Last June in London, the British Prime Minister gave strong political impetus to the development of impact investing, by including this subject on the agenda of the G-8 for the first time and by announcing a series of initiatives for making Great Britain the best centre for this “social finance”: tax incentives for social investors and the opening of the “Social Stock Exchange” in London as a complement to the initiatives already launched: Big Society Capital and Social Impact Bonds. Under British leadership, a G-8 Task Force was formed on the subject of impact investing, together with national groups, including a French group led by Hugues Sibille, which will meet soon.

In early November, the 5th edition of the Global Social Business Summit was held in Kuala Lumpur. The Grameen Crédit Agricole Foundation was obviously present during this grand annual social business occasion, alongside Professor Yunus and nearly 600 participants, who for three days discussed their experiences and projects for fighting poverty through social business. They were made aware of social business funds in the process of implementation in several countries, with the support of international financial organisations, and applauded the Prime Minister of Malaysia when he announced the creation of such a fund in Malaysia, with an endowment of €5 million granted by the government.

In late November, the 9th Conference of the European Venture Philanthropy Association (EVPA), of which the Foundation is a member, was held in Geneva. The EVPA’s ambition is to “reconcile the spirit of philanthropy with the culture of investment.” Once again, over 500 participants, including many representatives of foundations and banks, attended the conference. Rodrigo Jordan (Instituto Vertical), a Chilean mountaineer and philanthropist, gave an impressive speech: “Poverty is an absurd waste of talent, innovation, creativity and entrepreneurship.”

We should probably be pleased with this multiplicity of international meetings and innovative approaches. However, this proliferation is also a source of perplexity or confusion and even scepticism for the average individual! How do these approaches differ from one another? What are the real intentions of their authors? Let me provide some of the answers.

Impact investing, social business and venture philanthropy seek in common to pursue a social goal, to build on the business model to achieve this aim and to have a long-term vision of their projects. These approaches share the same goals of breaking down the barriers between non-profit organisations, businesses and the financial sector, of inventing new funding tools and of establishing common methods and frames of reference for the measurement of social impact.

However, these approaches, born in different contexts, are not to be confused: impact investing seeks to combine in varying proportions depending on the project, the search for social impact and a remuneration close to the market for the capital providers. Social business calls on investors to develop enterprises whose fundamental purpose is a social mission, and requires them to waive the return on invested capital in order to give absolute priority to the social impact. As for the “venture philanthropists,” they mostly choose to make a donation or very long term investment without compensation.

I was struck by the fact that the people attending these conferences were very different. One can probably dream of an event which would bring together all stakeholders and which would allow everyone to judge the tree by its fruit!
Conference on new tools for sustainable development: Grameen Crédit Agricole Foundation presents the perspectives in the field of microinsurance

On the occasion of the conference held at Paris Dauphine University on 24 and 25 October on “New tools for sustainable development: quantitative methods for the economics and finance of energy and natural resources”, the Grameen Crédit Agricole Foundation and Pacifica, the casualty insurance subsidiary of the Crédit Agricole Group, jointly presented the work of two PhD students on index-based crop insurance models, specifically in developing countries. This work is being carried out within the framework of the research initiative of PACIFICA and the Foundation, in partnership with Astrium-Spotimage and the Europlace Finance Institute Foundation.

The Foundation very involved in the 6th Microfinance Week in Luxembourg

The 6th edition of Microfinance Week, organised from 12 to 14 November 2013 in Luxembourg by the European Microfinance Platform (e-MFP), was attended by over 350 professionals from thirty countries. The main theme was “The Future of Microfinance: Investing in inclusive growth.”

The Grameen Crédit Agricole Foundation, very involved in the e-mfp network, participated in four workshops. In particular, Philippe Guichandut presented the results of the study on investors in medium-sized MFIs (Tier 2 and 3), included in this newsletter. Jürgen Hammer hosted a workshop on responsible microfinance and Thérèse Sandmark hosted a workshop on investment opportunities in microinsurance.

The “Investors in Tier 2/3 MFIs” Action Group published a study on its members’ investments at the end of 2012

The Grameen Crédit Agricole Foundation presented the study conducted by the e-MFP Action Group on investors who focus on intermediate-sized MFIs, namely Tier 2 and 3 MFIs, as defined by this same group, in partnership with MicroRate (see newsletter No. 12 of May 2013). The study was able to analyse the investment portfolio, as at the end of 2012, of eleven European investors in 389 Tier 2 and Tier 3 institutions in 76 countries. The study highlights the following key elements: although 32.7% of the MFIs studied are located in Sub-Saharan Africa, they only represent 15.4% of investments. This figure, much higher than that of the Symbiotics’ study (7%), demonstrates that investments in Sub-Saharan Africa are much smaller and involve a high proportion of Tier 3 MFIs. Sub-Saharan Africa is the region that experienced the largest decline in investment (-8.4% between 2011 and 2012) for the six funds that participated in both the 2011 and 2012 surveys. Only four funds offer technical assistance, mainly directed to Tier 3 MFIs (84%) located in Sub-Saharan Africa. The study also showed that only 16% of MFIs surveyed have received investments from several investors of the Action Group. There are still many collaborative efforts possible. This study also aims to promote transparency between investors who have agreed to share their portfolio data so as to foster synergies and collaboration, and to better meet the needs of Tier 2 and 3 institutions.

For more information on the Conference on the new tools for sustainable development, click here.

For more information about the Foundation’s activities in agricultural microinsurance, click here.

For more information on the research project of the Foundation in partnership with Pacifica, click here.

To access the full study, click here.
The Grameen Crédit Agricole Foundation participated in the 5th Global Social Business Summit in Kuala Lumpur

From 7 to 9 November 2013, the 5th Global Social Business Summit was held in Kuala Lumpur, in the presence of Professor Yunus. In total, 585 participants from 40 countries registered for the Global Social Business Summit. Prior to the summit, a two-day research conference brought together around 70 representatives from universities and educational institutions worldwide. On the day prior to the summit, 60 young challengers from 15 countries met to learn more about the social business movement and to discuss and develop their ideas on social businesses for tackling youth unemployment.

During the Summit, many topics, such as the development and implementation of social business around the world, partnerships as key drivers of social business, and social business as an essential element of business strategy, were discussed. Jean Luc Perron spoke at the plenary session on “Social Impact Measurement – Curse or Cure for Social Investment?” In another workshop, Jürgen Hammer alongside Professor Latifee, Managing Director of Grameen Trust, Mr. Shahjahan, Managing Director of Grameen Bank, both members of the Board of Directors of the Foundation, and Mr. Sophea Suon, Managing Director of Chamroeun in Cambodia, presented the links between Social Business and Microfinance based on several case studies in Bangladesh, Cambodia and Palestine.

This new edition of the Summit confirmed the geographical development and the increasingly diverse scope of the Social Business approach: we are witnessing a proliferation of projects in the areas of clean energy, nutrition, health, water, education, etc. Several investment funds dedicated to social business were presented or announced by our German colleagues from Yunus Social Business, with the support of the African Development Bank and USAID Haiti, Albania, Tunisia and Brazil. The Prime Minister of Malaysia, Sri Haji Mohammad Najib Abdul Razak, gave strong support to this approach in his closing speech at the Summit and announced the creation of a Social Business investment fund in Malaysia, endowed with €5 million by his government. The Summit is also a unique opportunity to make new contacts and discuss common issues.

The next Global Social Business Summit will be held from 13-15 November 2014 in Mexico City (Mexico).
Publication of the Discussion Paper on “The emergence and Development of Agricultural Microinsurance” co-authored by the Grameen Crédit Agricole Foundation

This paper, published by the Microinsurance Network, was funded by the BMZ in collaboration with GIZ, and co-produced by the Grameen Crédit Agricole Foundation, the Foundation for World Agriculture and Rurality (FARM) and ADA.

The authors, Thérèse Sandmark, Agricultural Microinsurance Programme Officer at Grameen Crédit Agricole Foundation, Jean-Christophe Debar, Director of FARM, and Clémence Tatin-Jaleran, an independent microinsurance consultant, provide an overview of the current debates and developments in the agricultural insurance sector in developing countries, with particular emphasis on the special challenges related to index insurance products.

Four case studies (Brazil, Morocco, Senegal, and China) compare their approaches to the development of agricultural insurance. The conclusion highlights the main lessons that can be learned from the implementation of agricultural insurance in the world, with a view to promoting its expansion in less developed countries.

Social Entrepreneurs: Have Your Say!”

On 16 and 17 January 2014 in Strasbourg, the European Commission, in partnership with the European Economic and Social Committee and the City of Strasbourg, is launching a major interactive European event on Social Entrepreneurship and the Social and Solidarity-based Economy.

In October 2011, under the leadership of Michel Barnier, Internal Market Commissioner, the European Commission launched the Social Business Initiative (SBI), a set of 11 measures for facilitating social enterprises’ access to financing, improving the visibility of social entrepreneurship and providing Europe with a harmonised legal framework relating to the social economy.

“Social Entrepreneurs, have your say!” is a 2-day event in Strasbourg on 16–17 January 2014, that is intended for all European stakeholders in social entrepreneurship and solidarity-based finance, for the sharing of best practices, innovative models, new financing tools and for conveying a strong message about the contribution of social entrepreneurship in solving social challenges in Europe on the eve of the European elections and the renewal of the European Commission.

“Social Entrepreneurs, have your say!” will be an important time and place for interactive exchanges aimed at disseminating the achievements of this sector and at encouraging European stakeholders to build on this momentum.
PhileoL (Madagascar), partner of the Grameen Crédit Agricole Foundation, selected for the “Africa Forum - 100 innovations for sustainable development”

On 4 and 5 December 2013 in Paris, “Africa Forum - 100 innovations for sustainable development” brought together a group of African ground-breaking innovators within the framework of the Sommet de l’Elysée pour la Paix et la Sécurité (Elysée Summit for peace and security). Innovations were selected because of their contribution to sustainable development, African entrepreneurship, inclusive growth and satisfaction of peoples’ basic needs.

To this end, the Forum highlighted the most significant financial, technological, social, cultural and ecological innovations of the continent, those that have the potential to strengthen the capacity to live together and to reduce exclusion, in particular that of women and those most vulnerable.

On the occasion of the “Africa Forum : 100 innovations for sustainable development”, which was held in Paris on the initiative of Mr Pascal Canfin, Deputy Minister for Development, Njaka Ravelomantsoa, Associate Manager of PhileoL, granted the Grameen Crédit Agricole Foundation an interview.

This project was therefore in line with our objectives of developing activities in the area of agriculture.

What do farmers gain by working with PhileoL?
Working with PhileoL means farmers have a guaranteed source of income. Since we are based in Tsioimbé, farmers know that as long as we continue to operate the factory, there will always be a need for castor seed and that they will therefore be able to continue selling us their production from September to December. […]

How did the relationship with the Foundation start and how do you see the future of this relationship?
The Foundation took a stake in PhileoL in 2012 following the communication campaigns conducted by PhileoL. I think that, in terms of perspectives, working with the Foundation means going even further, i.e. gradually broadening the impact of our activities, not just at the farmer level but also at the regional level as a whole. Given our development, I think there are many things to be done in the south if the company can succeed in moving up a notch compared to the current situation.

And what brought you to Paris?
We were chosen as part of a selection process conducted by the Ministry of Foreign Affairs as a fringe activity of the Elysée Summit for Africa that took place here in Paris. The Ministry organised a competition covering all African countries and of the 100 innovations retained out of the 800 applications received that deserved to be published, we were selected to meet international donors on the initiative of the Ministry and discuss with them what can be done for the development of activities in Africa.

What is the innovative aspect of PhileoL?
The project that PhileoL represents is innovative because it is a project that dares to change things. It is not a matter of inventing things but of implementing activities aimed at changing an established situation. At PhileoL, we have created a company whose goal is to work with farmers in a poor region with deep liquidity problems and with extreme poverty. We therefore used castor oil to confront these problems, and this is the innovation that allowed us to be selected and be part of the 21 projects invited to be presented in Paris. This presentation gave us the opportunity to meet potential donors and to make us better known. This opportunity goes well beyond what I expected because it offers us a unique chance to meet people who can be decisive for us.

How long have you been working for PhileoL?
I have been working for PhileoL since 2008. Originally, the company was created by three people: a French citizen, Stéphane Philizot, an experienced chemist who saw castor oil as an interesting opportunity and who had the idea of creating his own company […] as well as Nary Razakasolo and myself [who], following our investigations, decided that the project was interesting.

What prompted your interest in this project?
Nary Razakasolo and I had already worked together in another company and at the time we were in search of other activities that could be developed in Madagascar.
Interview with Thérèse Yaméogo responsible for operations and development of AsIEnA

On 7 November, representatives of the Association Inter Instituts Ensemble et Avec (AsIEnA) were in the offices of the Foundation. On this occasion, we wanted to ask them some questions about their institution, its activities and the relationship with the Foundation. Thérèse Yaméogo, operations and development Manager for AsIEnA, granted us an interview.

Can you quickly tell us about AsIEnA, its history and how the institution has grown?

AsIEnA stands for Association Inter Instituts Ensemble et Avec. It is an association created by some nuns in 2002 and that now includes nearly 40 religious congregations. These congregations have set themselves the mission of fighting poverty and empowering people, especially women, by offering suitable products, including loans and training.

And what are the main challenges facing AsIEnA?

AsIEnA’s vision is to become a successful and emerging microfinance structure so our main challenge is to implement a microfinance good practices policy in accordance with international standards.

Let’s talk about the African Facility project implemented by the Foundation from which AsIEnA has benefited. Could you please tell us what you think about such a project and what are, in your opinion, its advantages and disadvantages?

As I said at the beginning, AsIEnA aims to progress and we really want to become, at least by 2020, a truly emergent structure at the national level. To become an emergent structure, we must have good practices and powerful tools in order to move forward, and it is within this framework that we believe the African Facility will really help us to gain a better foothold, to more effectively fulfil our social mission, especially in terms of transparency and performance.

And how did the implementation of the project go at AsIEnA?

Our meeting with the Grameen Crédit Agricole Foundation took place through the AMT network (African Microfinance Transparency) of which AsIEnA has been a member since 2009. We met the Foundation in Tunis at the AMT Conference in October 2012 and we were able to conclude a partnership. The people we target match the profile also targeted by the Foundation, which makes us believe that we will be able to work together in the best possible way.

What are your main expectations from this partnership?

We have high expectations within the framework of the African Facility. We hope to get solid support in order to be able to implement tools consistent with good practices in the microfinance field, in particular internal audit, because we are very much concerned with transparency. As I mentioned earlier, the nuns really want to fulfil their social mission and the social mission implies the implementation of specific indicators. Indeed, we expect the African Facility to help us to implement, analyse and use these social indicators to allow us to better define our actions. We need technical support to be put into place quickly for the well-being of our target audience.

Based in Ouagadougou, the institution operates mainly through a group lending methodology (Mutuelle de Solidarité or MUSO) developed by SIDI to promote savings and credit activities with groups of 15-50 women living in remote rural areas or poor suburbs in towns. These microentrepreneur groups not only promote savings and credit, but also the sharing of experiences and economic and social training.

At the end of September 2013, the institution had 12,386 active borrowers, 91% of them being women and 95% of them living in rural areas. AsIEnA’s average loan amount is 82.47 euros.

Interview with Thérèse Yaméogo responsible for operations and development of AsIEnA
Biotropical

Since 1988, Biotropical has been developing an inclusive value chain in Cameroon based on the production of organic tropical fruits, especially mango, transforming them into dried fruit or pulp and exporting them. To do this, Biotropical works with small producers, providing them with technical assistance and with access to a market with fair prices. Thus, Biotropical contributes to the creation of an organic tropical fruit chain, to rural development and to the strengthening of farmers’ capacities.

Biotropical collects, processes and exports tropical fruit certified organic by Ecocert. In addition, mangoes are certified fair trade. To sustain its supply and develop a Cameroonian organic mango chain, Biotropical assists small mango producers in a number of rural regions in Cameroon in order to improve their agricultural capacity and ensure compliance with the specifications for organic and fair farming. To do so, Biotropical offers inputs, training and logistics services to small producers. It also structures local farmers. Biotropical is gambling on relocating part of its production of dried fruit closer to mango production areas by installing semi-industrial mobile processing units. By producing locally, Biotropical generates added value and creates employment opportunities and skills in underserved areas. The company also integrates small producers into a network of financial and non-financial services.

Support of the Grameen Crédit Agricole Foundation

Since December 2013, the Grameen Crédit Agricole Foundation has been a 14% shareholder in Biotropical and is represented on its Board of Directors. It also funds the company through a shareholder current account.

The Foundation has chosen to support Biotropical due to its poverty combating activity among small producers and its aim of structuring a value chain based on tropical fruit, in particular mangos. The Foundation works with Biotropical in the definition of its social objectives and in the creation of its social performance evaluation tools. It has also assisted the company in the implementation of decentralised production units and the distribution of its industry expertise in the region, in order to boost the local economy.

Focus Partnership

FARM

Founded in 2005 by public and private stakeholders, including the Crédit Agricole Group, and recognised as a public interest organisation by the decree of 20 February 2006, the Foundation for World Agriculture and Rurality (Fondation pour l’agriculture et la ruralité dans le monde - FARM) aims to contribute to improving food security, creating jobs and reducing rural poverty.

To do this, FARM proposes an innovative approach in order to support the development of southern countries through agriculture: FARM is a laboratory of ideas and actions whose mission is to effectively promote agriculture and agri-food chains that are efficient, sustainable and respectful of producers and consumers.

At the interface between research and action, FARM provides input for development stakeholders’ and decision-makers’ thinking through three spheres of activity:

- Training and consulting: strengthen the capacity of stakeholders by supporting the self-sufficiency and professionalization of producer organisations, structure industries and improve their productivity.
- Pilot projects: support and initiate new approaches by jointly building pilot projects with local stakeholders, develop know-how and report on the experiments conducted.

FARM works closely with FARM in the field of agricultural microinsurance. In particular, in December 2012, it took part in a symposium organised by FARM on agricultural production and insurance systems linked to implemented development tools. More recently, the Foundation and FARM collaborated on the drafting of the paper on “The emergence and development of agricultural microinsurance” published by the Microinsurance Network within the framework of the “Strengthening the Network” programme.

In February 2014, the Foundation and FARM, with the support of Planet Guarantee, another partner of the Foundation, will organise a conference as part of the Salon de l’Agriculture which will be held in Paris from 22 February to 3 March. This conference, which will be held in the form of roundtables, will provide an opportunity to present on a large scale the working paper co-authored by the two foundations.

Further information on the conference will soon be available online.

Focus MFI and Social Business

Biotropical

Biotropical

FARM