

# The Grameen Crédit Agricole letter

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## EDITORIAL FROM JEAN-LUC PERRON



The meeting in Paris, July 8, an international conference on Microfinance, organized by the “Banque de France” as part of the French Presidency of the G20, was an opportunity, after the

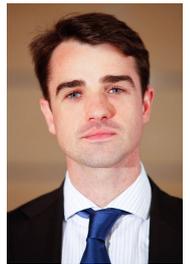
controversy we have faced to recognize the role of microfinance as a tool for development, promotion of women and the dignity of the poor. This was said in particular by Christian Noyer, Governor of the “Banque de France”, Muhammad Yunus, the great orator of this conference, Dov Zerah, Director General of the French Development Agency. For my part I took advantage of this unique forum to renew [the appeal of Paris](#) for a Responsible Microfinance, initiated by Convergence 2015 in May, and to highlight priority areas for development of microfinance, that I called the 3 A: Agriculture, Africa, Insurance (Assurance). In agriculture, we can only welcome the agreement reached by the Ministers of Agriculture of the G20 agreement rightly insisting on the role of the small peasant agriculture to meet the challenges of food security. Unfortunately this agreement does not mention microfinance as the preferred means of access of small farmers to seasonal credit, equipment loans and crop insurance. Microfinance institutions have in fact a key role to play in raising agricultural productivity, protect small farmers against the vagaries of nature, develop rural small businesses and contribute to the development of farmer organizations.

Hopefully the G20 summit in November, under the presidency of Nicolas Sarkozy, will hear these messages.

## NEWS

### The Foundation is committed to Social Business

April 28, Prof. Yunus said Paris as capital of Social Business! Grameen Crédit Agricole Foundation confirms its commitment to this cause; as Social Business is an activity in the heart of its mandate. The Foundation is actively considering a very important initiative, enabling institutional and individual investors, who wish to support projects of



Social Business in developing countries, access to real "Social Business" funds. It's for that purpose that [Christophe Person](#) joined the Foundation. It is with great pleasure that we welcome Christophe, who has extensive experience in socially responsible investment funds and solidarity within Amundi, the asset management subsidiary of Crédit Agricole Group. Foundation and Crédit Agricole SA have also brought their support to the [“Ashoka Changemakers' week”](#), which was attended by 1,300 people, including nearly 500 social entrepreneurs from all around the world, in Paris in late June. The Foundation was able to present its work with social entrepreneurs from many different countries and intervened in a session on how to finance the Social Finance. Finally, on July 5, the [Paris Europlace](#) international forum, which meets every year the cream of world finance, also allowed to present the social business approach of the Foundation and to raise awareness for the European Commission of the need to develop the UCITS regulations to develop joint investment for microfinance and social business by the general public.

### The European Commission established microfinance and social business in the heart of Single Market Act.

25 and 26 May, Michel Barnier, European Commissioner for Internal Market and Financial Institutions, has taken the initiative to bring together some 70 officials of the Commission and experts in microfinance and social business to reflect together on initiatives that could take the Commission in the [Single Market Act](#) to encourage the development of microfinance and social business, both in the space of the European Union and, in developing countries. This consultation precedes and prepares a Commission consultation on these issues and the meeting of a major conference of all stakeholders, on November 18 in Brussels. We can only rejoice in the will of the



Commissioner and his services to make room for these subjects, while they are engaged with issues much more urgent and frightening such as financial crisis and the reform of the prudential regulation of financial sector. At a time when we must have to reconcile the financial and the real economy, microfinance and social business are showing a way for a more humane economy. This is precisely the title of the latest book in French by Professor Yunus, published by J-C Lattes.

The "Paris Appeal", aimed at the general public, professionals and policymakers, reminds the core values of the sector and suggests a series of actions to improve its practices and its impact.

## New Investments

Several investments have been made, a loan in dollars equal to € 250,000 for **Hekima**, an MFI located in North Kivu in the Democratic Republic of Congo. A loan in local currency equivalent to € 445,000 was given a rural MFI in Azerbaijan, **Findev**. Another loan in local currency equivalent of € 346,000 was granted to **Chamroeun**, MFI already a partner of the Foundation in Cambodia. At 1 July 2011, the Foundation had invested about 22.682 Million Euros in 25 MFIs located in 16 different countries and 1.165 Million Euros in 3 Social Business in 3 countries.

## FOCUS IMF



### FINDEV (Azerbaijan)

The **Institution Finance for Development (Findev)** was created as part of the "Savings and Loan" program, launched by

Oxfam GB in Azerbaijan in 1997. In May 2002, FINDEV acquired its status as a non-banking financial institution in the form of SA, in accordance with the local regulations. FINDEV provides micro-loans to low-income people, and it especially targets refugees and displaced persons (IDPs) and micro-entrepreneurs in rural zone. Among the various products that Findev offers, there are especially, individual and group loans but also the loan dedicated to the agriculture and the savings services. At the end of February 2011, Findev employs more than 79 staff, in six agencies that serve approximately 7500 clients. The Foundation has granted a loan of up to € 460 000 to the institution, of which 80% will help to increase its portfolio of agricultural loans.

## Under the auspices of the Foundation at a meeting of investors MFI levels 2-3

In partnership with the European Microfinance Platform (e-MFP), the foundation organized in Paris on June 14 a meeting with the main European investors, who work with microfinance institutions (MFIs) of intermediate levels tier 2-3. About fifteen participants representing nine investors met to discuss issues related to support for this type of MFIs and to ensure greater coordination between them. An initial survey led to the identification of countries and institutions supported. Further discussion included the need to facilitate the MFI reporting to the investors and the need for technical assistance. All participants stressed the need to continue this exchange on a regular basis and plan to meet again during the "Week of Microfinance" organized by the e-MFP in November in Luxembourg.



## FOCUS PARTNERS

### Monegasque Cooperation

The Foundation has signed 10 March 2010 a partnership agreement with the Government of Monaco and **Credit Foncier de Monaco (CFM)**, a subsidiary of Crédit Agricole, the largest bank in the Monaco. The agreement aims to mobilize the financing capacity and technical assistance from three partners in favour of microfinance and social business projects in developing countries, mainly in Africa. Crédit Foncier of Monaco gives to its staff on a voluntary basis the opportunity to be involved in, technical assistance missions for the foundation. Other costs incurred by these missions are supported by the Foundation and the Department of International Cooperation of Monaco.



On 15 June, the Steering Committee of this agreement, gathered in Monaco, allowed to review the technical assistance missions carried out in Mali, East Timor and Senegal, and discuss the action plan of 2011-2012. The activities envisaged are always technical assistance to MFIs in West Africa and in Haiti, a joint approach to the development of agriculture micro insurance, also in West Africa, and the establishment of a strategy of funding and technical assistance tailored to small MFIs focussing on agricultural and rural finance in some countries of East Africa and the West. The meeting confirmed the relevance of the Framework Convention and the quality of dialogue with the Government of Monaco allowed the Foundation to strengthen its technical assistance activities with its partner institutions.

