

Together,

We Make
Change Happen.



Annual Review
2017



Desjardins
Développement international



Desjardins Group, the leading cooperative financial group in Canada

Développement international Desjardins (DID) is a subsidiary of Desjardins Group, the leading cooperative financial group in Canada and fifth largest in the world, with over 7 million members and clients and assets of CAN \$275.1 billion.

To meet the diverse needs of its members and clients, Desjardins offers a full range of products and services to individuals and businesses through its extensive distribution network, online platforms and subsidiaries across Canada.

Founded in 1900 with the goal of increasing financial inclusion for people in Québec and having a strong presence in rural areas, today Desjardins Group is counted among the world's strongest banks according to The Banker magazine.



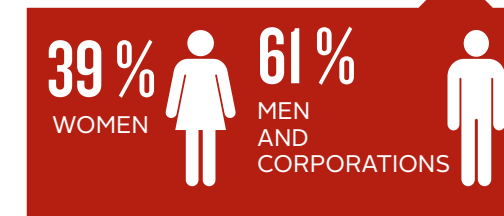
For 48 years, Développement international Desjardins (DID) has been working to develop the inclusive finance sector in developing and emerging countries. Through its activities aimed at structuring and strengthening the sector and its institutions, DID targets increased access to diversified and secure financial services for all and the development of individual and collective wealth.

Active in thirty countries on four continents, with a team of over 100 employees, today DID is a world leader in its sector. The organization works with many financial partners, including Global Affairs Canada and several development banks.

The projects carried out by DID support the achievement of several Sustainable Development Goals established by the United Nations.



Photo : Caroline Richard, Mali



Consulting expert

A structuring approach

- that aims to make financial systems more efficient and inclusive
- that systematically integrates strategies and objectives linked to gender equality and the fight against climate change

Investor

Two funds under management with an overall budget of CAN \$33.4 million

Direct investments with 12 inclusive finance institutions in 12 countries

Promoter and operator of Entrepreneur Financial Centres

Institutions specialized in answering the financial needs of micro and small businesses



Agricultural Finance and Food Security

MALI

- The BNDA (National Agricultural Development Bank) has been added to the four participating financial institutions
- Coordination has been optimized for the rice, potato and corn value chains
- Risk mitigation measures (guarantee funds and crop insurance) have been set up

In **Haiti, Colombia y Mali**, all major rural development projects being implemented by DID and its partners (including *Financière agricole du Québec - Développement international*) have recorded additional progress.

HAITI

- 60,000 loans have been issued to agri-entrepreneurs (30% of whom are women)
- 20,000 loans have been insured through the guarantee fund set up under the project
- The project has trained over 100 agricultural credit officers who work at sixty service outlets throughout the country
- More than 3,000 women agri-entrepreneurs benefitted from training on women's leadership, financial literacy and financing commercial activities under the project in 2017

COLOMBIA

- 5500 coffee farmers (40 percent of whom are women) have been helped thanks to technical assistance and financial literacy programs
- 10,500 loans have been issued (including 41 percent to women) by participating financial institutions using the methodology established by DID
- 14,358 new clients (71 percent of whom are women) will be reached through the new initiatives launched in the post-conflict zones

BURKINA FASO

In **Burkina Faso**, the project financed by the International Development Research Centre (IDRC) aimed at promoting innovative agricultural practices has led to impressive results: in every zone covered by the project, there are increased numbers of loan applications, increased outreach to farmers (52 percent of whom are women) and an increase in the land under cultivation.

CENTRAL AND WEST AFRICA

In **Central and West Africa**, DID and the International Fund for Agricultural Development (IFAD) have co-financed a project aimed at improving the impact of IFAD rural finance interventions.

DID has contributed to building capacity among the partner financial institutions and to setting up financial literacy programs in 6 countries in addition to supporting IFAD's review of its rural finance policy.

CAMEROON

In **Cameroon**, DID continued its participation in the Promotion of Youth Agro-Pastoral Entrepreneurship Program (AEP-Youth). This program aims to support the startup of rural businesses by young entrepreneurs aged 18 to 35 through improved access to financial and non-financial products adapted to their agro-economic activities. To date:

- Over 900 young people have received business management training at business incubators
- 457 business projects have been approved by partner rural finance institutions
- Over CAN \$700,000 has been disbursed by the AEP-Youth Fund managed by DID, in the form of startup loans to young entrepreneurs working in a dozen different agricultural chains
- The business projects started under the program are valued at over CAN \$2.2 million.



Promoting entrepreneurship and economic growth

SENEGAL

In **Senegal**, in collaboration with World Vision Canada and Enablis, DID-Senegal was involved in financial literacy and financial inclusion programs for youth as part of a training program designed to build job skills. DID also maintained its commitment to the project directed by Nutrition International (formerly Micronutrient Initiative) aimed at providing improved nutrition for women and children in Senegal's Kédougou and Kolda regions.

PANAMA AND TUNISIA

In **Panama** and in **Tunisia**, the Entrepreneur Financial Centres (EFC) managed by DID have continued to grow and have achieved the targets set. In total, the 5 EFCs set up by DID as an investor partner in these two countries as well as in Zambia, Uganda and Tanzania now have 37 branch offices and service outlets that reach 30,436 clients, 35 percent of whom are women. Their loan portfolio has grown 9 percent in comparison with 2016 to CAN \$72 million and 11,450 entrepreneurs. These specialized financial institutions continue to have a strong impact on the economic development of the communities where they are rooted.

HAITI

In **Haiti**, the PANSEH National Support for Haitian Entrepreneurship program led to the establishment of a financial center for entrepreneurs affiliated with the *Le Levier* federation of financial cooperatives, the design of new financial products and implementation of a guarantee fund.

BENIN

In **Benin**, teams from the head office and from DID-Senegal put their expertise and effort in two major projects aimed at strengthening Benin's overall microfinance sector.

- The six-year ADAPAMI support project for developing, professionalizing and revitalizing microfinance in Benin is aimed at strengthening supervision of microfinance institutions by the government and encouraging financial inclusion for 500,000 people, with an emphasis on women and youth.
- In partnership with the German KfW Development Bank, DID is also supporting the FECECAM cooperative financial network to strengthen and expand its rural finance activities.

PARAGUAY

In **Paraguay**, the green finance project implemented by DID in partnership with Econoler, a Canadian firm, has led more than one thousand clients of *Fundación Paraguaya*, the project's microfinance partner institution, to trade in their old charcoal or gas stoves for induction stoves that are less polluting and much safer.

SRI LANKA AND VIETNAM

In **Sri Lanka** and in **Vietnam**, the projects conducted by DID helping farmers and rural enterprises increase productivity and incomes through better access to financing have truly taken off. The project undertaken in Sri Lanka is aimed at setting up a centre of expertise for entrepreneurs and to build the capacity of the SANASA cooperative financial network. The DID effort in Vietnam is intended to build capacity at the Co-opBank and in the People's Credit Funds network of financial cooperatives affiliated with it.



Photo : Fundación Paraguaya, Paraguay



Photo : Stéphanie D. Lamarre, Haiti



Photo : Jean-Marc Crevier, Vietnam

Other notable activities

Developments

Gender equality, the environment, financial literacy, impact measurement and project management have been the focus of major developments this year: production of reference frameworks and instruments, capacity building, hiring of additional specialists.

Financial inclusion for women

In September, DID organized a conference on the financial inclusion of women in developing countries. Guest speakers included an assistant deputy minister from Global Affairs Canada and Canadian gender equality specialists. The conference offered participants highlights of progress made and identified practical strategies for increasing the impact of our future interventions.

Investment

With the two investment funds under its management, DID continues to provide assistance to 12 financial institutions (in the same number of countries) and 4 investment funds which, taken together, reach more than 758,000 clients and their families. DID has also closely collaborated in the studies and consultations concerning the establishment by the Canadian Government of a new financial body, the Development Finance Institute Canada (FinDev Canada).



Photo : Pierre-Olivier Masse, Canada

Solidarity-based finance

Since 2014, DID has supported Desjardins financial cooperatives by coordinating, deploying and promoting three solidarity finance initiatives:

- Créavenir
- Desjardins Microcredit to Businesses
- Desjardins Mutual Assistance Fund

These initiatives, which provide coaching services and financing for individuals in financial difficulty and for entrepreneurs who are excluded from the traditional financial system, have experienced strong growth over the last year. Delivered through a partnership between Desjardins and more than 130 community organizations, these programs have helped more than 52,000 people (including 1500 entrepreneurs) over the last three years.



Volunteer experts and hosting of delegations

During the year, nearly 900 person/days were provided by volunteer experts to DID partners for coaching activities in areas as diverse as loan management, governance, communications, management coaching and internal controls. DID also welcomed 11 visiting delegations from 10 countries who came to examine Desjardins Group practices as examples to be emulated.



In October, the Proxfin international network of 23 community finance institutions partnering with DID, held its annual meeting in Colombia alongside the FYCA agricultural finance and marketing conference.

Tribute to a late colleague



Photo : DID

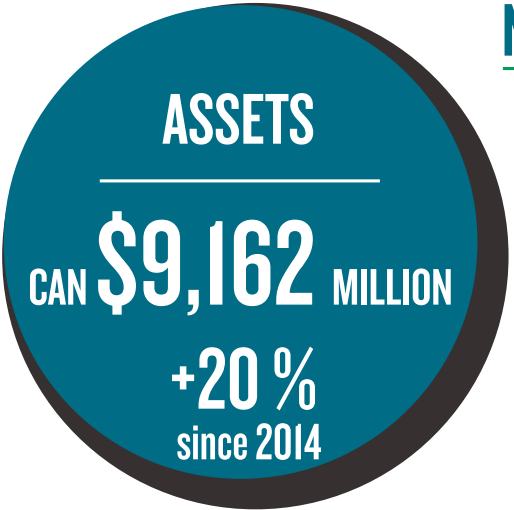
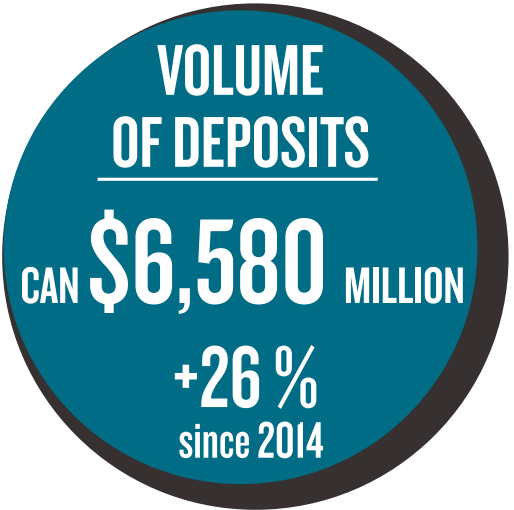
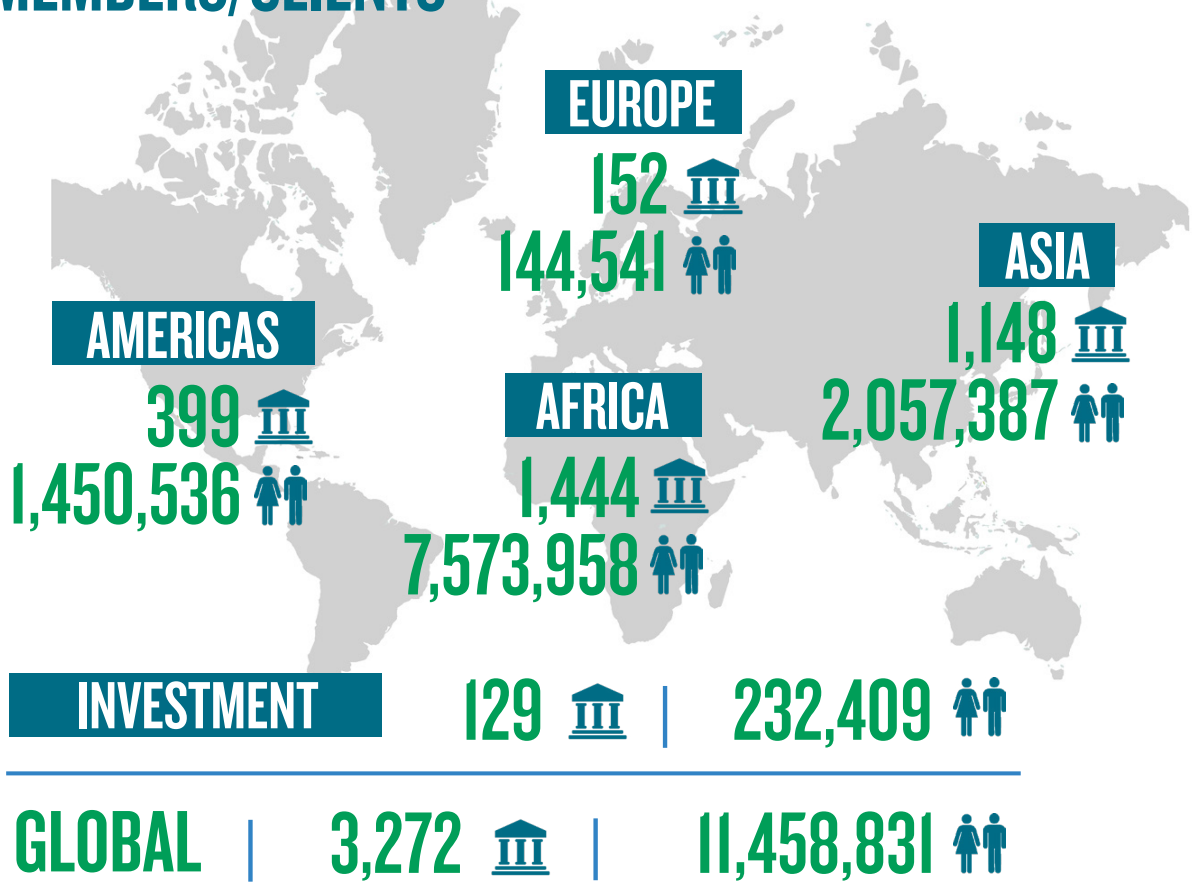
On May 30, 2017, Claude Lapointe, a member of the DID team since 1988, passed away. Rigorous and passionate, Claude carried out numerous mandates and over 100 field missions in some forty countries during his long career as a microfinance expert, in addition to three long-term postings in Senegal, Madagascar and Haiti. A deeply committed and generous colleague, with a keen sense of humour, he touched the hearts of everyone who knew him.

Increased impact on social media

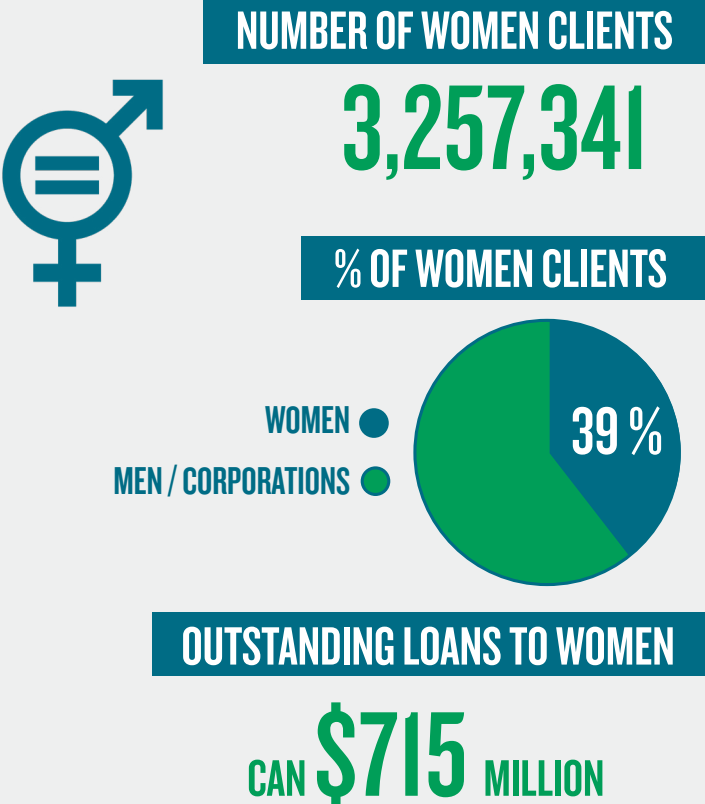
Lastly, the DID presence on Facebook and LinkedIn has generated results that have exceeded all expectations with more than 21,000 subscribers and 200 articles shared by partner institutions.



NUMBER OF SERVICE OUTLETS
AND MEMBERS/CLIENTS



GENDER EQUITY (GE)*



AVERAGE SAVINGS DEPOSIT



AVERAGE LOAN AMOUNT



NUMBER OF BOARD MEMBERS

7,235

35.3 %
OF BOARD MEMBERS
ARE WOMEN

NUMBER OF EMPLOYEES

15,136

49.5 %
OF EMPLOYEES
ARE WOMEN

Data at December 31, 2016 - This data includes institutions with which DID conducted financing or investment activities via its investment subsidiary, as well as institutions that received technical support. Data for 2017 will not be collected and compiled until June 30, 2018, which for many of the financial institutions involved, is the regulatory deadline to file their audited results.
*The results in terms of gender equity were calculated based on data provided by Proxfin members.

DÉVELOPPEMENT INTERNATIONAL DESJARDINS

ACTIVE PARTNERS FOR STRENGTHENING
MICROFINANCE IN MORE THAN 30 COUNTRIES
ON FOUR CONTINENTS



Proxfin is an international network
of 23 community finance
institutions and DID.

www.PROXFIN.org/en



Desjardins
Développement international

www.DID.qc.ca/en