Foreword

Jean-Marie Sander
Chairman of the Grameen Crédit Agricole Foundation

On 26 and 27 September, nearly 350 bankers and agricultural experts from 98 banks representing 55 countries met in Paris during the 4th World Congress on Agricultural and Rural Finance to discuss the challenges of the future of agriculture.

Our planet is facing a huge food challenge. According to the FAO, over 800 million people from developing countries are chronically undernourished. Two billion people still suffer from nutritional deficiencies. How to improve their situation while the world population continues to grow, climatic events and health crises occur, price volatility of agricultural commodities persists? How to feed 9 billion people when the planet’s resources are limited?

Agricultural production will obviously need to be increased considerably and some observers would even like to see it double by 2050. Responses should be based on the action of the producers themselves, especially small producers. There are over 400 million farms in the world that comprise less than two hectares, the yields of which are very low owing to lack of access to fertiliser, water, and finance. For many of these small farmers, access to funding sources is made possible through microfinance. To take one example, there are only 200 bank branches in Madagascar, a country of 20 million people, and these agencies are obviously concentrated in the capital and major cities. The constraints limiting farmers’ access to credit are well known, including the risks inherent in this activity, as well as low return on investment, the wide dispersal of borrowers, lack of infrastructure or an unsatisfactory regulatory environment.

These constraints are even greater in developing countries, where part of each year’s production is lost owing to lack of storage, packaging and processing infrastructures. In addition, farms in developing countries, with the notable exception of India, lack access to any public or private insurance scheme against natural hazards.

Significant investment will also be needed to properly manage scarce resources and avoid waste. Of these issues, water is a concern in terms of both quantity and quality. This calls for a global concerted and collective approach.

Much remains to be done. The five regional associations of agricultural banks, which jointly organised the World Congress in Paris, reiterated their commitment to continue their action towards funding and seeking to reconcile economic development, respect for the environment and human solidarity. Their commitment calls for support from international organisations, regional development banks and cooperation agencies within the framework of the agenda post 2015.

Seventy per cent of the world’s poor depend on agriculture for their survival. Providing them with the means to be more productive means responding to both a moral imperative and an economic necessity.
The Board of Directors of the Foundation met in Montrouge where they elected a new director

On 25 September, the Board of Directors of the Grameen Crédit Agricole Foundation met at the headquarters of Crédit Agricole SA under the chairmanship of Jean-Marie Sander.

The meeting offered an opportunity for Jean-Luc Perron to provide an overview on the progress of the launch of the “CGA Social Business Fund” Investment Fund.

The Board of Directors appointed a new member in the person of Pierre Deheunynck, Human Resources Director of Crédit Agricole SA Group and a member of the Executive Committee, to replace Agnès de Clermont-Tonnerre, who resigned.

Pierre Deheunynck began his career at BSN - Danone in 1986, occupying various positions in human resources both in France and abroad before being appointed head of human resources for Asia-Pacific in Singapore in 2000. He played an active role in the initial contacts between Danone and Professor Yunus and the Grameen group. He joined Crédit Agricole SA in January 2009. He has also been Chairman of Crédit Agricole Immobilier since October 2011.

Pierre Deheunynck holds a law degree from Paris 1 Panthéon-Sorbonne University.

Agnes de Clermont-Tonnerre leaves the Board of Directors of the Grameen Crédit Agricole Foundation, a post she has held since its inception

During the most recent meeting of the Board of Directors of the Grameen Crédit Agricole Foundation, Agnes de Clermont-Tonnerre announced her decision to resign from her position as director. Through its President, the Board thanked Mme de Clermont-Tonnerre for her long commitment to the Foundation. As a member of the Board of Directors of the Foundation since its inception in 2008 and President of its Ethics, Compliance and Audit Committee, Agnes de Clermont-Tonnerre has consistently supported the objectives of the Foundation and its development.

Agnes de Clermont-Tonnerre, a former student of the Ecole Nationale d’Administration, was Director of the General Affairs Division of LCL and a member of its Executive Committee.

Microcredit in 4L: the Grameen Crédit Agricole Foundation assists two French students whose project aims to promote microfinance worldwide

On 1 September, Nicolas Auber, a student at AgroParis Tech and Mathieu Tordeur, a business student in London, began their world tour in 4L to promote entrepreneurship through microcredit.

The two students decided to collect funds (25,000 euros) to be remitted to the duly selected projects with the help of partner MFIs in order to contribute to help up to 850 people to improve their life. The money collected was sent to identified microentrepreneurs before the departure of the team, the goal being to allow project managers to develop their activity before the beginning of the trip.

This one-year trip, which will take the two students across 32 countries on five continents, will primarily enable them to meet some of the microentrepreneurs they have assisted.
The 6th Convergences World Forum held in Paris from 17-19 September was a great success. Drawing approximately 5,000 participants from more than 1,300 organizations, the latest edition of the Convergence World Forum was a major event for community, private and public actors committed towards a fair and sustainable world. Over 100 journalists also took part, helping to ensure a strong echo in the national and international media of the Convergences World Forum challenges.

The Convergences World Forum offered a high-level space for reflection to create tomorrow’s world solutions with more than 350 worldwide participants gathering to share their thoughts and ideas at 60 debates, workshops and networking sessions. One of the primary objectives of the World Forum was to encourage exchange. Thus, the Fair Trade Salon brought together 40 exhibitors, while the Co-creation Spot and networking events brought together actors from diverse backgrounds to discover innovative projects and new complementarities that will lay the foundations for future alliances.

This year’s topics and major debates also achieved great success among web users, with 600,000 people connected on Twitter around the hashtag #convergences.

The Grameen Crédit Agricole Foundation took the floor at several sessions and roundtables over the course of the three days, particularly on the topics of social business and BoP (Jean-Luc Perron), microinsurance (Thérèse Sandmark), technical assistance in microfinance and funding for agriculture (Philippe Guichandut), and social performance management (Jürgen Hammer). The forum was also an opportunity for Jean-Luc Perron, Vice President of Convergences, and Scott Brown, President of Vision Fund, to emphasise the relevance of the Global Appeal for Responsible Microfinance (www.theglobalappeal.org) launched by Convergences at the previous forum, in cooperation with the CEO working group which brings together major U.S. microfinance networks.

For more information on the Convergences World Forum, visit the website:
http://c2015.org/
The Grameen Crédit Agricole Foundation at the side of Jane Wales, CEO of the Global Philanthropy Forum

In Paris for the Convergences World Forum, Jane Wales, CEO of the Global Philanthropy Forum (USA) hosted a dinner-debate on the evolution of philanthropy. The 18 September event was jointly organised by the Grameen Crédit Agricole Foundation and the Rond-Point Circle in the salons of the Mona Bismark Centre for art and culture. Some thirty personalities from the business community with a history of philanthropic involvement attended the dinner.

The GPF is a trading platform launched in 2001 in Silicon Valley by Jane Wales, who wanted to encourage the newly wealthy entrepreneurs of the net economy to allocate a portion of their considerable financial resources to philanthropic causes. The Forum now annually brings together the best of American philanthropy, with over 300 individual participants or representatives of foundations. Much more than a market for projects, the purpose of the GPF is to provide donors and investors with an opportunity to come together to share strategies, discuss their problems and share their best practices. Fundraising and commercial pitches are therefore formally prohibited during the GPF. The unique positioning of the GPF allowed it to rank among the most prominent events in the sector. In April 2013, the Foundation was invited by the Consulate of France in Washington to participate in the GPF and take part in debates.

Fortified by its success, the GPF now aims to spread its model in Latin America, India and East Africa where it also organises local forums. The first African Forum which is to be held in Addis Ababa will bring together a handful of philanthropists in a continent where the practice of philanthropy is radically different from that of the United States.

For more information on the GPF, visit the website:
http://philanthropyforum.org/

The Grameen Crédit Agricole Foundation contributes to the development of microfinance in Palestine through an equity investment in ACAD Finance

An investment agreement to improve the accessibility of the Palestinian population to financial services was signed on 11 September by the Arab Center for Agricultural Development (ACAD), the Grameen Crédit Agricole Foundation, the European Investment Bank (EIB), International Solidarity for Development (SIDI) and Triple Jump.

These partners have decided to support the transformation of ACAD, whose mission is to develop financial services in Palestinian developing regions, particularly in the agricultural sector, into a regulated financial institution: ACAD Finance. ACAD will be the majority shareholder in the new entity. All shareholders have endorsed the Social Business Charter proposed by the Grameen Crédit Agricole Foundation.

This project which focuses on the long term development of rural areas aims to reduce imbalances, support small and micro entrepreneurs across the Palestinian territory, in particular women and farmers, and to create sustainable jobs.

Within the framework of this agreement, the Grameen Crédit Agricole Foundation has invested €500,000 in ACAD, i.e. 9.4% of its capital. Jürgen Hammer, Head of the Investment Unit, noted that 70% of the poor live in rural areas. “Small farmers, especially women, are the majority of working poor. Assisting them to produce and earn more is essential to their well-being,” Hammer said. “We are confident that our partnership with ACAD contributes to the empowerment of women and the fight against poverty and food insecurity in Palestine.”

As at end of June 2013, ACAD had 3,295 active borrowers of whom 59% of the beneficiaries live in rural areas and 70% are women. The average ACAD loan amounts to 1,256 euros.

For more information on ACAD, visit the website:
http://www.acad.ps/
The Microinsurance Network (MiN)’s Funders Discussion Group facilitated by the Grameen Crédit Agricole Foundation meets in Paris

In preparation for the Roundtable, Jeremy Leach of Bankable Frontiers Associates carried out a landscaping exercise covering investments in insurance companies as well as complementary service providers that are gradually emerging (such as brokers, technical service providers or alternative distribution channels) and complementing insurance companies in understanding, reaching and servicing the low income target group.

The landscaping study identified 23 investments deals to-date in the sector with the three leading investors (Leapfrog Investments, International Cooperative and Mutual Insurance Federation and International Finance Corporation) being involved in 18 of these deals.

The study noted that Africa sees a higher number of deals but with a smaller ticket size as compared to Latin America or Asia. Africa is also seen as the driver of innovation especially in regard to m-insurance - insurance sold through and with the mobile operator or mobile money provider. These types of innovations as well as new microinsurance regulations open up new needs for funding and keep the opportunities for investors evolving.

Participants identified a number of topics that need to be explored by the MIN Funder Discussion Group to encourage further development. These topics include, amongst others, the demand for investments, the viability of different business models, and new innovative finance instruments. The final report will shortly be available through the MIN Funder Discussion Group. The event was hosted by Crédit Agricole Assurances – Pacifica.

New investments

In July and August, the Grameen Crédit Agricole Foundation pursued its investments in Africa with loans to new partners within the framework of the Take-off Facility for Microfinance in Africa developed with the support of the AFD.

In July, the Foundation disbursed the first tranche of a €152,000 loan over a two and a half-year period granted to MEC FADEC. This Senegalese microfinance institution was created in 1999 as a project of World Vision and registered in March 2000 as a savings and credit cooperative. The aim of the institution is to “fight poverty by organising and training its members and providing adequate and diversified financial services in the departments of Kébémer and Louga that cover 11 rural communities.” The institution has five offices in the Louga region and offers both loan and savings products to farmers, teachers, merchants, etc. As of 30 June, 2013, MEC FADEC had 1,563 active borrowers, 51% of which are women, and a loan portfolio of €573,000.

Also within the framework of the African Facility, in August, the Foundation disbursed the first tranche of a €488,000 loan over a three-year period granted to RENACA, a Beninese microfinance institution. The Réseau National des Caisses villageoises d’épargne et de Crédit Autogérées (RENACA) is a mutual network established in 2005 to institutionalise the microfinance activities of CBDIBA (Centre Béninois pour le Développement des Initiatives à la Base), a local NGO. It encourages its members to save. These deposits are used to supply a common fund, which is a basis for lending to small producers so they can grow their business. As of end of December 2012, RENACA had 83,927 members and recorded outstanding loans of €5.4 million. The institution grants loans in the short and medium term in six regions across 32 CAVECA (Savings and Credit Unions).
Focus MFI and Social Business

The Grameen Crédit Agricole Foundation takes a stake in Phare Performing Social Enterprise (PPS E), in Cambodia

The Grameen Crédit Agricole Foundation has just finalised its subscription for a 16.1% stake in PPS E, a Cambodian production and distribution of live performances company created by the NGO Phare Ponleu Selpak, which is the majority shareholder and the main facilitator.

Phare Performing Social Enterprise (PPS E) is a pioneering social enterprise in Cambodia that aims to produce and disseminate live shows, especially circus, in Cambodia and abroad. PPS E artists come from disadvantaged backgrounds and have benefited from the training provided by the Phare Ponleu Selpak Association (PPS A) which has been active in Cambodia for 20 years. The association decided to create PPS E on the basis of a social business in December 2012 and has created a permanent 400-person-capacity performance infrastructure in Siem Reap, near the Angkor Temples. PPS E sees in artistic creativity a strategic asset for the development of a flourishing society and a vibrant economy. It creates high-quality jobs, secures tourism benefits for the benefit of the local population, strengthens the Cambodian cultural identity and improves access to education for disadvantaged children and teenagers.

The company perpetuates the social mission of PPS A by redistributing a portion of its profits to PPS A. PPS E also aims to ensure that the windfall from tourism benefits the area small economic actors.

The Foundation has chosen to support PPS E because of its pioneering work as a creative social enterprise, its innovative work in the field of access to employment and training, and its contribution to the cultural influence of Cambodia.

Focus Partnership

The International Confederation of Crédit Agricole

The International Confederation of Crédit Agricole (Confédération Internationale du Crédit Agricole – CICA) is a non-for-profit and global orientated association. Founded in 1947, it brings together agricultural banks and other institutions engaged in the financing of agriculture and the rural sector. Chaired by Jean-Marie Sander, Chairman of Crédit Agricole SA, the CICA targets elected and executive leaders of these institutions with the aim of providing them with the latest knowledge to guide their policy, encouraging the exchange and dialogue between them and stimulating their interest towards improved financial services intended for the agriculture and rural sector.

CICA also aims at promoting ideas about the evolution of financing agriculture vis-à-vis the general public, governments and specialised institutions. It enables privileged exchanges between its members.

The Grameen Crédit Agricole Foundation has been a member of the CICA since 2012.

It was in this way, at the invitation of Jean-Marie Sander, that the 4th Global Forum on Agricultural and Rural Finance took place in Paris on 26 and 27 September, right after those of Addis Ababa (2005), Bangkok (2007) and Marrakech (2010).

This 4th Global Forum, jointly organised by the CICA and the four regional associations of Africa agricultural banks (AFRACA), Asia (APRACA), the Middle East and North Africa (NENARACA) and Latin America (ALIDE), brought together 350 worldwide participants, with 98 agricultural banks and 55 different nationalities represented. Experts from the academic world and international institutions also spoke at the event. At the Forum, Jean-Luc Perron presented the work of the Grameen Crédit Agricole Foundation in the field of microcredit and agricultural microinsurance. The high level interventions of Michel Serres, from the French Academy, Michel Rocard, former French Prime Minister, and Stéphane Le Foll, French Minister of Agriculture, agrifood and forestry, were particularly appreciated.