

INTEGRATED ANNUAL REPORT 2021



FONDATION GRAMEEN
CRÉDIT AGRICOLE

Microfinance & Social Business





02

TABLE OF CONTENTS



16



06



22



30

AT A GLANCE

- 03 Editorial
- 04 "The fight against poverty requires climate change adaptation strategies", Raphaël Appert
- 05 "The most powerful policy: promoting entrepreneurship for all", Professor Yunus

ACTIVITY IN 2021

- 07 2021, a second year of challenges and resilience
- 10 Supporting rural development
- 12 Fostering climate resilience
- 14 Acting for responsible finance

SUPPORTING OUR PARTNERS IN A HEALTH CRISIS

- 17 Helping to adapt and innovate
- 18 Signs of economic recovery are still mixed
- 21 OKG: Adaptation and innovation in action

OUR TECHNICAL ASSISTANCE PROGRAMMES

- 23 The impact of targeted technical assistance
- 25 The wealth of our programmes
- 29 Our technical assistance offer

BEHIND THE SCENES AT THE FOUNDATION

- 31 Constantly striving for greater efficiency
- 32 The Foundation's lines of business
- 35 Assessing the implementation of our impact model
- 36 Governance
- 37 Team

APPENDICES

- 38 Financial statements
- 39 Partners of the Foundation

INTEGRATED ANNUAL REPORT 2021

GRAMEEN
CRÉDIT AGRICOLE
FOUNDATION

THE FOUNDATION AROUND THE WORLD

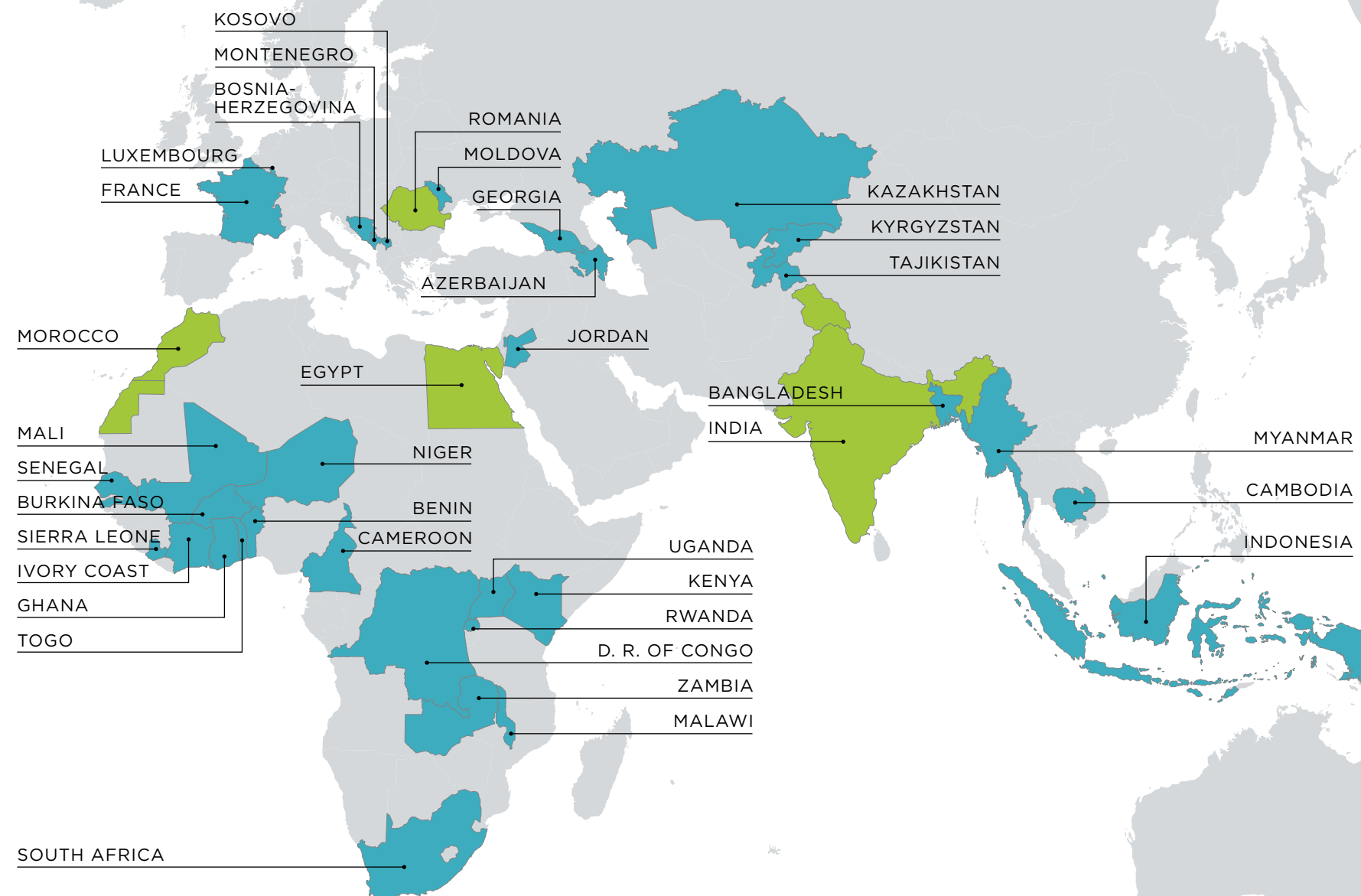
At the end of December 2021



37 COUNTRIES OF INTERVENTION

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

Other countries of intervention





AT A GLANCE

ACFB (Benin) © Didier Gentilhomme

AT A GLANCE

EDITORIAL



Éric Campos,
Managing Director,
Grameen Crédit Agricole Foundation
& Head of CSR, Crédit Agricole SA

ensure that we were doing everything possible to help them through this difficult year.

Against this backdrop, our partners have demonstrated their resilience.

Microfinance institutions have been able to resist and strengthen themselves thanks to digitalization, coordination between stakeholders and their capacity to innovate. In the agricultural sector, social businesses have resisted well, developing digital services, for example, and some of them even managed to increase their turnover. On the other hand, tourism-related activities have been hit hard by border closures and lockdown measures. Facilitating access to services such as health insurance, pre-financing of their dairy business or savings, have been paramount. Adaptation and consultation with our partners have been key to the success of our missions.

The Foundation has this year once again demonstrated the usefulness of its activity and the relevance of its approach. Alongside its partners and at the service of the fight against poverty more than ever before, the financing granted mainly to small institutions located in rural areas duly reinforced by our technical assistance systems made it possible to strengthen support for local economies and to promote the inclusion of women in the local economic fabric.



We had thought that this year we would emerge from the effects of the health crisis.

It was not to be. Affected by a massive spread of the pandemic with its multiple consequences in the first year, the organisations supported by the Foundation have had to face this situation and its economic effects in 2021, accentuated by weak political or institutional environments and armed conflicts, whose first victims are always the most vulnerable citizens.

During this period, we supported the financing of 81 partners in 37 countries around the world. These are mainly microfinance institutions that finance mostly income-generating activities for women and impact businesses, mainly in rural areas. We also coordinated 130 technical assistance missions for our partners to enable them to strengthen key areas of their activities such as risk management, cashflow management, financing plans, etc. Very regular contact was maintained with each of them to

“The fight against poverty requires climate change adaptation strategies”

In 2020, in the face of the health crisis, and in 2021, with the resurgence of the pandemic, the entire inclusive finance sector had to act, adapt and innovate. The Grameen Crédit Agricole Foundation mobilized to help cushion the effects of this crisis and to support its partners in consultation with its peers and donors.

When the Foundation was created in 2008 by Professor Yunus, the aim was to have an operational tool capable of contributing to the fight against poverty in developing countries through financial inclusion. It was an ambitious objective. The Foundation has since then been organized to have the tools and skills necessary to achieve it.

The context has changed gradually in 14 years, and the Foundation's areas of intervention are today affected by armed conflicts and institutional fragility far more than they used to be. The climate crisis has already begun to affect these areas as we can see in the lengthening of periods of drought, declining agricultural yields and water shortages. This crisis affects vulnerable populations first and foremost.

The fight against poverty is now taking on new faces. The Foundation must therefore equip itself with new instruments so that it can take action and advise and guide the populations in its areas of intervention to tackle these challenges. The Foundation is leading the way with microfinance serving the excluded through community-based lending. By pursuing our actions for the long term, we contribute to the sustainability



Raphaël Appert,
Chairman, Grameen
Crédit Agricole Foundation
& Vice-Chairman,
Crédit Agricole SA.

of organisations that provide essential services to people. The inclusion and sustainability aspects of our impact investment mean that our efforts aim beyond an immediate return on investment.

The Foundation must be firmly committed to the fight against climate change with appropriate financial instruments and technical assistance systems. Our technical assistance missions should contribute to raising awareness and implementing inclusive green finance practices. By continuing to abide by the Crédit Agricole Group's sustainable development approach, our actions will gain further momentum.

In the course of the medium-term plan (2023-2025), which we will present in the second half of this year, the Foundation must continue to strengthen the microfinance sector by provid-

ing all its expertise. It should also be able to mobilize all its skills and know-how to contribute to the fight against the effects of climate change in the service of the territories so as to maximize its impact prospects. This territory-based approach will be a new way for us to mobilize. We will have to adopt this new method for our teams, but we will be able to do it as we have always done: in close collaboration with our partners and in a constant concern for cooperation and sharing.



Professor Muhammad Yunus,
Nobel Peace Prize Laureate
& Board member, Grameen
Crédit Agricole Foundation

“THE MOST POWERFUL POLICY: PROMOTING ENTREPRENEURSHIP FOR ALL”

How does the COVID-19 crisis reinforce the importance of the microfinance and social entrepreneurship sectors?

Professor Muhammad Yunus: COVID has hit poor and low-income people around the world very hard, as their income levels have fallen sharply. And while this decline was sudden, the return to previous levels will be a slow and uncertain process. Conventional wisdom has it that all policymakers will adopt aid programmes to avoid large-scale malnutrition or even decimation of populations. Perhaps they will even launch large-scale job-creating projects. But the most effective policy would be to promote entrepreneurship for all through microfinance programmes and investment in social businesses.

In the face of the climate crisis, what role can microfinance play in the rural areas most exposed to the effects of climate change?

Professor Yunus: Microfinance and investment programmes applied to social businesses constitute the most effective response to the climate crisis. As global warming accelerates, our response to it from the conventional approach to maximize profit is far from adequate. The conventional approach is actually geared to improving the climate situation by generously funding sectors such as the fossil fuel, plastics and fashion industries. We need to reverse this approach radically. Finance must be brought within reach of the people at the bottom of the pyramid to support the sizeable entrepreneurship at this level, but which is nonetheless ignored by the current system. Microfinance based on the microfinance of entrepreneurship is the way to achieve this. If we continue with existing policies, we will continue to add fuel to the fire.

We are also witnessing an increase in poverty and conflict. How should the Grameen Crédit Agricole Foundation adapt to these new contexts?

Professor Yunus: Every new crisis creates new opportunities. In “normal” times, it is extremely difficult to change institutions and policies because of the influential beneficiaries of the system. You need a big shock that stops and jams the economic machine in order to make difficult decisions. When the economic engine grinds to a halt, everyone tries to restart it to get back to “normal”. But the right decision should be to undo the so-called “normal”. In short, there should be a policy of “no turning back.” The major crises as we know them today have created major opportunities. We must not miss them. The time has come to reverse the policies that have caused global warming. The Grameen Crédit Agricole Foundation should massively support equity participation in social Businesses and other forms of financing to foster universal entrepreneurship that can change the world and create a “3-zero” world: zero global warming, zero concentration of wealth and zero unemployment. This is no time for half measures.



ACTIVITY IN 2021

BRAC (Myanmar) © Didier Gentilhomme

2021, a second year of challenges and resilience

In a context of persistent COVID-19 crisis, the Foundation supports 81 microfinance institutions and social businesses in 37 countries with adapted funding and a large number of technical assistance missions.

Foundation launched a new programme of missions designed to strengthen the provision of green finance and the social and environmental performance of partner institutions.

The microfinance sector confirms the extraordinary resilience already seen in 2020. Throughout 2021, numerous consultation sessions were held between microfinance institutions, international donors (investment funds, development agencies, local banks, foundations, etc.) to support the sector. The Grameen Crédit Agricole Foundation has been very active in these consultations, often taking the lead role when it was the main lender.

In 2020, microfinance institutions managed to cope with the COVID-19 crisis. In 2021, they had to continue their efforts to adapt, in a difficult context but one of gradual operational recovery.

The Foundation's financing activity recovered in 2021, with a volume of €37 million in loans and guarantees to microfinance institutions. To increase the resilience of our partners, we also spent a lot of time and energy coordinating a large number of technical assistance missions. 2021 saw the highest activity in this area in the Foundation's history with 130 missions. The main themes this year were risk management, organisational strengthening, and the development of products adapted to the context or to particularly vulnerable communities.

To strengthen its action in favour of the climate, the Foundation joined the Manifesto of the new French Coalition of Foundations for Climate and obtained funding from the Global Environment Facility (GEF) by winning a call for projects. Within this framework, the

THE FOUNDATION'S IMPACT MODEL

The Grameen Crédit Agricole Foundation is a multi-business operator that promotes access to essential services and the resilience of rural economies through social entrepreneurship. Our impact model is our framework for action and our reference for sharing the results of our actions.

MISSIONS

Contribute to the reduction of inequalities and poverty through financial inclusion and the promotion of social impact entrepreneurship.

LEVERS FOR ACTION

The Foundation invests in capital, finances, supports and strengthens microfinance institutions, businesses and projects that promote inclusive finance and the development of rural economies throughout the world.

IMPACT OF THE FOUNDATION



CONSOLIDATING
the sustainability of organisations that provide essential services.



BOLSTERING the social and environmental performance of organisations supported by the Foundation.



PROMOTING inclusive and sustainable finance.

IMPACT OF ORGANISATIONS SUPPORTED



PROMOTING access to essential services by vulnerable populations.



STRENGTHEN the resilience of weak economies



IMPROVING the living conditions of vulnerable populations.

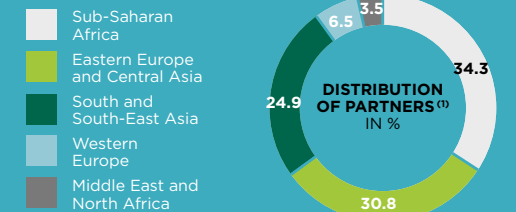


KEY FIGURES

At the end of December 2021

ACTIVITIES

€78.5 MILLION IN OUTSTANDING LOANS MONITORED



87% OF LOANS IN LOCAL CURRENCY

100% OF LOANS BACKED BY COVENANTS LIMITING EXPOSURE TO THE EXCHANGE RISK

46% SHARE OF OUTSTANDING LOANS IN WEAK COUNTRIES (2)



ORGANISATIONS SUPPORTED

71* MICROFINANCE INSTITUTIONS

TYPES OF INSTITUTIONS (3):

11% large-sized	TIER 1
45% medium-sized	TIER 2
44% small-sized	TIER 3

* including 5 microfinance institutions supported through technical assistance

10 IMPACT BUSINESSES

SECTORS (4):

59% Agribusiness
23% Financial services
9% Essential services
9% Culture & Education

TECHNICAL ASSISTANCE:

47 ORGANISATIONS RECEIVING TECHNICAL ASSISTANCE

130 missions coordinated in 2021
24 countries

SOCIAL IMPACT

9.2 MILLION BENEFICIARIES OF ORGANISATIONS FINANCED

90% women receiving microloans
81% microfinance clients in rural areas

(1) Share of outstanding loans monitored by geographical area
(2) Weak countries according to the World Bank and OECD lists
(3) By number of institutions financed.
Tier 1: >\$100 million portfolio;
Tier 2: \$10-100 million portfolio;
Tier 3: < \$10 million portfolio
(4) By number of social impact businesses

Supporting rural development



MLF (Malawi) © Didier Gentilhomme

New EIB funding

A partnership to strengthen financial inclusion and African entrepreneurship.

The European Investment Bank (EIB) has granted a new loan of €10 million to the Grameen Crédit Agricole Foundation. This new cooperation with the EIB will strengthen the financing activity of microfinance institutions on the African continent and increase the impact thereof.

"The EIB is committed to supporting microfinance across Africa and we are pleased to strengthen our long-standing cooperation with the Grameen Crédit Agricole Foundation. The commitment of €10 million launched today will benefit small businesses on the continent directly," said Ambroise Fayolle, Vice President of the European Investment Bank.

This new cooperation between the EIB and the Foundation strengthens entrepreneurs' access to finance in sectors affected by COVID-19 and in remote and rural communities. It also enables us to access technical assistance funding for institutions in Africa.

Inclusive Rural Finance (FIR)

Emblematic of the impact projects developed with the Crédit Agricole Group, this fund continues to grow.

Exclusively reserved for Crédit Agricole Group entities, the FIR makes it possible to invest in the financing of rural microfinance institutions that serve populations traditionally excluded from the banking sector in emerging countries. To date, 21 Regional Banks, Amundi and CA Assurances have subscribed to the FIR.

The FIR supported new institutions in 2021. It granted a €1-million loan to ACF in Kazakhstan, €800,000 to Lazika in Georgia, €1 million to Montecredit in Montenegro and €500,000 to Furuz in Tajikistan. At the end of December 2021, the FIR supported 6 microfinance institutions in 6 countries: Georgia, Kazakhstan, Kirghizstan, Kosovo, Montenegro and Tajikistan.

Notwithstanding the health crisis, which increased the credit risk and jeopardized their profitability, these institutions have shown resilience. They continue to contribute to the development of income-generating activities, particularly rural agricultural production (71% of beneficiaries live in rural areas).

6
MICROFINANCE INSTITUTIONS
FINANCED

€9.75
MILLION RAISED

90,591
MICROCREDIT RECIPIENTS

IMPACT STORY

LAITERIE DU BERGER & KOSSAM SDE DIGITALIZED PAYMENT FOR MILK TO THE FARMERS IN SENEGAL

1,425 farmers (mostly women) of the Laiterie du Berger have been able to benefit from the dematerialization of the payment for collected milk and from financial advances on future production and thus improve their living and working conditions.



Laiterie du Berger (Senegal) © François Galland

INNOVATIVE, HIGH-IMPACT SOLUTIONS

The first solution implemented by Kossam's teams was the payment by SM code. The majority of farmers do not have smartphones but first generation mobile phones which receive and send calls and SMS. This solution clearly removed time and organisational constraints for the farmers. This first digitalization took place in February 2020, just before the first COVID-19 measures, which would have prevented them from being paid.

But not all farmers have a phone or access to the network. Kossam then moved on to the second stage of the digitization of payments by providing an individual NFC card that sends the payroll to an electronic wallet. All farmers were then able to withdraw the money they wanted from a Wizall Money kiosk using a confidential code. Furthermore, the end of having to withdraw everything at once allows new uses: micro-savings, passive savings.

LA LAITERIE DU BERGER KEY FIGURES:

€12.5
MILLION TURNOVER

1425
FARMERS

400
EMPLOYEES

Supported by the Grameen Crédit Agricole Foundation, CA Franche Comté and Amundi, Kossam SDE is a subsidiary of the Laiterie du Berger, which coordinates milk production, the upstream part of the sector, and supports farmers so that they can improve this stable source of income. Prior to February 2020, farmers' pay was often a source of error. Farmers were forced to travel to Richard Toll once every two weeks to be paid for their milk production collected by the network of collectors of the Laiterie du Berger. For its part, Kossam SDE had to handle large sums of cash for two days, in conditions of stress and relatively high insecurity.

View the interview with Kossam SDE:
<https://www.gca-foundation.org/en/>



Promoting climate resilience



PAMF CI (Yvory Coast) © Didier Gentilhomme

A collective commitment to climate

The Foundation has signed the Manifesto of the new Coalition Française des fondations pour le Climat (CFFC) [French Coalition of Climate Foundations]

Following the official launch of the French Coalition of Climate Foundations on 18 November 2020, the Grameen Crédit Agricole Foundation has become a member of the Coalition and signed its Manifesto for the Climate. This manifesto is a call to action, collective mobilization and commitment. It calls on all philanthropy stakeholders to adopt structural measures according to the reality of each one in order to contribute to the fight against climate change.

The signing of the Manifesto reaffirms the Foundation's commitment to include the climate issue in its strategy and actions: in its internal operations (with actions such as good waste management and carbon footprint assessment) and in its activities (by raising awareness among the organisations it supports as to the challenges at stake and the implementation of innovative climate financing).

Supporting innovation in the face of climate change

The Foundation is a laureate of the Global Environment Facility's Adaptation Innovation Programme.

On 8 November 2021, the Grameen Crédit Agricole Foundation became one of the 10 laureates of the Global Environment Facility's Adaptation Innovation Programme. This competition provides seed funding for innovative initiatives to help vulnerable countries cope with the worsening climate crisis.

In coordination with five other organisations, the Foundation's project aims to provide public and private stakeholders with common intervention frameworks, indicators and specific products so as to help them coordinate their methodology, and activities and to offer a concrete solution.

Microfinance institutions will receive financial, technical and technological support to accompany the climate change adaptation and biodiversity conservation projects of their clients, particularly the most vulnerable ones, i.e. small producers and rural communities.



"The GEF programme is part of our strategy to support our partners in strengthening climate change adaptation in rural communities"

Éric Campos,
Managing Director,
Grameen Crédit
Agricole Foundation
& Head of CSR,
Crédit Agricole SA

IMPACT STORY

RENACA DEVELOPING GREEN MICROFINANCE IN BENIN

RENACA has received a technical assistance grant under the African Facility to implement actions to promote more sustainable agriculture.



RENACA (Benin) © In-Venture

and to develop a range of products adapted to this ambition.

MISSION GAINS

RENACA was assisted in carrying out an initial diagnosis and developing an action plan and roadmap. The institution also received advice on developing its product offering. Staff and management were made aware of the theme of inclusive green microfinance and sustainable agriculture. Finally, together with all of the Network's stakeholders (general management, operational staff, elected officials, clients), the firm formulated an institutional "green" strategy and an action plan that enabled RENACA to clarify its priorities in this area.

ACTIONS TAKEN AFTER THE MISSION

Following this mission, RENACA was able to define several priority actions: the organisation of awareness-raising missions on green microfinance for RENACA staff, the definition of a list of activities excluded from financing because they are harmful to the environment (charcoal production, water polluting mining activities, etc.), and the development of an environmental and social policy as well as of an environmentally friendly agricultural product offer.

RENACA provides individual and group loans to a predominantly female clientele in six regions of Benin.

This microfinance institution has received support under the African Facility, a programme developed by the Grameen Crédit Agricole Foundation and AFD, to strengthen its actions for a more sustainable agriculture.

MISSION CHALLENGE

Faced with the deterioration of ecosystems, RENACA wanted to develop financing activities for agricultural activities that preserve forests and biodiversity. The institution has to that end benefited from the support of an international firm (YAPU Solutions) to develop a strategy so as to promote more sustainable agricultural practices



€952,806
IN OUTSTANDING LOANS



42,022
ACTIVE BORROWERS



70%
IN RURAL AREAS

Article published in
"Our technical assistance offer":
<https://www.gca-foundation.org/en/our-technical-assistance-offer/>



Acting for a responsible finance



Microfinance Client Protection Pathway

The Foundation is a signatory to a major client protection initiative.

The commitment to client protection continues with the work of the SPTF* and CERISE** who have developed the "Client Protection Pathway," a tool that guides financial service providers in implementing customer protection standards.

The "Client Protection Pathway" includes the key practices in consumer protection (product design and delivery, prevention of over-indebtedness, transparency, responsible pricing, fair and respectful treatment, data privacy and complaint resolution mechanisms).

The Foundation has always paid close attention to the practices of financial service providers during each due diligence process and supports them in strengthening ethical mechanisms to protect their customers. By integrating the "Client Protection Pathway" into its own due diligence processes, the Foundation encourages its partners to focus on client protection and to join this initiative.

Supporting our partners in the COVID-19 crisis

The Foundation has initiated an international coalition to protect the sector.

From the onset of the COVID-19 crisis in 2020, the Foundation has been mobilized to provide better support to the organisations it finances. The actions initiated in 2020 and reinforced in 2021 include an international coalition launched by the Foundation with some thirty funders, operators and other microfinance stakeholders to coordinate, avoid a global liquidity crisis and thus help the sector to face this systemic crisis.

Led by the Foundation, the Coalition has signed a joint Commitment to adopt responsible principles based on consultation and responsible action. The results of this collective work are very positive. Microfinance donors have agreed on the principles adopted in the case of maturity extension, thereby avoiding a liquidity crisis in the sector. They also agreed to coordinate technical assistance missions and advisory or training interventions.

In 2022, the Foundation will continue to strengthen coordination between donors but also shareholders of microfinance institutions. Some institutions are still impacted by the - at times harsh - effects of the crisis, and cooperation and coordination among lenders are the key to increasing the likelihood of their recovery to regain their pre-COVID dynamism.

* Association that promotes responsible, inclusive and ethical finance and creates free and accessible social assessment and standards tools.
 ** A non-profit organisation that develops and promotes standards and good practices in social performance management.

IMPACT STORY

PPSE

SUPPORTING CULTURAL ENTREPRENEURSHIP IN CAMBODIA

Hard hit by the crisis, PPSE has benefited from the support of its shareholders, including the Foundation, to get through this ordeal. Crédit Agricole SA also provided significant support.



also forced PPSE to cancel its international tours. Its revenues dropped from \$2.5 million in 2019 to \$700,000 in 2020 and \$400,000 in 2021. Exceptional cost-cutting measures have been implemented. Its payroll has been divided by 4.

HELPING PPSE THROUGH THE CRISIS

The Foundation supported the Director and his team in managing the crisis. Through its technical and strategic support and the search for subsidies, PPSE has begun to reorient its economic model towards activities that are less dependent on tourism: digital strategy, creative agency, cultural offer to local customers in Phnom Penh, music label, artistic village in Siem Reap. For the past two years, the Foundation has been supervising some twenty students from Sciences Po who are helping to envisage new strategic avenues. Crédit Agricole S.A. and the Foundation helped PPSE implement its digital strategy and co-financed a recording of PPSE's show: "Same same but different", which will soon be broadcast on media platforms. In early 2022, the country gradually lifted restrictions and tourists returned to applaud the artists.

€457,000
TURNOVER

36
ARTISTS EMPLOYED

41
EMPLOYEES

Located in Siem Reap in north-western Cambodia, a stone's throw from the remains of the Angkor temples, Phare Ponleu Selpak Enterprise (PPSE) offers artistic activities and performances to local people and tourists. This social business employs young graduates from the Phare Ponleu Selpak Association (PPSA). The Foundation has been supporting PPSE since it was created in 2013 through a 15.5% stake in its capital and financing granted to support its development. By combining social and financial performance, PPSE has gradually become the country's leading circus.

The COVID-19 crisis halted all tourism activity in Cambodia, which represented the majority of PPSE's revenues. The lockdown measures



SUPPORT FOR OUR PARTNERS IN A HEALTH CRISIS

Helping to adapt and innovate

Despite the gradual recovery of our partners' activities, we have maintained a necessary vigilance in the face of the instability of the context linked to the health crisis.

In 2020, our first response to the crisis was to establish permanent contact with the organisations we support to understand the effects of the crisis, the measures taken and their needs. This consultation has resulted in many deferrals and continued funding, thereby preventing a liquidity crisis in the sector.

Our dedicated crisis observatory, notably through its regular surveys, has monitored the impact of the crisis continuously and has been a key tool in the management of the Foundation. In parallel, the Foundation published, together with ADA and Inpulse, a COVID-19 report which brings together the lessons of this period and the future prospects for the sector. It showed that a very large proportion of our partners were able to cope with the crisis by taking appropriate management measures while maintaining a responsible approach with their customers.

Whereas these companies proved their resilience by being eligible for Foundation funding according to standard risk criteria, a significant proportion of them still carried signifi-

cant legacy risk from the year 2020 on their balance sheets at the beginning of 2021. The persistent slowing down of global activity and the fluctuations of local contexts still weighed on a part of the microfinance institutions' clients.

It was therefore necessary to continue this extensive monitoring in 2021. Our survey initiative with our partners ADA and Inpulse has now become quarterly and the results were again shared within the sector. The first surveys of 2021 show a general improvement in economic activity. However, this general trend hides contrasting realities between institutions that are returning to growth (the most numerous) and others in greater difficulty.

Therefore, this year, our responses have been tailored to each situation, combining new financing, technical assistance, maturity deferrals and - more exceptionally - debt restructuring. Whatever the form, we continue to promote initiatives to protect the clients and staff of microfinance institutions.

Accountability, flexibility and transparency are the keys to the success of our commitments.

Signs of economic recovery are still mixed

Despite an unstable context, the recovery of microfinance institutions in most countries was gradual in 2021. At the same time, digital technology and agricultural financing have been positioned as areas of development for the sector.

In 2020, regular surveys conducted by the Grameen Crédit Agricole Foundation, ADA and Inpulse revealed the strong impact of the COVID-19 crisis on the activities of the microfinance institutions financed. In 2021, the results show a gradual lifting of these constraints and a definite recovery in activity. They also show that more and more institutions are starting work to strengthen the digitalization of their offers and processes.

Despite the upturn, growth is limited due to weak demand

Despite some disparities, the reduction in operational constraints was confirmed in 2021 as shown in the first graph (Graph 1). In the last quarter, 70% of the institutions surveyed no longer had any COVID-19-related constraints in their activities. Only those in Eastern Europe experienced a tightening of measures after a resurgence of the epidemic at the end of 2021, with no major impact on results.

Despite this improved environment, operational performance remained below expectations (Graph 2). For example, most respondents report that they have not met their loan disbursement targets since the beginning of the year. In the second half of 2021, the two main reasons for this deviation from initial ambitions are the deteriorating risk profile of the client base (54%) and the reluctance of clients to take on new loans (49%).

Half of the MFIs surveyed had a higher risk portfolio at the end of 2021 than before the crisis. This persistence of credit risk over the months and the cautious management of microfinance institutions also limit the possibilities of developing outstanding loans.

The strategic lines of development envisaged by microfinance institutions

Very early on in the crisis period, the digitalization of operations appeared to be essential, particularly in order to overcome the difficulties of direct contact with borrowers. At the end of the year, the implementation of digital solutions (both internally and externally) emerged as the main area of development in the years to come (Graph 3). Digitalization is beneficial to both the institution and the customer, increasing revenues, providing a personalized experience and strengthening the reach of financial inclusion. While this attraction to digitalization is found in all regions, it is more pronounced among the larger institutions.

The other strategic areas mentioned have remained broadly constant since the beginning of the pandemic. For example, 30% of the institutions surveyed plan to focus more on agriculture, an area of activity that was seen as more resilient by the institutions since the start of the COVID-19 crisis.

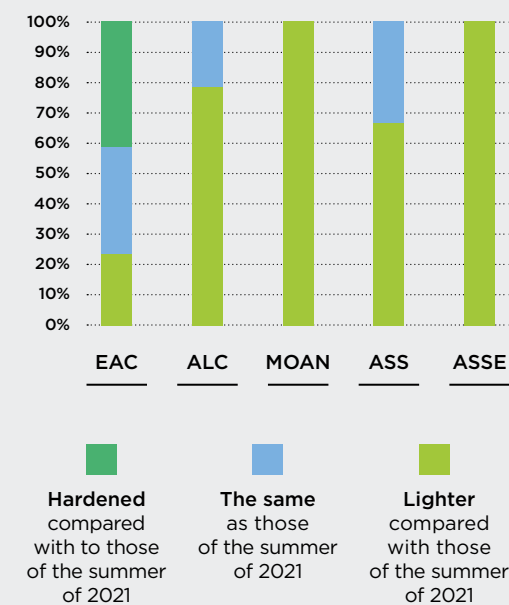
Our partners also mention the importance of training and awareness-raising on the use of digital solutions, financial education, health and environmental protection. These training themes highlight the need to support clients in adapting to these strategic changes in organisations.

The capacity to implement these strategic directions varies depending on the size of our partners

According to our latest results, 93% of large institutions have already started to implement measures to support the strategic directions mentioned in Figure 3,

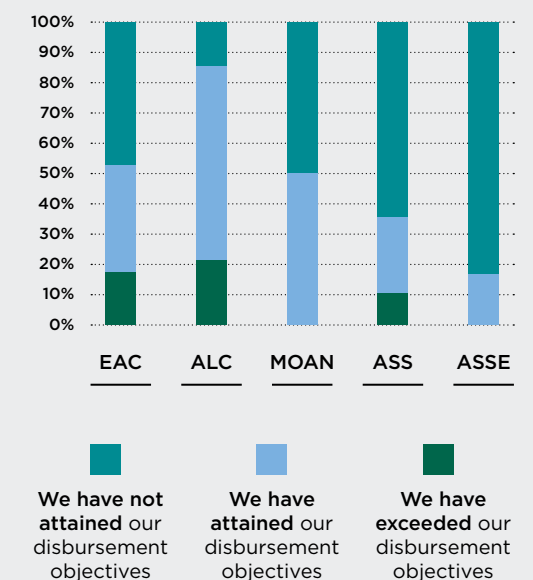
Graph 1 — CONSTRAINTS LINKED TO THE HEALTH CRISIS
(November 2021)

Currently the measures to contain the epidemic in your country are:



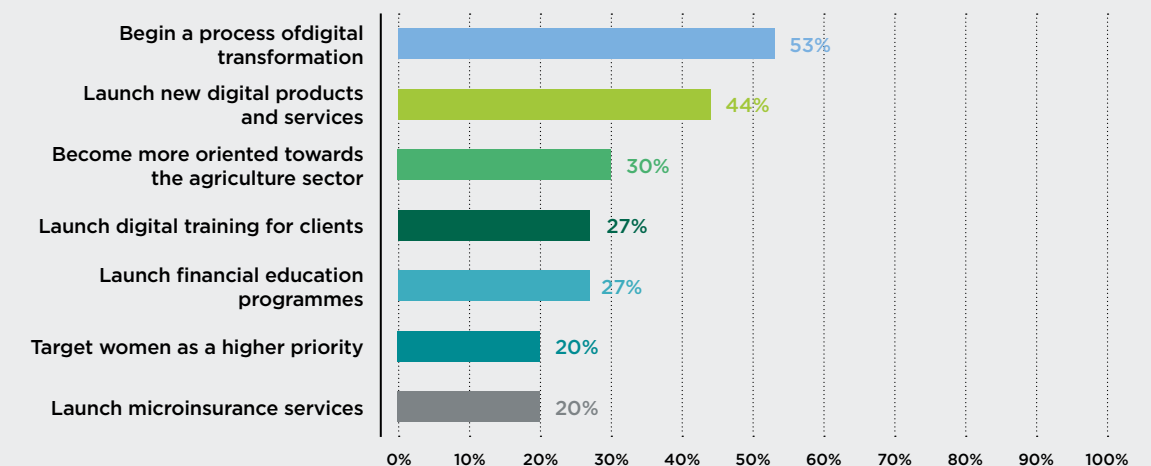
Graph 2 — DISBURSEMENT OBJECTIVES
(November 2021)

Have you managed to attain your disbursement objectives since the beginning of the year?



Graph 3 — LINES OF STRATEGIC DEVELOPMENT CONSIDERED
(November 2021)

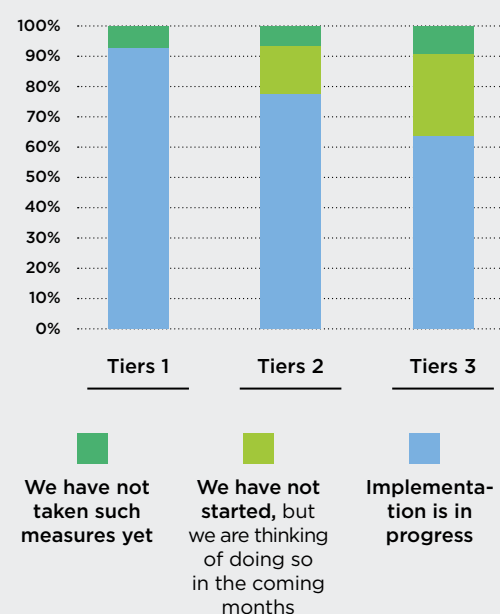
Has the crisis brought about new strategic directions in your institution?





Graph 4 — IMPLEMENTATION OF NEW STRATEGIC ORIENTATIONS
(November 2021)

Have you already managed to implement some of these measures?



whereas this proportion drops among small and medium-sized institutions. These differences by size, which we already noted in work carried out in the summer of 2020, are also reflected in the level of support expected from external stakeholders (investors, donors, etc.) in carrying out this long-term work.

In order to move forward on the development axes, technical assistance and funding allocated to these projects are the two main levers mentioned by the microfinance institutions, which are much more solicited by Tier 2 and Tier 3 institutions. The larger partners are thus seen as more autonomous after the crisis to meet their next challenges, as they were at the peak of the crisis.

IMPACT STORY

OXUS KYRGYZSTAN (OKG) ADAPTATION AND INNOVATION IN ACTION

The Grameen Crédit Agricole Foundation has been supporting and funding OKG since 2017 with, among other things, technical assistance to help it develop its digital strategy.



However, Kyrgyzstan's economy continues to face many economic difficulties with little diversification and a weak currency. These weaknesses could be exacerbated in the context of the Ukrainian crisis, with an already devalued currency and an impact on the many remittances from Russia.

RESPONSES TO THE CRISIS

Thanks to an improved health context and its good management of the COVID-19 crisis in 2020, OKG was able to rebound in 2021 with a clear resumption of portfolio growth supported by the acquisition of new clients. Field operations have normalized and teams have been mobilized to meet the increased funding needs of microfinance clients. The portfolio of loans restructured due to the pandemic continued to decline throughout the year.

ROLE OF THE FOUNDATION

In 2021, the Foundation coordinated a non-acceleration agreement with all OKG lenders. To support the institution in its recovery, the Foundation also disbursed a new loan of EUR 800,000. The lifting of travel restrictions allowed Foundation staff to go to the field in Kyrgyzstan to meet with OKG staff and some of their clients.



€6.4
MILLION PORTFOLIO



8000
ACTIVE BORROWERS



62%
IN RURAL AREAS

PRESENTATION

This microfinance institution has been providing financial services to the working poor and underbanked in Kyrgyzstan since 2006. Its network of 11 branches and 113 employees serves more than 8,000 active borrowers (47% women and 62% in rural areas) and manages a portfolio of €6.4 million.

IMPACT OF THE CRISIS

In 2021, Kyrgyz GDP growth was positive for the first time after the shock of the COVID-19 pandemic. This improvement in the economy was reflected in the microfinance sector, notably through the tendency to improve credit risk and a limited impact on profitability and solvency.



OUR TECHNICAL ASSISTANCE PROGRAMMES

Furuz (Tajikistan) © Furuz

The impact of targeted technical assistance

The missions set up under the programmes coordinated by the Foundation contribute to the strengthening and development of our partners.

Today, technical assistance is one of the Foundation's four lines of business, alongside investment, financing and investment advice. Since 2013, 383 missions have been launched for 59 partners. €8.7 million in grants have been awarded to the Foundation to set up technical assistance facilities. What started with the African Facility is now a set of 6 technical assistance programmes.

These years of experience have enabled us to gain maturity in developing our technical assistance towards more targeted programmes to support our partners better. Faced with the advent of digital financial services, we have launched initiatives to support our partners in the digitalization of their processes and services. In response to the challenge of climate change, we coordinated missions and organized training to promote the development of green microfinance.

Faced with the COVID-19 crisis, the Foundation quickly adapted its intervention methods, in agreement with its donors, by setting up new forms of support. The deployment of local experts and the organisation of remote missions

have made it possible to overcome logistical constraints linked to travel restrictions. This flexibility proved crucial in dealing with the COVID-19 pandemic. It was thus possible to reorient 40 missions of the African Facility from the initial programme defined with the partner, notably towards liquidity management and digitalisation missions.

Missions on liquidity risk management or the development of business continuity plans have thus made it possible to meet the immediate needs of our partners in a context of great uncertainty. Finally, the strengthening of HR management or the digitalization of the credit process and distribution channels have helped organisations to deal with crisis management issues.

The launch of new programmes focusing on the consolidation of rural economies and operational strengthening has enabled the Foundation to further diversify its support and to accompany the resilience of its partners. Thanks to this diversity of offer, technical assistance was able to play, and still plays, a social shock absorber role during the health crisis.

Eight years after the launch of our technical assistance activities, in 2021 the Foundation carried out a review of its offer in the publication "Our technical assistance offer" to improve its management and increase its impact (see p.29).

KEY FIGURES AND PROGRAMMES



FATEY (Palestine) © GODONG

KEY FIGURES IN 2021:


130 MISSIONS MANAGED


47 ORGANISATIONS RECEIVING TECHNICAL ASSISTANCE


24 COUNTRIES


€6.5 MILLION IN GRANTS

THE PROGRAMMES:

Strengthening microfinance with the African Facility 2013-2021**Objectives:**

- Improve financial inclusion in sub-Saharan Africa
- Strengthen selected microfinance institutions according to criteria that are more flexible than the the Foundation's traditional funding criteria, and support them towards financial sustainability

Partners: AFD**Support for financial inclusion in sub-Saharan Africa 2019-2024****Objectives:**

- Promote financial inclusion in sub-Saharan Africa
- Contribute to improving the performance of microfinance institutions and strengthen their resilience after the COVID-19 crisis

Partners: EIB / Government of the Grand-Duchy of Luxembourg**Skills volunteering with Solidarity Bankers**

Since 2018

Objectives:

- To use the skills of Crédit Agricole Group employees to meet the varied guidance and support needs of the Foundation's partners

Partners: Crédit Agricole**Promoting financial inclusion of refugees 2019-2023****Objectives:**

- Improve the financial inclusion of refugees and their host communities
- Improve their livelihoods and resilience

Partners: Sida / United Nations High Commissioner for Refugees**Strengthening agricultural value chains with the SSNUP 2021-2023****Objectives:**

- Strengthen the resilience of small producers and the structuring of agricultural value chains
- Encourage new investment and financing in the agricultural sector

Partners: ADA Microfinance / Swiss Agency for Development and Cooperation / Liechtenstein Development Service / Luxembourg Aid & Development**Microinsurance development 2021-2024****Objectives:**

- Strengthen the skills of microfinance institutions in structuring insurance products and services
- Support the development of new insurance products or the improvement of these products

Partners: PROPARCO / ILO

The wealth of our programmes

Strengthening microfinance with the African Facility

Launched in 2013 by the Grameen Crédit Agricole Foundation and financed by the Agence Française de Développement, the African Facility is our historic technical assistance programme.

Combining financing, guarantees and technical assistance, this unique holistic scheme has enabled the Foundation to support small partners in sub-Saharan Africa.

Objectives

Promote financial inclusion in rural areas by supporting microfinance institutions, selected according to flexible financial criteria, towards operational self-sufficiency and financial sustainability.

Intervention procedures

- A €3.52 million grant to implement tailor-made technical assistance activities, after an institutional diagnosis (due diligence) conducted by the Foundation;
- An ARIZ portfolio guarantee of €17 million, of which €5.5 million for the beneficiary institutions;
- A line of credit of €6 million to co-fund part of the loans granted by the Foundation to microfinance institutions receiving technical assistance.

FIGURES FOR THE AFRICAN FACILITY 2017-2021

22 BENEFICIARY MICROFINANCE INSTITUTIONS

230 MISSIONS CARRIED OUT
**KEY RESULTS:**

- +38% INCREASE IN THE NUMBER OF ACTIVE BORROWERS
- +47% INCREASE IN SIZE OF CREDIT PORTFOLIO OF THE BENEFICIARY INSTITUTIONS

**Support for financial inclusion in sub-Saharan Africa**

The European Investment Bank (EIB), through the Financial Inclusion Fund initiated and financed by the Luxembourg Government, subsidizes technical assistance missions to African microfinance institutions. The partnership with the Foundation was launched in 2019 and will last until 2024.

After a precise diagnosis of the technical assistance needs of the twelve microfinance institutions benefiting from the programme, the Foundation developed a support plan with activities in digital transformation, strategy, risk management, human resources management, social performance management, customer relationship improvement and agricultural finance.

Objectives

- Promote financial inclusion in sub-Saharan Africa;
- Contribute to the improvement of the performance of microfinance institutions after the COVID-19 crisis.

Intervention procedures

A grant of €0.85m to implement tailor-made technical assistance activities.

5 BENEFICIARY MICROFINANCE INSTITUTIONS

19 MISSIONS CARRIED OUT


7 "SOCIAL PERFORMANCE" MISSIONS
5 "RISK MANAGEMENT" MISSIONS



Skills volunteering with Solidarity Bankers

The Solidarity Bankers programme was launched in 2018 under the impetus of the Foundation, in partnership with the Crédit Agricole Group. It is a skills volunteering scheme open to Crédit Agricole Group employees in favour of organisations financed by the Foundation.

Through this scheme, Crédit Agricole Group employees provide technical assistance in their field of expertise. Some thirty projects have been launched in some fifteen countries, representing 357 days of missions in the form of skills volunteering.

Objectives

- Support the organisations financed by the Foundation with targeted, one-off technical support;
- Enhance the skills of Crédit Agricole Group employees who wish to devote themselves in impact projects.

Intervention procedures

Pro bono in the field for two weeks or remote missions but for longer periods carried out by 1 or 2 Crédit Agricole Group employees to support an organisation financed by the Foundation on a specific need (institutional strengthening, business plan development, digitalization of services, risk management, cash management, reduction of the direct carbon footprint, etc.).

17 BENEFICIARY ORGANISATIONS



21 MISSIONS CARRIED OUT



KEY RESULTS:

- 7 BUSINESS / STRATEGIC PLANS DEFINED
- 3 RISK AND COMPLIANCE STRATEGIES/TOOLS ESTABLISHED
- 4 DIGITAL STRATEGIES DEVELOPED



Figures as of 31/12/2021



“The success of the Solidarity Bankers programme confirms the commitment of CA employees and the Group’s desire to support projects with a social and/or environmental impact”

Carolina Viguet,
Head of Communication & Partnerships,
Grameen Crédit Agricole Foundation



Promoting financial inclusion for refugees

The Swedish Agency for Development and International Cooperation (SIDA) and the United Nations High Commissioner for Refugees (UNHCR) have selected the Foundation to coordinate this programme for refugees and local communities in Uganda.

After a long phase of diagnosing the needs of the various stakeholders, market research and programme design conducted by the Foundation in cooperation with UNHCR and SIDA, the programme was launched in 2019. It is characterized by its approach of mixed funding (public and private capital) and its comprehensive three-pronged approach: a funding line for microfinance institutions, a technical assistance facility to develop new products and services offered directly in refugee camps and a lender guarantee fund.

The microfinance institutions benefiting from the programme can thus:

- Open new branches in the regions where the refugees live;
- Recruit employees to serve refugees and local communities;
- Offer products and services adapted to the target population;
- Establish financial and entrepreneurial education services.

Objective

Promote the social inclusion of refugees and their host communities in Uganda through entrepreneurship.

Intervention procedures

- A funding line adapted to the ambition of the three microfinance institutions that are implementing the programme in the field;
- A €2.4 million grant to finance technical assistance missions for the beneficiary institutions;
- A 50% guarantee on the loans granted by the Foundation to the beneficiary institutions of the programme.

3 BENEFICIARY MICROFINANCE INSTITUTIONS



6 BRANCHES OPENED IN REFUGEE CAMPS IN UGANDA



KEY RESULTS:

- 24,203 REFUGEES WHO RECEIVED LOANS
- 31,087 REFUGEES WHO RECEIVED TRAINING



Strengthening of agricultural value chains with 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).

This support programme for small-scale agricultural producers is coordinated by a Luxembourg NGO, ADA Microfinance, and is co-financed by the Swiss Agency for Development and Cooperation, the Department of Cooperation for Development and Humanitarian Action of the Luxembourg Ministry of Foreign and European Affairs and the Liechtenstein Development Service.

Objectives

- Strengthen actors in agricultural value chains by promoting sustainable management practices to generate income, create employment and improve food security;
- Improve the productivity and resilience of small-holder farmers by providing them with suitable financial solutions and promoting sustainable agricultural practices in line with agri-ecological principles;
- Promote responsible investment and financing in agricultural and food systems.

Intervention procedures

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

€1 MILLION IN GRANTS TO STRENGTHEN THE AGRICULTURAL VALUE CHAINS



3 GEOGRAPHIC AREAS: AFRICA, ASIA AND THE MIDDLE EAST



Developing microinsurance in Africa and Asia

In partnership with PROPARCO and the International Labour Organization (ILO), the Grameen Crédit Agricole Foundation has developed a technical assistance programme to promote the development of microinsurance offers in Africa and Asia.

PROPARCO, a subsidiary of Agence française de développement (AFD) [French Development Agency], has given the Grameen Crédit Agricole Foundation a €900,000 grant to promote the development of microinsurance products offered by microfinance institutions. The scheme relies on the expertise of the ILO's Impact Insurance programme to train partner institutions in Africa and South-East Asia.

Twelve institutions in all will benefit from a technical assistance programme (training on microinsurance, structuring of offers, and advice support for ILO experts in the field) to enable them to offer microinsurance products to their beneficiaries.

Objective

- Strengthen the skills of microfinance institutions in structuring microinsurance products and services;
- Support the development of microinsurance products.

Intervention procedures

A €0.9m grant to train and support partner microfinance institutions in the development of microinsurance products.



“This programme will enable us to strengthen our capacity to provide support for the development of insurance products and services, including agricultural insurance”

Éric Campos, Managing Director,
Grameen Crédit Agricole Foundation
& Head of CSR, Crédit Agricole SA

PUBLICATION

OUR TECHNICAL ASSISTANCE OFFER

With the methodological help of Cerise, an independent organisation, the Foundation wanted to carry out an in-depth evaluation of its technical assistance system.

The quantitative and qualitative analyses conducted under this study among the partners who received technical assistance have shown an improvement in their financial indicators, and an improvement in their operational performance.

The assessment also provided lessons learned on the Foundation's technical assistance system as a whole: internal procedures, intervention procedures, involvement of beneficiary organisations, choice of service provider, reporting, post-mission follow-up, etc.

It thus highlighted the uniqueness of the Foundation's approach in terms of technical assistance coordination, in particular its flexibility, participatory approach, relevance to the needs of the institutions and the quality of the expertise provided.

This report has enabled the Foundation to share its experience with all those who contribute to the consolidation of the inclusive finance sector, and to deduce the key success factors for maximizing the impact of technical assistance.



Several key success factors were identified as a result of the assessment:

- Interventions in line with the needs of the beneficiary organisations thanks to a fine-tuned diagnosis and an understanding of the institutional culture that responds precisely to the needs of the beneficiary institutions;
- A strong involvement of beneficiary institutions in the definition of the mission and the choice of technical assistance providers, as well as a relationship of trust and on equal footing;
- The involvement of the governance of beneficiary institutions and a formal commitment from management to make the most of the mission;
- Synergies with the investment teams to optimize the drafting of the specifications and ensure the implementation of truly priority and high value-added actions;
- An intervention in line with multi-year programmes to maximize the impact of the support and the sustainability of the interventions once the programme is over;
- Flexibility on the themes covered so as to be able to quickly adapt interventions to the needs of the institutions;
- Diversified funding procedures (including the funding of equipment and salaries) to meet all the needs of organisations and of the realities in the field;
- The development of local expertise and the mobilization of experts with a good knowledge of the local context;
- Streamlined and optimized reporting and auditing procedures and requirements to invest time on tasks with high added value for the beneficiary organisations.

View the publication here:
<https://www.gca-foundation.org/en/our-technical-assistance-offer/>





BEHIND THE SCENES AT THE FOUNDATION

Microinvest (Moldavia) © Philippe Lissac

A constant quest for greater efficiency

To mobilize our winning
assets and strengthen
our support, our teams
are driven by a spirit of
continuous improvement.

The Foundation has from the outset always been keen to improve the efficiency of these processes so as to meet the regulatory requirements and to be as committed as possible to its partners. In a context of the global crisis caused by the pandemic and in local contexts impacted by armed conflict, this search for efficiency is essential.

We always ask ourselves whether a project in which we participate will generate a positive economic, social or environmental impact. The Foundation defines impact as the lasting improvements that its actions have plausibly contributed and which can be measured by reach, outcome and change indicators. This ongoing search for additional features to funding is at the heart of the spirit of improvement that drives our teams.

The Foundation supports small and medium-sized institutions that provide financial services to populations

excluded from the traditional banking system in weak countries. This is what makes it unique. It also requires a demanding, efficient and responsible management. We take into account the financial results, but also the internal adaptation of products and services and the impact on the final beneficiaries (education, health, job creation, environment...) of the institutions that we support.

The monitoring of our partners takes the form of recommendations, pre-conditions for funding and technical assistance missions. This is a skill for which we have an internal centre of expertise. We share these responsible management practices, particularly with the entities of the Crédit Agricole Group, and we apply the principles that we promote, particularly in our management: training plans, quality of life at work, representation of women in key positions, etc.

The Foundation's lines of business

Expertise based on 5 activities

Financing microfinance institutions

In the early years of its existence, the Foundation focused on financing microfinance institutions, gradually specializing in smaller institutions located in rural areas and mainly benefiting women engaged in small income-generating activities.

Financing impact enterprises

In a second phase, the Foundation extended its scope to the financing of social impact enterprises and, between 2011 and 2017, acquired equity stakes in these impact enterprises to enable them to "scale up".

Coordination of technical assistance programmes

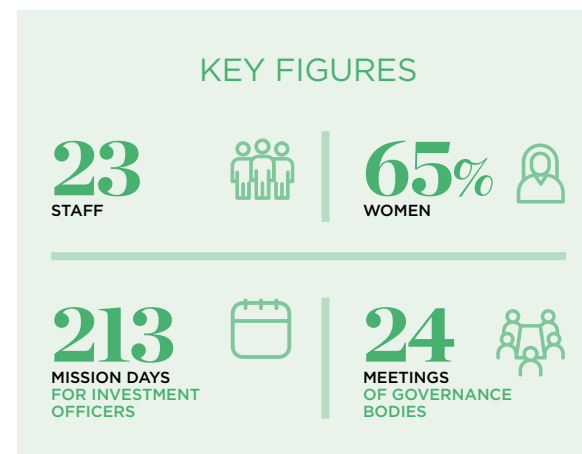
As of 2013, the Foundation has complemented its approach with a capacity to provide targeted expertise in order to strengthen the operational performance of its partners. We have been developing, coordinating and implementing technical assistance programmes for nine years now.

Investment advice

Since 2018, the Foundation has also been an advisor to investment funds: we help investors to engage in the development of microfinance or, more generally, inclusive finance.

Advocacy

In order to promote actions and mobilize other stakeholders around financial inclusion, the Foundation shares its experience through various publications and organizes events with other key players in the sector. This involves highlighting the challenges, lessons learned and solutions provided by the Foundation, its partners and peers.



Expertise in the areas of inclusive finance

The Foundation intervenes at the heart of local economies in rural areas in the most fragile regions of Africa, Asia and Europe. It supports vulnerable populations with very low per capita incomes in favour of women. It is also distinguished by its approach: flexible, participatory, responsive and qualitative.

An organisation adapted to the Foundation's mission

1 group of committed experts

Our teams are made up of investment officers, risk and finance analysts and support staff. Their profiles are complementary, but what they all have in common is the ability to forge close links with the partners we support. Their approach is conducted according to the responsible principles of social performance management. Their respective expertise contributes to the sustainability of the Foundation.

One solid and committed governance

The Foundation is composed of a Board of Directors with 5 representatives of Crédit Agricole, 3 representatives of the Grameen Trust and 5 independent Directors.

We also have 3 specialized committees:

- The Investment Committee reviews and approves investment cases (3 Directors and one independent expert);
- The Finance, Risks and Impact Committee sees to the financial performance, risk management and the monitoring of the social and environmental impact of the Foundation (4 Directors);
- The Compliance and Internal Control Committee sees to compliance with the anti-money laundering and fight against terrorism policy, the proper functioning of the internal control system, and compliance with the Ethics Charter and Code of Conduct.

INTERVIEWS

TESTIMONIALS OF THE FOUNDATION'S TEAMS

Sébastien Simonot, Senior Investment Officer and
Victoire Binson, Technical Assistance Officer,
Grameen Crédit Agricole Foundation.

Sébastien
Simonot



Victoire
Binson



What is your job as an Investment Officer in a few words?

S. S.: The job of Investment Officer consists of establishing and developing sustainable partnerships with microfinance institutions. A large part of our working time is devoted to identifying these potential partners through an in-depth analysis of their financial, social and environmental performance, first remotely and then on site during due diligence missions. We also interact on a regular basis with the institutions that are already in our portfolio to assess the development of their financial, social and environmental performance as well as their financial and technical needs in order to strengthen our partnerships.

What are the strengths of your job?

S. S.: This job gives me the opportunity to observe the innovation shown by microfinance institutions in providing services to vulnerable groups, despite the difficult contexts in which they have to operate. The in-depth analysis of these institutions, particularly through on-site visits and meetings with their clients, highlights the Foundation's ambitions to promote social entrepreneurship and financial inclusion. Finally, the transversal nature of the job: an investment officer works with all the Foundation's teams.

In a few words, what does the Foundation's technical assistance provide?

V. B.: Technical assistance is a support system that aims to provide additional support to microfinance institutions and social enterprises financed by the Foundation. The methods of intervention are diverse: participation in training sessions, support missions in the field for specific needs and co-financing of equipment purchases. The Foundation plays a role in coordinating technical assistance within the framework of programmes that are launched with financial and technical partners.

What are the main impacts of these programmes?

V. B.: The Foundation has just published a report on its technical assistance system in which we have identified three direct impacts: first, technical assistance makes it possible to strengthen the operational performance of its partners; second, it makes it possible to develop new services, such as digitalisation or microinsurance, and to reach new targets, such as refugee populations; third, via these technical assistance programmes, the Foundation promotes innovative practices and strengthens its links with the players in the inclusive finance sector.

Read the full interview with Sébastien Simonot:
<https://www.gca-foundation.org/en/>



Read the full interview with Victoire Binson:
<https://www.gca-foundation.org/en/>



INTERVIEW

ADAPTATION AND RESPONSIBILITY IN THE FACE OF THE HEALTH CRISIS

Édouard Sers, Head of Risks, Compliance & Impact, and
Philippe Guichandut, Head of Inclusive Finance Development,
Grameen Crédit Agricole Foundation.

Édouard
Sers



Philippe
Guichandut



How is the Foundation doing in supporting funded organisations in dealing with COVID-19? What is the upshot in terms of risk?

É. S.: Over the period, we have noted a great resilience on the part of the 70 institutions surveyed. Only a handful, about 5%, suffered a lot from the crisis. To deal with the crisis in 2020, we granted 28 extensions in microfinance and 1 in impact business. Our partners are well out of this moratorium period in 2021. The majority have returned to pre-crisis risk profile levels. We only had to support 3 institutions under restructuring (in Kenya, Uganda and Zambia). The anti-COVID measures increased the credit risk of our partners in 2020 and impacted their profitability. After the credit risk peak in June 2020, the risk gradually decreased until December 2021. The losses accumulated during this period slightly reduced capital but did not prevent our partners from resuming a growth trajectory.

P. G.: I would add that the number of Foundation partners has remained stable and the problematic cases, especially in Uganda and Kenya, are mainly related to the drastic government restrictions during the COVID crisis. But otherwise, in 2021, the restrictions imposed were more flexible and did not last too long.

What did the COVID-19 crisis teach you about the support and resilience of the partner organisations?

P. G.: The crisis showed us how important it is to have the trust of our partners, thanks to listening and exchanges. Upstream information enabled us to see trends and adjust our interventions. This dialogue with our counterparts and also with our peers must not be limited to the COVID-19 crisis. These reflexes count and will count in uncertain times, such as Myanmar in 2021 and the consequences of the war in Ukraine in 2022. Continuing our commitments, adapting them if necessary, and never breaking continuity are all crucial. Problems are often linked to governance, when the shareholder has not played its role. Otherwise it works and we move forward.

É. S.: Maintaining close proximity to our partners and preserving their ability to finance has been our priority. The moratoriums we have granted then allow the institutions to pass them on to the final clients. A micro-entrepreneur cut off from financing must sometimes make major sacrifices, including feeding himself and his family. The flow of liquidity is fundamental to their resilience. We need to support them. I also believe that we can only help our partners if the shareholder plays its role, i.e. to provide financial support, make the right management decisions, provide information in a transparent way. The Foundation only provides support under these conditions of governance and transparency.

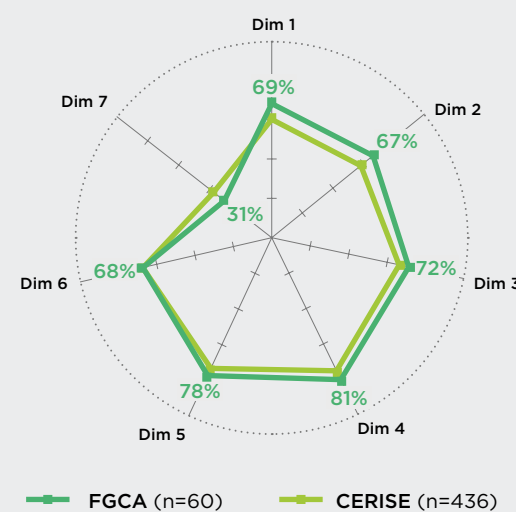
Assessing the implementation of our impact model

Impact is defined as the sustainable improvements to which the Foundation's actions have plausibly contributed and which can be estimated through quantified reach, outcome and change indicators.

In 2019, the Foundation defined its impact model and has since been assessing the direct and indirect impact of its investments using a scoring tool. In parallel, the Foundation is conducting impact studies in the field, in collaboration with its partners.

Following its first impact report in 2019, the Foundation continued its analysis by developing a scoring tool to assess the direct impact (impact of the Foundation on the microfinance institutions or on the companies financed and/or supported) and indirect impact (impact of the organisations financed and/or supported on their beneficiaries). These impact opinions are now integrated into each project.

Graph 5 — GLOBAL BENCHMARK 2021 BY SIZE



SEF, AN IMPACT STUDY LAUNCHED IN 2020 IN COOPERATION WITH THE SIDI*

The SEF microfinance institution in South Africa, finances exclusively women in rural areas, using the group's methodology.

Some results of the study:

- 83% of clients find it easier to save and 81% find it easier to repay their loans as a result of their involvement in the SEF process.
- 62% of clients reported that they perceive tangible changes in their situation as a result of being SEF clients ("paying for things in the house").
- 93% of clients feel more confident, 91% better prepared for the future and 85% are more optimistic about their business.

Assessment of the implementation of the impact model

Two years after the introduction of these opinions, the Foundation wanted to assess whether it was effectively implementing its impact model in its investments. This analysis enabled us to conclude that the model had a direct impact by financing many Tier 3 in weak states, despite a certain level of risk. Furthermore, the SPI4-Alinus analysis of the Foundation's partners conducted by an independent firm (Cerise) shows the importance of social performance for the MFIs supported by the Foundation, with an overall SPI4-Alinus score of 67% in 2021, in line with the benchmark (see Graph 5).

Impact studies in the field

In addition to its internal impact assessment, the Foundation funds field impact studies. In 2020, it partnered with SIDI to conduct joint field impact studies (see box), and the second with the KRK institution in Kosovo. In 2022, the Foundation is participating in the 60-Decibels initiative and is co-financing their Financial Inclusion Index through the participation of several of its partners in impact studies with clients, particularly in Burkina Faso. The results of these studies will enable the Foundation to feed its impact model.

* This box will contain indicators upon receipt of the final study.

THE FOUNDATION

GOVERNANCE

CHAIRMAN OF THE FOUNDATION:



Raphaël Appert

DIRECTORS REPRESENTING THE GRAMEEN TRUST:



Professor Muhammad Yunus



Abdul Haï Khan



M Shahjahan
Vice-Chairman of the Foundation

DIRECTORS REPRESENTING THE CREDIT AGRICOLE GROUP:



Véronique Faujour



Bernard Lepot
Chairman of the Investment Committee



Jean-Pierre Paviet



Jean-Marie Sander

INDEPENDENT DIRECTORS:



Her Royal Highness, the Grand Duchess of Luxembourg



Miren Bengoa



Jérôme Brunel
Chairman of the Compliance and Internal Control Committee



Sylvie Lemmet
Chairwoman of the Finance, Risks and Impact Committee



Soukeyna N'Diaye Bâ

INDEPENDENT EXPERTS:



Bernard Fouquet



Étienne Viard

THE FOUNDATION

THE TEAM

MANAGEMENT COMMITTEE:



Éric Campos
Managing Director



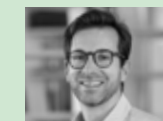
Vincent Brousseau
Head of Impact Enterprises Financing
Since February 2022



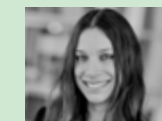
Philippe Guichandut
Head of Inclusive Finance Development



Hélène Keraudren Baube
Chief Financial Officer



Édouard Sers
Head of Risks, Compliance and Impact



Carolina Viguet
Head of Communication and Partnerships



Pascal Webanck
Head of Impact Enterprises Financing
Up to December 2021

DEVELOPMENT OF INCLUSIVE FINANCE:



Victoire Binson
Technical Assistance Officer



Maxime Borgogno
Investment Officer



Caroline Brandt
Senior Investment Officer



Lamine Cissé
Investment Advisor



Violette Cubier
Technical Assistance Manager



El Hadji Diop
Investment Advisor



Khady Fall
Investment Advisor



Kathrin Gerner
Investment Advisor



Robin Lavrilloux
Investment Advisor



Julie Serret
Investment Advisor



Sébastien Simonot
Senior Investment Officer

COMPLIANCE, RISKS AND IMPACT:



Pauline Blit
Risks and Compliance Analyst



Gabrielle Ferhat
Risks and Impact Analyst



Alice Rullier-Maugüé
Risks and Impact Analyst

FINANCING OF IMPACT BUSINESSES:



Céline Hyon-Naudin
Senior Investment Officer

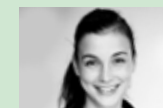


Guilhem Vincent
Investment Officer

MIDDLE OFFICE AND COMMUNICATION:



Rym Boukharouba
Administrative and Financial Officer



Cécile Delhomme
Communication and Partnerships Manager



Maria Franco
Communication Officer



Valérie Iguersaid
Administrative and Financial Officer



Claire Lecocq
Administrative and Financial Officer



Yasmine Reggai
Project Officer



Hélène Zbinden
Administrative Assistant

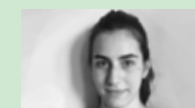
TRAINEES:



Ludivine de Beaucorps
Communication and Partnerships Intern



Clara Becard
Investment Intern



Isidora Djokic
Communication and Partnerships Intern



Alyssia Fischer
Investment Intern



Aicha Hassouna Auclair
Investment Intern

FINANCIAL STATEMENTS

Despite the COVID-19 crisis, for the second year in a row, the Foundation recorded a high level of operating income. The Foundation has mobilized additional funding to respond to the crisis.

Balance Sheet

(in €000)

ASSETS	2021	2020	LIABILITIES	2021	2020
Financial assets	77,242	73,721	Endowment and results	48,905	48,761
Loans	64,678	60,437	Initial endowment	50,001	50,001
Financial investments	7,648	7,614	Profit / loss carried forward	-1,240	-1,299
Acquisition of equity investments	4,076	5,089	Profit for the financial year	144	60
Receivables	840	581	Provisions	89	
Current assets	22,939	18,064	Debts	49,695	40,965
Receivables due within one year	1,814	919	Financial debts payable after one year	48,684	39,721
Cash and cash equivalents	21,125	17,145	Other debts	1,011	1,244
Prepaid expenses	992	726	Deferred income	2,485	2,786
TOTAL ASSETS	101,174	92,512	TOTAL LIABILITIES	101,174	92,512

Income Statement

(in €000)

	2021	2020		2021	2020
Income from financial assets	4,541	4,952	Reversal of value adjustments on financial assets	58	40
Other financial income	264	421	Value adjustments	-883	-1 115
Financial income	4,805	5,373	Realised losses	-503	-14
Other operating income	1,445	487	Extraordinary income	486	21
Financial charges	-909	-1,034	Extraordinary charges	0	0
Personnel expenses	-1,706	-1,519			
Other external charges	-2,649	-2,179			
OPERATING RESULT	986	1,128	PROFIT FOR THE FINANCIAL YEAR	144	60

PARTNERS OF THE FOUNDATION

Operating funders and partners

- ADA Microfinance
- Agence française de développement
- Amundi
- CACEIS Bank, Luxembourg Branch
- Crédit Agricole CIB
- CA Ile-de-France
- CA Indosuez Wealth (Asset Management)
- European Investment Bank
- Inpulse
- International Labour Organization
- LCL
- PROPARCO
- Swedish International Development Cooperation Agency
- United Nations High Commissioner for Refugees

Organisations supported in 2021

AZERBAIJAN Viator	GEORGIA Lazika	MALI Baobab-Mali COFINA Mali KAFO	TAJIKISTAN Furuz Humo OXUS TJ
BANGLADESH Grameen Danone Foods Ltd	INDIA Annapurna Pahal	MOLDAVIA Microinvest Smart Credit	TOGO Assilassimé
BENIN ACFB Comuba Renaca Vital	INDONESIA KOMIDA MBK	MONTENEGRO Monte Credit	UGANDA ENCOT UGAFODE UMF
BOSNIA-HERZEGOVINA Mikra Partner	IVORY COAST Advans - CI	MOROCCO Al Karama	VisionFund Uganda
BURKINA FASO ACEP Burkina SA Acfime Graine PMBF	JORDAN Finca Jordan	MYANMAR Proximity Finance Thitsar Ooyin	ZAMBIA AMZ EFC FINCA Zambia MLF Zambia
CAMBODIA AMK Chamroeun Phare Performing Social Enterprise (PPSE)	KAZAKHSTAN Asian Credit Fund Bereke	Vision Fund Myanmar	Only in Technical assistance:
CAMEROON ACEP Cameroon DRC HEKIMA Paidek	KENYA ACRE Africa Bimas ECLOF Kenya SUMAC GREEN limited YEHU	NIGER ACEP Niger	BURKINA FASO URC Nazinon
EGYPT Tasaheel	KOSOVO AFK Kreditimi Rural i Kosovo	PALESTINE ACAD	GHANA ID Ghana
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	MALAWI MLF Malawi	SENEGAL Laiterie du Berger SFA	SOUTH AFRICA Phakamani



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The Foundation finances and supports microfinance institutions and enterprises with a social and environmental impact to contribute to the fight against poverty throughout the world.

Its actions in favour of access to financial services, the autonomy of women through entrepreneurship and the development of rural areas contribute to the resilience of economies and a more inclusive world.



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