters.

— How have these missions helped you strengthen your institutional and operational capacities?

P. F.: Managing an MFI requires real know-how. The

partnership with the Grameen Crédit Agricole Foundation has enabled us to integrate the best practices and knowledge necessary for the proper functioning of our institution. The development of business plans has laid the foundations for controlled growth, better risk management and better governance.

Furthermore, the interconnection of databases is real added value internally and externally. We now have reliable, real-time financial and operational information, enhanced control of field activities, and professionalised institutional management. Our clients can carry out operations without having to travel, which is a real competitive advantage.

— What do you think of the overall guidance and support provided by the Foundation?

P. F.: The tools deployed to help Coopec-Sifa get off the ground have proven to be extremely effective. Despite our limited geographical coverage, we are often cited by the authorities as a model of co-operative management. Our institution would never have reached its current position without the guidance and support of the Grameen Crédit Agricole Foundation.

Beyond technical assistance, the Foundation promotes meetings and the sharing of experiences among peers. The annual African Facility Forums bring together all programme partners and are excellent opportunities for exchange and learning. ●



**DIVERSIFYING AND
STRUCTURING OUR
TECHNICAL ASSISTANCE
PROGRAMMES**

BREADTH OF OUR OFFER

— The breadth of technical assistance

offered by the Foundation is reflected in the variety of general as well as thematic programmes coordinated. This enables us to offer a specific approach to each of our partners (microfinance institutions and social businesses). Over the years, our technical assistance offer has been expanded to include different fields of action:

African Facility (FA)

Launched in 2013, this landmark programme, funded by Agence Française de Développement (AFD) [French Development Agency], was designed by the Foundation to respond as closely as possible to the needs of its partners in Sub-Saharan Africa. In partnership with the AFD, we have thus built a holistic scheme for the institutional strengthening of microfinance institutions, with three lines of action:

- **A €3.52 million grant** to set up technical assistance activities tailored to each institution and established after an accurate institutional due diligence conducted by the Foundation;
- **An ARIZ portfolio guarantee of €17 million**, including €5.5 million for MFIs receiving technical assistance;
- **A €6 million line of credit** to co-finance a portion of the Foundation's loans to MFIs receiving technical assistance.

The aim of the programme is to promote financial inclusion in rural areas by advising and guiding MFIs (selected according to financial criteria that are more flexible than the Foundation's traditional funding criteria) toward operational self-sufficiency and financial sustainability.

In 2017, this programme was extended for a new four-year phase and the integration of new African partners.

Supporting financial inclusion in sub-Saharan Africa (EIB)

The European Investment Bank, subsidises technical assistance missions to African MFIs through

the Financial Inclusion Fund, financed by the Government of Luxembourg.

The partnership with the Foundation was launched in 2019. The Foundation has received grants twice to date for a total of €0.56 million to promote financial inclusion in sub-Saharan Africa.

A support plan was thus developed by the Foundation following a due diligence of the technical assistance needs of the eight MFIs benefitting from the programme, with activities to strengthen various areas such as digital transformation, strategy, risk management, human resources management, social performance management, customer relationship improvement, and agricultural finance.

Promoting the financial inclusion of refugees (UNHCR-SIDA)

In 2017, the Foundation was selected by the Swedish International Development Cooperation Agency (SIDA) and the United Nations High Commissioner for Refugees (UNHCR) to design and coordinate an innovative programme aimed at improving the livelihoods, resilience and financial inclusion of refugees and host communities in Uganda. After a long phase of diagnosing the needs of different stakeholders, market research, and programme design, conducted by the Foundation in cooperation with the UNHCR, the programme was launched in 2019; it is distinguished by its approach balancing mixed funding (public and private capital) and its holistic approach with three components: a lender guarantee fund, debt financing for three microfinance institutions, and technical assistance for MFIs and refugees. The programme combines two types of interventions:

- **A €2.4 million grant** to implement technical assistance activities so that MFIs benefitting from the programme can open new branches in areas where refugees live, recruit employees to serve refugees and local communities, develop a product and service offering tailored to the target population, implement financial and entrepreneurial education services etc.



- **A 50% guarantee** on the loans granted by the Foundation to the three MFIs benefitting from the programme.

Volunteering skills (Solidarity Bankers)

The Crédit Agricole Group is a large international, multi-business and multi-brand group with over 142,000 employees in 48 countries. The group therefore has a remarkable pool of expertise and many employees wish to combine their skills with socially useful projects.

Created in 2018 under the impetus of the Foundation and in partnership with the Crédit Agricole Group, the Solidarity Bankers programme is a skills volunteering scheme open to Crédit Agricole Group employees in favour of the Foundation's partner organisations, MFIs and social enterprises. These missions, which call on the Group's experts, enable us to provide high-level skills, developed by practitioners working in a world-class banking group, and to respond positively to very specific requests from our interlocutors. These missions take the form of volunteering skills; they are highly appreciated by Crédit Agricole employees.

Strengthening Agricultural Value Chains (SSNUP)

At the end of 2020, the Foundation was selected as one of the impact investors in charge of implementing the Smallholder Safety Net Upscaling Programme (SSNUP), a support programme for small-scale agricultural producers coordinated by ADA Microfinance and financed by the Swiss Agency for Development and Cooperation and the Directorate for Development Cooperation and Humanitarian Action of the Luxembourg Ministry of Foreign and European Affairs.

The aim of the programme is to increase funding and technical assistance to agricultural value chain actors in order to:

- **Strengthen agricultural value chain actors** by promoting sustainable management practices so as to generate income, create jobs and improve food security;
- **Improve the productivity and resilience** of smallholder farmers by providing appropriate financial solutions and promoting sustainable agricultural practices in line with agri-ecological principles;
- **Promote responsible investments and funding** in agricultural and food systems;

- **Disseminate the results of experiences** and knowledge to the sector's stakeholders.

The Foundation has been allocated an initial €1 million grant to launch technical assistance missions for microfinance institutions and agricultural enterprises that support small-scale farmers.

Development of microinsurance (PROPARCO – BIT)

In accordance with its strategic plan, the Foundation wishes to act on the promotion of microinsurance (health, agricultural and life).

The Foundation's technical assistance offer will thus be supplemented in 2021 by a new programme financed by PROPARCO through a €900,000 grant and in technical partnership with the International Labour Organization (ILO).

Drawing on our experience and that of the ILO in the field of microinsurance, we have designed this programme to address the specific challenges faced by microfinance institutions in developing insurance products. Because we know that the development of such products requires a high level of expertise but also close and long-term support, the programme will enable 12 of the Foundation's partner MFIs in Africa and Asia to benefit from technical assistance and, in particular, training on microinsurance, as well as long-term support from ILO experts in the field, to help them launch microinsurance products.

A diversified, innovative and dynamic offer, based on a vast network of expertise

Four key principles characterise the Foundation's technical assistance offer:

- **A diversified offer so as to cover the varied needs of our partners:** thanks to programmes each of which has unique characteristics in terms of geographic coverage, partner size, duration of technical assistance support, etc.
- **An offer that relies on a vast network of skills:** Over the past few years, we have built up a network of technical assistance providers specialising in various fields. We have an extensive database of local and international assistance providers in many countries, particularly in sub-Saharan Africa. Crédit Agricole's network and ecosystem are also a major

winning asset in providing our partners with specialised skills.

- **An innovative, customised offer** drawing on our experience in coordinating support activities, and also in incubating and designing programmes, we have developed real expertise in creating technical assistance programmes, adapted to the needs of institutions and innovative schemes.

Combining technical assistance and financing, the African Facility is a unique programme in the micro-finance sector in terms of its duration, target, number of MFIs involved, diversity of issues addressed, and sectoral structuring capacity.

The UNHCR-SIDA and PROPARCO-ILO programmes allow for the operational development, through innovative mechanisms, of themes that pose implementation challenges such as access to financing for refugees or the development of microinsurance services in Africa and Asia.

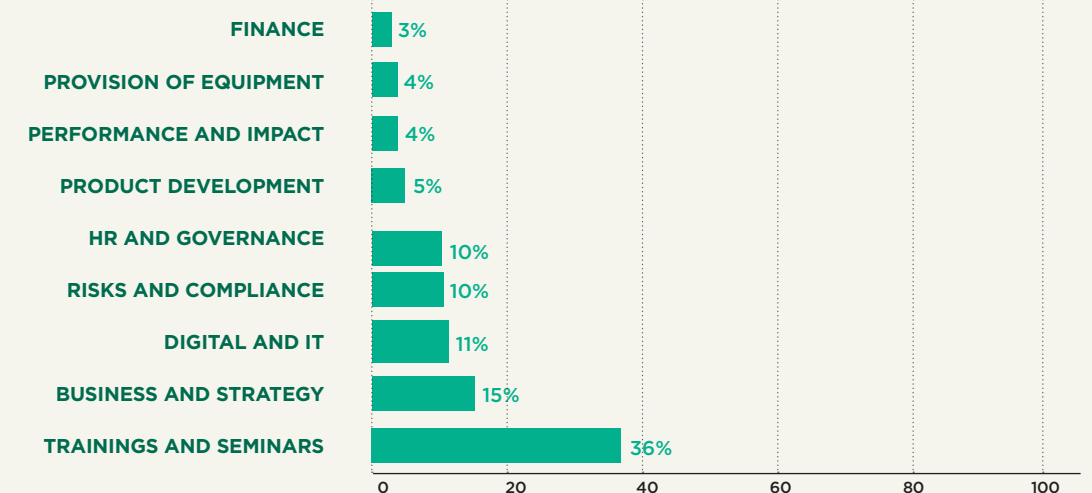
Finally, Solidarity Bankers is a programme that leverages the skills of Crédit Agricole SA Group experts and provides banking expertise to the Foundation's partner institutions.

- **A dynamic offer:** the Foundation's offer is modular, flexible and can be adjusted according to the context and changing needs and strategic priorities of beneficiary institutions.

This diversity of experience enables the Grameen Crédit Agricole Foundation to test different approaches, procedures, and processes, but also to offer its partners mission themes and technical assistance providers that truly meet their needs.

Diversified mission themes

% OF THE NUMBER OF MISSIONS CARRIED OUT UNTIL THE 31/12/2020 BY TOPIC
(African Facility, Solidarity Bankers and EIB).



Source: Grameen Crédit Agricole Foundation Technical Assistance Evaluation Report for Better Direct Impact, Cerise, July 2021

Thanks to the diversity of the programmes managed by the Foundation, the technical assistance themes offered to partners are varied and make it possible to meet the diversity of their needs. The themes of the missions are structured around three strategic

objectives: consolidating the operational capacities of organisations, supporting organisations in the face of change, and enabling vulnerable populations to improve their resilience.

1. CONSOLIDATING THE OPERATIONAL CAPACITIES OF ORGANISATIONS

Programmes involved: EIB, African Facility, SSNUP, Solidarity Bankers

THEMES	EXAMPLES OF ACTION
• Human resources & Ethics	→ Develop HR procedures, support the drafting of the code of conduct and prepare its implementation
• Risk management	→ Draw up a risk map
• Audit & internal control	→ Devise or update audit/internal control procedures and train the internal audit department
• Strategic plan	→ Develop or update the strategic plan
• Social performance	→ Conduct a social audit
• Governance	→ Train board members
• Credit methodology	→ Update procedure manuals and credit policies
• Co-financing of long-duration missions	→ Co-finance the recruitment of an expert on a strategic theme for the organisation (e.g. an IT manager for a digitalisation project)

The African Facility programme alone accounts for more than 90% of the number of missions accomplished as of December 2020. In line with the objective of this programme, missions were first focused on

strengthening the institutional capacities of MFIs: capacity building for the team, training, risk management, improving human resources management, and business plan review/development.

2. SUPPORTING ORGANISATIONS IN THE FACE OF CHANGE

Programmes involved: EIB, African Facility, SSNUP, Solidarity Bankers

THEMES	EXAMPLES OF ACTION
• Internal digitalisation	<ul style="list-style-type: none"> → Change the information and management system (MIS) → Interconnect branches with the institution's headquarters → Digitalise the credit process
• Digitalisation of products and distribution channels	<ul style="list-style-type: none"> → Chart or update a digital strategy → Digitalise product distribution: launch an agent network, mobile banking solutions, etc. → Implement a credit scoring system
• Adaptation to climate change	<ul style="list-style-type: none"> → Chart an environmental policy → Implement environmental impact financing (e.g.: loans to buy solar powered agricultural equipment)

Once the MFIs were consolidated, the range of themes was gradually expanded to include change management

missions, in particular through digitisation, social performance, and environmental impact drives.

3. REACHING OUT TO EXCLUDED POPULATIONS AND PROPOSING PRODUCTS TO IMPROVE THE RESILIENCE OF LOCAL POPULATIONS

Programmes involved: SSNUP, Solidarity Bankers, UNHCR-SIDA, ILO/Proparco

THEMES	EXAMPLES OF ACTION
• Rural economies / services for small producers	<ul style="list-style-type: none"> → Launch a new product or improve an existing product/service (credit, savings, insurance, money transfers to small agricultural producers, financial education, technical training)
• Financial inclusion for refugees	<p>Cover part of the expenses for:</p> <ul style="list-style-type: none"> → Opening new branches in areas where refugees and their host populations live → Creating/adapting financial products for refugees → Developing non-financial services for refugees
• Microinsurance	<ul style="list-style-type: none"> → Launch new insurance products → Train local teams in microinsurance

More recently, the launch of programmes such as the SSNUP or the UNHCR-SIDA programme has enabled the Foundation to diversify its support further in areas such as rural economic development and financial inclusion for refugees. The launch of the new ILO-PROPARCO programme in 2021 will make it possible to develop a specific technical assistance offer on microinsurance and support the Foundation's partners in diversifying their products.

Varied methods of action to meet our partners' needs

In addition to the diversity of topics covered, the Foundation has a wide range of lines of action to meet the needs of its partners in optimal fashion:

• MISSIONS CARRIED OUT BY TECHNICAL ASSISTANCE PROVIDERS

The most common type of mission consists of bringing in an external technical assistance provider - an individual consultant, a firm, a consortium, or an expert from the Crédit Agricole Group - for a consulting or capacity-building mission.

The Foundation has a database of almost 300 technical assistance providers. Of the 134 consulting missions carried out under the African Facility, Solidarity Bankers and EIB programmes at the end of December 2020, 91 (67%) were by individual firms or service providers based in the countries of action, 2 (2%) by the local office of an international firm and 42 (31%) by international firms or individual service providers. This preponderance of local experts is explained by the willingness of the Foundation to foster local expertise. International service providers are used more for very specific topics when it is difficult to find a local expert who meets the institution's needs.

These practitioners can proceed in various ways: one mission by several consultants from the same firm with complementary profiles, individual or consortium. It is not uncommon therefore for an international firm, with a high level of technical expertise, to join forces with a local firm with a good knowledge of the field. To capitalize on the knowledge of the beneficiary organisation and ensure continuity between missions, the same service provider can perform several missions for a same organisation. This flexibility in the choice of technical assistance providers and their mode of action enables the Foundation to provide a bespoke response to the varied needs of its partners.

• EQUIPMENT ACQUISITION

Action by an expert sometimes makes sense only if the organisation is also supported in acquiring the

equipment needed to implement the project. The Foundation has thus regularly assisted some of its partners in the purchase of computer hardware, software or technical equipment to modernize their information and management systems.

• PARTICIPATION IN EXTERNAL TRAINING

The Foundation regularly offers its partners the opportunity to enrol in high value-added external training courses such as those given by the Boulder Institute, the Frankfurt School or the School of African Microfinance.

These courses enable partners to benefit from general microfinance training but also to hone their skills in specific areas such as digitalisation or agricultural value chain financing. They are also an opportunity for participants to open up internationally and to strengthen their network. Finally, they are particularly useful upstream of a technical assistance mission requiring the presence of an internal focal point, trained in the mission's theme, and thus able to ensure the continuity of the project after the departure of the technical assistance provider.

• ORGANISATION OF INTERNAL TRAINING

In other cases, the organisation prefers to bring the training in-house in order to include more participants and thus calls on a technical assistance provider. Some organisations are too fragile to handle the logistical costs on their own. The Foundation may therefore be asked to finance part of the cost of hotels, restaurants, meeting room rentals, etc., to ensure that the training is held in optimal learning conditions.

• CO-FINANCING OF LONG TERM MISSIONS

When certain skills are not present within the teams, covering a portion of the salary costs for specific positions and for a limited period of time may prove necessary and highly relevant. This was the case for a microfinance institution in Uganda, where the Foundation co-financed the cost of a HR manager for one year to enable the institution to strengthen this position, which had previously been held by the Managing Director. The costs covered can also finance the recruitment of an expert in a strategic area for the organisation: an IT manager, for example, who is essential to the success of a digitalisation project.

The partial and limited coverage of these expenses is therefore a sustainable way for MFIs in the process of consolidation to bolster their position, and it is essential for the internal recruitment of qualified staff needed for the proper management of the organisation.

“We really appreciated the support we received for recruitment. Without the Foundation, we would not have been able to have internal staff to run the project nor to expand the project (after the pilot phase funded by the TA programme)”

MFI – Uganda –
beneficiary of the African Facility

• COVERING CAPITAL EXPENDITURES

In certain cases, and in particular in order to encourage partners to develop innovative products or to reach particularly vulnerable populations, covering capital expenditures or certain operating costs during the pilot phases is an important lever for action. The UNHCR-SIDA programme has enabled three MFIs in Uganda to extend their services to refugees, often in very remote areas, by limiting investment and operating costs at the outset, but with the objective of making these services sustainable over a three-year period thanks to a stable business model predefined before the programme began. ●

OUR ACTION FRAMEWORK AND PRINCIPLES

— **Technical assistance** follows clear procedures, based on international best practices and on compliance with donor criteria on procurement rules.

analysing a satisfaction questionnaire to the beneficiary organisation. Where relevant, the TA team can also propose a follow-up mission or put the beneficiary organisation in touch with an appropriate partner if the Foundation is not able to meet itself the new needs raised by the organisation.



The Grameen Crédit Agricole Foundation's technical assistance action is characterized by five key principles:

- **PROXIMITY AND ATTENTIVENESS:** no theme is imposed on organisations. Priorities are defined jointly by the Foundation and the partners using a bottom-up approach. The Foundation also maintains a regular link with its partners through frequent field missions.
- **FLEXIBILITY:** the content of missions is reviewed regularly to ensure consistency between the priorities of the organisations and the missions launched.
- **COOPERATION:** beneficiary organisations are involved in all stages of the mission, from the definition of needs to the selection of the technical assistance provider, to ensure good ownership of the mission.
- **EXPERTISE:** Over the past few years, the Foundation has built up an extensive network of local and international technical assistance providers with expertise in a wide range of fields.
- **PROFESSIONALISM:** since 2018, the technical assistance team has been strengthened with the successive recruitment of two people in 2018 and 2020, thereby enabling the Foundation to gain in maturity but also to develop and diversify its offer through the multiplication of technical assistance programmes.

The first step consists of assessing and prioritising needs. The needs of partner organisations are analysed during due diligence missions carried out by the investment team. These needs are then reassessed regularly through ongoing monitoring of partners by the investment team and the technical assistance team ("TA team"), to ensure that the missions carried out are relevant to the needs of the partner organisations and their strategic priorities.

The second step entails mission preparation, recruitment, and selection of the technical assistance provider. For each mission, the TA team works closely with the beneficiary organisation to define the terms of reference. This document, which details the support required, the objectives, and the results expected at the end of the mission, is published by the TA team in an open and transparent manner on the Foundation's website⁴. The TA team coordinates the recruitment process and selects, together with the beneficiary organisation, the technical assistance provider who will carry out the assignment.

Finally, the launch and monitoring of the mission by the TA team is the third step. At the end of the mission, the TA team ensures the quality of the deliverables prepared by the technical assistance provider, assesses the achievement of the expected results and the quality of the service by sending and

The technical assistance team works closely with the investment team, who bring their expertise and in-depth knowledge of the organisation's institutional culture and context to ensure that the missions are fully aligned with the organisation's priorities. The proximity between the two teams is an asset for a good needs analysis and a holistic vision of support. ●

ADAPTING TECHNICAL ASSISTANCE ACTIONS TO THE COVID-19 CRISIS

During the crisis caused by the COVID-19 pandemic, the Foundation quickly adapted its actions, in agreement with its funders, by implementing new forms of support to:

1. Respond to immediate technical assistance needs, for example, with missions on liquidity risk management or the development of business continuity plans;
2. Help organisations deal with post-crisis issues, for example by strengthening HR management or digitalising the credit process and distribution channels;
3. Overcome logistical constraints related to travel restrictions, for example by deploying local experts or organising 100% online missions.

Thus, under the African Facility programme more than 40 missions were reviewed to respond to the crisis. For example, a mission on "Liquidity Risk Management" was organised to update cash flow projections and stress tests for a microfinance institution in Benin.

Finally, a webinar, organised jointly by the Grameen Crédit Agricole Foundation, SIDI¹, FEFISOL² and MAIN³, bringing together 44 MFIs (including 26 of the Foundation's partners), was also organised to support them on the subject of liquidity risk management at the height of the crisis.

1. International Solidarity for Development and Investment - <http://www.sidi.fr/?lang=en>
2. European Solidarity Financing Fund for Africa
3. Microfinance African Institutions Network - <https://www.mainnetwork.org/>

4. <https://www.gca-foundation.org/en/technical-assistance/>

FRIENDS CONSULT LTD

Based in Uganda, Friends Consult Ltd provides consulting and capacity building services throughout the East African sub-region. Peter Ojala, Senior Project Manager at Friends Consult Ltd, looks back at the different missions that have been carried out within the framework of the African Facility's technical assistance programme.

— Could you introduce Friends Consult Ltd ?

Peter Ojala: Our business and management consulting firm has been working for 24 years on behalf of governments, SMEs, private companies, NGOs and donors. We have become the leading regional microfinance consultancy, particularly in advising on financial services for the poor.

Our extensive experience in the fields of strategy, market research, human resources, training, operational audit, financial product development, etc., allows us to support microfinance institutions as closely as possible to their needs. Our goal is to provide our clients with solutions that enable them to improve the efficiency and quality of their services in order to grow their organisation.

Our role is to stabilize and sustain institutions, and we see positive and lasting changes after each mission.

— Under the African Facility, what types of support have you provided to the programme's beneficiary MFIs?

P. O.: We have worked with 4 MFIs under the programme: ECLOF (Uganda), ENCOT (Uganda), MLF (Zambia) and MLF (Malawi). We adopt a participatory approach and work closely with their teams to help them improve the quality of their services and strengthen their institutional capacities. This approach ensures better ownership of the issues by the institutions, as well as a transfer of skills to local teams. In Uganda, for example, we helped ECLOF define its transformation strategy as part of the development of its 2015-2017 business plan, and provided training on risk management for loan officers and managers.

For ENCOT in Uganda, we reviewed existing financial procedures, trained the Chief Accountant, and enabled the audit team to perform internal controls

and prevent fraudulent activities. Our cooperation continued with the revision of operational procedures and the training of the team in charge of credit operations, particularly on risk management. Finally, we assisted ENCOT in analysing and auditing its loan portfolio, and developing a new 2020 - 2022 strategic plan.

— How do you perceive the coordination work of the Grameen Crédit Agricole Foundation under the programme? What do you think of the African Facility programme?

P. O.: We are particularly grateful to the technical assistance team for their expertise and follow-up on all the missions undertaken.

The African Facility provides comprehensive and sustainable technical assistance, for example, through improving social performance management, digitising processes and products, and promoting inclusive green microfinance. This diversity of actions differentiates the African Facility from other technical assistance programmes, which often focus only on improving the quality of an institution's loan portfolio. ●

More information:
<https://friendsconsult.co.ug/>

OUR ECONOMIC MODEL

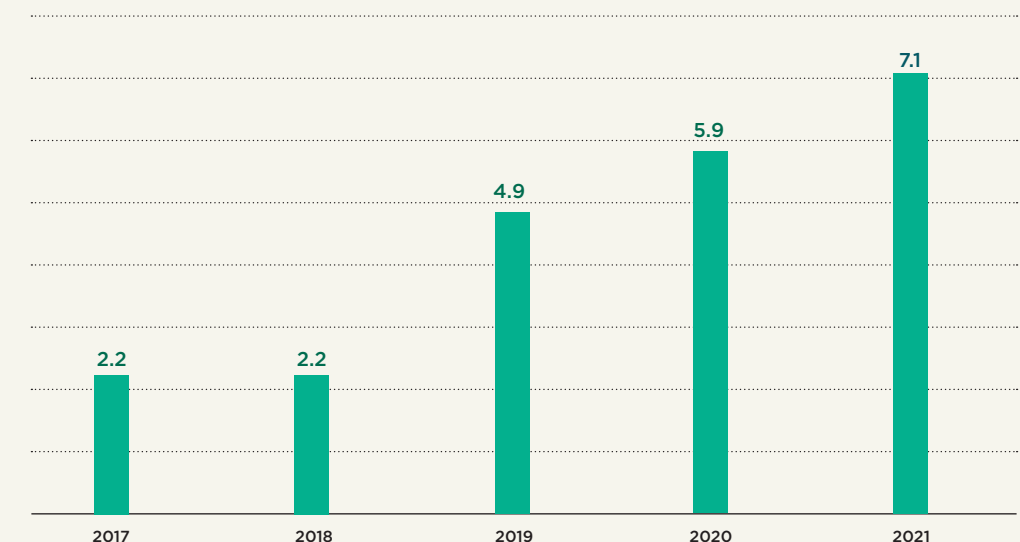
— **The Foundation** is not meant to finance technical assistance activities with its own funds. Since launching its technical assistance coordination activity in 2013, it has been designing technical assistance programmes and mobilising appropriate funding from institutional players (PROPARCO, AFD, EIB, SIDA...).

Most of the grants mobilised are used to finance technical assistance activities (identification of needs, payment of service providers, contribution to the purchase of equipment, etc.). Some of this funding is used to cover the costs of coordinating technical assistance. For example, under the EIB programme, coordination costs account for 11.9% of the amount of the grant earmarked for mission implementation.

The amount of grants under management has increased significantly, from €2.2 million in 2018 to €7.06 million in 2021, thanks to the launch of new technical assistance programmes. The Foundation can now break even on its technical assistance activities thanks to this increase since the coordination costs are covered by dedicated lines on the mobilised grants.

The coordination of technical assistance entails a strong commitment from the teams: two people are assigned full time to the coordination of technical assistance. The teams in charge of investments, monitoring impact enterprises, and the Administrative-Finance and Risk divisions are also involved.

— DEVELOPMENT OF THE AMOUNT OF GRANTS UNDER MANAGEMENT FOR TECHNICAL ASSISTANCE (IN €MILLION)





LAITERIE DU BERGER / KOSSAM (Sénégal) © Banquiers solidaires

Under each technical assistance programme, the Foundation ensures that the costs for the coordination of activities as well as part of the indirect overheads (premises, MIS, etc.) are covered via a lump sum or a percentage of the grant paid to the Foundation in the form of management fees. To ensure that the majority of the grant is used to carry out missions for the beneficiary organisations, the Foundation sees to it that coordination costs do not exceed 15% of the grant for technical assistance activities.

A business model based on co-financing by beneficiary institutions

Under all technical assistance programmes managed by the Foundation, a financial contribution (between 10% and 50% of the total amount of activities) is systematically requested from beneficiary organisations. For example, under the African Facility (Phase 2), the percentage of co-financing from partners for the implementation of TA activities and the identification of needs averaged 15% as at 31 December 2020, as opposed to the 12.6% minimum expected by the donor.

Co-financing by the beneficiary organisation can take the form of covering part of the consultancy fees or, in the case of the Solidarity Bankers programme, covering the cost of the expert's accommodation and transport on the field. In all cases, this contribution must correspond to a real financial contribution, and not be a valuation of intangible assets.

This financial contribution is also a way of ensuring the partner's involvement and commitment to the project. ●

The coordination of the technical assistance programmes includes the following aspects:

- **Identifying the needs of the organisations** and transcribing them into clear terms of reference to define the activities, results and deliverables expected from the missions;
- **Advising institutions** to launch missions with high added value in line with the action principles of the different programmes;
- **Selecting qualified technical** assistance providers for the missions;
- **Monitoring the progress of missions**, the achievement of results and the quality of deliverables;
- **Reporting to programme donors** (financial and technical monitoring);
- **Administrative and financial management** of missions (contracting with service providers, managing payments, etc.);
- **Capitalizing** (sharing of best practices, organisation of events and exchanges within the inclusive finance sector).

IMPACT ENTERPRISES: A PERSONALISED APPROACH

Bespoke support and comprehensive guidance for impact enterprises from the Foundation's teams

— **In addition to financing**, the Grameen Crédit Agricole Foundation provides the impact enterprises it works with and their managers with support in strategy, finance and agribusiness. It can then supplement this support with technical assistance by external contributors so as to provide specialised expertise. The importance of this support increased during the COVID-19 crisis.

This customised, long-term guidance is provided in concrete terms by the director representing the Foundation on the Board of Directors, when the Foundation is a shareholder, and by the team in charge of monitoring impact enterprises. It is based on a good knowledge of the life of the enterprise and its ecosystem and complements the technical assistance programmes that may be offered on specific themes (SSNUP, Solidarity Bankers, etc.). This support for enterprises in their growth is provided on a daily basis and at key moments: participation in boards of directors, steering committees or strategic seminars... Before launching more specialised technical assistance missions, the guidance provided by the Foundation's teams is structured around four main pillars.

1. FROM START-UP TO MATURE COMPANY: SUPPORT IN DEFINING THE BUSINESS MODEL AND SCALING UP

The team in charge of monitoring impact enterprises supports and bolsters their capacities in several areas, particularly in the development and adaptation of impact business models and business plans.

In the start-up phase, this mainly involves providing support for the company for its needs analysis, a market study, its commercial and marketing strategy, its financial forecasts, the structuring of the company as well as the monitoring of its social and environmental impact.

> Plastic Odyssey's Young Innovative Entrepreneurs

The Foundation supported the six French winners of the Plastic Odyssey Lab (Plastic Odyssey's acceleration programme for recycling entrepreneurs), upstream of their entrepreneurial adventure, in the construction of their business project and the development of their business model. It then redirected these winners to its contacts in the Crédit Agricole Regional Banks.

During the development phase or when scaling up, or in response to crises, the team helps entrepreneurs identify new levers or strengthen existing ones by determining the operational processes to be improved and by proposing solutions (digitisation, strengthening the back office, etc.).

The team also helps entrepreneurs develop relevant strategies for scaling up: diversification of services and territories, institutionalisation, partnerships, etc. It advises and guides them to determine the appropriate path to get there.

> The support provided to Laiterie du Berger for the creation of a subsidiary

The Foundation supported Laiterie du Berger (Senegal) in the creation of its subsidiary Kossam and then in the digitalisation of its processes in order to strengthen the autonomy of small-scale farmers and secure their financial flows.



Moldaviu, Microinvest © Godong

2. ASSISTANCE WITH FINANCIAL STRUCTURING AND FUNDRAISING

The team in charge of monitoring impact enterprises is also particularly active in the area of financial and equity support. It supports the enterprises in their financial strategy: financing plan, choice of financial instruments, negotiation with investors and financiers, coordination of financing with the Crédit Agricole Group, etc.

> Financial diversification of the Laiterie du Berger

The Foundation has thus enabled the Caisse Régionale de Franche Comté to acquire a stake in the social business Laiterie du Berger (Senegal). The latter benefits from loans from Amundi also.

In addition, the team hones the skills of the impact enterprises' administrative and financial management divisions by suggesting adapted tools or improvements to financial processes. It also shares its knowledge of the ecosystem and impact investment players in order to facilitate fundraising.

3. FOCUS ON AGRIBUSINESS ENTERPRISES

According to the UN Food and Agriculture Organisation, "small-scale farmers produce over 70% of the world's food needs and agribusiness generates significant employment and income worldwide. In developing countries, increased sustainability of food value chains could improve the lot of millions of poor households and ensure universal access to nutritious food."

To enable value chain structuring, the impact enterprise monitoring team contributes to the dissemination of best practices in smallholder capacity building, marketing and market access. It participates in the development of partnerships with other actors in the ecosystem, or with MFIs.

> Strengthening the capacities of agri-business

The Foundation has supported Laiterie du Berger in setting up milk quotas and helped to develop the Meliteji programme in order to create more sustainable jobs in the Laiterie's area of operations. It is also helped ACRE (Kenya) in the development of new technical partnerships and new products to support smallholder farmers in East Africa. Finally, the Foundation supported SFA in the digitalisation of its processes in order to secure financial flows.

4. MONITORING AND IMPACT MEASUREMENT

The team in charge of monitoring impact enterprises helps its partner enterprises to set up impact monitoring and steering tools, in particular through the social charter, a real impact roadmap. It also helps develop monitoring grids, key performance indicators (KPIs), and dashboards to assess the company's impact and enable it to steer its actions. If relevant, it can also support them in their certification processes (B Corp, organic certification, etc.). Finally, the team ensures that good environmental practices are respected.

5. SUPPORTING BUSINESSES IN TIMES OF CRISIS

The Covid-19 crisis forced enterprises and their shareholders to adapt. The Foundation broadened its collaborations to offer a range of competencies to organisations hard hit by the crisis. It has been agile in supporting enterprises to combine diverse investment horizons to protect their short-term liquidity while safeguarding their future. The Foundation also supported them in revising their business model.

> Help PPSE to overcome the COVID-19 crisis

Until the COVID-19 crisis hit, Phare Performing Social Enterprise (PPSE) was a model social and cultural business in Cambodia, combining social and financial success. However, the pandemic had a strong impact on the tourism and entertainment sector, the pillars of PPSE's business model. With the help of the Foundation's team, PPSE has reoriented itself by developing activities that are less dependent on tourism or international markets, and by diversifying its revenues. The programme includes a new digital strategy, the creation of a domestic cultural offer and a music label, the development of an animation studio, and the diversification of financial flows to identify and obtain emergency aid from donors and the community of social investors. The impact enterprise monitoring team also helped PPSE prepare for the future with new activities (development of a cultural village geared to the domestic and international market) and the search for new investors. When necessary, the Foundation has mobilised internal skills (the Solidarity Bankers technical assistance programme) and external skills (partnerships with international students from Paris Institute of Political Studies). ●

OUR IMPACT MODEL

The Grameen Crédit Agricole Foundation aims to create sustainable value by reconciling social, economic and environmental impacts. In 2019, the Foundation defined for the first time the impact model specific to its activity in order to better understand and share the results of its action. Two axes are taken into account: the impact of the Foundation on its beneficiary organisations and the impact on the end clients of its partners who, on a daily basis, reflect the Foundation's commitments by their outreach and their contribution to economic development of their area of intervention.

In terms of direct impact, the following three objectives have been defined and broken down into operational purposes:

performance, the monitoring is newer but it is moving ahead.

Finally, positioned as an expert of financial inclusion within the Crédit Agricole, the Foundation is stepping up the promotion of banking practices with a social impact through innovative proposals, carried out in cooperation with Group entities. The Solidarity Bankers programme favours fully this promotion internally. Externally, the Foundation multiplies its impact through cooperation with other major development aid actors.

Thus, technical assistance activities amply contribute to the Foundation's impact model.



- **CONSOLIDATE THE SUSTAINABILITY** of organisations that provide essential services



- **STRENGTHEN SOCIAL AND ENVIRONMENTAL PERFORMANCE** of supported organisations



- **PROMOTE INCLUSIVE** and sustainable finance

Through its technical assistance activities, the Foundation supports its partners in their operational consolidation by improving their structuring, their management and the operation of their activities.

The Foundation also provides technical assistance to funded organisations to strengthen their social and environmental performance. On the social component, the Foundation's portfolio is assessed via ALINUS, a social performance management tool for the microfinance sector. In terms of environmental

OUR IMPACT MODEL

THE IMPACT RESULTS

MISSION

Contribute to the reduction of inequality and poverty through financial inclusion and the promotion of impact entrepreneurship

FOUNDATION IMPACT

1. CONSOLIDATE

The sustainability of organisations that provide essential services

• Microfinance institutions supported	75
• Small-sized microfinance institutions	91 %
• Of outstandings	81 M€
• Social impact enterprises supported	11
• Agribusiness	36 %
• Technical assistance missions facilitated in 2020	93

2. STRENGTHEN

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

• Alinus score vs 53% sector benchmark*	65 %
• Of institutions have implemented measures to reduce their internal ecological footprint	37 %
• Of institutions offer green products	41 %

* 2019 benchmark sector - Cerise

3. PROMOTE

Inclusive and sustainable finance

• Credit Agricole entity partners	31
• Subscriptions by the Credit Agricole to the FIR Fund	9,75 M€
• Days of solidarity Bankers missions	122
• Partners organisations	54
• Interventions in events	33

IMPACT OF THE ORGANISATIONS SUPPORTED

1. FACILITATE

Access to essential services for vulnerable segments of the population

• Active beneficiaries of microcredits	7,3 M
• Women beneficiaries	73 %
• Microfinance clients in rural areas	85 %
• Customers of solar equipment enterprises	47 560
• Beneficiaries of access to water projects	158 000

2. STRENGTHEN

The resilience of fragile economies

• Of outstandings are in regions that are the most vulnerable to climate change	55 %
• Of outstandings are in fragile States	44 %
• Small producers supported by social agrifood enterprises financed	9 398
• Employees of the organisations supported	36 685

3. IMPROVE

The living conditions of vulnerable populations

• Supported organisations collecting customer data specific to their social objectives	46 %
• In 2020, the Foundation launched impact studies to assess the changes in the living conditions of final beneficiaries**	

** Clients of supported organisations

Foundation's impact report:
<https://www.gca-foundation.org/en/impact-report/>



→ Key figures 2020

OUR IMPACT MODEL



OUR CONTRIBUTION TO THE OPERATIONAL STRENGTHENING OF THE ORGANISATIONS

Technical assistance

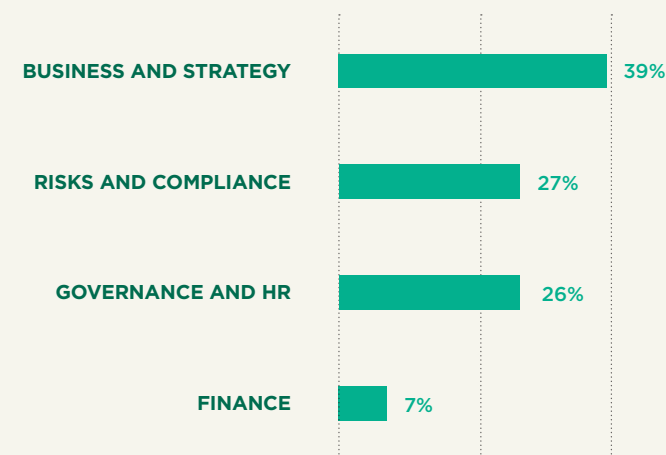
has a definite impact on improving financial and operational performance of beneficiary organisations. Many factors need to be taken into account when assessing this impact: the themes of the missions, the contexts and environments in which the organisations operate, the profiles of technical assistance providers and consultants, the engagement of governance, the prior knowledge

of the teams, etc. As a result, it is difficult to isolate the effects of a particular technical assistance mission. Nevertheless, analysing the performance of all organisations that benefitted from technical assistance between 2013 and 2020 offers a broad vision. A correlation between technical assistance activities, operational results and institutional strengthening of organisations was thus identified.

102 
NUMBER OF TECHNICAL assistance missions (2013 - 2020) relating to **institution strengthening**

97 
NUMBER OF TECHNICAL assistance missions that allowed partners to register for **external training** (Boulder, African Microfinance Week...)

% OF THE NUMBER OF MISSIONS AIMING AT CONSOLIDATING PARTNERS, BY TOPIC, UNTIL THE 31/12/2020



Source: Grameen Crédit Agricole Foundation Technical Assistance Evaluation Report for Better Direct Impact, Cerise, July 2021

Progressive strengthening of beneficiary organisations

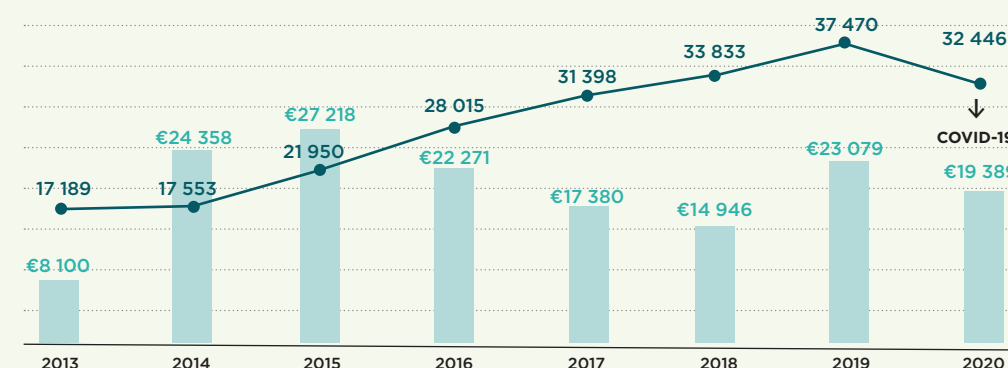
The quantitative analyses conducted among the organisations that benefitted from technical assistance missions between 2013 and 2020 show that the latter have developed and strengthened overall over

time. The interviews conducted as part of the assessment conducted by Cerise with the beneficiary organisations, which focused mainly on the perception of change, confirmed the impact of the Foundation's support, with four major trends identified:⁵

1. **Following the missions focused on strengthening the risk profile** and improving operational performance, the partners recorded an overall increase in the number of clients and outstanding loans.

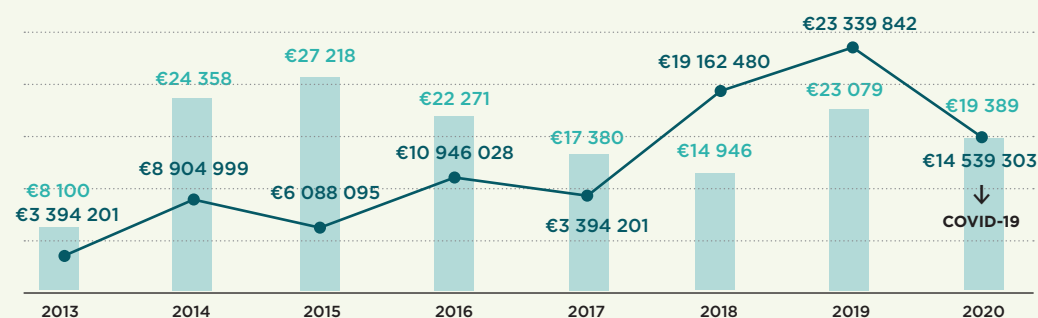
CHANGE IN THE AVERAGE NUMBER OF ACTIVE BORROWERS AND AVERAGE OUTSTANDING LOANS OF ORGANISATIONS THAT RECEIVED TECHNICAL ASSISTANCE MISSIONS, BETWEEN 2013 AND 2020.

History of the average number of active borrowers for the period 2013-2020



> Average amount of technical assistance spent per partner and per year

History of average outstanding loan portfolio for the period 2013-2020

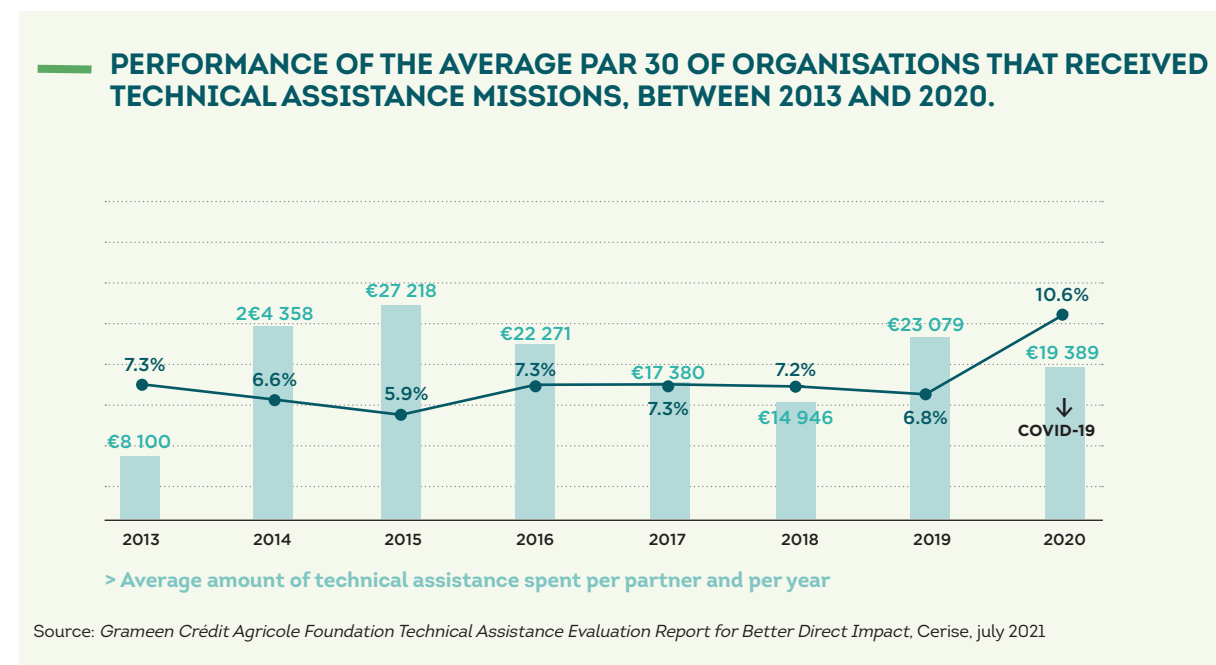


> Average amount of technical assistance spent per partner and per year

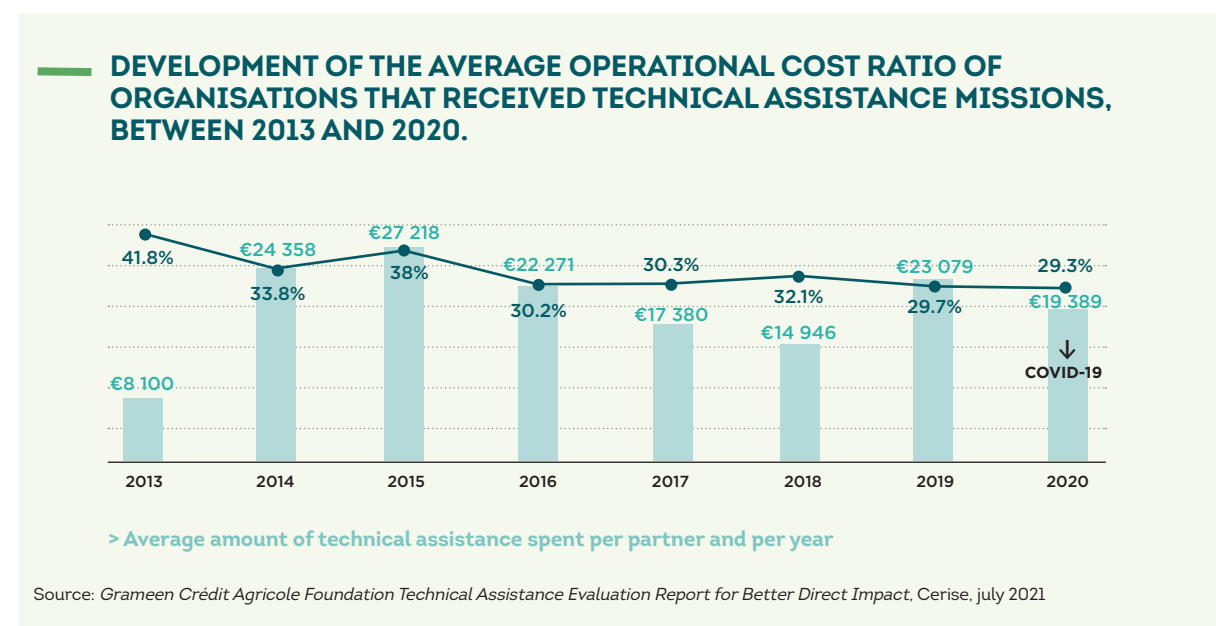
Source: Grameen Crédit Agricole Foundation Technical Assistance Evaluation Report for Better Direct Impact, Cerise, July 2021.

5. Trends prior to the COVID-19 pandemic crisis

2. The performance of the portfolio at risk at 30 days⁶ (PAR30) with an average of 6.8% at the end of December 2019 (compared with 7.3% in 2013).

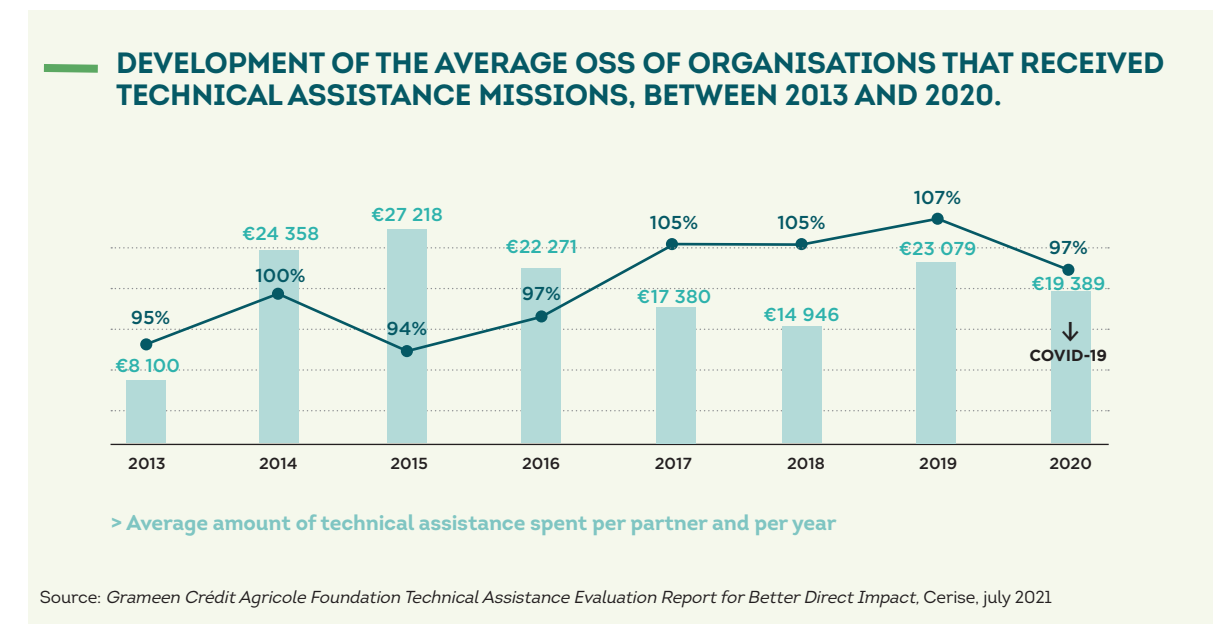


3. The development of the operational cost ratio is also positive overall, with a gradual decline. This indicates efficiency gains.



⁶ This ratio measures the quality of an MFI's portfolio. It pertains to outstanding loans more than 30 days past due to the total loan portfolio. The industry standard is that this ratio should not exceed 5%.

4. Operational Self Sufficiency (OSS)⁷ has clearly increased by nearly 12 points between 2013 and 2019. At the end of December 2019, average OSS ratio for the 30 partners that received technical assistance was 107% (Figure 1).



⁷ This ratio shows an MFI's ability to cover its expenses, including provisions, from its operating revenues. The goal is to reach a minimum of 100%.

“**[Thanks to the technical assistance] we have developed tools to manage the portfolio and have mastered them well. We are also able to analyse our delinquencies better. Finally, thanks to the funding [provided by the Foundation], we have increased our loan portfolio”**

MIF – Burkina Faso –
beneficiary of the African Facility

Partners report that technical assistance has clearly brought about positive changes, and has even transformed their institutions, thanks to an awareness of good practices, the institutional analysis carried out in due diligence by the investment officers, the use of the right tools, a sharp analysis of risks, and an openness to new partners. Conversely, it is difficult for them to isolate the type of mission that had the most impact. It

is precisely the holistic approach, implemented in particular within the framework of the African Facility, that has enabled them to progress step by step.

Finally, it is important to underscore that no losses have been recorded since the launch of the African Facility in 2013. Over the life of the programme, 24 loans for a total of €8.2 million were disbursed during the first phase and 29 loans for €11.8 million during the second phase. Only two institutions fell in arrears, due to difficulties encountered during the COVID-19 crisis and poor governance. ●

“**When we started the technical assistance, we were a small microfinance institution... We have grown and improved our risk management considerably”**

MIF – Zambia –
beneficiary of the African Facility



CF-VIE (Burkina Faso) (c) Banquiers Solidaires

— ACFIME (BURKINA FASO)

Improvement of Risk Management

ACFIME is a Burkinabe microfinance institution that targets very vulnerable populations excluded from the large MFIs operating throughout the country. The loans granted by ACFIME therefore have a very high potential for social impact.

THE ORGANISATION AND THE FOUNDATION

Under the African Facility, ACFIME has received a €131,000 grant from the Agence Française de Développement for the implementation of 16 technical assistance missions in various fields (business plan, human resources management, risk management, training, etc.), including the mapping of risks and training of the Internal Audit Department. The Foundation has also granted three loans to ACFIME for a total amount of €732,000 since 2014.



ACFIME (Burkina Faso) © Didier Gentilhomme

CONTEXT OF THE MISSION

The structuring of procedures and risk management are determining factors in consolidating and ensuring the sustainability of an institution. In the first phase of the African Facility programme, ACFIME benefited from an upgrade of most of its procedures. As a follow-up to this mission, ACFIME was given another technical assistance mission to strengthen risk management further. The organisation was assisted by a local technical assistance provider in mapping operational, financial and strategic risks and in training the Internal Audit Department.

RESULTS

Thanks to the participatory approach of the technical assistance

provider and the training of the Internal Audit Department, ACFIME has gained autonomy in identifying the internal and external risks it faces in order to measure them and implement mitigation measures where necessary. A risk management committee is now in charge of updating the mapping and mitigation plans of the related risks.

OUTLOOK

Following these first positive results, ACFIME now wishes to map all the risks for each agency and point of service so as to be able to identify and prevent them, at each level of the institution. ACFIME also wants to develop a business continuity plan. ●



* Key figures (as at the end of December 2020)

— MLF (ZAMBIA)

Charting of a five-year business plan and financial forecasts

MLF Zambia offers group loans to women-only clients in rural areas of central and southern Zambia.

THE ORGANISATION AND THE FOUNDATION

Under the African Facility, MLF Zambia has received a €49,000 grant from the Agence Française de Développement [French Development Agency] for the implementation of 10 technical assistance missions in various fields (risk management, digitalization, staff training, etc.), including the development of a new business plan. The Foundation also granted a loan to MLF Zambia in 2020 for a total amount of €250,000.

CONTEXT OF THE MISSION

Given the robust development of its activities, MLF Zambia wanted to benefit from an external viewpoint and the support of an expert so as to position itself more clearly on the market and strengthen its competitiveness. The institution thus benefited from the support of a local technical assistance provider to develop a new five-year strategic plan (2021-2025), an action plan and financial forecasts.

RESULTS

Thanks to this mission, MLF Zambia was able to gain a better understanding of the local microfinance sector, as well as to define with precision its objectives and medium-term growth forecasts. The institution is now equipped to face competition, prioritise its actions and make forecasts. The devel-

opment of the business plan also enabled MLF Zambia to communicate more clearly about its organisational goals to its staff and to potential new investors.

OUTLOOK

MLF Zambia is targeting significant business growth aspiring to serve 80,000 active clients within five years. The institution also aims to increase its operational efficiency through refined lending methodologies and smart technology, and to boost staff motivation, develop products dedicated to financing agricultural activities, and build client loyalty – all with the ultimate goal of improving women's lives. ●



€830,000

OUTSTANDING
LOANS

22,900
ACTIVE BORROWERS
of whom 100% are women
and 100% in rural areas

€36
AVERAGE LOAN
per borrower

* Key figures (as at the end
of December 2020)

— CHAMROEUN MICROFINANCE PLC (CAMBODIA)

A Solidarity Banker in Cambodia

Chamroeun Microfinance Plc is a Cambodian institution that puts social mission at the very heart of its business model. It provides financial services to poor segments of the population which are excluded from the offer of other more commercial microfinance institutions.

THE ORGANISATION AND THE FOUNDATION

The Foundation has granted 8 loans to Chamroeun Microfinance Plc since 2010 for a total amount of €5,054,000. The institution also benefited from the Solidarity Bankers programme in 2018. An expert in International Human Resources from the Crédit Agricole group, went on a two-week field trip to support Chamroeun Microfinance Plc's teams in identifying and implementing an HR strategy.

CONTEXT OF THE MISSION

Faced with transformation challenges, Chamroeun Microfinance Plc needed to adapt its business model, strategy and HR policies. In 2017, despite a restructuring, the institution was still facing HR issues, such as team turnover and the need to hone the skills of operational staff, as well as supervision issues in some branches. The objective of the mission was therefore to support the institution's HR function in adapting and improving its strategy, policies, procedures and management tools.

RESULTS

The Solidarity Banker assessed the existing HR tools and procedures, proposed a 2-year HR strategy and ways to promote leadership within the organisation. Thanks to



this operational support, Chamroeun Microfinance Plc, which was in the process of completely transforming its business model and renewing its management team, has been able to implement an effective human resources policy. After the mission and thanks to the trusting relationship created with Chamroeun Microfinance Plc management, the Crédit Agricole expert was also able to provide punctual support, upon request, for the implementation of his recommendations. ●

€23.6 Million

LOAN
PORTFOLIO

42,774
ACTIVE
BORROWERS
of whom 81% are women
and 65% live in rural areas

€551
AVERAGE LOAN
per borrower

* Key figures (as at the end
of December 2020)

OUR IMPACT MODEL

OUR SUPPORT IN THE FACE OF CHANGE

OUR SUPPORT IN THE FACE OF CHANGE

Beyond its essential role in consolidating and sustaining organisations, technical assistance enables them to tackle the many challenges they face in constantly changing environments and markets.

Advising and guiding institutions in the digitalisation of their services

For stakeholders in the financial inclusion sector, the advent of digital financial services is both an opportunity and a challenge. Digitalisation enables financial institutions to expand their reach while controlling costs and increasing efficiency and productivity. On the other hand, the arrival of

new types of service providers (Fintechs, online lenders) on the market is greatly increasing competition. Institutions must therefore position themselves as responsible players with high added value for their clients, by digitalising their services and processes. This digitalisation leads to profound transformations in terms of institutional culture but also of change management to revisit deeply rooted processes and methodologies.

To meet these challenges, the Foundation supports its partners actively in the digitalisation of their processes and services through various actions such as the development of digital strategies, and

50 
NUMBER OF TECHNICAL ASSISTANCE MISSIONS (2013 - 2020) to support institutions in the face of change

3 
ENVIRONMENTAL transition and adaptation to climate change

30 
DIGITALISATION of processes and services

3 
FINANCIAL INCLUSION of refugees

14 
DEVELOPMENT of new products



Cambodge_PPSSE © Banquiers solidaires

support for the digitalisation of operations, products and distribution channels. These missions are carried out by experts who bring a wealth of knowledge and expertise to bear. According to the partners, they generate a very positive impact, as they enable them to increase efficiency, launch new and/or extend existing services to more customers, especially in rural and remote areas.

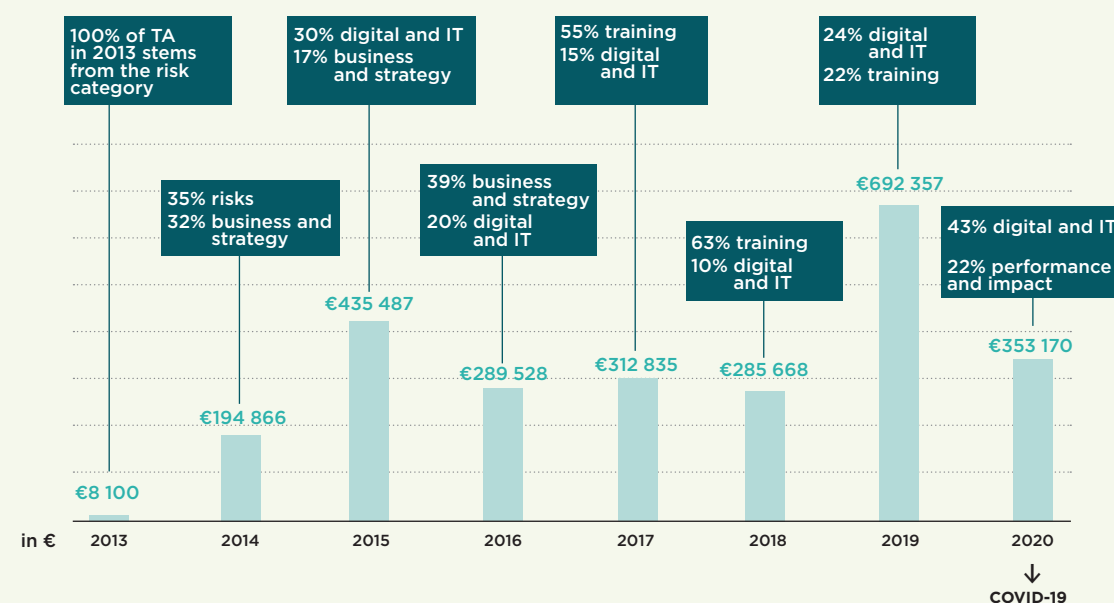
The impact of these digitisation missions has been particularly

strong in 2020 against the backdrop of the COVID-19 pandemic. For example, thanks to the implementation of mobile money or third-party agent networks, some organisations were able to continue collecting reimbursements even during periods of lockdown or severe travel restrictions. The chart below illustrates this trend of increasing the share of technical assistance grants going to "Digital and IT" missions. ●

“The digitalisation of our products will have a big impact on our institution. It will boost productivity, save time and reduce our expenses”

MFI in Burkina Faso,
beneficiary of the African
Facility

DEVELOPMENT OF THE DISTRIBUTION OF GRANTS FOR THE IMPLEMENTATION OF TECHNICAL ASSISTANCE MISSIONS BY THEME, BETWEEN 2013 AND 2020



Source : Grameen Crédit Agricole Foundation Technical Assistance Evaluation Report for Better Direct Impact, Cerise, July 2021

Advising and guiding institutions in the face of climate change

Economically fragile communities are particularly hard hit by the devastating effects of climate change. The Foundation supports its partners through advisory and capacity-building missions on the theme of "inclusive green financing" (development of environmental policies, development of "green" loan products, training of clients on climate change-related risks, etc.).

Financial inclusion of refugees

Growing inequality, political unrest, persistent rural poverty, and the effects of climate change are leading to increased migration from rural to urban areas, as well as to international and intercontinental migration. Financial service providers have a major role to play in integrating these populations into the economic fabric by providing them with appropriate services. Few of them offer services to refugees, however, for they consider it too risky to grant them credit.

The Foundation supports some of its partner MFIs in this effort to include refugees financially. The programme launched in cooperation with the United Nations High Commissioner for Refugees (UNHCR) and the Swedish International Development Cooperation Agency (SIDA) is a first response to this challenge. By the end of October 2020, one year after the programme was launched, 8,481 loans had been disbursed (94% to refugees and 75% to women), with a very low credit risk (PAR30 of 1.6%) and 4,500 people had undergone trainings.

Development of rural economies

In Africa, where the Grameen Crédit Agricole Foundation concentrates a large part of its commitments, microfinance institutions and networks play a major role in supporting small rural economies, whose future remains closely linked to the health of the agricultural sector.

Despite undeniable efforts, African agriculture remains fragile, poorly industrialised and uncompetitive. Agricultural production comes mainly from small farms of less than 2 hectares on average. They provide 70% of the food consumed by the continent. However, since it is mainly rain-irrigated and dependent on rainfall for its water supply, African agriculture will not be able to meet the challenges of population growth and the desertification of arable land as it stands.

Desertification affects about 33% of the earth's surface and over the past 40 years, nearly one-third of the world's arable land has become unproductive due to erosion. Africa is the most exposed continent, with about 45% of the landmass affected. More than half of this land is degrading very rapidly. Increasingly scarce and degraded natural resources, such as arable land, forest pastures and water resources, are exposing the livelihoods of more than 400 million people living there to a crisis.

Rural areas play host to the majority of people living in poverty and undernutrition. Extreme rural poverty, high youth unemployment and environmental degradation form what Akinwumi Adesina, President of the African Development Bank, calls the "triangle of calamities". Wherever these three factors come together, civil wars and terrorism take root and destroy the ability to farm and access markets.

The transition to a more productive and sustainable agriculture is essential to reduce rural poverty and ensure better food security. The Foundation wishes to support this transition by providing funding and technical assistance to help structure the agricultural sectors better. The SSNUP programme, in particular, provides funding for missions dedicated to strengthening the actors in agricultural value chains by ensuring that the resilience of small farmers is reinforced.

Resilience of vulnerable populations through insurance

In its 2016 annual report, the Food and Agriculture Organisation of the United Nations underscored that it was a matter of extreme urgency to support smallholders to adapt to climate change. Farmers, nomadic pastoralists, fishermen and small-scale foresters all depend on activities that are closely and inextricably linked to climate. The sheer number of smallholder families in developing countries, 475 million households, shows how socially dramatic the impact of climate change will be.

Out of 178 million insured farmers in the world, only 0.25% are African. One would have thought that agricultural insurance had great potential for development in this context, which is conducive to the search for protection, but this is not the case. Agricultural production insurance for small farms in Africa is still in its infancy, with an economic model that is still being sought. Taking into account the cost of risk and the cost of operation, the real cost of an insur-

ance policy is prohibitive. Only a growth in insurance volumes distributed through highly automated processes could make this type of protection affordable.

When properly calibrated, agricultural insurance works: it protects farmers' revenues in case of adverse events and helps improve the stability of their income. Impact studies show that insured farmers invest more in their farms, and adopt new seeds and new technologies. Conversely, not covering the risk of income loss tends to keep farming at the subsistence level. These studies find that crop loss insurance enables the farmer to imagine a longer-term investment strategy.

Numerous initiatives, notably around index insurance, show the way, but also the difficulty in setting up insurance to protect agricultural production. By reducing the impact of natural and climatic risks for farmers, agricultural insurance should theoretically facilitate access to credit for small agricultural producers. However, it is still struggling to develop.

There is no simple or obvious "technical solution" to protect small farms. It will take a great deal of resources to save, strengthen and develop small-scale family farming in Africa. But the community of finance and insurance actors must remain united and pugnacious in finding avenues of hope. It is downright vital for this continent to help this rural population to adopt effective strategies so as to adapt to climate change. Agricultural insurance must be an integral part of the farmer's "support package" akin to financing, market access, inputs and labour financing, which is often forgotten by the donor.

Insurance is an essential tool for the resilience of vulnerable populations: it helps avoid resorting to emergency strategies in the event of shocks (children's de-schooling, sale of assets, debt, etc.), and also facilitates access to quality health services.

Capacity building of public and private insurance actors in recent years, as well as technological progress, have encouraged product innovation, including the emergence of microinsurance, and simplified distribution to rural populations. It is now important to work downstream of the sector, directly with microfinance institutions to help them integrate this type of product into their offer and to facilitate access to these products for rural populations.

We have been working on devising a programme to disseminate and promote agricultural insurance.

In 2021, Proparco, the AFD Group's subsidiary, in partnership with the International Labour Organization, has granted a line of financing for technical assistance missions, to enable us to support 12 MFIs in Asia and Africa in implementing and deploying insurance offers adapted to low-income people from the informal sector (agricultural, health, life and credit insurance products). ●

— RENACA (BENIN)

Strengthening inclusive green finance

RENACA provides individual and group loans to a predominantly female clientele in six regions of Benin. RENACA has received support under the African Facility to strengthen its actions in inclusive green finance.

THE ORGANISATION AND THE FOUNDATION

Under the African Facility, RENACA has received a €182,000 grant from the Agence Française de Développement [French Development Agency] for the implementation of 18 technical assistance missions in various fields (information system, business plan, etc.), including a mission to strengthen inclusive green finance. The Foundation has also granted three loans to RENACA since 2013, for a total amount of €1,738,000.



CONTEXT OF THE MISSION

Faced with the deterioration of ecosystems, RENACA wanted to engage in inclusive green financing activities, particularly through the financing of agricultural activities that preserve forests and biodiversity and activities that contribute to reducing the vulnerability of clients to climate change. The institution thus benefitted from the support of an international firm (YAPU Solutions) to chart a green strategy and to assess and develop its green product offering.

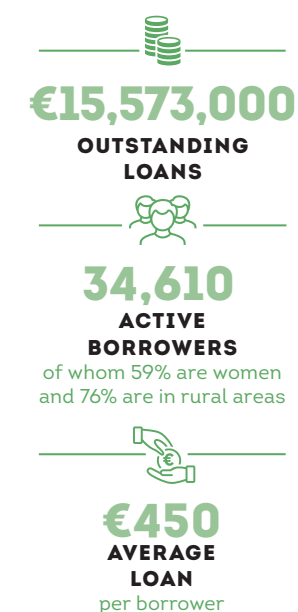
RESULTS

Thanks to this mission, a diagnosis was made of RENACA's actions in the area of inclusive green financing and the institution benefitted from advice on developing its product offering. The mission also

helped raise awareness among the staff and governance on the topic of inclusive green finance and climate smart agriculture. An institutional green strategy and an action plan were also devised, allowing RENACA to clarify its objectives in terms of inclusive green finance.

OUTLOOK

Following the mission, several priority actions were defined, including the organisation of awareness raising sessions on inclusive green finance for RENACA agents, the definition of a list of activities excluded from financing because they are harmful to the environment, the charting of an environmental and social policy, and the development of an environmentally friendly agricultural product offer. ●



* Key figures (as at the end of December 2020)

— GRAINE SARL (BURKINA FASO)

Digitalisation of operations

The **GRoupe d'Accompagnement à l'INvestissement et à l'Epargne (GRAINE SARL)** [Investment and Savings Support Group, private limited liability company] offers individual and group loan products in Burkina Faso to a mainly female clientele in rural areas. The African Facility programme has enabled the organisation to digitalise its operations and products.

THE ORGANISATION AND THE FOUNDATION

Under the African Facility, GRAINE has benefited from a €131,000 grant from the Agence Française de Développement for the implementation of 18 technical assistance missions in various fields (governance, financial management, process review, human resources management, etc.). The Foundation has also granted three loans to GRAINE for a total amount of €1,262,000 since 2015.

CONTEXT OF THE MISSION

As part of its digitalisation project, GRAINE wanted to offer innovative financial products, distribution channels and services to its clients such as SMS banking, improve data reliability and have a real-time view of activities. Thanks to the African Facility, GRAINE benefitted from the support of a technical assistance provider, in particular for the implementation of a new cloud-based information and management system, secure data migration, and user training.

RESULTS

As a result of this mission, GRAINE has improved information management and data reliability and security significantly, and has reduced the risk of error when entering transactions. The centralisation of databases has also en-

abled the institution to gain a real time view of activities and to improve its monitoring and reporting to the authorities.

OUTLOOK

GRAINE hopes to continue to digitalise by providing loan officers with tablets so that they can record client information, receive repayments/savings deposits, and eventually prepare loan applications and disburse loans in the field. The digitalisation of financial education training modules will also allow for more efficient training processes. Finally, GRAINE hopes to develop a network of external agents to provide local service to clients. ●



GRAINE SARL (Burkina Faso) © Didier Gentilhomme

€4.9 Million
OUTSTANDING LOANS

17,926
ACTIVE BORROWERS
of whom 75% are women and 66% in rural areas

€273
AVERAGE LOAN per borrower

* Key figures (as at the end of December 2020)

— SFA (SENEGAL)

A Solidarity Banker in Senegal

The **Société Sénégalaise des Filières Alimentaires (SFA)** [Senegalese Company of the Food Industries] is a social business that promotes the production of quality rice by smallholders in the Senegal River Valley through a long-term partnership. SFA provides them with access to financing and technical support, then processes the paddy into white rice and sells it on the Senegalese market.

THE ORGANISATION AND THE FOUNDATION

The Grameen Crédit Agricole Foundation has been a shareholder in the Senegalese Food Industry (SFA) since 2013. SFA benefitted from the Solidarity Bankers programme: a high-level expert, Head of the Group Purchasing Information System project management unit at Crédit Agricole S.A., spent two weeks in the field to support SFA in optimising its information system.

CONTEXT OF THE MISSION

Keen to develop its activities, SFA wanted to benefit from an external viewpoint and the support of an expert in information systems to develop a technological application for local teams in order to manage better and to optimise their operations and the follow-up of producers. Our Crédit Agricole expert was able to visit the SFA plants in Saint Louis and Dakar where she took stock of the information system through interviews with the various SFA stakeholders. She also worked with them on the digitalisation of the rice collection chain in order to optimise productivity and yields.

RESULTS

By visiting the field, she was able to understand the different stages of rice collection and processing



SFA (Sénégal) © Gadjong

and to propose recommendations. Thanks to the implementation of the management information system under development and a weighing application integrated into the Sage software, the Solidarity Banker has enabled SFA to improve its industrial activity and production conditions, as well as the technical and financial monitoring of producers.

OUTLOOK

Since the improvement of its production system, SFA's ambition has been to double its volume of activity by 2022, while supporting the local rice industry in Senegal. ●

€4.6 Million
TURNOVER

3125
NUMBER OF PRODUCERS SUPPORTED

76
NUMBER OF EMPLOYEES

* Key figures (as at the end of December 2020)

OUR IMPACT MODEL

THE PROMOTION OF OUR ACTIVITIES IN AN OPEN ECOSYSTEM

IMPACT MODEL

THE PROMOTION OF OUR ACTIVITIES IN AN OPEN ECOSYSTEM

— Since 2013, the Foundation has been able to experiment with different approaches, procedures and processes, as well as a wide variety of themes. It has had the opportunity to work with numerous stakeholders in the sector: donors, technical assistance providers and experts.

This wealth of experience constitutes a strength for identifying competent professionals, building local capacity, and disseminating its know-how to promote technical assistance activities that meet the needs of its partners and work for inclusive and sustainable finance. The Foundation is positioning itself as a key player in the coordination of technical assistance in the financial inclusion sector. The Foundation's technical assistance activities are part of an open ecosystem: institutional and financial partners, microfinance actors, technical assistance providers and technical experts.

13 
FINANCIAL
and institutional
partners, since 2013

294 
TECHNICAL ASSISTANCE
providers in the Foundation's
database

MEETINGS AND KNOWLEDGE DISSEMINATION:

The Foundation strengthens its ecosystem by organising events and actions around its technical assistance activities, particularly on financial inclusion for vulnerable populations. The Foundation also enables its partners to meet, enrich their network, and promote the sharing of experiences by organising meetings between technical assistance recipient organisations and their ecosystem.

5 Number of meetings of the African Facility's beneficiary institutions

32 Number of Boulder grants awarded

7 Number of actions related to the financial inclusion of refugees

THE FOUNDATION'S ECOSYSTEM

INSTITUTIONAL AND FINANCIAL PARTNERS



MICROFINANCE PLAYERS



**GRAMEEN
CRÉDIT
AGRICOLE
FOUNDATION**

CRÉDIT AGRICOLE GROUP



TECHNICAL EXPERTS



TECHNICAL ASSISTANCE PROVIDERS - CONSULTING FIRMS AND INDEPENDENT CONSULTANTS



UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (UNHCR)

Since 2019, the Swedish International Development Cooperation Agency (SIDA), the United Nations High Commissioner for Refugees (UNHCR) and the Grameen Crédit Agricole Foundation have been pooling their forces to support refugee populations in Uganda. Hanadi Tutunji, Financial Inclusion Officer at UNHCR, talks about this four-year financial inclusion programme.

— How is financial inclusion a sustainable solution for refugees in Uganda?

Hanadi Tutunji: Uganda plays host to approximately 1.5 million refugees and asylum seekers, making it the largest host country in Africa and the third largest in the world. It is one of the leading countries in the implementation of the Comprehensive Refugee Response Framework (GRRF) and the Global Compact on Refugees (GCR). Refugees live in settlements close to host communities and have access to the same national public services in health, education, water, livelihoods and sanitation. They have freedom of movement, the right to work, and have been included in the country's National Development Plan III.

Ninety-four percent of the refugees live in 13 camps located in the southwest and north of the country. The remaining 6% live in urban areas near Kampala. Despite Uganda's progressive and inclusive policies, the poverty rate among refugees is nearly twice that of the host communities, creating conflict and security issues, particularly for women, girls and people with special needs.

In 2020, the World Food Programme reduced food rations for refugee populations by 30% due to a lack of funding. This misfortune was accentuated by the COVID-19 crisis. As a result of the lockdown, 13% of the refugees had to stop working (especially in urban areas), increasing their food and financial insecurity. Financial inclusion is one of the sustainable solutions to address these humanitarian challenges, especially for refugees in protracted displacement situations. It helps refugees gain access to financial systems, develop economic activity and promote microenterprises and self-employment. The financial and non-financial services provided help them to meet their needs in a sustainable manner. It is therefore essential to engage with and help the private sector to develop and deliver affordable and appropriate financial services to refugees, including access to savings, loans, insurance and remittance services.

— Can you explain the specifics of the programme?

H. T.: The programme aims to improve access to credit for refugees and their host communities so that they can develop income-generating activities. Ultimately, the goal is to improve the resilience of these populations.

The programme, which leverages mixed public and private funding, has three components: a lender guarantee fund, debt financing for three microfinance institutions (MFIs), and technical assistance for MFIs and refugees.

The UNHCR shares socio-economic data, facilitates MFI access to refugees, trains MFI staff on their needs and protection, and oversees the participation of refugees in financial and business training programmes. The Grameen Crédit Agricole Foundation, with financial support from the SIDA, takes care of the technical assistance component of the programme, which includes providing refugees with non-financial services such as business training and financial education. The technical assistance also helps cover some of the initial set-up costs incurred by the MFIs to expand their lending operations to refugees.

Thanks to the programme, MFIs have been able to open new branches in Moyo, Yumbe, and Isingiro districts where many refugees live. By the end of April 2021, 18 414 loans had been granted by the MFIs benefitting from the programme, of which 18 030 loans (98%) had been granted to the refugee population. In addition, 27 014 people had received training. The programme facilitates links between host communities and refugees, thus promoting their peaceful coexistence. ●

SOLIDARITY BANKERS: A STRONG LEVER FOR CRÉDIT AGRICOLE

Launched by Crédit Agricole S.A. and the Grameen Crédit Agricole Foundation in June 2018, the Solidarity Bankers sponsorship and skills volunteering programme has enabled some 20 Group employees to carry out technical assistance missions with impact enterprises and microfinance institutions in more than a dozen countries. Three questions for Bénédicte Chrétien, Group Human Resources Director at Crédit Agricole S.A.

— How would you assess the Solidarity Bankers initiative for the Group's employees and for Crédit Agricole as an employer brand?

Bénédicte Chrétien: Since 2018, this programme has enabled 22 employees to carry out 220 days of missions in 11 countries for 17 organisations.

For each mission, our Solidarity Bankers are present for one to two weeks in the field or accessible remotely to bring their expertise (marketing strategy, logistics, financial reporting, fundraising support, purchasing, HR, etc.) to the operational teams.

The feedback is very positive, and both parties benefit. Beneficiary organisations greatly appreciate the technical expertise provided to secure the deployment of their project. The managers consider the commitment of their employees as a real lever for the development of their skills, especially their soft skills. Employee volunteers are proud to take part in solidarity projects initiated by the Group, to live a unique human experience and to enhance their professional experience.

Recent studies have confirmed that the commitment of employees to solidarity, whether on their own initiative or that of the company, is strongly correlated with their professional commitment. By responding to their search for meaning and social utility, these missions are a powerful driver of appeal, motivation and cohesion for our employees.

— Do you think that this programme meets your employees' demand for social commitment?

B. C.: The Group has set itself the goal of being a responsible employer in a citizen enterprise. Usefulness is the hallmark of our raison d'être and education is a key aspect of our social and societal contribution, as perfectly illustrated by this programme which is a strong symbol of our commitment to society.

The health crisis has amplified the expectations of civil society, which are increasingly focused on

developing the human capital of our companies. Commitment to solidarity is no longer the prerogative of millennials.

It is therefore legitimate and essential for the Group to support such volunteer programmes, which are a strong symbol of its social commitment.

— Is inclusive finance part of the Bank's strategic plan?

B. C.: Crédit Agricole is committed to being a trusted partner to all its customers. It aspires to serve both the most modest and the most affluent households, local professionals and large international companies. Its solidity and the diversity of its expertise enable it to provide long-term support to each of its clients in their day-to-day lives and their journey through life, helping them to protect themselves against unforeseen events and to plan for the long term.

Inclusive finance is therefore at the heart of Crédit Agricole's raison d'être and is an integral part of our strategic objectives, in France and abroad. ●

More information:
<https://www.gca-foundation.org/en/solidarity-bankers/>



LESSONS LEARNED AND RECOMMENDATIONS

LESSONS LEARNED AND RECOMMENDATIONS

The Foundation has chosen to develop a team specialised in the coordination of technical assistance. The Foundation does not provide technical assistance services itself, to avoid any potential conflict of interest, but coordinates technical assistance for its partners in close cooperation with the Foundation's investment team.

Technical assistance helps strengthen the beneficiary institution's risk profile. The Foundation has thus always chosen to link technical assistance and financing and therefore provides this service only to its existing partners. In exceptional instances, we have coordinated technical assistance missions before financing an MFI to strengthen its operations, but these are very rare cases. As a general rule, we fund and then provide assistance missions.

The Foundation wanted to conduct an in-depth evaluation of its technical assistance to extract recommendations to improve its management. Eight years after the start of our technical assistance activities, we are drawing lessons from the model through a number of learnings on the whole process: internal procedures, intervention methods, involvement of beneficiary organisations, choice of the provider, reporting, post-mission monitoring. We share them through 10 key success factors:

1. FAVOUR AN APPROACH BASED ON AN INITIAL DEMAND EXPRESSED BY THE BENEFICIARY

Lessons learned

An explicit demand-driven approach, i.e., technical assistance in response to the expressed needs of the partners, is one of the keys to mission success and positive impact (as opposed to a catalogue of technical assistance activities with specific, predefined themes). While the "technical assistance catalogue" approach has advantages in terms of efficient coordination, there is a risk that it might lose flexibility and result in activities that are not finely tuned to the needs of the beneficiary organisations.

At the Grameen Crédit Agricole Foundation, technical assistance needs are first identified during due diligence, an institutional assessment conducted by an investment officer for a detailed analysis of an organisation and an assessment of its risk profile with a view to funding.

The needs of institutions are constantly changing, so it is essential to adopt a flexible approach guided by the needs expressed by the partners. This ensures

the satisfaction of the beneficiary organisations and a good ownership of the technical assistance provided.



THE APPROPRIATENESS OF MISSIONS IS THE N°1 SATISFACTION FACTOR FOR BENEFICIARY INSTITUTIONS

The African Facility offers, in quite a unique manner, a long-term plan with flexible, bespoke actions. The content and themes of the missions can be revised according to the changing needs and demands of the institutions.

The crisis period ushered in by the COVID-19 pandemic is a good illustration of this need for flexibility. The majority of African Facility organisations faced a disruptive situation and were confronted with new challenges that had to be addressed in an emergency. A total of 40 missions were therefore reoriented from the initial programme defined for each partner, in particular to implement missions in liquidity management and digitalisation.

Recommendations

> Never impose a theme or activities

Proposing technical assistance programmes on a specific theme, such as digitalisation or microinsurance, is relevant in order to hone the skills of organisations in a particular field and to sustain the effects of missions. Care must however be taken not to impose a mission programme that does not really match the needs and strategy of the organisations.

This is the approach that has been favoured in the SSNUP programme, which focuses on strengthening the resilience of small producers. This approach covers a wide range of themes (product development, training, digitalisation) while offering complementary action modalities. Indeed, the SSNUP adopts a programme approach, but remains flexible since specific activities are not predetermined.

> Flexibility and listening must be the key principles of action

The needs of institutions are constantly changing. It is essential to remain attentive and to respond quickly in a flexible manner if new needs emerge because the context or the strategic priorities of the institution have changed. This principle of adaptability must be built into programme design.

2. HAVE ADAPTABLE AND AGILE INTERVENTION CAPABILITIES

Lessons learned

Microfinance institutions or impact enterprises are characterised by the diversity of their needs. Very often, the action of technical assistance providers alone is not sufficient to meet them.

This is particularly true for digitalisation projects where the needs are multiple and rapidly changing: defining a digital strategy, diagnosis of existing IT installations with the action of an IT expert, or training a key internal person who can work with the technical assistance provider and ensure the continuity of the project once the mission is over. In addition, for consolidating MFIs that do not have specialised staff in-house, co-financing the salary of a person for a limited period of time is sometimes a prerequisite to recruiting profiles with strong technical expertise. Finally, once the digitisation process is underway, institutions often need financial support for the acquisition of equipment or software, for example to modernize their information system or secure the network.

All these projects require different actions: consulting, training, co-financing of salaries, acquisition of equipment or IT solutions.

Recommendation

> Provide a wide range of methods for action

When devising a technical assistance programme, it is essential to plan for as wide a range of methods for action as possible (consulting missions, co-financing of salaries, equipment, enrolment in external training, peer-to-peer exchanges, etc.).

3. INVOLVE PARTNERS AT EACH STAGE OF THE MISSION

Lessons learned

The success of a technical assistance mission depends to a large extent on the involvement of the beneficiary organisation in defining its needs and in developing the terms of reference and selecting the technical assistance provider(s). This often requires educational work and the transfer of skills to the beneficiary organisations. At the beginning of the programme, some organisations do not

“I particularly appreciate the selection process because the choice of the expert is not imposed on us. We are truly considered as partners”

MFI, Rwanda,
beneficiary of the African Facility

have the internal skills to manage technical assistance programmes. Under the African Facility, for example, the TA team worked closely with the people responsible for technical assistance within the MFIs so that they could become autonomous in drafting terms of reference and assimilate the methodology for selecting a technical assistance provider. The Foundation has always favoured a participatory approach so as to ensure that the missions are properly appropriated and that the choice of service providers is truly adapted to the needs and institutional culture of the beneficiary organisations.

Involving the partner helps to overcome any reluctance that may exist in any change management project and to ensure that the content of the mission is fully in line with the institution's needs. The participation in the selection of the service provider is seen as important added value by many partners, and thus differentiates the Foundation from other technical assistance coordinators.

The involvement of partners varies depending on the profile of the institutions, their maturity, the investment of their governance and management as well as the presence of an internal person with the time and skills to work on the elaboration of terms of reference. Thus, the success of the participatory approach depends entirely on the willingness of partners to be involved in the delivery of the technical assistance programme.

Recommendations

> Adopt an approach that involves the beneficiary organisations at every stage of the mission.

> Factor in, from the outset of the programmes, the time needed to train the beneficiary organisations on the processes and help them define their needs.



For small, immature institutions, time for training and education (explaining project management processes and methodologies) is essential to ensure their full involvement and to help them define their needs. This investment guarantees a proper appropriation of the mission and its success.

4. PROVIDE FOR A FINANCIAL CONTRIBUTION FROM THE BENEFICIARY ORGANISATIONS TO ENSURE CONTROL AND INVOLVEMENT

Lessons learned

Under all technical assistance programmes managed by the Foundation, a financial contribution (between 10% and 50% of the total amount of the mission) is systematically requested from beneficiary organisations. This financial contribution ensures that the mission meets a real need and that the institution therefore considers it essential to benefit from it. It is also a way to ensure the partner's involvement and commitment to the project.

However, this model has several limitations:

1. When technical assistance providers are involved, the organisation has to cover a range of

“It helps us a lot when the Foundation draws up the terms of reference together with us”

MFI, Malawi,
beneficiary of the African Facility

additional costs that are not usually included in their co-financing (transport, training room rental, etc.). The co-financing from the organisations is therefore often underestimated compared with their actual contribution.

2. The contribution is solely financial and the time spent by the institution's team with the technical assistance provider is not valued. The success of a technical assistance mission is closely linked to the availability and involvement of the teams.

3. For small institutions that have not yet achieved operational self-sufficiency, co-financing can represent a significant financial burden, and can become an impediment to launching missions that are necessary for their consolidation.

Recommendations

> **Provide, from the outset of the programme, a variety of financial contribution methods adapted to the profiles of the recipient organisations**

The contribution must be adapted to the profile and maturity of the organisation, so as not to block small institutions from launching larger missions.

“Co-financing is a good principle. People say it represents 10%, but in reality we are always above that. For example, we pay for the teams to travel for the consultant’s presentation [of the mission’s conclusions]”

MFI, Burkina Faso,
beneficiary of the African Facility

5. ENSURE THE INVOLVEMENT OF GOVERNANCE AND THE FORMAL COMMITMENT OF THE EXECUTIVE MANAGEMENT TO MAKE THE MOST OF THE MISSION

Lessons learned

For an institution to appropriate a technical assistance mission, and for it to have lasting results, it is critical that the members of management and governance be involved in and drive the change process.

For example, an institution in Mali was supported by the Foundation to develop microinsurance products. The institution’s priorities changed during the course of the mission, and the launch of microinsurance products was no longer seen as a strategic priority by management and governance. As a result, the operational teams did not mobilize to promote the product and the results were far below the initial objectives, with only a few policies sold.

Another lesson learned by the Foundation is that missions aimed at honing existing skills often have a greater impact than missions aimed at creating new skills within an institution. This is especially true for digitalisation missions, which often require technical knowledge that few employees possess. Having resource people in the organisation with a minimal knowledge base on the subject of the mission is essential to asking the right questions and interpreting the proposals of the technical assistance provider, but also to ensuring the continuity of the technical work once the mission is over.

Finally, the presence of a competent and committed management team and governance is essential to the success of a mission so that the recommendations, action plans, and strategies developed can bear fruit.

Recommendations

> **Secure the involvement of governance**

Before launching any mission, verify the motivation, commitment, and skill level of the governance to drive the changes brought about by the engagement.

> **Secure the existence of a minimum knowledge base and hone existing skills as a matter of priority**

Make sure that there is at least one internal person with the skills and previous knowledge to implement the changes. If necessary, plan an “upgrade” mission in advance. Co-funding salaries so that the institution can recruit key people internally can also be a relevant approach.

> **Assess the risk of non-appropriation of the mission from the outset**

Prior to the mission, asking the following questions to the beneficiary organisation will help assess the risk of non-appropriation of the mission in order to adjust the approach and the post-mission follow-up:

- Is the subject new to the partner or do internal skills already exist?
- Is there a contact person trained on the subject within the institution who can provide an informed opinion to the technical assistance provider?
- Is the mission supported by the Board of Directors, the General Manager, the management team?
- Does the institution’s resource person have sufficient time to implement and monitor the action plan after the mission?

6. PARTNER WITH THE TEAMS IN CHARGE OF THE FUNDING TO OPTIMISE THE DRAFTING OF THE MISSION’S SPECIFICATIONS

Lessons learned

The Foundation has chosen to adopt a technical assistance model in which the coordination is carried out by a specialised TA team that works alongside the investment team. The latter are in particular involved in the technical assistance needs analysis, which begins with due diligence. This is seen by the partners as a valuable step in identifying precise needs through a complete review of procedures, operations and the internal structure of the organisation.

The technical assistance offered also enables the investment team to get to know their partners from a different angle than that of risk.

Recommendations

> **Involve the investment team in the management of technical assistance**

The contribution of the investment team is vital for that technical assistance to respond to the institutional challenges of partner institutions and to ensure proper appropriation of the missions and monitoring in the field. The Foundation promotes a model in which this involvement of investment officers in technical assistance activities is included in their responsibilities.

> **Factor in time for discussions between investment officers and the TA team**

This approach presupposes having a place to discuss and ensure a fluid and regular flow of information between the TA and investment teams. These collective moments are an opportunity to take stock of the actions taken and the lines of satisfaction and improvement, and to create a positive emulation. Bilateral discussions should also be scheduled prior to a due diligence in order to identify the elements to be monitored during the mission.

7. OPT FOR LOCAL TECHNICAL ASSISTANCE PROVIDERS WHO KNOW THE SPECIFICITIES OF THE AREAS OF INTERVENTION

Lessons learned

Since 2013, the Foundation has had the opportunity to

“[The Solidarity Bankers programme] allows us to strengthen our relationship with the MFI. It gives us another perspective on the MFI. It makes us different”

Investment officer,
Grameen Crédit Agricole Foundation.

work with many technical assistance providers, consulting firms and independent consultants and thus to build a large pool of experts, with many local profiles, particularly in sub-Saharan Africa. Under the African Facility programme, a large majority (approximately 70%) of the missions were conducted by local service providers. The Foundation therefore relies mainly on local experts and wishes to contribute to the development of the local ecosystem.

Satisfaction surveys conducted with beneficiary institutions show that the satisfaction rate varies very little depending on whether the service provider is local or international, each having different strengths and weaknesses. The main weaknesses identified when international service providers proceed with their action, are time management, with missions considered too short, particularly the time spent on site, and a lesser capacity for post-mission follow-up. On the other hand, poor knowledge of local and field realities is almost never mentioned, which can be explained by the fact that a very good knowledge of the context and previous experience in the region are major criteria for the selection of providers. When local service providers are used, a lack of experience is sometimes mentioned, as well as a lower quality of deliverables, but they seem to be more flexible and available. The main element of satisfaction for the institutions in all cases however, is the skills and expertise of the providers on the subject of the mission.

Recommendation

> **Remain flexible in the choice of technical assistance providers**

The key factor of success for a mission and the satisfaction of beneficiary institutions boil down to the expertise of the providers, irrespective of their origin. The Foundation nonetheless opts for local providers wherever possible in order to promote local expertise.

8. SIMPLIFY THE PROCEDURES AND REPORTING TO IMPROVE THE QUALITY OF COORDINATION

Lessons learned

Reporting to funders as well as audit and assessment processes, and administrative management, are essential in order to ensure the proper coordination of a technical assistance programme. The time spent on these tasks, however, can be disproportionate in comparison with the amount of grant under management or with the final use of reports. Improving the reporting and streamlining the information monitored and requested would thus enable to better involve funders and to make the analyses more legible.

Recommendations

> Simplify the reports while making them useful to internal teams and donors

It is possible to consider reporting with only a few key elements, in the form of a dashboard:

- Pre- and post-mission identity card of the institution, based on elements usually tracked internally;
- List of deliverables produced;
- Assessment of the mission in a few key points;
- List of areas of improvement for the institution and for the technical assistance programme as a whole.

> Capitalize on the reports produced

Share the report systematically with the staff and donors, in the form of a quick workshop, to draw some key lessons and identify areas for improvement. Objective: the ongoing upgrading and better use of the information gathering and summarizing work.

> Respect a principle of proportionality between the amounts committed and the audit and evaluation requirements

> Simplify the administrative procedures

Opt for pre-defined lump sums for the reimbursement of small amounts or for certain activities (travel, communication, etc.), rather than for reimbursements against receipts.

9. STRENGTHEN POST-MISSION FOLLOW-UP

Lessons learned

An analysis of mission assessments conducted since 2013 reveals that not enough time is spent on post-mission follow-up for many organisations that have received technical assistance. The technical assistance providers also deplore this lack of time dedicated to follow-up and consequently reduced visibility on medium-term results and on the effective implementation of recommendations.

Monitoring by the TA and investment teams partially alleviates this problem. For example, thanks to the regular monitoring of these two teams, a microfinance institution located in Burkina Faso (a beneficiary of the African Facility) was able to benefit from a series of complementary missions, over a total period of eight years, which enabled it to carry out its digitalisation projects. It benefitted from a first mission to diagnose its information and management system, then a second to improve the system in question. Three years later, the company was assisted again, this time to migrate to a brand new, more modern, cloud-based system, and was able to offer new services to its customers as a result. Finally, it benefitted from a mission relating to the security of its computer system and the confidentiality of its clients' data.

This follow-up however cannot replace the task of the technical support providers. The series of online training sessions on liquidity management for some of the Foundation's partner institutions in 2020, at the height of the COVID crisis, underscores this point: one year later, few partners are regularly using the tools developed during these sessions. This low level of ownership is linked to the fact that too little time was set aside during the design of the mission for the follow-up and support of beneficiaries in the medium term.

Recommendations

> Integrate a post-mission follow-up into the design of the missions

The technical assistance provider should provide advice and guidance to the institutions in the medium term to ensure that the knowledge and tools are appropriated. This can take the form of a one-off follow-up by the service provider with one or two-day progress reviews 6, 12, and 18 months after the end of the mission.

Diversifying the formats of feedback and deliverables from technical assistance providers can also allow for longer-term follow-up with the beneficiary (e.g., a provider hotline to answer questions after the mission, regular webinars, etc.).

> Integrate the post-mission follow-up into the design of technical assistance programmes

Even though it is legitimate for donors to seek funding for activities that are time-efficient and have quick results, it is important that post-mission monitoring be built into programme design, with sufficient time and budget dedicated to medium-term monitoring by the programme coordinator, the recipient institutions, and technical assistance providers.

10. PROMOTE A MODEL FOR MEASURING THE DIRECT IMPACT OF TECHNICAL ASSISTANCE ACTIVITIES

Lessons learned

The assessment conducted by CERISE sought to identify a link between institutional performance and technical assistance activities. Quantitative analyses revealed an overall strengthening of institutions, but could not isolate the precise role of technical assistance missions in this process. Qualitative analyses, based primarily on partner perceptions, indicate that technical assistance has contributed to positive changes in terms of structuring and has honed individual skills as well as the relationship between the Foundation and its partners.

However there are no sector benchmarks or methodology at this stage that can be applied systematically to measure objectively the direct impact of technical assistance missions on beneficiary institutions. Nevertheless, the Foundation would like to see changes quantified to a greater extent where possible, with a list of indicators starting from the level of effort provided and going up to the perception of the direct impact of the technical assistance on the beneficiary organisation.

Recommendations

> Formulate the objectives to achieve through the technical assistance mission

Prior to the mission, it is paramount to ensure that the mission meets precise specifications, formalised in

the terms of reference of the mission. This document sets out the general objective(s) of the mission, the activities to carry out and the expected achievements. Finally, beyond the direct results after the mission, it appears also necessary to define some key indicators to measure the attainment of the set objective(s) and, thus, better measure their impact.

> Systematize the monitoring of indicators used to qualify the perception of those involved in technical assistance activities:

- **The overall institutional satisfaction** measured annually, disaggregated by technical assistance recipient and non-recipient, for comparative purposes.
- **The post-mission assessments** to measure the organisational response to and satisfaction with the missions carried out.
- **An assessment of the technical assistance** provider's perceptions of the partner's ability to take ownership of the action plan as well as the areas of concern during post-mission follow-up.
- **A follow-up at 6, 12 and 18 months** to evaluate the appropriation and the level of skills transfer following the technical assistance (tangible changes, application of new skills, etc.) through a questionnaire on the perception of change.
- **Regular monitoring of investment officers'** perceptions of the qualitative effects of technical assistance missions through a questionnaire completed during due diligence or follow-up missions. ●

CONCLUSION

There is no "recipe" for success in technical assistance activities. After eight years of coordinating various programmes, we are nevertheless able to identify certain key success factors.

To have a strong direct impact, a mission must be in line with the needs of the beneficiary organisations thanks to a thorough diagnosis and an understanding of the institutional culture. It must involve the partners in defining the scope of the missions and choosing the technical assistance providers. It must also strongly involve governance. It is thus based on a relationship of trust and equality with the partners. Its success is linked to the professionalism, responsiveness and the ability to listen of the TA team. Finally, a competent service provider, with a good knowledge of the local context, is a determining factor.

An approach based on an initial request from the beneficiary seems to us to have real added value. This approach is nourished and governed by the serious and complete analysis made at the time of the due diligence. The investment officer indeed plays an essential role through his/her institutional diagnosis, the gateway to technical assistance.

In order to apply this approach fully and to respond as closely as possible to the needs of our partners, we have designed several tailor-made technical assistance programmes since 2013. Based on this experience, we identify several key success factors at the programme design stage:

- 1. A long-term action with multi-year programmes,** to maximize the impact of the support and the sustainability of the actions once the programme is over;
- 2. Flexibility in the themes covered,** to be able to adapt actions to the needs of the institutions quickly;
- 3. Diversified technical assistance funding methods** (including funding for equipment and salaries) to respond to all the needs of the organisations and the realities on the ground;
- 4. Streamlined and optimized reporting and auditing procedures and requirements,** so that time can be spent on tasks with high added value for the beneficiary organisations.

Donor support for this approach is essential. Flexibil-

ity and adaptability are two principles to be taken into account when designing a technical assistance programme in order to ensure that the support offered addresses the needs of the organisations but is also in line with an efficient administrative management for all stakeholders.

SUMMARY OF RECOMMENDATIONS

- 1. FAVOUR AN APPROACH BASED ON AN INITIAL DEMAND EXPRESSED BY THE BENEFICIARY**
- 2. HAVE ADAPTABLE AND AGILE INTERVENTION CAPABILITIES**
- 3. INVOLVE PARTNERS AT EACH STAGE OF THE MISSION**
- 4. PROVIDE FOR A SIGNIFICANT FINANCIAL CONTRIBUTION FROM THE BENEFICIARY ORGANISATIONS TO ENSURE CONTROL AND INVOLVEMENT**
- 5. ENSURE THE INVOLVEMENT OF GOVERNANCE AND THE FORMAL COMMITMENT OF THE EXECUTIVE MANAGEMENT TO MAKE THE MOST OF THE MISSION**
- 6. PARTNER WITH THE TEAMS IN CHARGE OF THE FUNDING TO OPTIMISE THE DRAFTING OF THE MISSION'S SPECIFICATIONS**
- 7. OPT FOR LOCAL TECHNICAL ASSISTANCE PROVIDERS WHO KNOW THE SPECIFICITIES OF THE AREAS OF INTERVENTION**
- 8. SIMPLIFY THE PROCEDURES AND REPORTING TO IMPROVE THE QUALITY OF COORDINATION**
- 9. STRENGTHEN POST-MISSION FOLLOW-UP**
- 10. PROMOTE A MODEL FOR MEASURING THE DIRECT IMPACT OF TECHNICAL ASSISTANCE ACTIVITIES •**

CONCLUSION

— **In 2013**, the Grameen Crédit Agricole Foundation made the strategic choice to position itself as a technical assistance coordinator. This activity is now a strategic line of business for the Foundation. The offer has expanded over the years. It now covers a wide range of fields of action and geographic areas. Our offer is aimed at all partner organisations, microfinance institutions and impact enterprises.

The Foundation's technical assistance activities are part of an open ecosystem: institutional and financial partners, without whom technical assistance activities could not be financed, microfinance actors, technical assistance providers, and technical experts.

Technical assistance adds value to our funding business. The technical assistance offer and the financial offer are closely correlated, to strengthen the institution's risk profile and to support its projects for change. No losses from institutions receiving technical assistance have been recorded since 2013, even though certain programmes such as the African Facility make it possible for the Foundation to finance small, rural and financially fragile institutions.

For the Foundation, technical assistance is a major lever for consolidating the microfinance sector and supporting the strengthening of social, environmental and digital performance as well as promoting inclusive and responsible finance.

Eight years after the launch of the African Facility, the first technical assistance programme coordinated by the Foundation, certain key success factors appear to be emerging. Based on these lessons, the Foundation is promoting - and will continue to promote - a high-impact technical assistance model, which:

1. Addresses precisely the needs of the beneficiary institutions;

2. Involves very closely partners in the setting of the specification of the mission ;

3. Is flexible, with adapted action methods;

4. Values local expertise;

5. Promotes synergies between technical assistance and investment teams;

6. Has simplified procedures and reporting to improve the quality of programme monitoring. ●

— LIST OF ORGANISATIONS THAT HAD RECEIVED TECHNICAL ASSISTANCE AS AT 31 DECEMBER 2020

ORGANISATION	PAYS	PROGRAMME	TYPE
• AL KARAMA	• Morocco	• Solidarity Bankers	• MFI
• CHAMROEUN	• Cambodia	• Solidarity Bankers	• MFI
• HUMO	• Tajikistan	• Solidarity Bankers	• MFI
• KMF	• Kazakhstan	• Solidarity Bankers	• MFI
• MUSONI	• Kenya	• Solidarity Bankers	• MFI
• OXUS Kirghizstan	• Kyrgyzstan	• Solidarity Bankers	• MFI
• OXUS Tadjikistan	• Tajikistan	• Solidarity Bankers	• MFI
• PARTNER	• Bosnia and Herzegovina	• Solidarity Bankers	• MFI
• ACEP Burkina	• Burkina Faso	• EIB 2019	• MFI
• ACEP Niger	• Niger	• EIB 2020	• MFI
• CAURIE	• Senegal	• EIB 2021	• MFI
• KAFO JIGINEW	• Mali	• EIB 2022	• MFI
• ACFB	• Benin	• African Facility	• MFI
• ACFIME	• Burkina Faso	• African Facility	• MFI
• AMZ	• Zambia	• African Facility	• MFI
• ASIENA	• Burkina Faso	• African Facility	• MFI
• ASSILASSIME	• Togo	• African Facility	• MFI
• BIMAS	• Kenya	• African Facility	• MFI
• COMUBA	• Uganda	• African Facility	• MFI
• COOPEC SIFA	• Togo	• African Facility	• MFI
• ECLOF Kenya	• Kenya	• African Facility	• MFI
• ECLOF Uganda	• Uganda	• African Facility	• MFI
• ENCOT	• Uganda	• African Facility	• MFI
• GRAINE SARL	• Burkina Faso	• African Facility, EIB 2019	• MFI
• HEKIMA	• Democratic Republic of Congo	• African Facility	• MFI
• ID Ghana	• Ghana	• African Facility	• MFI
• JUHUDI KILIMO	• Kenya	• African Facility	• MFI
• MEC FADEC	• Senegal	• African Facility	• MFI
• MLF Malawi	• Malawi	• African Facility	• MFI
• MLF Zambia	• Zambia	• African Facility	• MFI
• PAIDEK	• Democratic Republic of Congo	• African Facility	• MFI
• PMBF (ex-Sofipe)	• Burkina Faso	• African Facility	• MFI
• RENACA	• Benin	• African Facility	• MFI
• RMCR	• Mali	• African Facility	• MFI
• TUJIJENGE	• Tanzania	• African Facility	• MFI
• UMF	• Uganda	• African Facility	• MFI
• URC NAZINON	• Burkina Faso	• African Facility	• MFI
• VF Rwanda	• Rwanda	• African Facility	• MFI
• BRAC Uganda	• Uganda	• UNHCR-SIDA	• MFI
• UGAFODE	• Uganda	• UNHCR-SIDA	• MFI
• VISION FUND Uganda	• Uganda	• UNHCR-SIDA	• MFI

— LIST OF FUNDERS:

- Agence Française de Développement (AFD) / French Development Agency
- European Investment Bank (EIB)
- Swiss Agency for Development and Cooperation
- Crédit Agricole Group
- Ministry of Foreign and European Affairs of the Government of Luxembourg
- Ministry of Finance of the Government of Luxembourg
- Société de Promotion et de Participation pour la Coopération Economique (PROPARCO)
- Swedish International Development Cooperation Agency (SIDA)
- Swiss Capacity Building Facility (SCBF)

— LIST OF TECHNICAL PARTNERS:

- ADA Microfinance
- International Labour Organization (ILO)
- Agence Luxembourgeoise pour la Coopération et le Développement (LuxDev)
- United Nations High Commissioner for Refugees (UNHCR)

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