

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

