

AFD Group reiterates its support for microfinance by renewing a €10M guarantee to the Foundation

Press release

Paris, December 14, 2020 - A guarantee of € 10 million has just been granted by the Agence Française de Développement (AFD) Group, represented by its subsidiary Proparco, to the Grameen Crédit Agricole Foundation. This funding will allow the Foundation to pursue its support to microfinance institutions in Sub-Saharan Africa. Proparco has also granted a new € 5 million loan to the Grameen Crédit Agricole Foundation, which will allow it to consolidate its support to its microfinance institutions partners in the exceptional context of the crisis linked to Covid-19.

A historic partnership to support microfinance

The partnership between AFD Group and the Grameen Crédit Agricole Foundation is long standing. One of the emblematic joint projects is the African Facility programme¹ launched in 2013. It allows the Foundation to offer funding and technical assistance suited to small and medium-sized rural microfinance institutions in Sub-Saharan Africa.

AFD also supports the Foundation in the loans it grants to its partner microfinance institutions, through a portfolio guarantee mechanism, the ARIZ guarantee, which covers up to 50% of the loans granted. This mechanism has just been renewed for the sixth time, providing coverage for loans that the Foundation will grant to microfinance institutions in Sub-Saharan Africa over the next two years. Together, AFD and the Foundation have adapted the eligibility criteria, in particular to be able to include less mature microfinance institutions with a very social vocation.

A special Covid-19 funding envelope of € 5M

The health and economic crisis generated by Covid-19 particularly affects the poorest populations. According to the World Bank, the crisis could push 150 million people into extreme poverty by 2021². This issue is at the heart of the action of the Grameen Crédit Agricole Foundation, which, for 12 years now, has contributed to the fight against poverty through financial inclusion and entrepreneurship. The Foundation finances and supports microfinance institutions that serve populations excluded from the traditional banking system, mainly women (88%) and rural populations (84%), in around 40 countries.

“AFD Group is a major partner of the Grameen Crédit Agricole Foundation. It has been with us for many years and allows us to increase our impact, mainly in rural areas of emerging countries. In the context of Covid-19, the Foundation's mission takes on a very particular significance. We work to enable vulnerable populations to lift themselves out of poverty by providing them access to financial services through socially performing microfinance institutions. The health crisis has strained local economies. Alongside AFD Group, we innovate, adapt and provide reinforced support to these institutions to strengthen their resilience and their capacity to face the economic effects of this global crisis”, says Eric Campos, Managing Director of the Grameen Crédit Agricole Foundation and Head of CSR at Crédit Agricole SA.

¹ <https://www.gca-foundation.org/en/technical-assistance/african-facility/>

² Acces World Bank's presse release [here](#)

“After 10 years of cooperation at the service of financial inclusion, Proparco and the AFD Group are delighted to once again support the Grameen Crédit Agricole Foundation at the heart of this year 2020, which has seen the microfinance institutions supported by the Foundation strongly affected by crisis. A leading player in access to funding particularly for vulnerable populations in rural areas, the Foundation plays a major role in supporting its partner institutions and their clients during this difficult period. The renewal of the portfolio guarantee envelope granted by AFD Group to the Foundation, as well as the financing lines granted in 2020, aim to strengthen the Foundation in its social mission in favour of financial inclusion”, affirms Guillaume Barberousse, Head of Banking and Financial Markets Division at Proparco.

These new mechanisms will strengthen the collective action of AFD Group and the Foundation to promote the resilience of microfinance institutions and their clients in the face of this unprecedented crisis.

About Proparco

Proparco has been supporting sustainable development for 40 years across Africa, Asia, Latin America and the Middle East. As the private sector financing arm of Agence Française de Développement (AFD), Proparco provides funding and support to companies and financial institutions, and helps them control the impacts of their activity. In 2019 Proparco has committed €2.5 billion of financing, focused on key development sectors: infrastructure, especially renewable energies, agribusiness, financial institutions, healthcare and education. Its interventions support private sector actors who contribute to the Sustainable Development Goals (SDGs) by creating jobs and decent incomes, providing essential goods and services, and who contribute to poverty reduction and the fight against climate change.

www.proparco.fr/en



About the Grameen Crédit Agricole Foundation

Created by Crédit Agricole and Professor Yunus, Nobel Peace Prize laureate, the Grameen Crédit Agricole Foundation contributes to the fight against poverty by promoting social entrepreneurship and financial inclusion. The Foundation supports more than 85 microfinance institutions and social impact enterprises in 40 countries with a portfolio of nearly €100 million. It targets primarily microfinance institutions that serve women and rural populations –9 million clients in all, of whom 88% are women and 84% live in rural areas.

www.gca-foundation.org/en/



Press Contacts

Proparco
Cécile Renaudo
Communications Officer
renaudoc@proparco.fr
M: +33 (0)7 82 86 11 71

Grameen Crédit Agricole Foundation
Carolina Viguet
Director of Communication & Partnerships
carolina.viguet@credit-agricole-sa.fr
M: +33 (0)6 17 71 62 17