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Foreword

Jean-Marie Sander
Chairman of the Grameen Crédit Agricole Foundation

The Foundation participated in various international meetings in order to raise awareness about its work and to share its experience with its field partners. In Cambodia, during the conference we organised last October, our presentations aimed at promoting a more responsible microfinance, more oriented towards measuring social performance and impact among microentrepreneurs, especially in rural areas. In Tanzania, at the 8th International Microinsurance Conference, which brought together more than 500 participants from around the world, we contributed to the promotion of social performance measurement in the microinsurance field through the publication of an expert handbook. During the European microfinance week held in Luxembourg in November, we were able to share our vision and activities in the social business field with some 400 professionals gathered by the European Microfinance Platform, thanks to the intervention of Professor Yunus and the testimony of our new partner, 1001 Fountains/UV+ Solaire. We also took an active part in the Global Social Business Summit, which was organised in Vienna for three days, with the exceptional participation of HM the Queen of Spain, alongside our friend, Mr. Yunus.

At the same time, we made progress in the creation of the Grameen Crédit Agricole Investment Fund dedicated to the financing of social businesses. Its creation was registered in Luxembourg on 13 November and the first meeting of its Board of Directors was held. Professor Yunus has kindly accepted the Presidency of the fund, alongside Jean-Michel Severino as vice-president. The foundations have now been laid so that in 2013 the fund can attract socially engaged investors and allow the pace of investments to be accelerated.

All these achievements would not have been possible without the involvement of the board and the dynamism of the team led by Jean-Luc Perron.

I sincerely hope that the year 2013 will be a positive new year for the development of the Foundation’s activities. Until we meet again in the new year, I present to all our readers and all our partners my best wishes for a year in 2013 that will bring them joy in their personal life and success in all their undertakings.
The Board of Directors of the “Grameen Crédit Agricole Social Business Fund” holds its first meeting in Luxembourg

The articles of association of the Social Business Investment Fund, the “Grameen Crédit Agricole Social Business Fund”, whose creation was launched at the initiative of the Foundation, were formally filed on 13 November 2012 in Luxembourg.

The Board of Directors met on 16 November to confirm the establishment of the Fund, its investment policy as well as its organisation and governance. The directors elected Professor Yunus as Chairman of the Fund. He will be assisted in his work by Jean-Michel Severino as Vice-President. The other directors are Christian Talgorn, Chairman of the Caisse Régionale de Crédit Agricole du Morbihan, Jean-François Abadie, CEO of Crédit Agricole Luxembourg, and Jean-Luc Perron, Managing Director of the Foundation. This Board of Directors will be expanded to include representatives of investors and other qualified persons as soon as the fundraising has been completed. The Grameen Crédit Agricole Fund is highly innovative: not only will it invest in Social Businesses, but it will itself be a Social Business. Indeed, the management objective is the achievement of maximum social impact, particularly in the fight against poverty, and not the financial betterment of its investors, in line with the approach practised and promoted by Professor Yunus. The Fund will now enter its subscription period; it will target public and private investors*, socially motivated and convinced that the entrepreneurial approach is well suited to solving social problems.

* The Fund is a SIF under Luxembourg law and is reserved for institutional and professional investors or well informed individuals (restrictions apply in some countries).

The Foundation participates in the Global Social Business Summit 2012 in Vienna

Representatives from the Grameen Crédit Agricole Foundation participated from 8 to 10 November 2012 in the fourth edition of the Global Social Business Summit held in Vienna, in the presence of Professor Muhammad Yunus and Her Majesty Queen Sofia of Spain.

The GSBS is the annual meeting of the World Social Business community. It brings together large companies, international organisations, investors, academics and entrepreneurs. Thanks to the use of “Swarm Intelligence” (Collective Intelligence), the 2012 GSBS edition was highly interactive, bringing forth new ideas for developing Social Business projects and clarifying the concept developed by Professor Yunus.

The four representatives of the Foundation were particularly active in a number of working groups, which dealt in particular with the financing of Social Business and the measurement of the social impact of Social Businesses and Investment Funds.
The conference was divided into two phases. The first day, devoted to discussion on impact measurement, highlighted the disparity of approaches of different countries and actors, and the difficulty of systematising impact measurement. The two days of plenaries, attended by 400 professionals active in Venture Philanthropy, aimed to identify ways to better assist the “agents of change” during the periods of uncertainty we are experiencing.

The conclusion of these three days was the need to share experiences, not only successes but also failures. The Foundation has been a member of EVPA since 2012.

The Foundation participates in the 2012 EVPA Conference

For the eighth International Microinsurance Conference, the Foundation is participating in the publication of a paper on social performance in the microinsurance field

During the International Microinsurance Conference, which was held in Dar-Es-Salaam (Tanzania) from 6 to 8 November 2012, the Microinsurance Network’s Working Group on performance, in which the Grameen Crédit Agricole Foundation is very active, published a paper on social performance indicators for microinsurance.

This work represents an important step in the microinsurance sector as it provides a consensus document on a unique set of social performance indicators. It recognises the main objective of the microinsurance sector, which is not profit maximization but the implementation of risk mitigation mechanisms for the poor, who have no access to formal insurance mechanisms or social protection.

Social performance in microinsurance corresponds to a design and a range of relevant products that create value for low-income people by allowing them to more effectively manage risks.

The paper, to which ADA, BRS, GIZ/BMZ and the Grameen Crédit Agricole Foundation contributed, presents the social performance indicators in the microinsurance field, which are designed and developed for practitioners in the field to monitor, improve and sustain social performance.

The full handbook on social performance indicators in the microinsurance field will be published in March 2013. It will detail the calculation and interpretation of the 10 indicators of social performance and provide concrete examples and guidance on the implementation of the principles and guidelines.
The Foundation speaks at the European Microfinance Week 2012

The European Microfinance Week organised by the e-MFP was held this year from 14 to 16 November at the Abbaye de Neumünster, Luxembourg. The conference entitled “Combining Strengths-Delivering results” brought together more than 400 participants from 59 countries.

The 2012 conference benefited from the presence of Professor Muhammad Yunus, Director of the Grameen Crédit Agricole Foundation, who in particular spoke at a plenary session on “Social entrepreneurs and social enterprises: combining new strengths to improve people’s quality of life in developing countries” alongside Jean-Michel Severino, another Director of the Foundation and Jean-Luc Perron, Managing Director of the Foundation.

Philippe Guichandut, Head of the Development and Technical Assistance Unit, also spoke during the workshop on “Microfinance investing in food security: challenges and opportunities” and emphasized the links between microfinance and food security.

e-MFP, a partner of the Grameen Crédit Agricole Foundation since 2011, is a network of institutions whose primary purpose is to promote cooperation between the European microfinance organisations working in developing countries, by facilitating communication and the exchange of information. It is a multi-stakeholder organisation representative of the European microfinance community. Members of e-MFP include banks, financial institutions, government agencies, NGOs, consulting firms, researchers and universities. The Grameen Crédit Agricole Foundation has been one of its members from the very beginning.

The Laiterie du Berger, a social business partner of the Grameen Credit Agricole Foundation in Senegal, winner of the 2012 Africa Awards for Entrepreneurship

The Award recognises and rewards outstanding business leaders who serve as role models for aspiring entrepreneurs in Africa. More than 1,200 companies, representing eight African nations applied for this award, with 12 finalists.

This year, the African Leadership Network, the premier membership network of new generation leaders in Africa, and Omidyar Network, a philanthropic investment firm, made the Award to the Laiterie du Berger, a dairy product production and processing company based in the north of Senegal, and its founder Bagoré Bathily. Endowed with USD 50,000, the Award recognises the best expanding small business with revenues between USD 500,000 and USD 5 million.

The Laiterie du Berger has also received recognition from its peers and a commendation from the African Leadership Network.

For more information on the Laiterie du Berger: http://www.grameen-credit-agricole.org/en/content/la-laiterie-du-berger

For more information on e-MFP: http://e-mfp.eu/
New investments

The Foundation makes new investments

In November and December 2012, the Grameen Crédit Agricole Foundation approved six new investments in five countries, including a new country: Togo

In the microfinance field, the Foundation approved a second loan to **Findev** (Azerbaijan) of an amount in Azerbaijani manat equivalent to €500,000 over a period of three years. “Finance for Development” LLC (Findev) is a financial institution created by Oxfam GB. In 2003, the institution obtained a license from the Central Bank to conduct lending activities. The institution is one of the co-founders and an active member of the Azerbaijan Microfinance Association. Its mission is to provide financial services on a sustainable basis to poor working men and women, and to others who have no access to other financial resources. The MFI targets especially IDPs who fled their homes during the conflicts in Nagorno-Karabakh. As of 30 September 2012, **Findev** had 10,251 active borrowers, 29% of whom were women and 57% were rural clients.

Also in Central Asia, the Foundation granted a first loan of an amount in somoni equivalent to €240,000 over a three-year period to the institution **Phoenix+** (Tajikistan). **Phoenix+** was founded in 2005 as a non-profit organisation (Micro Lending Fund) following the adoption of new regulations for microfinance in Tajikistan. The institution took over the microfinance operations developed within the framework of the Development Fund, a local NGO strongly focused on rural development and agriculture since 1999. In 2011, Phoenix+ began its transformation into a microcredit institution, which explains the transfer of its activities to a limited liability company. The transformation process was cancelled by the National Bank of Tajikistan, who wanted to implement new microfinance regulations. Over the years, **Phoenix+** has continued to focus on rural and agricultural finance, mainly using the group lending methodology. As of 30 June 2012, the institution had 1,643 active borrowers, 41% of whom were women and 82% were rural clients.

In South Asia, the Indonesian institution **Komida** has been granted a new loan for an amount in local currency equivalent to €564,000 over a three-year period. **Komida** is a microfinance NGO founded in 2004 under the name YAMIDA that began offering microloans in August 2005 to the population affected by the tsunami in Banda Aceh (North Sumatra). The institution was transformed into a savings and credit cooperative in 2008. **Komida**, which had 91,000 active borrowers as of 30 September 2012, is now present in three regions of the country and finances exclusively women, 90% of whom are located in rural areas.

In November, the Foundation also disbursed the second tranche of the loan granted to **Alidé** (Benin) in March 2012 of an amount in CFA francs equivalent to €610,000. **Alidé** is an MFI with NGO status located in Benin that targets primarily poor women and offers financial and non-financial services. The institution, which as of 30 September 2012 had nearly 18,000 active borrowers of whom 92% were women and 27% were customers located in rural areas, was created in January 2006 following the institutionalisation of the Credit Savings Programme launched in Cotonou in 1995 by the French NGO Initiative Développement (ID).

The Foundation also approved a loan to **WAGES** (Togo) of an amount in CFA francs equivalent to €762,000 euros over a 30-month period. **WAGES** (Women and Associations for Gain both Economic and Social) started its activities in 1994 as an initiative of CARE International-Togo. Its aim was to satisfy the socio-economic needs of 5,900 women in Lomé over a three-year period. Its mission is “to become a sustainable and a model microfinance institution in Togo”, and to participate actively in the socio-economic development of the local community. The institution operates in urban, suburban and rural areas of the country through several agencies, and contributes mainly to the improvement of living conditions of the population. It offers financial products and services (savings and credit) and non-financial services (institutional support and training) to poor people in groups (associations and/or solidarity groups) or individually. As of 30 September 2012, **WAGES** had nearly 34,000 active borrowers, including 72% of women and 16% of rural clients. It also had 182,000 depositors.

Finally, in the field of Social Business, the Foundation took a 20% stake in **UV+ Solaire** (France), a simplified joint-stock company created and controlled by the NGO 1001 Fontaines pour demain. In addition, the Foundation granted a loan of €99,000 over a period of eight years. **UV+ Solaire** is the network head of the social franchise “1001 Fontaines” which combines social, technological and organisational innovations to provide drinking water to poor farmers (see Focus MFI and Social Business).

Focus MFI and Social Business

UV+ Solaire

On 5 December 2012, the Grameen Crédit Agricole Foundation signed an investment agreement with UV + Solaire, network head of the social franchise “1001 Fontaines” which combines social, technological and organisational innovations to provide drinking water to poor farmers. The Foundation, which has taken a 20% stake in the institution, also granted a loan as an advance on associates’ current account for an amount of €99,000. The total investment of the Foundation in UV+ Solaire thus amounts to €150,000.

François Jaquenoud, winner of France’s 2004 national competition for grants to innovative businesses, decided the same year to launch the project «1001 Fontaines pour demain», so as to allow isolated communities that lack water distribution infrastructures to make water available from nearby ponds, lakes and rivers drinkable. UV + Solaire’s mission is therefore to develop and manufacture autonomous drinking water production stations running on solar energy, and to entrust their maintenance and commercial management to rural entrepreneurs within the framework of a franchise agreement and specifications setting high standards of water quality. Tested and developed in Cambodia, the UV + Solaire approach has also been implemented in Saint-Gabriel (Madagascar).

During its study tour to Cambodia last October, the Board of Directors of the Grameen Crédit Agricole Foundation had the opportunity to visit several sites of the Teuk Saat 1001 platform created by UV + Solaire and located in the Siem Reap region.

Teuk Saat 1001 is the Cambodian NGO established in 2007 to deploy the “1001 fontaines pour demain” project. This first platform is based in Battambang, in north-western Cambodia. Teuk Saat 1001 is the prime contractor for the project on the ground and supports sites as they become sustainable, both economically and technically. In order to do so, the team has developed expertise in various fields:
- Support and training in water treatment techniques
- Quality control
- Training the small professional operators (SPOs) in management and development of a small rural business
- Awareness campaign on the use of water and sanitation

Teuk Saat now has more than 60,000 customers in Cambodia and serves more than 60 villages. 1001 Fontaines also set up a mentoring system (with French sponsors), and provides quality water to over 40,000 school students. By 2014, Teuk Saat is expected to reach 300,000 customers in 120 villages.

For more information about «1001 Fontaines»
http://www.1001fontaines.com/?locale=en

Focus Partner

The Microinsurance Network

The Microinsurance Network today brings together 70 institutions interested in microinsurance. Established in 2002 under the name “CGAP Working Group on Microinsurance” by donor institutions, multilateral agencies, insurance professionals and other interested parties involved in the promotion and support of microinsurance in developing countries, it was officially launched in 2009 to accommodate the expansion of interest and activities in microinsurance and the arrival of new stakeholders.

The Microinsurance Network collaborates with diverse interested parties while placing the poor and low income populations at the heart of its activities: it determines its work and action priorities so as to meet the needs of these populations and protect their interests and their well-being.

At the 8th International Microinsurance Conference, which was held in November 2012 in Tanzania, the Microinsurance Network became an independent structure registered as a not-for-profit organisation in Luxembourg.

The Grameen Crédit Agricole Foundation has been a partner of the Microinsurance Network since 2011. For the Foundation, it represents a platform for exchange and learning on agricultural microinsurance. The Foundation is also active in the working group on performance indicators and helped establish the first set of indicators for measuring the social performance of actors. The Foundation is also the facilitator of the Funders working group that includes microinsurance donors and investors.

For more information on the Microinsurance Network
http://www.microinsurancenetwork.org/