As we approach the 2015 deadline for achieving the Millennium Development Goals (MDGs), the estimates produced by the World Bank confirm that the goal of halving poverty was reached five years ahead of time: in developing countries, 47% of the population lived on less than $1.25 a day in 1990; the proportion below that threshold fell to 22% in 2010. However, this reduction in global poverty is very uneven across regions. Particularly noticeable in China, the reduction was only 8% in Sub-Saharan Africa, where over 30% of the world’s poor live.

We must therefore redouble our efforts to eradicate poverty, with a high priority given to this part of the world, and a special focus on agriculture.

This is what the Grameen Crédit Agricole Foundation, who fights poverty by financing and supporting microfinance institutions and social businesses, does. As at 31 December 2013, the Foundation works with 33 microfinance institutions. All these partners MFIs have nearly 2 million active borrowers, 86% of which are women, 84% of which are located in rural areas and 26% of which live in Sub-Saharan Africa. These figures are comparable to those of the investment funds specialising in microfinance average that is 68% of women, 50% of beneficiaries located in rural areas and 7% of customers located in Sub-Saharan Africa.

To assist a greater number of microfinance institutions in Sub-Saharan Africa, the Foundation has developed and launched in 2013 an innovative programme: “The take-off facility for agricultural and rural microfinance in Africa”, which combines funding and technical assistance. For this purpose, the Foundation’s eligibility criteria or its loans were relaxed and a technical assistance mechanism, endowed with €1.62 million, was set up in partnership with the French Development Agency. The goal is to provide assistance to 20 MFIs in three years. The programme has been operational since June and as of 31 December, 2013, seven projects had already been approved.

The Foundation is also continuing its work to ensure that small farmers benefit from crop loss insurance against natural hazards, adapted to the size of their farms. The Foundation thus participates alongside Planet-Guarantee, to the Harvest Insurance Sahel project deployed in four West-African countries. In 2013, 18,000 farmers benefited from crop loss coverage based on performance indicators or weather indexes.

The Foundation also develops its activities in the field of social business, by taking minority participations in companies whose principal purpose is to give the poor access to essential goods and products or build inclusive value chains for the benefit of small farmers. There again, priority is given to Africa and agriculture. For example, in Africa, the Foundation is a shareholder and partner of the Laiterie du Berger (Senegal), the Sénégalaise des Filières Alimentaires, Philéol-Madagascar and Biotropical in Cameroon, allowing thousands of farmers to value their agricultural productions.
The Board of Directors of the Grameen Crédit Agricole Foundation met on 24 February 2014

This meeting was an opportunity for Jean-Luc Perron to present the 2013 Foundation's annual activity report as well as the 2013 financial statements and the 2014 budget, which was approved. He had also the opportunity to present the ongoing work on the Foundation’s strategic plan and its general guidelines.

It was also the last Board of Directors’ meeting for Yves Couturier who has been a member of the Foundation’s Board of Directors and of the Projects Committee since its inception in 2008. As his new responsibilities at the Commercial Court of Grenoble do not allow him time to meet his commitments, he resigned. Through its Chairman, the Board thanked Yves Couturier for his commitment to the Foundation’s mission. It co-opted Bernard LEPOT to replace him.

Bernard LEPOT has spent his entire career as General Manager in various Crédit Agricole Regional Banks. Until 2013, he managed the Regional Bank Nord Midi-Pyrénées, and fulfilled national responsibilities to the National Federation of Credit Agricole and the Board of Directors of Crédit Agricole SA.
Key figures at the end of December 2013

In 2013, the Grameen Crédit Agricole Foundation has been active in 21 developing countries.

After five years of operations, the Grameen Crédit Agricole Foundation has approved 103 financing operations for a total amount of € 61.5 million. To date, it funds 31 partner microfinance institutions and 10 Social Businesses in 21 countries. The Foundation’s partner microfinance institutions serve nearly 2 million active borrowers, 86% of them women. 84% of them live in rural areas and 26% of them live in Sub-Saharan Africa.

In 2013, the Foundation also launched new initiatives or continued with existing ones to extend and diversify its action in favour of the poorest:

- In February 2013, the Foundation designed and implemented the “The take-off facility for agricultural and rural microfinance in Africa” by signing a partnership with the AFD (the French Development Agency). This partnership has two components: risk coverage and technical assistance for eligible institutions for the programme. At the end of December 2013, the Foundation had approved seven projects.
- It has continued developing the Grameen Crédit Agricole investment fund (“Grameen Crédit Agricole Fund”), dedicated to investing in social businesses. This fund is aimed at professionals or qualified investors who wish to combine solidarity and entrepreneurship. The Foundation’s equity portfolio in the share capital of Social Business companies will be transferred to the Grameen Crédit Agricole Fund once it becomes operational.
- Furthermore, in 2013, the Grameen Crédit Agricole Foundation took a very active part in the debates and initiatives to promote responsible microfinance, true to its social mission to fight poverty and exclusion, and to develop and disseminate methods and indicators for assessing the social performance of microfinance institutions. It plays an active role in the global forum responsible for developing social performance reporting standard methods in the microfinance field and contributes to the dissemination of the “social business” approach as defined by Professor Yunus, Nobel Peace Prize.

Departure of Baptiste and the new faces of the Foundation: Yann, Heloise and Jonas

Goodbye Baptiste!

YANN GELISTER joined in February 2014 the Development and Technical Assistance Unit on the micro agricultural insurance component. Yann is a graduate of the London School of Economics, University of Leeds, and the European Microfinance Program ULB.

HÉLOÏSE PORTE, joined the Foundation in January 2013 and has been recruited as an analyst within the Investment Unit. Héloïse holds a Master Degree in Finance and Strategy from Sciences Po Paris.

JONAS LUINI, has joined the investment officers’ team of the Development and Technical Assistance Unit in September 2013. He holds a Bachelor Degree in Political Science and a Master Degree in International Relations from the University of Milan (Italy).

For more information on the Foundation’s activities in the microfinance field, click here.
Muhammad Yunus invited by LCL and the Foundation

At the invitation of the Foundation, Professor Yunus shared his vision of Social Business with 70 guests at a dinner debate organised in partnership with LCL.

On 24 February, the Foundation partnered with LCL Business Bank and Asset Management teams (Le Crédit Lyonnais) to organise a dinner debate about “Combining Philanthropy and Entrepreneurship” with an intervention by Professor Yunus and the testimony of Ms. Blandine Muliez, President of the “Entreprendre” Foundation. The 70 guests, business leaders and/or founders of family foundations, had an opportunity to interact with Professor Yunus and become familiar with the social business vision he has developed and successfully tested, as well as deepen their personal reflection on new paths for an entrepreneurial philanthropy.

This exchange was particularly welcome, at a time where long watertight bulkheads between the investment world, led by the search for the better risk/return profile, and that of social causes, dominated by altruism and selflessness, tend to fade in favour of mixed approaches where efficiency and rigor of the business model are put at the service of these social causes: fight against poverty in developing countries, integration of our societies’ excluded people and access for all to health services and education.

A great success!

In his first visit to Cambodia, Muhammad Yunus visited the Foundation’s Social Business partners

At the beginning of March, Muhammad Yunus travelled, for the first time, to Cambodia, where he attended a conference organised by
danone.comunities at the Royal University of Phnom Penh on Social Business with nearly 400 participants, mostly young people. He had the opportunity to enjoy the circus show of Phare Performing Social Enterprise (PPSE), a social enterprise, pioneer in Cambodia, whose mission is to produce and broadcast live shows developed by the Phare Ponleu Selpak NGO. Accompanied by Philippe Guichandut, Head of the Development and Technical Assistance Unit, he then met with Chamroeun, a very social MFI created by Entrepreneurs du Monde in 2006 and in which the Foundation owns 20%, and visited its customers.

In the neighbourhood of Boeung Tompon, a slum south of Phnom Penh, Professor Yunus attended a training session on over-indebtedness gathering around twenty women and their children. The exchanges after the training were easy: women living there are like those of Bangladesh that led Muhammad Yunus to focus on microfinance: mainly agricultural activities, houses exposed to frequent flooding, difficult situations, especially for women... but also a great entrepreneurial spirit for most of them!

Yunus also discussed with the Steering Committee of Chamroeun, the members of its board of directors and the team of Entrepreneurs du Monde. He particularly encouraged Chamroeun and Entrepreneurs du Monde to invest capital in businesses created by young entrepreneurs, to organise “design labs” where young people come to present their ideas for creating businesses and offer professional training courses that students can repay once they are hired.

His first visit to Cambodia also allowed Professor Yunus to meet with members of the Board of Directors of the Cambodian Microfinance Association with whom he could discuss about the model of the Grameen Bank and the methodology followed by the Grameen Bank to face endless natural disasters in Bangladesh (situation increasingly common also in Cambodia).

Finally, a visit to the office of 1001 Fontaines in Phnom Penh allowed Professor Yunus to deepen the social business model developed by the NGO, in partnership with the Foundation, to distribute quality water in the villages of Cambodia. The previous day, he had visited two local water treatment plants in the province of Kandal.
Award of the CPP Certification (Client Protection Principles) to LOMC

LOMC (LOLC Micro Credit Ltd.), Lanka Orix Leasing Company (LOLC) subsidiary in Sri Lanka and partner of the Foundation, is the first Sri Lankan Microfinance Institution to receive the Certification on “Client Protection Principles” conferred by the SMART Campaign and awarded by Micro-Credit Ratings International Limited (M-CRIL).

The SMART Campaign is an initiative that encourages microfinance institutions to integrate the principles and best practices to protect their customers’ activity. Only 13 MFIs in the world have received this certification to date.

At the end of December 2013, LOMC’s portfolio amounted to €115.5 million for a total of 185,782 active borrowers (that is an average loan of €623), 70.5% of them women and 90% of them located in rural areas.

After a first loan of €2 million over a four-year period, the Foundation has granted to LOMC a second loan for a total amount of €1.3 million.

They have spoken! The Strasbourg Declaration

The European Commission brought together over 2,000 actors of social entrepreneurship in Strasbourg on 16 and 17 January 2014.

3 years after its promotion of the “Social Business Initiative”, the European Commission met actors of the rural economy and solidarity during two days of debate and testimony about the topic “Social Entrepreneurs, have your say!”.

To conclude, a final declaration, that does not commit the European Commission, was adopted by consensus.

The Grameen Crédit Agricole Foundation was represented by Jean-Luc Perron, its Managing Director and a member of the Commission Expert Group on social Entrepreneurship.

Click below if you wish to access the Strasbourg Declaration:
- Declaration
- Annex to the Declaration

Publication of the “Microfinance Partnerships to help access basic services” study conducted by Convergences with the support of several MFIs, including our partner ASHI in the Philippines

Convergences examined how multiple actors partnerships (between associations, the private sector, governments and bilateral cooperation agencies) allow MFIs to help their customers improve their living conditions and access basic social services.

To achieve this study, 168 projects have been studied worldwide. Seven case studies were chosen for detailed presentation. Among them, our partner Ashi, in the Philippines, was selected for its Aproot Case project, which concerns the implementation of home loans to help families rebuild their destroyed houses following the typhoon “Ondoy” in 2009. A multi-stakeholder partnership has been set up with municipalities and supporting NGOs.

The study makes recommendations for improving such synergies between stakeholders to better meet the basic needs of the most disadvantaged communities.
NEW INVESTMENTS

The Foundation makes five new investment operations in January and February

In January, the Foundation disbursed the first tranche of a €153,000 loan over a two-year and a half period granted to Coopec Sifa (Soutien aux Initiatives de Femmes pour l’Autopromotion). This Togolese institution emerged out of the project implemented by the JARC (Mouvement des Jeunes et Adultes Ruraux et Catholiques) in order to provide small loans to poor women living in northern Togo. During the project phase, the microcredit activities of the institution have been characterised by a strong social orientation and a degree of caution that limited the operational development of the institution. As of December 2013, the institution had 12,620 active borrowers, 99% of them women living in rural areas. The average amount of loans granted by the institution was €82. This investment is made within the framework of the Take-off facility for Microfinance in Africa, with the support of the AFD.

Furthermore, the Foundation disbursed in February the first tranche of a €222,000 equivalent loan granted to Paidek (Democratic Republic of Congo) over a two and a half-year period. Paidek (Support programme to economic initiatives in Kivu) is a microfinance institution founded in 1996. Exclusively located in North and South Kivu, Paidek operates both in urban or rural areas. The overall objectives of Paidek are, through microfinance, the revitalisation of popular economy and the reduction of poverty. Paidek grants loans to associations, solidarity groups and family microenterprises to help them establish commercial activities. At the end of December 2013, Paidek had 10,045 active borrowers, 49% of them women and less than 1% of them living in rural areas.

The Foundation also disbursed the first tranche of a €608,000 loan granted in Indonesian Rupiah to the Indonesian institution Bina Artha Ventura over a three-year period. Bina Artha Ventura is a Venture Capital Company, actively involved in the microfinance sector, which received its license in November 2011. Bina Artha offers working capital through a modified version of the Grameen group methodology. The institution exclusively targets women who do not have or have only partial access to the formal financial sector. Bina Artha aims at facilitating access to finance for low-income households in Java and to improve their economic and social situation. At the end of December 2013, Bina Artha Ventura had 80,917 active borrowers, all of them women. 70.5% of its borrowers are located in rural areas and the average amount of loans is €64.

Also in Asia, the Foundation disbursed a new loan granted to TPC (Cambodia) for a total amount in Thai Bath equivalent to €1,585,000 over a three-year period. Thaneakhe Phum Ltd (TPC) is a microfinance institution with a social vision and an entrepreneurial orientation that focuses on serving low-income families located in rural areas. Currently, TPC is the 5th largest MFI in the country in terms of active borrowers. It was created by the Catholic Relief Services (CRS) in 1994 to enable women living in rural areas access financial services they could use to finance their microenterprises and improve their living conditions and those of their communities. At the end of December 2013, the institution had 153,952 active borrowers, 85% of them women. Nearly 100% of its clients are located in rural areas. The average amount of loans granted by TPC is €356.

Finally, the Foundation also disbursed €1,040,000 equivalent new loan granted in Somoni to the Tajik institution Arvand over a four and a half-year period. The institution’s mission is to facilitate the improvement of the population’s living standards and create new opportunities for socio-economic development by providing quality financial and technical services to Tajik entrepreneurs. It offers loans and savings products primarily in rural and agricultural areas of the north of the country, and around Dushanbe, capital of Tajikistan. Today, Arvand has five branches, 11 sub-agencies and over 20 customer service centres. At the end of December 2013, the institution had 24,800 active borrowers, 43% of them women. 60.5% of its customers live in rural areas.
Agricultural Microinsurance with the honor at the “Salon International de l’Agriculture” in Paris

On 27 February, the Grameen Crédit Agricole Foundation, the Fondation pour l’Agriculture et la Ruralité dans le monde (FARM) and PlaNet Guarantee organised, within the framework of the Salon International de l’Agriculture in Paris, a round table about “Agricultural microinsurance in West Africa: Realities and Perspectives”.

After the opening of the symposium by Patrick Degiovanni, Deputy General Manager of Pacifica, Jean-Christophe Debar, Director of FARM, introduced the round-table by presenting the study entitled “The emergence and Development of Agriculture Microinsurance” published by the Microinsurance Network and co-produced by the Grameen Crédit Agricole Foundation, the Fondation pour l’Agriculture et la Ruralité dans le monde (FARM) and an independent consultant. This study is a comprehensive update on the discussions and the latest developments in the field of agricultural insurance in developing countries, with a special focus on index-based insurance products.

Philippe Guichandut, Head of the Development and Technical Assistance Unit of the Grameen Crédit Agricole Foundation, moderated the roundtable that brought together Emmanuelle Poirier-Magona, project manager within the Agriculture division of the French Development Agency (AFD), Amadou Ndiaye, Managing Director of the National agricultural Insurance Company of Senegal, Adama Camara, Managing Director of the Malian MFI Soro Yiriwaso, Ismaila Diakité, Chair of the Malian cooperative Coprocuma and François-Xavier Albouy, Vice-President of PlaNet Guarantee. The speakers discussed the current situation of agricultural microinsurance.

This is an important lever to promote intensification and improve the competitiveness of agriculture in this region. It is however neither a single solution nor a panacea, but a key factor among the measures to promote the performance and sustainability of agri-food industries and to reduce rural poverty. The wide dissemination of agricultural microinsurance will succeed only with the support of States and awareness and mobilisation of all stakeholders, including producer organisations. Index-based insurance, despite its promises, has yet to prove itself, but the use of new technologies should allow better coverage of the vagaries of weather, a reduction of basis risk and a less expensive distribution of insurance products. Because of the instability it generates, the cost of non-insurance can be devastating to producers, processors and consumers of agricultural products.

1001 Fontaines conducts its fund-raising campaign on the internet with the participation of Sébastien Chabal

Our partner 1001 Fontaines is conducting an unusual fundraising campaign on the Internet which is promoted by the participation of rugby player Sébastien Chabal who wished to join.

Indeed, with € 1, 1001 Fontaines allows children to have clean water for one year, and through this campaign, it allows users to participate with “1 Click” to the development of projects of access to drinking water in Cambodia, Madagascar and India. At the end of this campaign, which began on April 1 and will end in seven weeks, a random drawing will reward one of the donors and provide him/her with the privilege the spend a memorable evening with the rugby player.