Foreword

Jean-Luc Perron
Managing Director of the Grameen Crédit Agricole Foundation

For the last two years now, Dhaka has celebrated June 28 as “Social Business Day”, with a major conference involving Muhammad Yunus and many economic actors and academic experts working on a new approach to solving social problems. The main challenge for social business and the theme of these meetings is the issue of how to combine entrepreneurial efficiency, which is the engine of growth, and the altruistic dimension, which exists inside each one of us, to serve the cause of the fight against poverty and insecurity in the world and thus transform society.

The Grameen Crédit Agricole Foundation has played an active role in this event by sending a delegation of seven people and providing testimonies at the different sessions and roundtables organized on June 28 by the Yunus Centre and on June 29 by the North-South University.

I was particularly pleased to announce that the Grameen Credit Agricole Investment Fund project, which is dedicated to investing in social business, is progressing well. Following unanimous approval of the Foundation’s Board of Directors on March 5 as well as oral agreement from the Commission de Surveillance du Secteur Financier, which supervises financial markets in Luxembourg, we have reached a new stage in our proposal to launch a fund in the form of a SICAV under Luxembourg law of Specialised Investment Fund. It will therefore soon be possible for professional or sophisticated, and particularly investors motivated by the social approach of the Grameen Credit Agricole Fund, to begin to invest funds. Remember that we are aiming for a fund of 15 to 20 million Euros, in which the Foundation will be involved as an investor and as a major facilitator of the investment policy within the framework of an exclusive advisory mandate. The Foundation has appointed three members of its board to represent the Board of Directors of the Fund, including Professor Yunus himself.

Our pleasure in contributing to the cause of the fight against poverty through microfinance and social business would be still greater if institutions and enterprises created by Professor Yunus in Bangladesh were not once again subject to a government offensive following a decision to form a new Commission of Inquiry to investigate the Grameen Bank and all Grameen companies.

In a public statement, available at the following address (http://www.grameen-credit-agricole.org/sites/grameen/files/declaration_yunus_an.pdf), Professor Yunus has expressed his fear that the Commission of Inquiry is a cover for the Government to change the ownership and governance rules relating to the Grameen Bank, in which a 97% stake is held by the 8.4 million female borrowers, and the Grameen companies, most of which are social businesses in the areas of education, energy or health.

On behalf of the Board of Directors, Jean-Marie Sander, President of the Foundation, expressed solidarity and support for Professor Yunus in his fight to maintain the Grameen institutions and companies outside the field of politics and the influence of the State.
Grameen Crédit Agricole Microfinance Foundation and CERISE sign a partnership agreement

On 22 May, the Grameen Crédit Agricole Foundation and CERISE signed a partnership agreement for the measurement of social performance in the microfinance and Social Business fields.

The two organisations are thus strengthening ties first established in 2009 and intend to systematise practices for measuring social performance among MFI partners of the Foundation and with investors in general.

The objective of this collaboration is to develop a solid development strategy based on social performance tools and procedures in Microfinance and Social Business, which will be likely to increase their visibility and credibility through a process of continuous improvement, promotion and active exchange with partners and counterparts in the sector. To achieve this, the activities to be developed within the partnership framework will be of two types:

- Action-research activities on issues related to social performance and on which both partners agree to share their skills, expertise, experience, and their network of partners.
- Service delivery activities conducted by CERISE for the Foundation including support and training in Asia in particular as well as the implementation of a social audit of the Foundation.

CERISE tools are widely recognised internationally and CERISE also operates or participates in the governance of international initiatives that drive these approaches.

Since its inception, the Foundation has partnered with the CERISE network and has adopted its approach to measurement and promotion of social performance for its MFI partners. It has also integrated “Social Performance Indicators” in its targeting and analysis tools. After two years of implementation involving close collaboration with 20 of its partners, it is now important to take stock of these activities and to encourage discussion and exchange among the partners of the Foundation.

As part of a two year agreement, CERISE will contribute its expertise and experience in social performance in terms of MFIs as well as investment funds. Through this partnership, CERISE and the Foundation will therefore ensure the implementation of analytical methods and monitoring of social performance in microfinance and will gradually expand these to the social business field.

For more information on CERISE, please click on: http://www.cerise-microfinance.org

The Foundation evaluates partner satisfaction levels

Over 86% of partners are satisfied with their relationship with the Grameen Crédit Agricole Microfinance Foundation

Beginning in 2012, the Development and Technical Assistance Unit of the Grameen Crédit Agricole Microfinance Foundation decided to undertake a survey of satisfaction among the microfinance and social business institutions it supports in order to determine their satisfaction levels and to assess their needs for technical assistance.

The questionnaire, which covered a total of 27 questions, was sent to 23 partner MFIs, and attracted a response rate of 65%.

Overall, partners responding to the questionnaire reported being very satisfied with the existing relationship with the Foundation, with a high satisfaction rate of 73.33%. In total, 87% of partners who responded were satisfied with their relationship with the Grameen Crédit Agricole Microfinance Foundation.

Answers to questions that focused on issues as diverse as the relationship with the team, process transparency, due diligence or technical assistance will enable the Foundation to continue its efforts to improve the services it provides to partner institutions while continuing to innovate to better meet the expectations and needs of institutions it addresses.

You may download the results of the survey (in French) here:
Board of Directors approves Grameen Crédit Agricole Foundation Code of Ethics

At its meeting on 5 March, the Board of Directors of the Grameen Crédit Agricole Foundation approved the Ethics Charter of the Foundation, as proposed by the Ethics, Compliance and Audit Committee.

The approved Charter was presented for signature to all Board members and key employees of the Foundation.

The Charter, which may be downloaded from our website, is intended to set down the principles of action and ethical rules that flow from the Foundation’s remit and the shared values of the two founding organisations. It was also designed to ensure that directors, employees and representatives abide by these rules and principles.

In its principles of action, the Charter particularly emphasises the involvement of Directors, who are required to actively participate in the decision-making bodies of the Foundation by regularly attending meetings of the Board and of committees or working groups on which they sit and by promoting the Foundation’s reputation and influence at events as well as through publications. It also emphasises the notions of professionalism and partnership.

The Charter sets out four ethical rules: loyalty, neutrality, integrity and transparency, and includes respect for human dignity at the heart of its action.

Appointment of Jean-Luc Perron as an expert at the European Commission

In late May, Jean-Luc Perron, Managing Director of the Grameen Crédit Agricole Foundation, was appointed as an expert in the GECES (Groupe d’Experts de la Commission sur l’Entrepreneuriat Social – Expert Group on Social Business).

Following his involvement in the preparatory stages of the «Social Business Initiative» of the European Commission, Jean-Luc Perron was selected to serve for three years on this Advisory Group, which is responsible for monitoring the implementation of 11 key actions for social entrepreneurship announced by the European Commission in its Communication of October 2011, and for advising on the new measures planned by the Commission to encourage European social entrepreneurship and funding for social business.

The expert group, which has 44 members, met for the first time in Brussels on June 5, with the additional presence of Michel Barnier, European Commissioner for Internal Market and Services, and Lázló Andor, European Commissioner in charge of Employment, Social Affairs and Inclusion. During this meeting, Jean-Luc Perron stressed the need to open up the Social Business Initiative to developing countries as part of the fight against poverty. Indeed, it would be paradoxical if the Social Business approach, forged in the South, were to be limited to the territory of the European Union.

For more information on the “Social Business Initiative”, visit the following link: http://ec.europa.eu/internal_market/social_business/index_en.htm
For more information on GECES, visit the following link: http://ec.europa.eu/internal_market/social_business/expert-group/index_en.htm
In a public statement, Professor Yunus has expressed his fears about the future of the Grameen Bank. Jean-Marie Sander has stated his support and that of Credit Agricole.

In his letter to Professor Yunus, Jean-Marie Sander, Chairman of the Grameen Crédit Agricole Foundation and of Credit Agricole SA, expresses his support following “the recent decision taken by the Government of Bangladesh to form a Commission of Inquiry on Grameen Bank and the companies that bear the name of Grameen in Bangladesh”.

Jean-Marie Sander, who had already had occasion to express his solidarity with Professor Yunus during the smear campaign that he suffered in 2011, believes that “the formation of this Commission of Inquiry on the activities of Grameen Bank, which had the honour of sharing with [Professor Yunus] the Nobel Peace Prize in 2006, can only raise concerns for all those who are attached to its independence and to the respect of its original model of governance as enshrined in its rules”.

Jean-Marie Sander also expressed his belief that “microfinance institutions and social business companies must be operated in accordance with professional standards and must be protected against any and all political interference”. He assured Professor Yunus of the support of the Board of Directors of the Foundation, of which he is a director, “in the struggle [he] wages in the service of the dignity of the most destitute and the development of a responsible microfinance and companies dedicated to a social mission”.

To access the public statement of Professor Yunus: “Future of Grameen Bank: My Fears”, visit the following link: http://www.grameen-credit-agricole.org/sites/grameen/files/declaration_yunus_an.pdf

The Foundation presents results of a study on MFI social performance at the SPTF meeting in Amman

During the meeting which was held from 4 to 8 June in Amman, Jordan, the Grameen Crédit Agricole Foundation had the opportunity to present the main results of the survey conducted on MFIs on their perceptions and experiences of methods of social performance measurement.

The study conducted between April and May 2012 in three languages enabled the compilation of results from 79 MFIs in 24 countries, mainly in Central and South-East Asia (66% of respondents). Respondents are mainly non-banking financial institutions (55%), with banks representing an 11.3% share.

Responses to the survey show that the surveyed institutions share a common vision of the definition of social performance. Indeed, 96% of them consider it equally important to achieve financial sustainability and social goals while 98% agree that social performance is the actual implementation of the institutions’ social mission. The size of an MFI (measured by the number of clients) seems to affect the social performance measurement of their business. Thus, MFIs with more clients point out that they measure their social performance by means of an internal decision, whereas smaller MFIs point out that they do it based on demand from investors. For MFIs, the successful implementation of a social performance measurement policy depends greatly on training and improved knowledge of assessment tools. Similarly, MFIs interviewed would like procedures for measuring social performance to be more harmonised and monitored with a better coordination of the various actors (networks, investors, rating agencies etc).

The full report of the study will soon be available online on the Foundation website. In addition, the Foundation will organise a webinar in partnership with the SPTF to present the results of the study to interested persons. The date of this webinar will soon be provided on the website of the Foundation.
**Grameen Crédit Agricole Foundation will attend the Global Convergence Forum 2015**

In Paris, on 19, 20 and 21 September, over 3,000 practitioners will meet to develop collective responses to social and environmental challenges affecting the North and the South. The Global Forum, which will be attended once again by the Grameen Crédit Agricole Foundation, will bring together key players in social entrepreneurship, social and solidarity economy, the microfinance field and international solidarity.

**Highlights of the fifth edition will include:**
- 100 exhibitors at the Trade Fair on September 19 and 20
- 3000 participants from 50 countries
- 300 international experts and personalities from the sector

The Global Forum programme will focus on two events:
- 2 professional days at the Palais Brongniart – September 19 and 20, 2012
- A day of Great Debates at the Hotel de Ville in Paris - September 21, 2012

Do not miss this opportunity to make a greater impact in the fight against poverty!

To check the schedule of the Conference, visit the following link: http://www.oxusnetwork.org/convergences/programme-2
To register online at the website of Convergence 2015, visit the following link: http://www.oxusnetwork.org/convergences/inscription/billetterie

**MFI partners of the Foundation launch microinsurance activities**

MFIs have been regarded for some time now as joint distributors of microinsurance products. Thus, in East Timor, two MFI partners of the Foundation have begun distributing regulated microinsurance products.

Last April, National Insurance East-Timor (NITL) partnered with Tuba Rei Metin and Moris Rasik, the two microfinance institutions currently operating in Timor-Leste, and partners of the Foundation, to introduce the first ever regulated microinsurance products in the country. Through this partnership, NITL expects to provide protection to nearly 6% of the economically active population by the end of 2012 in a country that has an estimated 41% of its population living below the poverty line.

With over 17,000 female clients across the 13 districts of East-Timor, Tuba Rai Metin and Moris Rasik will distribute these microinsurance products to their clients while NITL underwrites the products. The first products developed, “Credit Life Plus” and “Asuransi Protesaun ba Familia”, are mandatory as they are tied to the disbursement of new loans and provide coverage for women and their spouses.

Tuba Rai Metin launched “Credit Life Plus” at its Dili branch and Moris Rasik launched “Asuransi Protesaun ba Familia” at its Ermera branch. In total, these products are expected to reach over 34,000 people by the end of 2012. NITL, Collin Yap, stated that: “(...) Microcredit is a rapidly expanding business in East-Timor and by offering insurance we are expanding the range of financial services available to families which were previously excluded. The provision of microinsurance is thus in line with the social mission of NITL.”

**Grameen Crédit Agricole Foundation and CGAP organise a microinsurance breakfast**

As part of the microinsurance awareness programme and to mark the 10th anniversary of the Microinsurance Network, the Grameen Crédit Agricole Foundation and CGAP hosted a breakfast on 10 May to introduce a reference book on microinsurance: “Protecting the Poor: A Microinsurance Compendium”

The Grameen Crédit Agricole Foundation and CGAP organised a microinsurance breakfast on 10 May to celebrate the 10th anniversary of the Microinsurance Network with the launch of a new industry reference book “Protecting the Poor: A Microinsurance Compendium”. At the meeting which brought together 50 participants involved in this sector, two of the authors, Michal Matul and Eric Gerelle, presented insights into the demand, supply and value issues relating to microinsurance product clients around the world as well as into new distribution channels and the role of technology in the sector.

The Microinsurance Network (MiN) was founded in 2002 under the name “CGAP Working Group on Microinsurance” by various donors, multilateral agencies, insurance professionals and others involved in the promotion and support of microinsurance in developing countries. Today, MiN has 67 member organisations and over 250 individual members. Its mission is to promote the development and dissemination of quality insurance services accessible to low income clients through sharing information and coordinating stakeholders. The Grameen Crédit Agricole Foundation is an active member of the Microinsurance Network, which provides a platform for exchange and learning on agricultural microinsurance.

To access the Microinsurance Compendium, visit the following link: http://www.munichre-foundation.org/dms/munich-re/publications/ProtectingthepooramicroinsurancecompendiumFullBook.pdf
New investments for the Foundation

In May and June 2012, the Grameen Crédit Agricole Foundation approved five new investments and has launched activities in three new countries: Benin, Burkina Faso and Sri Lanka.

Thus, the Foundation has approved a loan in favour of Alidé (Association de Lutte pour la promotion des Initiatives de Développement), a Beninese MFI with NGO status that primarily targets poor women in the country (90% of women) with financial and non-financial services. Alidé, which has about 18,000 clients, including 23% who are located in rural areas, was established in January 2006 following the institutionalisation of the Credit Savings Programme initiated in 1995 in Cotonou by the French NGO Incitative Développement (ID). Alidé was granted a loan of about €610,000 in local currency over a period of three years with a one year grace period.

Graine is an LLC owned by OCADES (Organisation Catholique pour le Développement et la Solidarité – Burkina) and CRS, which operates through two agencies (Borome and Bogandé) and covers 14 of the poorest regions of the country. The institution, which has received financial support from Terrafina, the UNCDF and Oxfam Novib and which has over 40,000 active clients, is open only to the poorest women of whom 95% live in rural areas. The Foundation agreed to fund Graine with a loan in local currency equivalent to €380,000 for a period of two and a half years with a one year grace period.

LOMC (LOLC Micro Credit Ltd.) is a subsidiary of Lanka Orix Leasing Company (LOLC) in Sri Lanka that offers microfinance services under the form of leases as well as individual and group loans, mainly in rural areas (95 % of its portfolio). With nearly 110,000 customers of which 54% are women, LOMC is now one of the leading MFIs in the country and the first agricultural funder. Through its group and individual loans, the institution targets women, small entrepreneurs and farmers. The Foundation agreed to finance LOMC for up to two million euros over a four years period with a one year grace period.

Finally, the Foundation approved a new loan for the institution HKL (Hatta Kaksekar Ltd.) in Cambodia for a total amount of €937,000 ($1.25 million) over a period of three years with a one year grace period. This is the second loan granted by the Grameen Crédit Agricole Foundation to the Cambodian institution which is involved mainly in rural areas (78% of its portfolio) through individual loans. Since 2006 it has also offered group loans and as of end 2011 it had over 62,000 customers including 78% women in its portfolio of active clients. HKL also offers its clients savings services and national money transfer through institution offices.

The Foundation also approved funding for the institution AMK (Angkor Mikroheranhvatho (Kampuchea) Co. Ltd), a Cambodian MFI which has held a permit to collect savings since 2010. The institution primarily provides loans through the methodology of “village banking” targeting mainly poor women in rural areas (88% of women and 94% of customers in rural areas) and agricultural activities. In addition to loans, the institution, which has 275,000 customers, provides savings and money transfer. It plans to be proactive in developing innovative products such as mobile banking and agricultural microinsurance. The local currency loan of one million euros granted by the Foundation over a period of three years, with a one year grace period, will enable the institution to continue to expand its portfolio of local currency loans.

For further information on our partners, visit our website.
Focus IMF and Social Business

TIAVO (Madagascar)

TIAVO (Tahiry Ifamonjena Amin’ny VOIa) is a Madagascar mutual MFI with a major urban and rural network that provides savings and credit services.

TIAVO offers a range of financial products aimed at farmers, small traders, households or microentrepreneurs in rural and urban areas. Its credit products provide for investment (equipment loans, construction of housing, acquisition of production equipment), working capital (trade credits, transportation, with or without non-financial services such as customer's training), agriculture (loans for villagers community granaries, for agricultural production or livestock), or social life (consumer credit). Its savings products include deposits and term deposits of 3 to 18 months. TIAVO has over 14,000 active customers of whom 34% are women with 64% of its loans granted in rural areas and an average loan of €630.

Since 2010, the network has partnered with phone operator TELMA to operate money transfer services through the Mvola mobile telephone network. Users may withdraw or deposit money at network offices.

For several years now, TIAVO has received technical assistance from regional banks of Credit Agricole. The Grameen Crédit Agricole Foundation has provided a guarantee for 50% of a loan of €500,000 equivalent in local currency from the BNI.

Focus Partners

The Grameen Crédit Agricole Foundation has become involved in the development of agricultural microinsurance in West Africa through support for the Sahel Harvest Insurance Project led by PlaNet Guarantee.

The Foundation increases its commitment to the agricultural microinsurance sector through a partnership with PlaNet Guarantee

Based on a recent study, it is estimated that in Africa only 14.7 million people have access to microinsurance products, i.e. about 2.6% of the population living on less than $2 per day. However, crop insurance comprises only 0.1% of the market. “These figures underline the vulnerability of a population that has practically no means of risk management, particularly against natural disasters”, said Mathieu Dubreuil, project manager of the West Africa Sahel crop insurance project of PlaNet Guarantee.

Within this context Jean-Luc Perron, Managing Director of the Foundation, and Jacques Attali, President of PlaNet Finance signed a cooperation agreement on 21 May for the duration of the Sahel Crop Insurance project.

As part of this agreement, the Foundation will contribute €200,000 over five years for the funding and implementation of the PlaNet Guarantee Sahel Harvest Insurance project, a subsidiary of the PlaNet Finance Group that specialises in microinsurance.

This project aims to develop harvest microinsurance products tailored to small farms in the Sahel region. Led by PlaNet Guarantee since February 2011 in Senegal, Mali, Burkina Faso and Benin, the Sahel Harvest Insurance project started with financial support from the International Finance Corporation (World Bank Group) as part of the Global Index Insurance Facility.

In particular, the project plans to achieve the following actions by 2015:

- Enable 60,000 farmers to benefit from agricultural insurance;
- Develop an insurance culture by increasing 165,000 farmers' awareness to agricultural insurance;
- Implement at least 20 simple index insurance products, with low premiums and adapted to organised groups in rural areas;
- Create a regional platform for the index harvest insurance management.

As well as financial support, the Foundation also provides technical support to Planet Guarantee. In particular, the Foundation supports the project in terms of the distribution of crop insurance products and their integration with agricultural finance offers through the networks of microfinance institutions supported by the Grameen Crédit Agricole Microfinance Foundation. Within the framework of this technical support, the Foundation's Project Manager, who is responsible for agricultural microinsurance strategy, will be seconded to the project, along with other experts depending on need and the project schedule.

In order to learn more about the subject of agricultural microinsurance, the Foundation is organising a field visit to India in August. The purpose of this trip will be to enable a number of institutions interested in the topic of agricultural microinsurance to learn what has been done to date in India, a country which has already gone through significant learning cycles in microinsurance and which has experience with index-based agricultural insurance. India also benefits from a significant commitment by government and private insurance companies and has extensive experience in both public and private or community programmes.

If you are interested in this field visit, please visit our website to download the programme (in English).