THE FOUNDATION’S IDENTITY CARD IN 2019

**ECONOMIC DEVELOPMENT IN RURAL AREAS**

- **78% BENEFICIARIES IN RURAL AREAS**
  The supported microfinance organisations target rural populations (compared to 56% for the microfinance sector).

**FEMALE EMPOWERMENT**

- **85% WOMEN BENEFICIARIES**
  A high proportion of clients of supported microfinance organisations are women (compared to 67% for the microfinance sector).

**SUPPORT FOR MEDIUM-SIZED ORGANISATIONS**

- **73% MICROFINANCE institutions**
  - 10% large-sized (tier 1: loan portfolio > 100 m €)
  - 56% medium-sized (tier 2: loan portfolio between 10 and 100 m €)
  - 34% small-sized (tier 3: loan portfolio < 10 m €)

**SUPPORT TO SOCIAL IMPACT COMPANIES**

- **12% SOCIAL IMPACT companies**
  - 37% Agribusiness
  - 36% Financial services
  - 18% Essential services
  - 9% Culture and education

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

**Other countries of intervention**

- **39 COUNTRIES**
  Including 6 new ones in 2019

- **€96 MILLIONS**
  in outstandings monitored

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

(1) Symbiotics VIM Survey, 2019
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Roadmap 2019-2022

Impact evaluation conducted with the support of: Cerise
“The Foundation: partner of impact entrepreneurs”

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

In a world of growing inequality, rural populations are disproportionately affected, exacerbating inequality and rural poverty. Almost two-thirds of those experiencing extreme poverty live in rural areas, most of them in sub-Saharan Africa and South Asia.

In this context, financial inclusion is a way to improve the resilience of vulnerable populations. The Grameen Crédit Agricole Foundation works with microfinance institutions and social enterprises that are committed to financial inclusion.

The Foundation's mission is to help reduce inequality and poverty through its operational commitment to more inclusive finance. The Foundation provides funding and strengthens the functioning of microfinance institutions and companies with social impact, all over the world. It promotes the empowerment of women through entrepreneurship, which is a great vehicle for shared development.

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

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

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

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

You will discover in this report the DNA of the Foundation: the Foundation works in fragile countries (48% of the outstanding balance), in particular in Sub-Saharan Africa, by building long-term relationships to support its partners towards sustainable growth: the Foundation has a particularly recognised approach to promoting social performance management and the desire to contribute to improving the environmental performance of the organisations it supports. The Foundation is a real lever for the Crédit Agricole group (30 entities and partner Regional Banks) to engage in inclusive finance through multiple cooperation with traditional banking partners and major players in the development aid sector.

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

It is also our way of paying tribute to them.

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

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

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MANAGEMENT OF THE FOUNDATION’S IMPACT

Definition of the impact model of the Foundation

PLAN THE IMPACT

Assess the impact

Verification in the field of the solidity of the Foundation’s impact model through the collection of data from beneficiaries

ESTIMATE THE IMPACT

Creation of a dashboard to estimate the impact of an operation before investment

MONITOR THE IMPACT

Development of a reporting framework with social and environmental impact indicators

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OUR APPROACH TO IMPACT

Our mission and commitments

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

THE FOUNDATION HAS FOUR LINES OF BUSINESS:

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

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

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

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

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

1. Its action is characterised by three areas of specialisation:

   - **FEMALE EMPOWERMENT**
     85% of the beneficiaries of the organisations supported by the Foundation are women.

   - **RURAL ECONOMIES**
     78% of the beneficiaries of the organisations supported by the Foundation live in rural areas.

   - **FRAGILE COUNTRIES**
     20 fragile countries* in which the Foundation intervenes, out of a total of 39 countries.

* According to the lists of the World Bank and the OECD.
OUR IMPACT MODEL

Concrete results

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

Action levers

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

Impact of the Foundation

1/ FACILITATE
- the sustainability of organisations that provide essential services
- access to essential services for vulnerable segments of the population

2/ STRENGTHEN
- the social and environmental performance of the organisations supported and of the Foundation
- the resilience of fragile economies

3/ PROMOTE
- inclusive and sustainable finance
- the living conditions of vulnerable segments of the population

Definition

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

Mission

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

Resources committed

Funds mobilised

Organisations supported

Achievements in the field

Impact of organisations supported

HUMAN CAPITAL

11
Representatives of Grameen Trust, Crédit Agricole and independent

12
Social impact enterprises

PARTNERSHIPS

51
Partners, of which:
- 5 international donors
- 30 entities of the Crédit Agricole Group, of which:
- 21 regional banks

Impact of organisations supported

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

2/ STRENGTHEN
- the resilience of fragil economies

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

183 953 allocated to loans from the Foundation

85 % women beneficiaries of microcredits

78 % microfinance clients in rural areas

43 729 customers of supported companies that supply solar equipment

2121 bankers missions since January 2018

12 3037 donor solidarity missions since 2009

56 % medium-sized (tier 1)

34 % small-sized (tier 3)

37 % agribusiness

36 % financial services

18 % essential services

9 % culture and education

1123 missions carried out or launched in 2019

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

85 % of institutions have established an exclusion list of activities dangerous for the environment

84 % of institutions offer green products

47 % organisation supported in Sub-Saharan Africa

54 % in local currency (20 different currencies)

94 % of the organisations supported

3 037 jobs created

49 176 employees of the organisations supported

425 million outstanding loans (MFI’s)...
OUR CONTRIBUTION TO THE GLOBAL AGENDA

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

Helping to fight poverty

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

- **8.9 Million** people served by the institutions supported (compared to 600,000 in 2010)
- **78%** of the clients of the institutions supported live in rural areas
- **36%** of the organisations financed measure the level of poverty of their target clients

**Strengthening food security in rural areas**

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

**Promoting sustained economic growth and decent work**

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

- **29%** of the institutions financed offer products for SMEs
- **76%** ALINUS* score on the “responsibility to staff” dimension (compared to 60% for the benchmark)

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

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

- **8,526** small producers supplied by social agrifood enterprises financed
- **4** strengthened agribusiness sectors
- **4** supported agribusinesses
- **855** water dispensaries incorporated
- **55** solar energy dispensers deployed
- **20 t** less plastic thanks to dispensaries and solar equipment deployed

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

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

- **85%** women beneficiaries of microcredits
- **34%** women employees in the institutions supported
- **1 woman on the board or management committee**

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

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

- **9%** of the institutions raise awareness about climate risks among their clients
- **42%** of the institutions support or offer green products
- **51** partner organisations of which 5 international donors

*ALINUS* stands for “Aligning Investors due-diligence and monitoring to the Universal Standards”. SPI4-ALINUS is a subset of SPI4-CERISE which enables investors to conduct their due diligence over the providers of financial services.
DIRECT IMPACTS

Promoting more sustainable finance

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

THE 3 IMPACTS:

1. **Sustainable organisations with a social impact**
   Perpetuation of organisations that provide essential services

2. **Social and environmental performance**
   Strengthening of the social and environmental performance of the organisations supported and of the Foundation

3. **A more inclusive and more sustainable financial sector**
   Promotion of inclusive finance practices in the bank
Whether for financial inclusion, access to clean energy or sustainable agriculture, the microfinance institutions and businesses supported by the Foundation promote access to essential services for vulnerable populations in often fragile economic situations.

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

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

In addition to financing and investments, the Foundation has developed a solid offer of technical assistance aimed at strengthening the organisations supported to structure, manage and run their activities. The Foundation coordinates missions under two programmes: the African Facility since 2013 with the Agence Française de Développement [French Development Agency] and Banquiers solidaires [Solidarity bankers], a skills volunteering programme launched in 2018 with Crédit Agricole Group entities.

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

SUSTAINABLE SOCIAL IMPACT ORGANISATIONS

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

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<th>Impact n°1</th>
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<th>Sustainable Social Impact Organisations</th>
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<tr>
<td>73 microfinance institutions</td>
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<td>12 social impact enterprises</td>
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A long-term relationship to support and guide the partners financed towards sustainable growth

**Microfinance institutions:**

- Small or medium-sized institutions are targeted as a matter of priority:
  - 56% Tier 1 (large size)
  - 34% Tier 2 (medium size)
  - 10% Tier 3 (small size)

**Social impact enterprises:**

- The rural location is a specific feature of the social enterprises in the portfolio for the inclusive development of the territories
  - 36% Agribusiness
  - 18% Essential services (water and energy)
  - 18% Financial services
  - 9% Culture and education

**ADAPTED FINANCIAL OFFER AND TECHNICAL ASSISTANCE**

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

**Financing**

- Flexible financing with loans ranging from €300K to €5M
- Average loan of €1.1M (compared to 2.5 M€ for the microfinance sector*)
  - Senior loans
  - Guarantees
  - Subordinated debt
- €91M in microfinance outstandings
- 94% loans in local currency

**Investments**

- €5M mobilized in the capital of 12 social enterprises **
- 10 years of financing horizon
- 4 exits (out of 12 initial investments)

**Technical assistance**

- African Facility II since 2017
  - 144 missions
  - 22 institutions supported
  - 91% small institutions (Tier 3)
  - 446,706 impacted borrowers*

- SOLIDARITY Bankers since 2018
  - 13 missions
  - 12 enterprises and institutions supported
  - 14 Solidarity Bankers
  - 123 days of mission

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

* Clients of the organisations supported by the Foundation
** Minority equity holdings
ENHANCED SOCIAL AND ENVIRONMENTAL PERFORMANCE

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

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

As a stakeholder in these innovations, the Grameen Crédit Agricole Foundation assesses, audits and monitors its counterparties using this approach, which combines financial with social and environmental performance. The result is a quality portfolio with partners whose social performance and responsible management, particularly with Crédit Agricole Group entities, on behalf of third-party investors.

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

At the operational level, this partnership-based monitoring with the organisations financed takes various forms: recommendations, preconditions for financing, technical assistance missions. This is a mastered know-how for which the Foundation has an internal centre of expertise. It shares its best practices in responsible management, particularly with Crédit Agricole Group entities, on behalf of third-party investors.

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

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**Performance of supported organisations**

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

- 1. Social objectives
- 2. Social commitments
- 3. Product design
- 4. Responsible treatment of clients
- 5. Responsible treatment of employees
- 6. Balanced financial and social performance
- Green index

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

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

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**Performance of the Foundation**

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

- **Responsible treatment of employees**
  - 1 Annual human resources committee
  - 437 Hours of training

- **Promote gender diversity**
  - 23 Staff: 65% Women, 35% Men
  - 11 Directors: 27% Women, 73% Men

In 2020, the Foundation is committed to having 39% of women on the Board of directors.

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**ENVIRONMENTAL PERFORMANCE**

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

- **Minimize adverse effects on the environment**
  - 84% of institutions have established an exclusion list of activities dangerous for the environment
  - 23% of organisations have a formal environmental strategy

- **Improve resilience with green initiatives**
  - 42% of the institutions offer green products that finance ecological practices
  - 9% of the institutions raise awareness about climate risks among their clients

**Contribute to the energy transition**

- Palmis Enèji offers economical cooking stoves with a high ecological impact in Haiti.
- ZECI, in Ivory Coast, markets off-grid solar kits that replace CO₂-emitting sources.

**Develop securitisation with environmental impact**

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

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

(*1) Study carried out in 2018 by the Foundation on 52 partners.
A MORE INCLUSIVE AND SUSTAINABLE FINANCIAL SECTOR

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

The Grameen Crédit Agricole Foundation shares its experience as a financier and investor with a social impact. In almost 12 years of activity, it has modelled its responsible approach and designed efficient operating methods to reconcile financial yield and social performance.

It is now disseminating its know-how to step up its commitment to inclusive and sustainable finance.

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

It is also assuming an increasing role as an expert in inclusive finance within the Crédit Agricole Group through multiple cooperative ventures, projects or joint programmes with the entities of the Group. Its partnerships, such as those with Crédit Agricole SA’s International Retail Bank (BPI) and with Crédit Agricole CIB in India and the Ivory Coast are significant in this respect, as is the collective mobilisation around the Fund for Inclusive Finance in Rural areas (FIR).

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

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

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

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

Recommended reading:
- The strategic priority of Crédit Agricole, the social impact is a source of responsible innovations
- Dissemination of inclusive finance and social impact entrepreneurship practices
- The skills volunteering programme has offered Crédit Agricole staff an opportunity to embark on technical assistance missions to social impact enterprises since 2018
- The Foundation aims to disseminate its experience and expertise through various publications on the scale of the financial sector

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

Impact in the field via our partners

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

The organisations supported by the Foundation work to provide greater access, particularly in rural areas, to a range of essential goods and services related to financial inclusion, nutrition, and access to water and energy. The Foundation supports mainly companies that develop sustainable local agricultural value chains, the cornerstones of the resilience of fragile economies.

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

THE 3 IMPACTS:

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

2. Strengthened resilience for fragile economies

3. Improved living conditions for vulnerable segments of the population
GREATER ACCESS TO ESSENTIAL SERVICES

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

Financial Inclusion

Financial services: The organisations financed by the Foundation distribute microcredits to people who usually have no access to banking services so that they can develop their own income-generating activities. These microfinance institutions also offer them savings or insurance solutions (44% of the institutions).

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

8.9 M
Clients of the microfinance institutions financed

5.2 M
Savers, with 54% of them in fragile countries *

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

Economic inclusion

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

Towards refugees. Together with the United Nations High Commissioner for Refugees (UNHCR) and the Swedish International Development Cooperation Agency (Sida), the Foundation has launched a programme to promote access to financial services for refugees and host communities.

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

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

This takes concrete shape in the field: for example, 55 water dispensaries deployed throughout Senegal by Oshun, which has already created 131 jobs. 50% of which are held by women, or 33,500 lamps, solar kits, and improved LPG ovens sold by Palmis Enèji in Senegal, Vert Ltd (vegetable production) in Senegal, SFA (rice farming) in Nepal and Vert Ltd (dairy production) in Bangladesh.

85% women clients of the institutions financed (compared to 67% for the microfinance sector)

78% rural clients in the institutions financed (compared to 56% for the microfinance sector)

100,000 beneficiaries by the end of the programme with UNHCR and Sida

Essential resources

AMZ operates in a fragile* country that is vulnerable to climate change, the consequences of which impact the livelihoods of the population. Thanks to 10 branches in rural and remote areas and to the diversity of the microcredit products offered (financing of small informal shops, financing of very small/medium-sized enterprises, agricultural loans, emergency loans), AMZ helps to develop access to income generating activities for rural populations and to supporting food-producing agriculture.

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

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

AMZ is a developing microfinance institution created in 2011 to provide economic opportunities for the poorest people in rural areas. The Foundation has supported AMZ since 2016 by providing financing and technical assistance. Thanks to this support, AMZ has structured a pilot system for assessing its agricultural loans to small farmers.

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

719,892€
Amount of commitment with the Foundation

4 Loans granted since 2016 by the Grameen Crédit Agricole Foundation

2 Technical assistance missions (African Facility)

CONTEST

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ORGANISATION

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16% of the portfolio dedicated to financing agriculture

Number of beneficiaries:

Women beneficiaries

Rural beneficiaries

16% of borrowers

60% of borrowers

92% of borrowers

*According to the lists of the World Bank and the OECD
RESILIENCE OF FRAGILE ECONOMIES

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

**Vulnerable regions**

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

- Weak institutions, civil or military tensions, deteriorated security conditions, exposure to the effects of climate change.
- 48% of the outstandings monitored in the regions that are the most vulnerable to climate change.
- 45% of outstandings monitored in fragile countries.

**Rurality and employment**

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

- 8,528 small producers supported by social agri-food enterprises financed.
- 4 agricultural sectors supported.
- 49,176 persons employed by the organisations supported, of which 31% in fragile countries.

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

**LAITERIE DU BERGER - SENEGAL**

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

**CONTEXT**

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

**ORGANISATION**

The social enterprise was created in 2006 to enhance local dairy production and improve the income of farmers. The dairy collects milk from Fulani farmers in the Richard Toll rural area in the north of the country and uses it to make dairy products.

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

**IMPACT**

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

- 1,086 M€ Amount of the Foundation’s capital investment.
- 2 Solidarity Bankers technical assistance missions.
- 8,528 small producers.
- 1,230 beneficiary local breeders.
- 38% of farmers.
- 49,176 persons employed.
- €9,4 M turnover.
- 77% increase per farmer.

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

*Average income = average volume delivered per farmer; purchase price for milk paid to farmers.
IMPROVED LIVING CONDITIONS FOR VULNERABLE SEGMENTS OF THE POPULATION

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

Financial services

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

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

Interest of participating institutions, African Microfinance Week, October 2019

- Poverty assessment tools
- SPM*
- Complaint management
- Other

A development to support

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

Nonetheless, the initiative is still up against operational obstacles: lack of reliability of the data collected from the field, possible reluctance on the part of agents, cost and implementation issues.

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

Advantages impact measurement estimated by the institutions

- Improved financial performance/sustainability
- SPM / targeting / inclusion
- Reporting / social responsibility

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KOMIDA – INDONESIA

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

CONTEXT

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

ORGANISATION

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

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

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

IMPACT

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

63% of beneficiaries live on less than $2.5 a day

Benefits

97% noted an increase in their revenue

100% of borrowers

96% of borrowers

(1) PPI: Poverty Probability Index, an index which is used to measure the poverty level and to assess the probability that an individual is below the national poverty threshold
In 2019, the Grameen Crédit Agricole Foundation defined a specific impact model for its activity for the first time. Underpinned by its Strategic Plan, it is pursuing its responsible growth through a process of commitment and cooperation. In 2020, the Foundation will continue its impact measurement work to study further the concrete effects and relevance of its actions with its partners.

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

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

Reinforced in its convictions by this model, the Foundation will as of 2020 adopt an advanced approach to the concrete study of the direct and indirect impacts of its activities, in terms of positive repercussions for populations and territories, through the microfinance institutions and social enterprises partners it supports. This will entail collecting change and result indicators from supported organisations and, in some cases, through field surveys in the countries so as verify the robustness and relevance of the effects induced by the Foundation’s activity under its impact model. Three themes of investigation will be prioritised: access to essential services, the empowerment of women and technical assistance. The conclusions will be known in early 2021.

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

ACTING AND WORKING TOGETHER

Roadmap 2019-2022

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