In 2008, the leaders and the Board of Directors of Crédit Agricole S.A., along with Professor Yunus decided to set up a Foundation to fight against financial exclusion in developing countries. This was a courageous, indisputably bold decision, at a time when the subprime crisis hit the economy in general and the banking sector in particular. Its purpose flows from the idea that the fight against poverty relies heavily on private initiative and entrepreneurship, alongside the efforts of States, official development assistance, Patronage or philanthropy.

Eight years later, the Grameen Crédit Agricole Foundation is active in nearly thirty countries and works with over fifty local microfinance institutions. It has also invested in around 15 social business companies through minority shareholding in company capital and is actively involved in the search for a sustainable economic model in the field of agricultural microinsurance. As of September 30, the Foundation’s microfinance partners funded 3.6 million people, 84% of whom were women. 21% of these active borrowers were located in sub-Saharan Africa and 79% of them were located in rural areas. On this basis, the Foundation is currently helping to finance over 134,700 people, mainly for value-creating projects.

The Foundation has implemented multiple partnerships. French donors on development assistance and global level specialised funds now recognize the Foundation as a leading player, original, responsible and strong.

Over the next few years, we will pursue and reinforce this dynamic momentum while cultivating what makes the uniqueness of the Grameen Crédit Agricole Foundation since its inception: humility, professionalism and a genuine desire for synergy and innovation alongside its two founding institutions.
ARRIVAL OF THE NEW MANAGING DIRECTOR OF THE FOUNDATION

Eric Campos was appointed to the position of Managing Director of the Foundation by the Board of Directors on July 19th. He took office on 1 October.

ERIC CAMPOS started his career in Gabon working for an agro-industrial company. In 1993, he joined the General Control Department of the French Development Agency in Paris and a few years later, one of its banking subsidiaries. In 2001 he became CFO, then Deputy General Manager of Crédit Agricole de la Réunion. Between 2006 and 2010 he joined Crédit Agricole S.A. International Retail Banking to occupy managerial positions both in France and Greece. Between 2010 and 2016, he was appointed Deputy General Manager of Crédit Agricole Sud Rhône-Alpes. With his arrival at the Foundation, Eric brings his knowledge of the Group and his expertise as a banker, thus starting a new stage in the development of the Foundation.

THE FOUNDATION INTEGRATES UP-TO-DATE STANDARDS IN THE FIELD OF SOCIAL PERFORMANCE AND CUSTOMER PROTECTION (SPI4 ALINUS 2.0) IN ITS DUE DILIGENCE PROCESS

In August of this year, the Social Performance Task Force launched the 2.0 version of the Universal Social Performance Management Standards, which is the result of a one-year updating and improving process involving a large number of practitioners, experts from the sector and followed by a public comment period. This process was aligned with the SMART Campaign’s simultaneous review of Client Protection Standards. Since then, CERISE has updated the SPI4 social audit tool to incorporate clarification and improvement feedback from users. Finally, in October, the Social Performance Due Diligence Tool, SPI4 ALINUS*, closed this round of standards and application tools reviews.

With this process, the inclusive finance sector now has a harmonised and standardised framework for assessing social performance, allowing clear and consistent monitoring of performance and improvements.

The Foundation has been working since late 2015 with the ALINUS tool, which has been systematically used since then in the financial and social due diligence of our partners. During this year, 25 of our partners were monitored using this tool, making it possible for the first time to evaluate the performance of our portfolio according to the 7 dimensions of Social and Environmental Performance of SPI4 and to measure the performance on consistent and representative benchmarks.

*Aligning Investors due diligence to the Universal Standards
JEAN-LUC PERRON,
MANAGING DIRECTOR OF THE GCA FOUNDATION SINCE ITS INCEPTION, LEFT OFFICE ON SEPTEMBER 30

A graduate of the Ecole Nationale d’Administration and the Stanford Executive Programme, Jean-Luc Perron joined the Grameen Crédit Agricole Foundation in October 2008 as Managing Director. He participated, along with other leaders of the Group and Professor Muhammad Yunus, Nobel Peace Prize laureate in 2006, in the creation of this Foundation model, which is unique in the French banking sector.

On 12 October 2016, President Jean-Marie Sander, at the reception given in honour of Jean-Luc Perron’s departure, expressed his most sincere thanks for his work as Head of the Foundation, on behalf of the Board of Directors and of Crédit Agricole Group.

NEWS FROM OUR PARTNERS

1001FONTAINES & PPSE PARTICIPATE IN THE ANGKOR WAT HALF MARATHON TO FINANCE NEW PROJECTS

A unique sporting event that takes place every year in Cambodia: The Angkor Half Marathon.

The event aims to raise money to help mine victims, but also to promote many humanitarian projects. Several thousand athletes, most of them from all over the world, are running this half marathon.

Two Social Business companies, of which the Foundation is a shareholder, participated in this marathon. For the first time, 1001fontaines participated in this event, with the aim of mobilising amateur athletes and funds to help them install 4 new drinking water stations in the country.

36 runners representing PPSE (Phare Performing Social Enterprise) also took part in this race. The previous edition was a success in raising funds for the Phare Child Protection Programme. Again this year, support was brought through the Alvarum platform, with an ambitious target set at $15,000.
Palmis Enèji, a Haitian social company of which the Grameen Crédit Agricole Foundation is a shareholder, develops energy equipment with a strong social, economic and environmental impact: improved solar kits and cooking stoves. The company seeks access to clean, modern, economical and reliable energy for the most deprived populations. It markets a range of lighting and cooking products that meet the highest quality standards in the sector.

The company was honoured with the Gold Standard certification for its selection of LPG cooker hobs that produce much less CO₂ than charcoal cooktops. This certification now enables Palmis Enèji to open up to a promising new market by reselling “carbon credits” to other companies that would like to offset their CO₂ emissions and thus reduce their environmental footprint.

About Gold Standard

Founded in 2003 by WWF, Gold Standard is a reference certification body for energy projects developed within the framework of the UN Clean Development Mechanism (CDM). This certification ensures that projects offer real emission reductions and long-term sustainable development. Today, over 1,100 projects are being certified in 70 countries.

JUHUDI KILIMO AMONG THE 8 BEST COMPANIES FOR THE WORLD ACCORDING TO B LAB

The Grameen Crédit Agricole Foundation is one of those funding Juhudi Kilimo, a Kenyan microfinance institution. Juhudi Kilimo focuses on rural smallholder farmers by offering banking resources to populations with very limited access to the financial sector. It promotes the creation of autonomous rural communities.

Every year, B Lab publishes its list of best companies for the world based on the “B Impact Assessment”, a sustainability management tool that analyses the impact a company has on the environment, the employees and the community. The “B” certification covers the company’s social, environmental and societal performance as well as its commitment to transparency and accountability. This status allows the company to cast in stone its extra-financial objectives that are no longer conditioned to the goodwill of its shareholders. These “B-Corp” companies are therefore recognised as acting in such a way as to serve the general interest instead of acting exclusively in the interest of achieving profits for their employees and shareholders.

This year, over 500 companies were eligible for the Best for the World award. Among them, Juhudi Kilimo, partner of the Grameen Crédit Agricole Foundation in Kenya, is one of the first eight. This is the first B Corporation in Africa.

DOOLIN’ ON TOUR

THEIR NEW ALBUM VERY WELL RECEIVED!

Following a national tour across France during the summer and several dates in the UK and Germany, the Irish music group Doolin’ meets great success with their public and the specialised press.

Irish Music Magazine, the worldwide standard of Irish music, conducted a two-page interview in its September issue. In France, the group also had very positive reviews, particularly in l’Obs and l’Express for which “if the best group of modern Irish music was French, it would be called Doolin’.”

Doolin’ partnered with the Grameen Crédit Agricole Foundation in 2015 to support agricultural development projects in Africa by donating 10% of proceeds from their new album, recorded in Nashville, during the first three years of operation.
Kosam, which means “milk” in pulaar, is a project for the development of milk collection and dairy farming in northern Senegal, notably carried out by Laiterie du Berger, of which the Grameen Crédit Agricole Foundation has been a shareholder since 2010.

The Kosam project is thus organised around four focal points:

- Restructuring of the milk collection system and launch of two new collection centers
- Development of services available to breeders (food, fodder, prophylaxis, mobile phone service)
- Training of breeders and support for the establishment of dairy farms and mini-dairy farms
- Organisation of breeders into dairy farmer’s cooperatives

The project made it possible to start the restructuring of the milk collection system in order to reduce milk transportation costs, by replacing, in particular, pick-up vehicles with two-wheelers, easier to make profitable and adapted to the production capacity of breeders.

The Kosam project has also launched an innovative approach with a pilot dairy farm whose objective is to set up a dairy farming model that is efficient and adapted to the environmental and economic conditions of Northern Senegal. By the end of 2016, the technical-economic model should be designed to produce a significant volume of milk at a competitive price.

Since 2000 Kyrgyzstan has made big socio economic progress, with extreme poverty declining by an average of 4% a year across the 2000-2008 period. However, the level of poverty is still significant: almost 34% of the population live below the national poverty line. Thanks to a thorough legal framework and strong economic incentives, major microfinance institutions –both local and international– have been increasingly active in the country. OXUS Kyrgyzstan offers individual and group loans. Most Oxus clients work in the agriculture and livestock sectors and 44% of them are women.

OXUS Kyrgyzstan became part of the Grameen Crédit Agricole Foundation’s portfolio in July 2016 due to its agricultural specificity and its efforts to promote women, the two priorities of the GCA Foundation. This is the second investment we made in Kyrgyzstan, a country with a highly diversified microfinance sector that provides about one third of private financing in the country.
SYNERGIES
WITH THE CREDIT AGRICOLE GROUP

LEAVE FOR CHANGE WITH PPSE (CAMBODIA):
CRÉDIT AGRICOLE S.A ENRICHES THE SOLIDAIRES PROGRAMME

Last August, a first Leave for Change pilot was carried out on behalf of PPSE, a Social Business company, partner of the Grameen Crédit Agricole Foundation

This first mission, conducted within the framework of the scheme implemented by Crédit Agricole S.A., allows an employee to leave on his vacation in order to carry out a Leave for Change mission organised and supervised by Planète Urgence and financed by Crédit Agricole S.A.

It is within this framework that JAANA EP, an employee of CACIB, travelled for two weeks to Cambodia to conduct a mission of provision of expertise in the form of an audit of cash flow procedures. At the end of the mission, the conclusions of the audit were presented to the Managing Director and to the Head of the Finance Department.

For Dara Huot, Managing Director of PPSE, the mission of Jaana EP was a success. It has “produced tangible and concrete results that are relevant and useful to the management of the company to help improving its work, cash management and efficiency of financial flows. […] Experienced professionals such as Mrs EP can really bring expertise and values to young companies such as PPSE, and to young entrepreneurs. […] After this first successful experience, PPSE management team continues to seek this type of exchange in the many areas in which the company feels there is a need: full internal audit, human resources, policies audit or even verification of safety procedures”.

THREE QUESTIONS TO JAANA

1 What motivated you to conduct a Leave for Change mission?
When I saw that the mission was taking place in Cambodia, I was immediately interested. I was born and raised in Cambodia, to a Cambodian father, and this mission offered me the opportunity to fulfil an old wish: to contribute, to a certain extent, in the development of my country, also putting my Franco-Cambodian culture to use, which in this particular situation has been a great asset.

2 What did you learn from this experience?
I learned a great deal form this experience, from both a personal and a professional point of view. From a personal point of view, I am delighted, in a way, to have had the opportunity to put my skills at the service of an action that contributes to the development of my country. From a professional point of view, using my skills as part of a voluntary action has had an extremely rewarding effect because I felt useful. I also met great people, committed, responsible, dynamic, inspiring, who bring hope. And above all, I am pleased to see that the Group I work for funds such actions. When I came back, I talked about my experience to my colleagues and all of them were very positive and enthusiastic.

3 What would you say to those who would like to undertake this type of experience?
I would advise them to prepare themselves very well beforehand by exchanging with the institution that will welcome them in order to clarify the objectives and to ensure that they are able to fulfil the mission because the host organisation is the most likely to explain exactly what they expect from the volunteer. For the mission to be beneficial to both parties, it is important to prepare it well beforehand, because it is a real support mission, with objectives to be achieved and results to be explained. A preliminary preparation will save time once there and allow making meaningful use of the two weeks of the mission. It is about being operational as soon as possible.

Further information on PPS: click here.
Further information on the Solidaires programme: click here.
How do you assess the work carried out by the Grameen Crédit Agricole Foundation over the past eight years?

In eight years, the Foundation has succeeded in developing an original model of a not-for-profit foundation: it pursues a social mission for fighting poverty in developing countries through financial instruments. It is very close to our Group but pursues a social mission completely independent of the commercial interests of Crédit Agricole, although fully integrated into the Group’s strategy. It combines financial professionalism with a strong commitment to the challenges of development, food security and financial inclusion.

During this period, the Foundation has reached a specific position in the field of microfinance and social business. It was able to manage its endowment in a responsible way to accompany microfinance institutions in areas where often the other funds do not intervene although it still has to find the right balance for its business model. Today, it supports 51 MFIs and has invested in 14 social business companies in 28 developing countries. The Foundation has also launched an Investment Fund entirely dedicated to investing in the capital of social business companies while helping to promote an innovative model of agricultural microinsurance based on weather data indexes, to protect small farmers against climate risks.

For me, the Foundation is an essential and necessary tool for fighting poverty that, personally, opens the world to me and constantly reminds me that economics and finance are worth only if used for the good of humankind.

In your opinion, are the actions of the Foundation consistent with Crédit Agricole’s DNA?

The Foundation’s actions cannot, in my opinion, be more consistent with the mission and essence of Crédit Agricole. It was the cooperative values that led to the creation of Crédit Agricole in the 19th century. These values of solidarity, responsibility, sustainability, proximity and service constitute the very basis of the Foundation’s work with the microfinance institutions it finances and the social business companies in which it has invested. These are values that the Foundation develops on a daily basis and which it reinforces by committing itself in the field of microinsurance, which aims to protect small farmers in developing countries. The values of proximity, responsibility and solidarity in particular, which are the founding values of Crédit Agricole and which are intimately linked to its cooperative identity. Each entity of Crédit Agricole shares the belief that they are not only modern but also key factors of robustness and development, as does the Foundation.

According to you, what are the common points between the mission of the Grameen Crédit Agricole Foundation and that of Regional Banks?

The Foundation’s mission is to fight poverty in developing countries. To this end, it has taken up to help disadvantaged populations by facilitating their access to essential goods and services, primarily micro-financial services such as credit, savings or insurance. To do so, the Foundation encourages the development of local microfinance institutions and social business companies it helps to finance.

In the same way, Regional Banks meet the expectations of their customers and their territory, in particular when these expectations are in line with its core business (bancassurance), and bear the Crédit Agricole corporate values, namely values of proximity, trust, solidarity and human support of a territory. These same values the Grameen Crédit Agricole Foundation shares and contributes to develop through its partnerships.
In the third quarter of 2016, the Foundation made ten new investments in favour of microfinance institutions, including three to new partners.

**IN BENIN**

The GCA Foundation granted a new loan to RENACA, in local currency, equivalent to € 488,000 over a three-year period. The RENACA (Réseau National des Caisses villageoises d’Epargne et de Crédit Autogérées) is a mutual microfinance institution whose mission is to significantly strengthen the economic base of vulnerable rural and urban populations who are engaged in self-employment by providing quality financial and non-financial services with a view to achieving sustainability. To date, the institution has 21,500 active borrowers, 60% of them being women and 80% of them living in rural areas.

**IN BURKINA FASO**

The GCA Foundation granted a new loan in local currency over a three-year period amounting to € 762,000 to PAMF – BF.

**Aga Khan Agency for Microfinance**

The Foundation also granted, over a three-year period, a first loan in local currency amounting to € 915,000 to ACEP Burkina S.A., a microfinance institution that specialises in financing microenterprises and existing small businesses in urban areas and their suburban neighbourhoods. The loans granted are primarily intended for financing working and investment capital requirements. Despite the existence of a very large mutual MFI in urban areas, microentrepreneurs have very little access to microfinance services. Acep Burkina brings an offer tailored to the financing needs of small urban entrepreneurs. To date, the institution has 5,300 active borrowers, 22% of them being women and around 65% of them living in rural areas.
IN UGANDA

In Uganda, the Foundation made three new investments in the third quarter, one of them to a new partner, STRØMME FOUNDATION EAST AFRICA (SMF EA) which is part of Strømme Foundation, a Norwegian international development organisation. SMF EA, whose microfinance activities began in 2004, works in Uganda, Kenya and Tanzania. Its objective is to provide, on a sustainable basis, financial services adapted to the market, and capacity building support for financial and business services providers, in order to facilitate access to financial services for poor entrepreneurs in Eastern Africa. Strømme has been granted a € 1 million loan by the Grameen Crédit Agricole Foundation, over a four-year period. To date, the institution has more than 25 partner MFIs, over 50% of them based in Uganda. The MFIs funded by SMF EA serve around 2 million clients, 66% of them being women.

The Foundation also granted a loan equivalent to € 500 000 over a three-year period to UMF (Uganda Microfinance Foundation). Since 2008, UMF offers microfinance services (among which group loans) to the economically active people of Uganda who lack capital. Almost 70% of its existing client base is made up of women. 73% of the 5,000 active borrowers of the institution are farmers and small traders but it also serves small businesses. In areas where youth and female unemployment rates are high, this MFI is a catalyst for local employment. It also encourages its customers to save in order to build up a small capital and gain financial autonomy.

In addition, the Foundation granted a new loan to ENCOT for a total amount equivalent to € 500 000 over a three-year period. Partner of the Foundation since 2014, Encot is a rural community development microcredit and rural-enterprise development NGO founded in 2006 by a group of indigenous community development practitioners in Masindi. The institution, which started operations as an academic research project with an objective of investigating the impact of microfinance on agriculture, was created as a response to the challenges of poverty and suffering faced especially by farmers. The research evolved into a fully-fledged community development organisation meant to improve access to appropriate credit and entrepreneurship development services among the marginalized rural communities in Masindi district. To date, the institution has 7,900 active borrowers, 50% of them being women and 88% of them living in rural areas.

IN SRI LANKA

The Foundation granted a new loan for a total amount equivalent to € 3 million, over a four year period, to LOMC. LOLC Micro Credit Limited (LOMC) is the largest microfinance institution in Sri Lanka and a subsidiary of the LOLC Group. Its objective is to be a catalyst for the private sector by promoting a sustainable development in Sri Lanka. To do so, LOMC provides integrated financial services in rural areas in a cost-effective manner, supports job creation and income generation activities, promotes gender equality and supports environmental awareness, both from an institutional and a customer perspective. To date, the institution has 390,000 active borrowers, 73% of them being women and 92% of them living in rural areas.

IN PALESTINE

The Foundation pursues its partnership initiated in 2014 with the microfinance institution FATEN, through a new loan equivalent to € 1.7 million, granted over a two-year period. Faten is a non-for-profit national institution created in 1999 that provides diversified, sustainable and quality financial services to small and micro entrepreneurs, as well as to economically active people on low incomes, particularly women. To date, the institution has 36,800 active borrowers, 31% of them being women and 41% of them living in rural areas.

IN KYRGYZSTAN

The Foundation granted a new loan for a total amount in local currency equivalent to € 449 000 over a three-year period to the microfinance institution FMCC (First MicroCredit Company). First MicroCredit Company is the most important MFI in the south of the country and represents 5% of the microfinance market share. The activity of the institution, created in 2006, focuses on providing loans, in particular in the livestock and agricultural sectors, which reflects the macroeconomic characteristics of the country. To date, the institution has over 14,500 active borrowers, 43% of them being women and 94% of them living in rural areas.

The Foundation has also granted a first loan equivalent to € 500 000 over a three-year period to OXUS KYRGYZSTAN, an institution resulting from a microfinance programme initiated by ACTED in 2003 (see Microfinance Focus). To date, Oxus Kyrgyzstan has 5,400 active borrowers, 44% of them being women and 75% of them living in rural areas.