

A woman wearing a straw hat, a blue jacket over a red and black plaid shirt, and striped pants is kneeling in a field, working with the soil. She is smiling and looking upwards. A green graphic element is in the top left corner.

Committed. Connected.



Desjardins

International Development

2021 Annual Report

28 technical assistance and investment
projects in
22 countries



Miles apart but staying connected

For the entire Desjardins International Development (DID) team, development is achieved by cooperating, working together, and recognizing local expertise, in short, by maintaining close relationships. Despite the challenges caused by health restrictions in 2021, we managed to keep in touch with our partners and we continued to make progress on financially empowering the vulnerable people we serve.

How do we do it?

- **By working with local people and our project partners**, and by jointly developing the solutions that we deploy through our projects. Our field teams and the many local associations involved in our projects play a key role in this regard.
- **By taking maximum advantage of our digital platforms**. In Colombia, Benin, Tunisia and Vietnam, we've implemented hybrid training programs to better reach women and young people, and to better reflect their needs and circumstances.
- **By establishing new strategic alliances** to leverage financial inclusion for poverty reduction, food security, gender equality, job creation and economic growth, and the fight against climate change.
- **By fully leveraging the private sector's contribution** to development. In addition to Desjardins Group, which actively contributes to our success, several private entities support us abroad. This includes the Compañía Nacional de Chocolates in Colombia, which is involved in planning, implementing and financing our activities in that country.

- **By investing CAD50 million in our projects** through the Aequitas impact fund. Now fully operational, this fund will support all of our development goals. It will also help to interest more private bodies in financing and implementing our projects, and enhance Canadian leadership in innovative finance and development assistance.

There is no doubt that there are still many challenges ahead in 2022. However, we have the means to meet these challenges, with a team that is skilled, dynamic and committed, and two powerful instruments: technical assistance and impact investing. We also rely on strong partnerships and a vision of development that will continue to guide all our efforts and energy.

We'd like to thank our team, our partners and all the people and organizations that believe in our work, support it and get involved in it. Together, we really can make a difference.



Lisa Baillargeon
Chair of the Board
of Directors



Gerardo Almaguer
President and Chief
Executive Officer



Money serving human development

Serving as both expert advisor and impact investor, DID is recognized as a world leader in its field, and works closely with a number of financial partners, including Global Affairs Canada and several development banks.

For over 50 years, we've worked to economically empower marginalized populations in developing and emerging countries through financial inclusion and education. With our interventions, we empower women, men and youth and create sustainable economic opportunities for them.

DID is part of Desjardins Group, the largest cooperative financial group in North America and one of Canada's leading employers. Desjardins Group offers its 7 million members and clients a full range of financial products and services designed to meet their needs.

In keeping with its cooperative values and its mission of improving the economic and social well-being of individuals, sustainable development is part of Desjardins Group's DNA, and one of the foundations of its business strategy. The first Canadian financial institution to sign the UN's Principles for Responsible Banking, Desjardins Group is also a signatory of the Principles for Responsible Investment and the Principles for Sustainable Insurance. DID and Desjardins Group are both carbon neutral.

In April 2021, Desjardins Group committed to achieving net zero emissions by 2040 for its extended operations and its lending activities and investments in 3 key sectors: energy, transportation and real estate.

Desjardins Group is uniquely qualified to help entrepreneurs adapt to the new realities brought about by climate change, and is also an advocate of making the transition to the circular economy.



Projects with impact

OPENING A BANK ACCOUNT CAN CHANGE EVERYTHING!

Giving women, youth and vulnerable populations better access to financial services. Helping them gain the knowledge and confidence to exercise better control over their finances and their lives.

Five years after its launch, the Support for Developing, Professionalizing and Revitalizing Microfinance (ADAPAMI) project, which we're continuing to roll out in Benin with the financial support of Global Affairs Canada, continues to produce results.

"I just got my very first loan! I used the money to buy a tractor, so now I can farm all my land. Before, the work was tiring and difficult, and I could only farm 12 hectares of the 34 that I own. Thanks to the loan, I was able to increase my income, benefitting my entire family."

Abou Mohamed Guerra, farmer

Since 2017 :

- **605,785 bank accounts opened**
58% of which were opened by women
- **58,351 people financially educated**
73% of whom are women
- **78 women elected**
to boards of directors of financial institutions after receiving our support: a 63% increase in 4 years



"The training I received allowed me to discover the potential that lies within me. The knowledge I gained will enable me to better organize my professional life, to broaden my skills and to better communicate. I plan to educate my colleagues on the importance of exercising our leadership and getting us into decision-making bodies, despite the challenges it may bring!"

Yvette Nina Ahouansou, teller

USING CREDIT TO HELP THE ENVIRONMENT

"When I work with loan officers in the field, I realize that we have a different approach than other institutions." With our Agricultural and Rural Financing in Mali (FARM) project, we've made environmental sustainability a key aspect of the agricultural financing process.

This project helped us boost the capacity of six financial institutions in agricultural credit and climate risk management, roll out three crop insurance products to reduce farmers' vulnerability to adverse climate events, and raise environmental awareness among thousands of women and men. Completed in June 2021, the FARM project was conducted with financial support from Global Affairs Canada and in cooperation with SOCODEVI.

"We're very satisfied with all of the training we received about the environment. Everyone participated. Advisors in the field can now explain the consequences of certain environmentally unfavourable practices, allowing producers to respond."

Banque Nationale de Développement Agricole advisor

Since 2014:

- **17 credit products**
adapted and designed to support value chains and environmental protection
- **16,738 borrowers received assistance**
53 percent of whom were women
- **6,559 people signed up for crop insurance**
57% of whom were women
- **5,034 jobs created**

"After each loan is disbursed, we teach our members about environmental issues using pictorial tools. This approach helps us start conversations with women's groups more easily. Thanks to these awareness-raising tools, women are able to adopt this behaviour of respect for the environment in order to stay healthy and protect their crops."

Nyèsigiso cooperative network loan officer





ENCOURAGING INNOVATION TO BOOST POST-COVID RECOVERY

Thousands of entrepreneurs in Sri Lanka increased their ability to innovate through support received from the EFECs project, which was delivered with the financial support from Global Affairs Canada and in collaboration with Sri Lanka's SANASA cooperative network. The project positively impacted value chains for rice, pepper, banana and tourism and increased business activity, making a real difference in the development of these sectors and strengthening the economic independence of its actors.

Sandya Kumari, a Sri Lankan pepper producer, wanted to offset deficits she faced during the low season. To increase her economic resilience and self-sufficiency, she participated in training that encouraged her to launch a food processing venture, producing pepper sauce. Now she has access to new markets and more stable income. She also improved her production and renovated her production site using a loan from her cooperative.

As the owner of a composting plant, Mr. Ratnayake was able to scale up his activities with support from the project. He received funding to increase his working capital and was put in contact with a breeders' association that now provides him with the raw material his facility needs. He also received a subsidy from the Emergency Plan to revive SMEs affected by COVID-19, allowing him to purchase more efficient equipment.

Since 2016:

- **17,012 micro, small and medium enterprises (MSMEs) funded**
61% of which are led by women
- **8,053 MSMEs supported,**
70% of which are led by women
- **2,260 MSMEs engaged**
in value-added business activities
- **27% increase**
in the viability index of businesses that received support

STRENGTHENING MANAGERIAL LEADERSHIP

For women entrepreneurs, support can make all the difference.

In Tunisia, we experimented with a development path focusing on women's leadership and a mentoring program in partnership with Global Affairs Canada, the Entrepreneur Financial Centre (EFC) Tunisia, HEC Montréal and the Réseau Mentorat. The analysis shows that these initiatives have already had a positive impact on growth, resilience and empowerment of participants and their businesses.

"Thanks to the training and advice I received, I was able to attract new customers and increase my sales by 30%. I even made initial contacts to market my products in other countries."

Kaouther Kechiche, trader

- **169 women entrepreneurs**

received a certificate of participation after completing the Leadership path. They continue to share information and influence each other to achieve their aspirations and escape isolation.

- **22 mentors and mentees**

sharing and expanding their professional and personal skills through the mentorship program.

In Colombia, we're also supporting women entrepreneurs on the path to leadership and growth with our Graduar PYMES project, working with 5 local financial institutions. This project is receiving financial support from Global Affairs Canada and the Colombian financial inclusion program Banca de las Oportunidades.

"The greatest limitation for every person, but especially for us women, is fear. Launching a business is not easy, but you have to start somewhere! Here in Colombia, it's not easy to find a job when you're young. That's why the support I received means so much to me!"

Yessica López, entrepreneur

Since 2019:

- **1,541 businesses funded**

33% of which are run by women

- **8,974 jobs created or maintained**

"Receiving support from a mentor is helping me develop my negotiating and organizational skills, and to feel less alone."

Jihen Ghaba, craftsperson





"This project gives us access to a financial education program that delivers a wide range of information that is easy to understand. It also shows us that we're not alone, that other people are there to support us in difficult times. The program is helping us build capacity, by leveraging our personal strengths."

Yully Milena Arias, grower

BREAKING DOWN BARRIERS FOR RURAL WOMEN AND YOUTH

In Colombia, our Profem project involves Global Affairs Canada, the Colombian Ministry of Agriculture, 5 financial institutions and a number of private partners. It gives rural women and youth the opportunity to build their credit history, receive a solid financial education and gain confidence to pursue their personal ambitions and business plans.

"It's very gratifying to see our financial education programs empowering rural women and youth and giving them tools to make informed decisions and improve their quality of life."

Camilo Monroy Gómez, financial education advisor

Since 2020:

- **3 financial education programs created**
 - Mis Finanzas Cuentan
 - Cuentas Sin Cuento
 - Eficacao
- **Over 10,000 rural women and youth trained**

FOCUSING ON LOCAL PRODUCTION TO COMBAT FOOD INSECURITY

It is through sustainable economic, social and environmental transformation that the agricultural sector will improve nutrition and reduce hunger and poverty for people in developing countries.

In Haiti, in partnership with Global Affairs Canada and the International Agricultural Alliance, we are working with women cacao and yam producers to improve their access to credit and savings, thus giving them the means to increase the value of their crops and their resilience to climate change in a sustainable manner. By doing so, we help these women to ensure their financial autonomy and the food security of their families.

"As a woman, I feel more comfortable now. Before, I always expected my husband to bring something. But today, I have a job in hand thanks to this training."

Jésula Émile, producer

In Benin, in collaboration with the Belgian development agency Enabel and six local financial institutions, we are helping women and men involved in pineapple production, processing and trade to gain easier access to financial services.

"Thanks to the integrated approach of this project, the challenge of access to credit in the pineapple sector is on its way to finding a sustainable solution."

Prospère Anthène Sagbo, project partner

- **53,667 users**
of the new mobile savings collection solution
- **Loans granted to 1,279 pineapple industry stakeholders**

"Thanks to the project and its field school, I can improve my living conditions and those of my family. My husband is no longer the only one who brings something home. I can too. Now, with the crops I sell, I can buy uniforms for my children. We produce in a different way and, with this new method, harvests are guaranteed."

Junia St-Louis, grower



PROMOTING FINANCIAL INCLUSION AND EDUCATION... IN CANADA

This may seem surprising, but we're also active in Quebec and Ontario! Although on a smaller scale, people also experience financial exclusion in Canada. In 2014, Desjardins asked us to support its caisses in managing three solidarity-based finance programs that provide support and financing to vulnerable people and entrepreneurs who are excluded from traditional financing. From Dakar to Montreal, financial inclusion and education are effective tools for empowering people and creating economic opportunities.

By giving us this responsibility, Desjardins Group is relying on our expertise in inclusive finance, project management focusing on efficiency and impact measurement, and coordinating community stakeholders..

"When Cook It took off, the Créavenir program gave us a helping hand. It's important to have the right financial partners, so that you can go from your action plan to real life. Quickly. This culture of partnership that they promote. This culture of proximity, of being rooted in the local community. That's really what brings us together."

Judith Fetzter, business owner

Desjardins Mutual Assistance Fund

- **19,746 people reached**
- **432 small emergency loans** granted
- **37 partner organizations** specialized in budget counselling

Desjardins Microcredit to Businesses

- **840 entrepreneurs supported**
- **1,155 jobs** created or maintained
- **16 partner organizations** from the MicroEntreprendre network

CRÉAVENIR

- **187 business projects supported**
- **351 jobs** created or maintained
- **169 partner organizations** specialized in entrepreneurial support

"I met some fabulous people and received fantastic support. I thought I was alone, but I wasn't! I needed help from the Desjardins Microcredit to Businesses program to purchase my business and remodel my premises. Without this support, my project would have been postponed or simply abandoned."

Julie Hubert, entrepreneur



Proxfin is celebrating its 15th anniversary!

This unique initiative was launched in September 2006 to maintain and strengthen our ties to our partners, even after our projects are completed. This association brings together organizations from all over the world that are dedicated to inclusive finance. In 15 years, several new members have joined Proxfin, contributing to the association's development.

Proxfin acts as a forum for sharing best practices and discussing common issues, and an invaluable development tool that helps us stay in touch with the needs of our partners and ensure that our actions are always meaningful. Proxfin members met twice in 2021 to share lessons learned from COVID and to discuss digital finance.

"Since 2017, the many meetings I've attended have always been a source of inspiration and enrichment to me. The obvious diversity of our members' backgrounds and experiences is underpinned by powerful common values of close ties, solidarity and inclusion."

Radhi Meddeb, Chair of Proxfin



- 33 members
- 24 countries
- 17 million people reached
45% of whom are women



Investment that makes a difference

For over 25 years, DID and Desjardins Group have contributed their own financial resources to increase the economic empowerment of populations in developing and emerging countries. Through our commitment to impact investing, and in cooperation with many partners from the private and public sectors, we're helping to support the growth, viability and governance of inclusive finance institutions that work to deliver secure financial services to meet the needs of millions of clients and their families.

In 2021, we completed the necessary processes associated with the implementation of our new Aequitas impact fund. With an initial allocation of CAD50 million, this fund is our response to the challenge of development financing and to the need to deploy blended finance to build a more equitable, inclusive and greener world.

- **CAD20.2 million invested**
- **11 inclusive finance institutions and 1 fund financed**
- **10 countries reached**
- **1,170,944 clients supported**
61% of whom are women

"In the wake of the COVID-19 crisis, which has affected women more, Fundación Espoir, specializing in providing microcredit and education, has achieved high rates of inclusion of women: they represent 72% of our borrowers, and 59% of our portfolio consists of businesses run by women. DID's support plays a key role in reaching these figures and achieving our mission."

Claudia Moreno, Deputy Executive Director



Active partnerships in 30 countries, on four continents



Thanks to our funding partners



www.did.qc.ca

Desjardins
International Development