



**Resilience and
togetherness**

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Featured on front and back page: Gladys Arcos (pictured) from Calacalí, Ecuador, has been making local desserts for 25 years. Oikocredit partner Cooprogreso has helped Gladys grow her business. Read more on page 16.

Text and production: Oikocredit staff

Photos by: Opmeer Reports except those by Makmende/Ana Maria Buitron (Gladys on frontpage, page 16 and back page), Ashi (employees at Ashi office on page 11), Nicolas Villaume (service desk on page 14) and African Clean Energy (stoves on page 21).

Design: Frank Huijbregts, Made by Frank

In brief: numbers that matter

Total financing with partners

€ 845.1 million

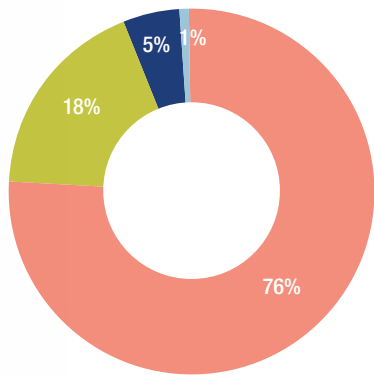


Partners financed

563

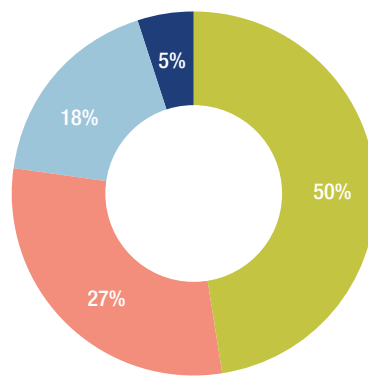


Financing by sector




- Financial inclusion*
- Renewable energy
- Agriculture
- Other

Financing by region




- Asia
- Africa
- Latin America and the Caribbean
- Other




Financial inclusion: % of women clients reached by partners

87%




Financial inclusion: clients reached by our partners

32.2 million




Financial inclusion: % of rural clients reached by partners

63%




Financial inclusion: SMEs financed by our partners

770,000



Agriculture: farmers reached by our partners

542,000



Renewable energy: households with access to clean energy

68,000

About our impact

Oikocredit* is a pioneering social impact investor and worldwide cooperative promoting sustainable development since 1975. Our work is made possible by our members, investors and donors.

Oikocredit's goal is to improve the lives of low-income people and communities in Africa, Asia and Latin America and the Caribbean. We do this by increasing access to financing and non-financial support, such as capacity building, for the organisations we fund, our partners.

Our partners, in turn, provide similar support and opportunities to their clients, suppliers, members and employees.

Careful selection, screening and monitoring of the partners we work with is central to our approach. We seek alignment on values and social goals. We monitor and support partners in achieving these goals throughout their relationship with Oikocredit.

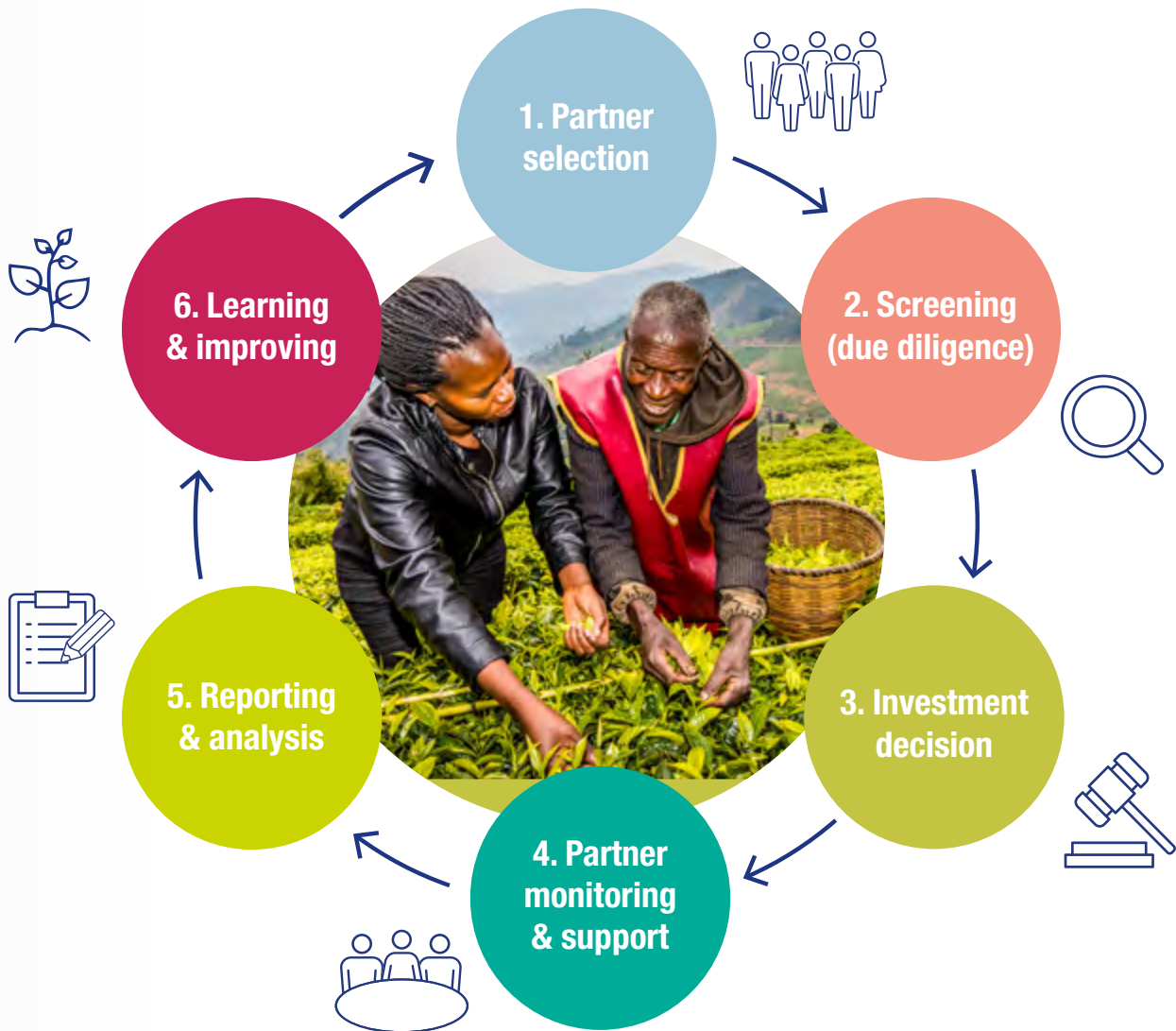
The impact created includes opportunities for low-income people to increase their income, savings and insurance coverage, stronger businesses, and access to resources to invest in a sustainable future for themselves and their families.

The coronavirus pandemic has affected our work and that of our partners, but social impact has remained at the forefront for Oikocredit, as the results in this report demonstrate. We prioritise social impact while safeguarding the environment and aiming to generate fair financial returns.

How Oikocredit creates impact



Our impact investing process



How we collect our data

We survey current partner organisations annually on social performance metrics. These are partners with an active contract and an outstanding loan amount or equity investment.

We currently collect data on all stages of our impact creation from the involvement of our members, investors and donors, through Oikocredit's operations and our impact on our partners, to our partners' operations. With our project on client self-perception (more on page 11), we aim to collect data on our partners' impact on the people they serve.

For the social performance monitoring round for end-of-year 2020, out of 410 partners that met our monitoring criteria and were invited to complete the social performance survey, 403 provided valid responses, resulting in a response rate of 98%.

We collect and publish this data as evidence of our ongoing commitment to creating social impact.



Survey response rate

98%



Investing for impact since

1975

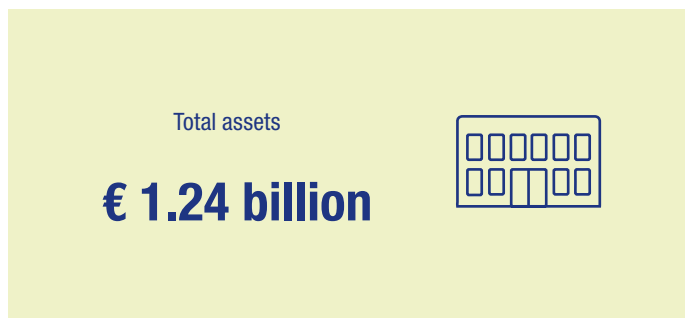
How we work

Oikocredit offers its products and services to organisations reaching people on low incomes across Africa, Asia, and Latin America and the Caribbean. Our loyal and committed investors, members and donors provide the funds for the loans, equity investments and capacity building we provide.

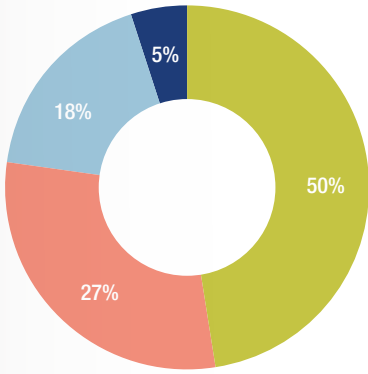
To maximise our social impact, we focus on three sectors: financial inclusion (more on pages 14-17), agriculture (more on pages 18-20) and renewable energy (more on pages 21-22).

Our local presence is essential for selecting the right partners to work with, fostering long-term relationships and for providing capacity building (see pages 9-11 for more on capacity building). The loans, equity investments and capacity building that Oikocredit provides help our partners build strong and sustainable social businesses.

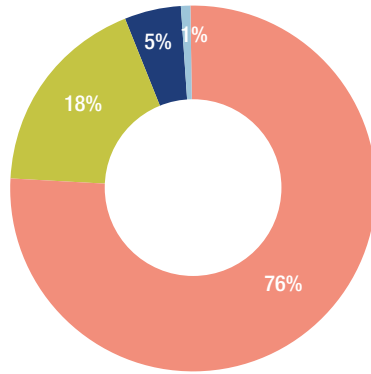
In turn, our partners increase their outreach and improve access to products and services that meet the needs of people on low incomes. Our partners also finance small and medium enterprises (SMEs) that create and sustain jobs.



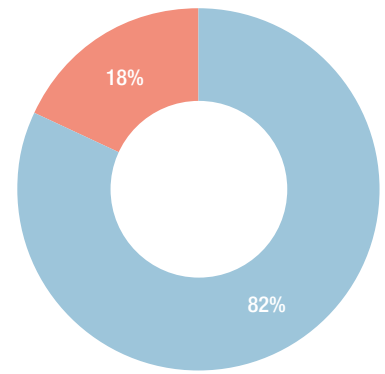
Financing by region



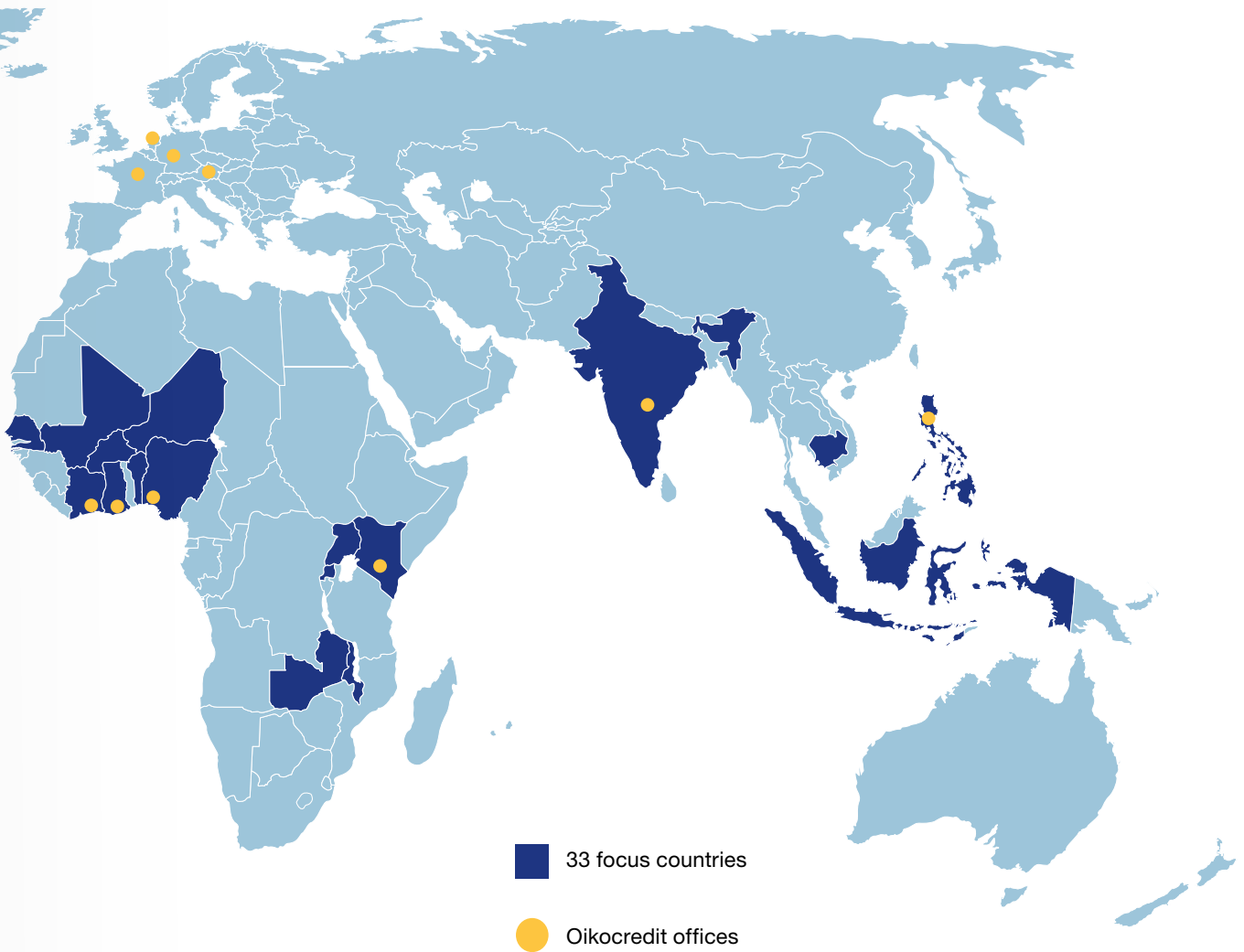
Financing by sector



Type of financing



Where we work



* Including microfinance and SME finance

How we work

Total financing with partners

€ 845.1 million



Partners financed

563




Cooperatives financed

99




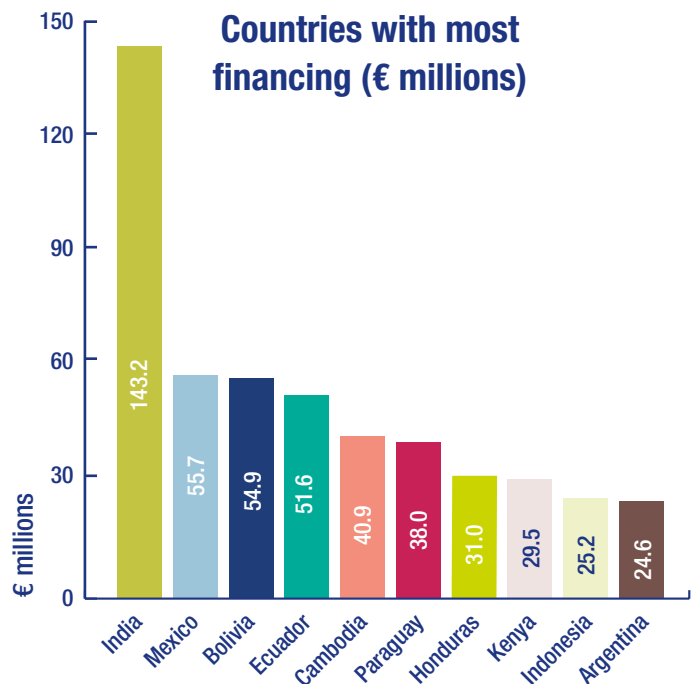
Average financing per partner

€ 1.5 million



Staff members

192

Our carbon footprint

352 tonnes



We continue to offset our carbon footprint with Fairtrade and Gold Standard certified carbon credits via the FairClimateFund.



Staff of Oikocredit partner Opportunity International Savings and Loans Ltd and Oikocredit members, investors and staff during the Ghana study tour in January 2020



Smallholder farmers delivering tea to the collection centre of Oikocredit partner Karongi Tea Factory in Rwanda. Karongi is participating in capacity building focused on the production of tea seedlings

Our capacity building

Where our partners have the potential to improve their performance, they can increase their social impact.

The capacity building Oikocredit provides helps our partners acquire new skills, technology and access to markets. It also strengthens their governance and management in financial and social performance.

The standards we use to help strengthen our partners' social performance include meeting the Client Protection Standards as housed by the Social Performance Task Force (SPTF) and Cerise, the SPTF's Universal Standards on Social Performance Management (USSPM), and the Consumer Protection Code created by Gogla, the global association for the off-grid solar energy industry.

Oikocredit's capacity building programme focuses on:

- Promoting ethical, responsible access to finance in a digitising world
- Embedding and strengthening social performance management practices among financial inclusion partners
- Supporting sustainable agriculture for smallholder farmers
- Improving household access to clean energy

Oikocredit provides capacity building support through:

- Services provided by our staff
- Programmes using donor funding
- Referring our partners for support provided by strategic partners

As well as donations from our investors and Oikocredit's own contribution, our capacity building activities are funded by donors:

- Act Church of Sweden
- African Guarantee Fund
- Oikocredit Stiftung Deutschland
- Smallholder Safety Net Upscaling Programme (SSNUP)
- USAID

Capacity building spend

€ 0.7 million



Countries where capacity building took place

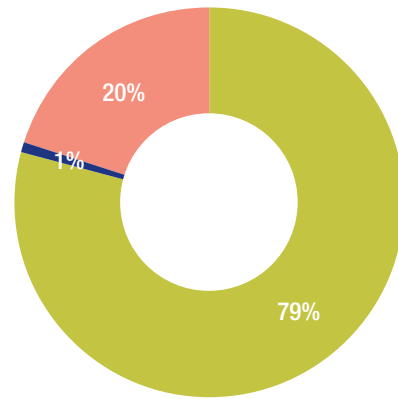
26



Organisations that received capacity building

71

Who received capacity building?



Financial inclusion organisations Agricultural organisations Other organisations



Oikocredit partners like Ecookim in Côte d'Ivoire offer capacity building to their cocoa planter members, like those pictured here

Examples of our capacity building

Client self-perception survey pilot



Goals: Help partners gain insights into how their clients perceived changes happening in their lives over the past year, use the survey results to better understand clients' needs, and evaluate the impact partners have had on their clients and how this can be further improved

Project overview: Using a digital survey, Oikocredit supported several partners in collecting insights into how their clients experienced the past year as well as feedback on the products and services offered during this time

Partners involved: This pilot project was launched with five financial service providers in Uganda, the Philippines, Kenya and Peru

When it happened: Organised in late 2020 with pilot launched in 2021

Making it possible: The pilot project was a combined effort from colleagues across Oikocredit's organisation and project teams from the partners. Based on initial success, Oikocredit is fundraising to expand the project to more partners

Coronavirus solidarity fund

Goals: Help the clients of our partner organisations adjust and cope with new Covid-19 regulations while maintaining operations

Project overview: Provide financial support to enable partners to immediately acquire and distribute sanitation and personal protective equipment either for their staff or for clients to enable continued operations. In a few cases, support was also provided for emergency food supplies to affected clients

Partners involved: By the end of 2020, 38 partners in 19 countries in Africa, Asia and Latin America and the Caribbean were supported with the coronavirus solidarity fund

When it happened: 2020 to present

Making it possible: : In the first quarter of 2020, the Oikocredit International Support Foundation (ISUP) created the coronavirus solidarity fund with an initial € 25,000 from Oikocredit. Members and investors also made contributions and by the end of the year, the fund distributed € 70,287 to the most at-risk partners and their clients. The funds went towards protective gear, sanitation items and other safety materials as well as Covid-19 awareness training. Oikocredit partner Ashi, for example, purchased sanitation items needed to combat Covid-19 in their branch offices across the Philippines






















Supporting the Sustainable Development Goals

Oikocredit actively contributes to the United Nation's Sustainable Development Goals (SDGs). In particular we contribute towards SDG 1, 2, 5, 7, 8, 10 and 17.

We evidence our contribution to these goals with over 50 indicators. These indicators are closely aligned with standard impact investing indicators included in the Global Impact Investing Network's (GIIN's) IRIS+ measurement system.

The indicators below provide a sample of the data we collect to track Oikocredit's contribution to the SDGs.

SDG	Goal	Oikocredit indicators	Results
 <p>1 NO POVERTY</p>	End poverty in all its forms everywhere	 Financial inclusion: clients reached by our partners  Financial inclusion: % of partners tracking the Poverty Probability Index of clients  Financial inclusion: clients of partners with a savings account  Financial inclusion: % of rural clients reached by partners	32.2 million 16% 12.8 million 63%
 <p>2 ZERO HUNGER</p>	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	 Agriculture: farmers reached by our partners  Agriculture: median hectares per farmer  Agriculture: partners offering additional services: provision of inputs  Agriculture: average % above market price partners pay to their farmers	542,000 3.3 hectares 67% 11%
 <p>5 GENDER EQUALITY</p>	Achieve gender equality and empower all women and girls	 Agriculture: % of women employees  % of partners with gender equality as an objective: Financial inclusion Agriculture  Financial inclusion: % of partners offering women's empowerment training	35% 44% 70% 27%
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Ensure access to affordable, reliable, sustainable and modern energy for all	 Renewable energy: households with access to clean energy  Renewable energy: households using clean energy for income-generating activities  Renewable energy: households with improved access to clean cooking  Renewable energy: CO ₂ emissions avoided	68,000 11,000 62,000 164,000 tonnes

SDG	Goal	Oikocredit indicators	Results
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	 Financial inclusion: small and medium enterprises (SMEs) financed by our partners  Financial inclusion: % of partners with employment creation as an objective Financial inclusion: % of partners offering additional non-financial services to clients	<p>770,000</p> <p>69%</p> <p>62%</p>
 <p>10 REDUCED INEQUALITIES</p>	Reduced inequality within and among countries	 Agriculture: partners certified Fairtrade (Flocert)  Cooperatives financed	<p>52</p> <p>99</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	Strengthen the means of implementation and revitalise the global partnership for sustainable development	 Number of partners (or potential partners) that received capacity building	<p>71</p>



Technician Maxime Yao Youame assembling the connection for an LED streetlight with colleagues Jérôme Kouabran Comoé and Eyril Adje Kramo in the background. Read more about the business that employs Maxime, Jérôme and Eyril on page 17

Focus sector: financial inclusion

Why do we invest in financial inclusion?

Worldwide over a billion¹ adults have inadequate access to formal financial services and have no account with a financial institution or mobile money provider. This leaves them unable to access reliable credit or savings accounts. Most of them have low and unpredictable incomes, and lack the resources to cope with unexpected household needs or to invest in a better future.

By increasing access to loans and equity investments, Oikocredit helps its partners become stronger and more sustainable social businesses.

Our financial inclusion partners in turn increase access to responsible and reliable financial services for low-income people. They also encourage employment generation through provision of financial services to small and medium enterprises (SMEs).

The access to responsible financial services provided by our partners helps empower low-income people. It gives them access to opportunities to increase their income, savings and insurance coverage, as well as access to resources to cope with unexpected needs, and helps them strengthen their businesses.

How do we create impact in financial inclusion?

Within financial inclusion, Oikocredit concentrates on three target segments:

- **Microfinance institutions (MFIs)**
 - Providing responsible financial services for low-income people
 - Contributing to financial security and economic empowerment
- **Financial institutions supporting small and medium enterprises (SMEs)**
 - Providing responsible financial services for SMEs
 - Contributing to job creation and retention, and improved financial health for SMEs
- **Non-traditional financial institutions**
 - Providing technology-driven responsible finance
 - For example, fintechs offering digital financial services to individuals and SMEs
 - Using financial technology to increase efficiency and improve services to clients

Oikocredit requires financial inclusion partners to endorse client protection standards, carry out an assessment and, if needed, create an action plan.



Contributing to:



¹ Source: World Bank Global Findex Database 2017

In numbers

Clients reached by our financial inclusion partners

32.2 million



Financial inclusion partners

395

% of financial inclusion partners offering additional services to clients

62%

Financial inclusion financing

€ 641.3 million



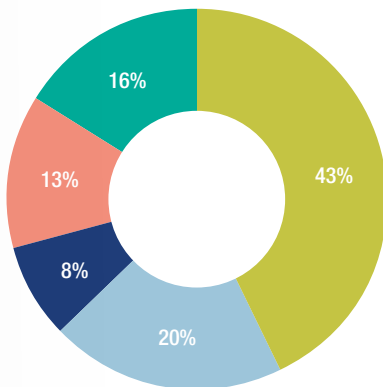
SMEs financed by our partners

770,000

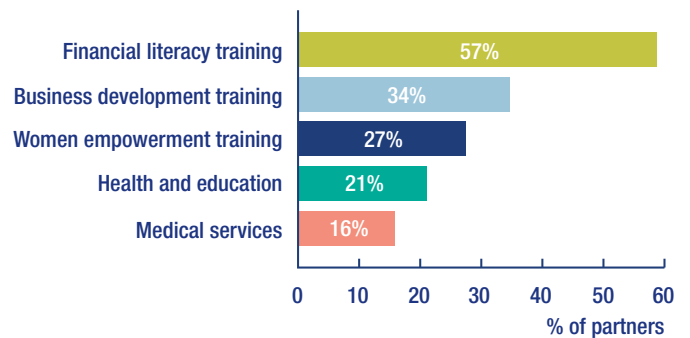
Financial cooperatives financed

51

Occupation of microfinance clients



Microfinance partners offering additional services



% women clients

87%



% rural clients

63%



Impact story: microfinance

Cooperativa de Ahorro y Crédito Cooprogreso Ltda (Cooprogreso), Ecuador

About the partner

- **Oikocredit partner since:** 2015
- **Type of organisation:** Cooperative offering credit and savings programmes through a methodology of individual and village banking
- **Type of clients:** Microentrepreneurs in urban and rural Ecuador
- **Number of clients:** 67,000 (December 2020)
- **The impact:** Increased access to finance and support services through individual and village banking can lead to improved financial health and access to resources for livelihood needs
- **Supporting this partner:** A loan of US\$ 5,000,000 (€ 4.1 million) to support the development of microenterprises through provision of microloans

About the end-client

Gladys Arcos (pictured) has been making espumillas, a traditional local dessert, for 25 years. About 10 years ago her husband had an accident and they needed more income. So Gladys started her own business selling espumillas from a wheelbarrow.

In hopes to expand her business, she approached Cooprogreso. Seeing her skills and entrepreneurial drive, the cooperative gave her an initial loan of US\$ 4,000 (€ 3,300). She went on to offer a variety of local treats and moved from a wheelbarrow to a handcart.

Throughout the years she remained loyal to Cooprogreso and recently bought a plot of land to build her own shop. Because of Cooprogreso's support, Gladys was able sustain her livelihood, provide for her family, meet her husband's medical needs and put her children through school.

"The support that Cooprogreso has given me has been huge," says Gladys. "I receive the help they give me when I need it, they are there when I need them and they have confidence in me."



Impact story: SME finance



Cofina Côte d'Ivoire (previously Compagnie Africaine de Crédit or CAC CI), Côte d'Ivoire

About the partner

- **Oikocredit partner since:** 2017
- **Type of organisation:** Microfinance institution providing a range of financial services to SMEs and microfinance entrepreneurs
- **Type of clients:** Micro and small-scale entrepreneurs
- **Number of clients:** 40,000 (June 2021)
- **The impact:** Cofina Côte d'Ivoire seeks to fill the funding gap and meet the needs of an emerging class of independent entrepreneurs, SME managers and employees
- **Supporting this partner:** A loan of 3,000,000,000 XOF (€ 4.5 million) to contribute to the growth of Cofina's portfolio in Côte d'Ivoire, particularly in the suburbs of Abidjan

About the end-client

In 1998 **Jean Koffi** (pictured wearing red) followed his dream and started his own business as a contractor in civil work and construction.

After studying energy saving in 2014, he decided to focus on electricity. Cofina Côte d'Ivoire was one of his first clients: he installed the lighting in all of the branch offices.

When he needed working capital in 2017 for a big public lighting contract, he approached Cofina for a loan of XOF 30 million (€ 45,000). Jean stayed with Cofina and as a result, his company has installed over 5,000 LED lights that are more energy-efficient and more durable than traditional lights.

In addition, Jean has been able to employ 10 permanent staff and 21 freelance workers.

"I take most pride in the public lighting we have installed," says Jean. "If you walk through Abidjan you can see all the lights."

Focus sector: agriculture

Why do we invest in agriculture?

Over 500 million smallholder farmers worldwide¹ play a critical role in world food production, but most are vulnerable to the effects of climate change such as droughts or floods, volatile pricing and unfair competition.

Investment in agriculture is one of the most effective ways of reducing rural unemployment and poverty, and contributes to local food security. Yet smallholder farmers often lack access to finance. The demand for smallholder finance is estimated at over US\$ 150 billion.²

To help address this issue, Oikocredit increases access to loans, equity investments and capacity building that help strengthen social and sustainable organisations that work with smallholder farmers.

Our agricultural partners help farmers increase productivity, crop diversity and provide access to markets, often at better conditions than they would otherwise be able to get. This leads to increased income and stronger, more financially stable farming businesses, contributing to the empowerment of smallholder farmers to improve their lives.

How do we create impact in agriculture?

Oikocredit supports smallholder farmers while promoting standards and certification encouraging practices such as crop diversification and climate smart agriculture.

We report on the certifications of our agriculture partners as the premiums they result in are relevant to helping secure a better income for farmers and benefit their communities.

We also collaborate with peer organisations to champion responsible agriculture and responsible financing for agriculture.

The biggest crops in our agriculture portfolio³ are:

- Coffee
- Grains
- Cocoa
- Fruit
- Nuts



¹ Source: FAO 2017, The Future of Food and Agriculture

² Source: Initiative for Smallholder Finance, RAF Learning Lab, and Dalberg 2016, Inflection Point: Unlocking Growth in the Era of Farmer Finance

³ Based on the top five crops in investment amounts and in number of partners as at 31 December 2020

Contributing to:



In numbers



Agriculture financing

€ 148.7 million



Agriculture partners

131



Farmers reached by our partners

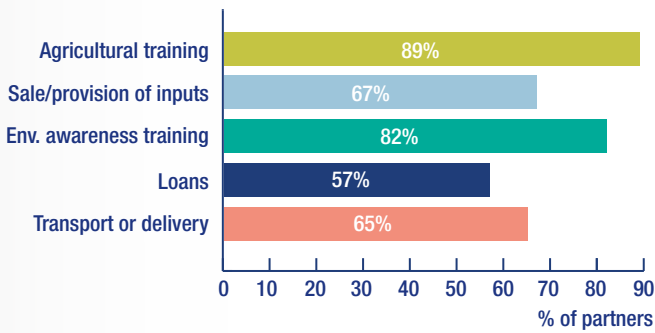
542,000



Farmers reached that are women

21%

Agriculture partners offering additional services



People employed by agriculture partners

41,000

% permanently employed by agriculture partners

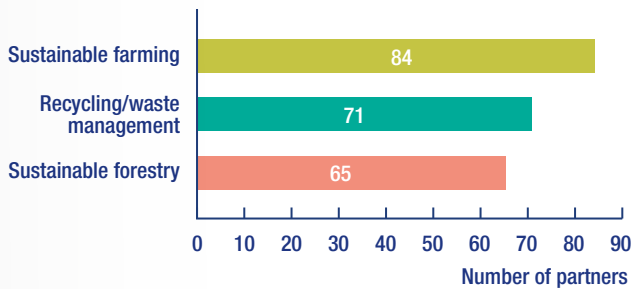
41%

% of agriculture partners offering additional services to farmers

83%



Partners engaging in environmental practices



Our agriculture partners pay on average 11% above market price to their farmers



Agricultural cooperatives financed

48



Partners certified Fairtrade (Flocert)

52



Number of Rainforest Alliance or UTZ certified partners

38



Number of organic certified partners

48

Impact story: agriculture

Federated Commodities Ltd (Fedco), Ghana

About the partner

- **Oikocredit partner since:** 2016
- **Type of organisation:** Family owned business that buys cocoa beans from smallholder cocoa farmers and sells them to the Ghana Cocoa Board, the sole exporter of cocoa beans in Ghana
- **Type of client:** Smallholder cocoa farmers
- **Number of clients:** 47,000 farmers, of which 12,000 are women (June 2021)
- **The impact:** Fedco is a locally owned family business with a strong social focus. It implements community benefit projects, has UTZ certification and ensures that its farmers receive higher prices
- **Supporting this partner:** A trade finance facility of GHS 20,000,000 (€ 2.8 million) to finance the procurement of cocoa beans from small-holder producers, storage, and transport of cocoa beans to warehouses of the Ghana Cocoa Board

About the client

Paul Bukuroh Appiah (pictured) is a cocoa farmer living in a village of 3,000 people in southern Ghana. An end-client of Fedco, Paul owns 600 cocoa trees on his plantation of 15 acres.

Fedco supports Paul with technical support, such as pruning the cocoa trees, supplies him with fertiliser and seeds for new trees, and pays for the transportation of the cocoa beans once dried. "We also get advanced payments [before harvest] when we need money to pay the school fees for our children," says Paul, who has three sons and two daughters.

Fedco also built and renovated local school buildings that now have over 460 children. Teachers who once refused to work in the area are now teaching because of the improved infrastructure.

"My dream is to see the farm growing under my children's management until my very old age," says Paul.



Focus sector: renewable energy

Why do we invest in renewable energy?

Nearly 800 million people¹ live without access to clean, affordable and reliable electricity. More than one third of the world's population² has no access to clean cooking solutions, leading to nearly four million deaths a year from indoor air pollution.³

By financing renewable energy providers, Oikocredit helps these partners become stronger sustainable and social businesses. As our partners grow stronger, they reach more

customers with products and services meeting the needs of low-income people and increasing their access to clean energy.

Increased access to clean energy contributes to improved living standards and health and to empowering low-income people with opportunities such as using clean energy to power income-generating activities.

How do we create impact in renewable energy?

We invest in projects that focus on social impact, in particular:

- **Off-grid solar**
 - Providing off-grid households with electricity through solar home systems
 - Constructing and operating solar mini-grids for rural communities
- **On-grid infrastructure projects serving energy-poor communities**
 - Using renewable energy technologies like solar, wind, hydropower and biomass
- **Clean cooking**
 - Offering clean alternatives to traditional cooking methods such as burning wood by switching to efficient stoves
 - Reducing negative impact on health and the environment (CO₂ emissions, deforestation)

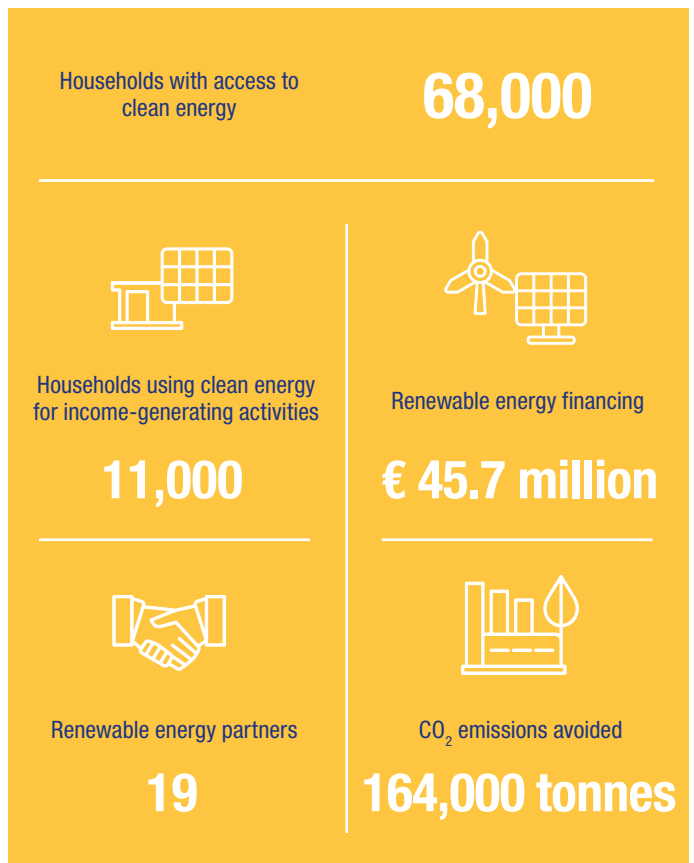
Focusing our work in renewable energy in this way ensures we only invest where there are obvious benefits for local communities, such as improved living standards and health.

¹ Source: World Bank 2020, SDG7 Tracking: The Energy Progress Report

² Ibid.

³ Source: World Bank 2018, Household Air Pollution and Health Fact Sheet

In numbers



Contributing to:

7 AFFORDABLE AND CLEAN ENERGY

10 REDUCED INEQUALITIES

17 PARTNERSHIPS FOR THE GOALS





Impact story: renewable energy

Fourth Partner Energy Pvt. Ltd, India

About the partner

- **Oikocredit partner since:** 2015
- **Type of organisation:** Provider of rooftop solar installations and other renewable energy products such as streetlights and home and water pump systems
- **Type of clients:** Hospitals, schools, other institutions, rural/urban businesses and homes
- **The impact:** Fourth Partner Energy increases access to renewable energy, which in turn promotes energy security, energy affordability and environmental sustainability. Since its foundation in 2010, the company has installed 2000 systems at 180 locations across India
- **Supporting this partner:** A loan of INR 460,000,000 (€ 5.2 million) in support of expanding operations

About the client

Kedar Mali (pictured far right) grows vegetables like bitter gourd, bottle gourd and okra on 17 hectares of land in the village of Ghans in India's desert state Rajasthan.

Kedar used to use a diesel pump to bring water up from his well, but this was expensive.

Together with his brothers, Kedar invested INR 116,000 (€ 1,320) in 16 solar panels and a water pump from Fourth Partner Energy. As part of a drive to promote solar pumps, the Indian government also contributed to the cost.

Now Kedar and his family can access their water when needed, not only when they can afford the diesel.

Partnering for impact

We seek to develop strong, long-term partnerships to achieve lasting social impact.

In addition to the partners in which we invest, Oikocredit works with multiple stakeholders, including the organisations below, to catalyse positive change for people on low incomes.





Oikocredit's mission

Oikocredit challenges all to invest responsibly. It provides financial services and supports organisations to improve the quality of life of low-income people or communities in a sustainable way.

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