Over and above this honour, this election is a strong sign of the support that Crédit Agricole SA, through its Chairman, will continue to give to this great initiative, launched in partnership with Professor Yunus, Nobel Peace Prize. A conference held on 6 March at Crédit Agricole SA in Montrouge, allowed us to mark the fourth anniversary of our Foundation and to draw up new perspectives in line with the mission with which it has been entrusted: to contribute to fighting poverty in developing countries through microfinance and social business. Beyond the results already obtained, which clearly demonstrate the accuracy of the positioning of our Foundation, I would emphasize three noteworthy characteristics that to me give full meaning to the decision made four years ago by the Board of Directors of Crédit Agricole SA:

1. First of all, it is a long-term initiative. If Crédit Agricole had wanted “a coup” to attract media attention, it would not have created a foundation, but would have opened a credit line, always cancellable, or created a subsidiary in which it would have held the capital. By definition, a foundation is a long-term project. It even survives its founders! By virtue of its by-laws, a foundation has independent governance, under the control of the Government. By registering our joint initiative as a foundation, we protected it from the volatility of the economy and the fickleness, always possible, of the management. By endowing the Foundation from the very beginning with 50 million euros, we gave it the means to build expertise and positioning over time, without the uncertainties of annual patronage budgets.

2. Next, it is a selfless initiative. We did not want to use microfinance in developing countries to create a “business line” let alone a profit centre! In doing so we defused any unsavoury controversy on the well-known topic “you get rich on the backs of the poor” because the 50 million euros provided by Crédit Agricole SA when the Foundation was created were given with no thought of return, in any form. These funds enable the Foundation to fulfill its mission by granting microfinance institutions and social businesses that meet its financial and social criteria the financial means for their development.

3. Finally, it is a partnership initiative. And what a partner! The Foundation is a joint venture between Crédit Agricole and the Grameen family. It is an alliance between North and South, of which we will see more and more, I am sure, in our globalised world. It is an alliance of values for generating social value for the benefit of the poorest, an alliance of expertise to provide the right answers and disseminate good models.

For all these reasons, I will lend my full support to the actions and the reputation of the Foundation. In the light of what has already been done, I have no doubt that it will continue to carry far and wide the values of Crédit Agricole and the ideas of Professor Muhammad Yunus.
The Board of Directors approved the Grameen Crédit Agricole Social Business Fund

On 5 March, the Board of Directors of the Grameen Crédit Agricole Foundation met in Luxembourg in the presence of Professor Muhammad Yunus.

On this occasion, the Board of Directors, which is made up of 12 members elected for a period of three years, elected a new Chairman in the person of Jean-Marie Sander, Chairman of Crédit Agricole SA. Jean-Marie Sander succeeds René Carron who has been the Chairman of the Foundation since its creation in 2008 and whom the board thanked for his commitment.

In addition, the Board of Directors co-opted Jean-Michel Sévérino, CEO of Investors & Partners for Development (I&P), former Managing Director of the French Development Agency (Agence Française de Développement) and former Vice-President of the World Bank, to replace Daniel Lebegue, who declined to renew his mandate.

At this meeting, the Board decided to establish a Committee on Ethics, Compliance and Audit composed of three directors: Christian Talgorn, Professor Latifee and Agnès de Clermont-Tonerre. It adopted the Ethical Charter of the Foundation whose goal is “to set down the principles of action and ethical rules that flow from the mission allotted to the Foundation and the shared values of the two founders (Crédit Agricole S.A. and Grameen Trust), and to ensure that directors, employees and representatives abide by these rules and principles.” The Board of Directors unanimously approved the planned investment fund dedicated to Social Business, proposed by the Managing Director. The Grameen Crédit Agricole Fund will itself be a social business. It will target sophisticated, socially motivated investors, who are willing to contribute effectively to the fight against poverty by investing through the fund in companies that provide poor people with access to life’s essentials: nutrition, drinking water, sanitation, energy, education, healthcare, financial services... Investors waive any personal enrichment in favour of the social mission of the Fund and the companies it supports. The Grameen Crédit Agricole Fund is awaiting approval by the CSSF, the supervisory authority of financial markets in Luxembourg.

Professor Yunus and Jean-Marie Sander visit the EIB in Luxembourg

Professor Yunus, Nobel Peace Prize 2006, accompanied by Jean-Marie Sander, Chairman of Crédit Agricole SA, Jean-Luc Perron, Managing Director of the Foundation and Jean-François Abadie, Director of Crédit Agricole Luxembourg, was received on 5 March by the new President of the European Investment Bank, Werner Hoyer, for a panel discussion on the topic of Social Business.

In addition to President Hoyer, Vice-President Plutarchos Sakellaris, Richard Pelly, Chief Executive of the European Investment Fund, Jacob Remy, Dean of the EIB Institute, Tamsyn Barton, Operations General Manager outside the EU, Patrick Walsh, Director of ACP Operations and Edwardas Bumsteinas, Microfinance Manager also took part in the discussion.

Professor Yunus set out his vision of the fight against poverty through Social Business, a vision illustrated by the examples of companies he has created in partnership with large European industrial groups, in particular Grameen Danone Food Ltd in Bangladesh of which the Foundation is a shareholder. His uncompromising presentation prompted many questions from the management of the EIB, which is itself engaged in several initiatives to promote microcredit in Europe and outside the EU, but whose financial model is based primarily on the use of financial markets with an AAA rating.

Asked about the results expected from Social Business, Professor Yunus replied: «It is when the social objective becomes the main factor that it is most effective. It’s at this moment that we talk about “social business”. Companies do not withdraw dividends but social benefits. People are thus released from all the contingencies that weigh on them when trying to make money. We have already created this type of company and it works»
The Grameen Crédit Agricole Microfinance Foundation celebrated its fourth anniversary at a conference chaired by Jean-Marie Sander in the presence of Professor Yunus

On 6 March, Crédit Agricole celebrated the fourth anniversary of the Grameen Crédit Agricole Microfinance Foundation, founded in 2008 by Crédit Agricole and the Grameen Trust.

«It is a great honour», confessed Jean-Marie Sander, Chairman of Crédit Agricole SA and newly-elected Chairman of the Foundation, at the outset of his remarks, when welcoming Professor Yunus, Nobel Peace Prize 2006, for a conference presenting the results of four years of the Foundation and its new development opportunities, in the presence of 200 association leaders, NGO members, financial investors and representatives of Crédit Agricole, at the group’s new headquarters in Montrouge.

Jean-Marie Sander then recalled that four years ago, the Board of Directors of Crédit Agricole SA, of which he was then Vice-Chairman, decided unanimously to endorse the creation of the Grameen Crédit Agricole Microfinance Foundation, proposed by Georges Pauget, and to endow it with €50 million. «This grant which was fully paid at the inception of the Foundation is acquired forever» said Jean-Marie Sander who stressed that the characteristics of the joint initiative of Crédit Agricole and Grameen, a long-term, selfless partnership, were meaningful in the context of the current crisis.

In his speech, received with great attention, Professor Muhammad Yunus paid tribute to the results of the Foundation, presented by its Managing Director, Jean-Luc Perron: «In four years, many things have been achieved; projects carried out in 15 countries for 24.4 million euros. I believe these are results we can very legitimately acclaim even though there still remains much to do». Professor Yunus especially developed his vision of a world that renounces the limitless search for profit and enrichment, and of Social Business, as a model of the enterprise that serves to solve social problems. Describing himself as a “serial entrepreneur”, he hailed the historic decision of the Board of the Foundation to create a fund dedicated to the development of Social Business enterprises.

Jean-Luc Perron for his part presented the main characteristics of this Grameen Crédit Agricole Fund, a fund of €15 million to €20 million, in which the Foundation will be both a key investor and the investment adviser. This Fund will be offered to sophisticated investors, socially motivated, whether public or private, individual or institutional, as soon as the Supervision Committee of the Financial Sector of Luxembourg gives its approval. In this way, the Foundation wishes to give greater visibility to this innovative approach and to ensure adequate financial and human resources so as to play a pioneering role as a facilitator of Social Business projects in developing countries.

For further information, visit our website
The Foundation hosts the Social Microfinance Investor Round Table in Paris

On 16 February 2012, the Grameen Crédit Agricole Microfinance Foundation hosted the fifth Social Microfinance Investor Round Table organised by the Working Group of the Social Performance Task Force (SPTF) and CGAP.

The main purpose of the meeting, which brought together 58 participants at the headquarters of Amundi, the asset management subsidiary of Crédit Agricole Group, was to update and coordinate the global responsible finance initiatives and to move forward some of the deliverables of the four action groups created in 2011. Investors also discussed more broadly their role and complementarity in the changing financial inclusion landscape.

The Foundation, a member of the SPTF, has already included evaluation criteria for the social quality of its own actions in its analysis tool. As a result, the Grameen Crédit Agricole Microfinance Foundation is among the first institutions to be "SPI" (Social Performance Indicators) certified by CERISE (Committee for Exchange, Reflection and Information on Savings-Credit Systems).

This certification is the culmination of a close relationship between the Foundation and this network for the exchange of microfinance practices, an offshoot of five French development organisations, to integrate the SPI audit methodology into the Foundation’s analysis tools.

The next Social Microfinance Investor Round Table will be held on 5 June in Amman, Jordan, prior to the meeting of the Social Performance Task Force.

The Grameen Crédit Agricole Microfinance Foundation receives the 2011 MIX Investors’ Social Performance Award

In 2009, MIX started social performance data collection from about 200 MFIs. Today, over 600 institutions around the globe have completed social performance profile information on MIX Market.

To recognize those MFIs committed to transparent social performance monitoring and management, MIX, along with the Michael & Susan Dell Foundation, the Ford Foundation and CGAP, initiated an award program in 2009 aimed at promoting social performance reporting. Since its launch, the criteria for the social performance reporting award have evolved so as to reward MFIs not only on the basis of transparency, but also in recognition of good practices in social performance management.

MIX has just rewarded the Grameen Crédit Agricole Microfinance Foundation with the 2011 MIX Investors’ Social Performance Award (Silver Award) for its work in promoting social performance among the MFIs it funds. With this award, MIX recognizes the efforts of the Foundation, 55% of the funded MFIs of which have submitted a report on their social performance.

MIX also rewarded a partner institution of the Foundation. TRM (Tuba Rai Metin), a Timorese microfinance institution that targets poor women in rural areas, also received the 2011 Silver Award.

For more information, please visit our website.

New investments

Since early 2012, the Foundation has made new investments in four countries

Since the beginning of 2012, the Grameen Crédit Agricole Microfinance Foundation has made four new investments in as many countries.

For example, the Foundation entered the capital of PhileoL with a 15% stake in the company, an investment of €50,000.

At the invitation of Grameen and Danone, the Foundation has taken a stake in Grameen Danone Foods Limited (Bangladesh) for an amount equivalent to €200,000. The company, which is the Social Business reference, produces highly enriched yogurts in Bogra in northern Bangladesh, with the aim of addressing nutritional deficiencies seen in children, and distributes them in part through a network of very poor women who sell them individually from house to house. The investment of the Foundation is in keeping with the development plans of the company that, in particular, include building a second factory.

Also in Asia, Chamroeun (Cambodia) has received a capital investment of €155,000. Chamroeun, an initiative of Entrepreneurs du Monde, provides microfinance services as well as non-financial services (social assistance and training) to very poor urban families.

Finally, the Foundation granted a loan of US $297,000 to TRM Timor (Timor Leste), a microfinance institution that targets mainly poor women in rural areas and that favours a group-lending methodology. This is the second investment of the Foundation in Timor Leste, a small country that ranks among the poorest in Asia.
Focus IMF and Social Business

The Foundation takes a stake in PhileoL (Madagascar)

PhileoL has been operating since 2008 in Androy, the poorest and most arid region of Madagascar. Over 95% of the population there lives on less than $1 per day. PhileoL is developing an inclusive chain of castor-oil cultivation, the castor-oil seed being particularly suitable for arid areas, and castor-oil extraction, the oil being highly sought after by industry.

By developing a complementary activity to food crops, by securing an income for farmers, and by strengthening their technical and organisational capabilities, PhileoL is playing a pioneering role in the economic and social development of the Androy region.

Today, PhileoL enables 3,000 small farmers to diversify and secure their income. By 2016, it aims to become the main actor in the Malagasy oilseed sector while allowing nearly 6,000 farmers to multiply their income by five and strengthen their role in the sector.

The Grameen Crédit Agricole Foundation supports PhileoL, especially in its social business mission, by developing, jointly with the company, tools for assessing its social performance as described in the company’s Social Business charter.

Focus Partners

The Foundation gets involved in agricultural microinsurance alongside Pacifica

Small farmers are exposed to natural hazards that, by destroying their crops or livestock, expose them to ruin and insolvency.

In its goal to explore new territories in the field of agricultural microinsurance, the Foundation has committed to a research partnership in this area alongside Pacifica, the life insurance company of Crédit Agricole SA.

This partnership is organised as a research initiative under the auspices of the Europlace Finance Institute Foundation, and aims to study the application of indexed crop insurance models in the context of southern countries. Pacifica brings its expertise as an agricultural insurer in France and contributes to the advancement of research through the development of quantitative, financial and innovative insurance approaches.

As the use of satellite climate imagery is very suitable for indexed agricultural insurance in the South and key to the emergence of new solutions, this collaboration also includes Astrium-Spotimage, the satellite imagery subsidiary of EADS.

As part of this research initiative involving four complementary partners around the theme of risk and financial protection for farmers, the Grameen Crédit Agricole Foundation will soon take on a PhD student for a two-year period, under the supervision of Professor Folus from the University of Paris-Nanterre, in order to improve the knowledge of this area.

For more information about agricultural microinsurance, please visit our website.