

Sidi Solidarité Internationale
pour le Développement
et l'Investissement

Annual report 2022



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Foundation ACTES: Fondation Accompagner la Transition Économique, Écologique et Sociale
CSAF: Council on Smallholder Agricultural Finance
DRC: Democratic Republic of the Congo
FEFISOL: Fonds Européen de Financement Solidaire pour l'Afrique
FIFAD: Finance Inclusive pour des Filières Agricoles Durables
HDI: Human Development Index
MFI: Microfinance institution
Large MFIs: MFI with assets over \$50 million
Medium sized MFIs: MFI with assets between \$5 and \$50 million
Small MFIs: MFI with assets of less than \$5 million
K€: Thousands of euros
M€: Millions of euros
Muso: "Mutuelle de solidarité", Mutualist financial structure
NGO: Non-governmental organization
PAIF: Private Asset Impact Fund
PO: Producers' organization
SME: Small and Medium Enterprises
SEP: Social and Environmental Performance
SSNUP: Smallholder Safety Net Upscaling
TA: Technical assistance
TAPSA: Transition vers une Agroécologie Paysanne au service de la Souveraineté Alimentaire

2022 ANNUAL REPORT

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Edito

SIDI celebrates its 40th anniversary in 2023!

Created in 1983 by CCFD Terre Solidaire, SIDI (Solidarité Internationale pour le Développement et l'Investissement) leads a chain of financial solidarity to combat economic inequality and poverty in developing countries.

2022 was a good year for SIDI. As you will see in this report, SIDI and SOLUTI are now consolidating their data in terms of partners supported and financed, resources mobilized and are aiming to develop strong synergies, considering that SOLUTI is now the incarnation of SIDI in East Africa.

The year 2022 was also marked by the launch of FEFISOL II, which capitalizes on the success of FEFISOL I and provides SIDI with new resources to amplify its action toward rural microfinance institutions and agricultural entities in Africa. With the ACTES Foundation, dedicated to supporting the most vulnerable partners, these are two essential instruments for raising funds to complement the action that SIDI is carrying out with its capital, which increased very slightly this year.

We therefore need you, our supporting shareholders, to continue your commitment to the chain of financial solidarity in order to support economic, ecological and social transition in the South.

Finally, as you will not have missed, SIDI is getting a facelift and returning to its roots to give new impetus to the financial solidarity chain: its new logo is a reminder of the link that it intends to forge between shareholders in the North and vulnerable populations in the South, symbolized by the two «i». We hope that you will like this new logo created by a young graphic design student, and that it will rejuvenate and modernize SIDI's image in order to attract new and young shareholders alike.

*Emilie Debled,
CEO*

Who are we?

Created in 1983 by CCFD-Terre Solidaire, SIDI (Solidarité Internationale pour le Développement et l'Investissement) is a solidarity investor. It is accredited as an Entreprise Solidaire d'Utilité Sociale (ESUS) by the French government, and its capital shares have been Finansol-certified since 1997.

SIDI works to make socially-responsible and patient finance a lever for sustainable transformation towards a more equitable and environmentally-responsible world. To this end, SIDI supports and finances economic players in developing countries through innovative and sustainable partnerships, with the aim of improving the living conditions of vulnerable populations and promoting virtuous ecological practices. Today, SIDI supports 120 partners in 35 countries: microfinance institutions, producer organizations, refinancing institutions, and high local-impact SMEs.

SIDI is able to carry out its mission thanks to a unique ecosystem that provides it with the resources it needs to achieve its ambition. At the heart of this ecosystem lies the commitment of thousands of individual shareholders who wish to use their money to make a difference. They are part of a «chain of financial solidarity» that enables SIDI to target fragile partners and/or those in difficult situations with a vision of partnership focused on meeting their needs.



120
partners
in **35**
countries

(includes all SIDI/SOLUTI/FEFISOL direct partners)



A portfolio of
€46.7 million

(consolidated from direct partners
financed by SIDI/SOLUTI/FEFISOL)



€34.6 million
in capital contributed
by **2,069**
SIDI shareholders
1945 of whom are
individuals



22 technical
assistance projects
deployed
in **2022**



9.7 million
end beneficiaries

Our values



Solidarity

Working together for a more just and equitable world is essential for the progress of all.

For SIDI, solidarity is based on the idea that we are all linked to each other in a community of shared destiny. SIDI is at the heart of a "chain of financial solidarity", that links shareholders and savers to partners (the organizations it supports) and their beneficiaries. In this chain, each link is essential and acts at its own level for the common good of all.

Audacity

Sometimes taking difficult action is the right thing to do.

SIDI is prepared to take risks (on behalf of fragile organizations, in dangerous areas, etc.) if and when its support can improve the living conditions of vulnerable populations..

Perseverance

Giving partners time to produce results.

SIDI works with its partners over the long term to help them become self-sufficient, which ensures that its impact is sustainable. In this context, SIDI strives to stand beside its partners, even when they experience difficulties.

Integrity

Acting with fairness, transparency, and accountability.

SIDI strives to maintain partnerships that are equitable and in alignment with its mission through the mutual construction of working objectives as well as through regular dialogue. SIDI reflects on its practices with a view to continuous improvement and reports its results to its stakeholders with full transparency.

The SIDI ecosystem

Over the years, SIDI has developed an ecosystem that enables it to more effectively carry out its mission and generate leverage for the benefit of its partners.

The **ACTES Foundation** was created by SIDI under the aegis of the Fondation Terre Solidaire in 2017 to finance tailored support projects for microfinance institutions, producer organizations, and social enterprises. The ACTES foundation aims to contribute to their sustainable development through technical support, training, and networking provided by expert consultants. In 2022, nine technical assistance projects were financed by the ACTES Foundation for a total of €232,000.

SOLUTI is an institution, which became a SIDI subsidiary in 2019, dedicated since 1994 to financing MFIs and agricultural entities in East Africa. This investment has made it possible for SIDI to increase the number of its partners in the region, thereby contributing to the fulfillment of its social mission. At the end of 2022, SOLUTI was financing 30 partners, including 26 MFIs, for a total portfolio of €13.1 million.

FEFISOL II is a European fund dedicated to rural microfinance in Africa and co-founded by SIDI in 2022. It is an extension of FEFISOL, one of the first multi-donor vehicles specializing in support for rural microfinance institutions and producer organizations active in Fairtrade and organic products in Africa. It has a technical assistance budget to support these institutions in the areas of management, financial management and new product development. At the end of 2022, SIDI's investment in FEFISOL II had grown to 4.8 million euros. FEFISOL II plans to develop a portfolio in more than 28 African countries and eventually support around one hundred institutions.

In addition, SIDI itself belongs to "L'Ensemble Terre Solidaire", a group formed around CCFD-Terre Solidaire, which brings together three organizations guided by the same values and a common desire to build a more humane world: CCFD-Terre Solidaire, SIDI's founding association Fondation Terre Solidaire, and SIDI. All three share the same observation that the current system, by favoring the capture of wealth for the benefit of a minority at the expense of the equity and well-being of whole populations, has led to the destruction of ecosystems, endangered the planet, and produced glaring inequalities, exclusion, and conflict. The three ensemble organizations have pledged to work together to combat the root causes of the world's current ills, along with committed partners rooted in their own culture and territory.



2022 highlights

In February, SIDI entered into a partnership with ALTECH in the DRC with a loan of \$500,000, enabling this highly innovative company to supply its solar solutions for the electrification of poor households in the east of the country. A first of its kind for SIDI.



In August, around 20 SIDI shareholders and/or investors of the «Faim et Développement» mutual fund travelled to Ecuador to learn about SIDI's partnerships with Coprobich and Banco Codesarrollo.



In September, SIDI welcomed its new Managing Director, Emilie Debled, who succeeded Dominique Lesaffre, after he retired as SIDI's Managing Director since 2016.

In October, the NGO GRET acquired a stake in SIDI with a view to developing operational collaboration, particularly on ecological and social transition issues.



In November, the SIDI team got down to work to launch the strategic planning process, formulating its ideas and proposals for change to the governing bodies.

In November, Muungano, a coffee grower cooperative and SIDI partner, was awarded the 2022 FAIR/Le Monde Grand Prix de la Finance Solidaire for its remarkable work in producing coffee with very high added value in a particularly difficult context.



In May 2022, the FEFISOL II fund formally began operations. Founded by SIDI and Alterfin, FEFISOL II has 22.5 million euros in capital and a technical assistance budget for the benefit of its clients. At the end of March 2023, its first fiscal year, FEFISOL II had already disbursed 9.5 million euros to 18 clients.



SIDI's additionality

AN ORIGINAL AND INNOVATIVE APPROACH IS WHAT GIVES SIDI ITS STRENGTH

From the outset, SIDI's approach has been based on the principle that there is a chain of financial solidarity that links global citizens who want to make a difference and contribute their savings to partner organizations and their beneficiaries, thus enabling their money to make lasting improvements to the living conditions of vulnerable populations in poor and fragile countries.

The pillars of its work:

- to offer everyone the opportunity to become a committed shareholder and use the power of their money to take concrete action in favor of an equitable and economically sustainable society;
- operate where others don't, in areas considered difficult or risky: Sub-Saharan Africa in particular, the Middle East, and Latin America;
- to give our partners the time they need to grow, to finance and support them, and to stand by their side in times of crisis, so that their business becomes viable over the long term;
- to provide our partners assistance in addition to funding, particularly the smallest and most fragile structures, which are all too often overlooked by other investors because of a lack of profitability;
- giving priority to rural areas and targeting the agricultural sector in particular, especially family farming

OUR SOCIAL MISSION

SIDI's development plan encompasses the economic, social, and environmental fields. Through its financing and support, SIDI aims to reduce economic inequalities in the countries of the South through the emergence and empowerment of local economic players. It seeks to combat poverty through an approach that focuses on the most vulnerable, particularly people living in rural areas, women, and young people, who are the lifeblood of these countries and the promise of a more equitable, just, and compassionate global society. Finally, SIDI is also firmly committed to building a more sustainable world that respects the environment and is capable of adapting to and mitigating climate change. Through all its partnerships, SIDI aims to support economic, ecological, and social transition in the developing world.



Our

120 partners work with

9.7 million

end beneficiaries, including:

71%

rural beneficiaries

48%

women beneficiaries

Targeting rural areas

SIDI operates in areas neglected by local banks, areas where it is more difficult to develop economic activities (risk linked to financing of agriculture, for example)

66% of our partners have a rural focus, meaning that more than 50% of their customers are located in rural areas.

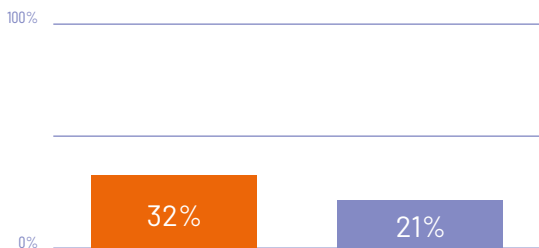
64% of SIDI's disbursements concern rural areas

Offering appropriate financing

	Average disbursements (loans and equity interest)	Average disbursements from other investors
Microfinance institutions	€404,451	€1.8 million (2020 PAIF report)
Agricultural entities	€437,363	€916,530 (CSAF 2021)

The importance of equity investment

Whenever possible, SIDI gives priority to equity investment with its partners. SIDI supports its partners over the long term, sharing in their business risks and participating in the life of its partner organizations.

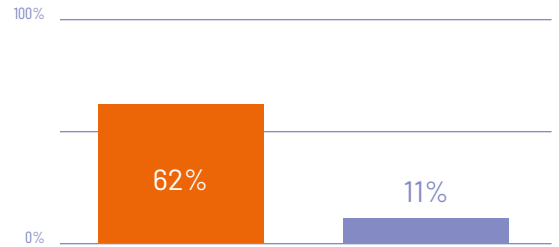


EQUITY INVESTMENT PORTFOLIO

- SIDI as of 31.12.2022
- Other microfinance investment vehicles, as of 31.12.2022

(1) World Bank
(2) Coface
(3) World Risk Index

Focusing on Sub-Saharan Africa



SUB-SAHARAN AFRICA PORTFOLIO

- SIDI as of 31.12.2022
- Other microfinance investment vehicles, as of 31.12.2022

Prioritizing areas with high financing needs

68% of partners are located in countries with a low HDI.⁽¹⁾
Ex.: Burundi, Burkina Faso

78% of partners are located in high-risk countries⁽²⁾
Ex.: Niger, Cameroon

38% of SIDI's partners are located in countries vulnerable or very vulnerable to climate change⁽³⁾
Ex.: Peru, Tanzania



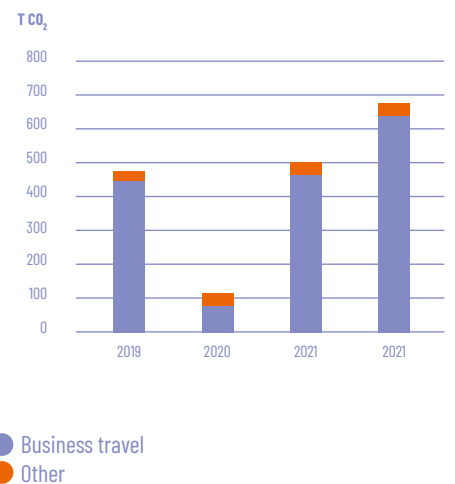


The carbon challenge

Against a backdrop of accelerated climate change and growing global awareness of the issue of carbon emissions, more and more companies are beginning to assess their carbon footprint. For some, this process has become compulsory in a tightening regulatory environment.

Since 2017, SIDI has annually measured its direct carbon footprint and part of its indirect carbon footprint (particularly related to partner support missions). Given its support and close work with fragile partners located in geographically remote areas, its carbon footprint is significant. The carbon footprint is translated into a financial ("internal tax") enabling SIDI to contribute to the development of carbon sinks and to support positive environmental initiatives.

After returning to "normal" levels in 2021, i.e., close to pre-COVID-19 emissions, SIDI saw a sharp increase in its carbon footprint in 2022, linked to an intensification of its support and financing activities. In 2022, SIDI emitted almost 700 tons of CO₂, 94% of which was due to air travel.



Burkina Faso: an illustration of SIDI's intervention capacities

In Burkina, since 2004, the SIDI team has forged strong links with local economic players working to improve the living conditions of vulnerable populations. In a complicated country context, where all businesses face numerous barriers to developing their activities, these partners are doing fantastic work and are making a difference in areas such as financial inclusion and developing resilient agricultural value chains.

Over the years, SIDI has succeeded in developing a portfolio that illustrates **the diversity of actors it supports in the countries of the South**. In the financial inclusion sector, SIDI has forged partnerships with organizations that offer their services to complementary categories of borrowers and savers who range from the most vulnerable small producers and micro-entrepreneurs eligible for the group credit offered by the micro-finance institutions UBTEC/Naam and PRODIA, to high-potential SMEs/start-ups and job creators financed by the local investment fund SINERGI, and small urban entrepreneurs financed by ACEP. **These partners provide high added value** through their financing offers and sometimes through support services, which are essential to the development of their clients' or members' business. **This approach of developing complementary partnerships enables SIDI to strengthen the local economic fabric at various levels**, including for the most vulnerable working populations.

On the agricultural side, the work of SIDI's partners is just as remarkable, with companies taking steps to structure their industries. Companies such as Gebana, which sells mangoes and cashew nuts, or Bioprotect with its approach to sesame, market garden produce, and the production of green inputs, work in an integrated way **to maximize the redistribution of value to producers**. In particular, these companies offer training to small-scale producers to enable them to produce organically and improve their resilience; they produce or process crops locally, thereby ensuring significant local added value. They also add value to farmer production by opening up new local, regional, and international markets.

SIDI was able to deploy most of the financing instruments at its disposal: equity investments (ACEP), medium-term loans, notably to refinance MFI portfolios, **short-term loans** to finance agricultural campaigns, and **investment loans** for SINCO's pioneering rural electrification project using solar power plants. SIDI has also been involved in structuring support projects over several years, such as assisting partners in the development of Mutuelles de Solidarité (MUSO) or promoting agroecology with UBTEC and VIIM BAORE.

SIDI's work takes on its full meaning in a country context such as Burkina Faso's —poverty, the prevalence of the informal sector and of agriculture— all the more so given the deteriorating security situation. This important work in Burkina would not have been possible **without the flexibility of SIDI's resources provided by its shareholder base**.

This flexibility enables SIDI **to take measured risks and support its partners over the long term**. SIDI's objective is to maintain a long-term presence in the country, while remaining vigilant with regard to the risks of terrorist financing, in order to support both partners making a high social and environmental impact locally, as well as the general Burkinabe population.



Governing bodies

SIDI is a Société en Commandite par Actions (SCA) with variable capital, which involves two categories of partners:

- a General Partner, who is entrusted with management authority by the shareholders at the Annual General Meeting. In particular, he ensures that SIDI's social mission is upheld;
- the limited partners, who are all the other shareholders.

This status enables SIDI to raise the capital it needs for its work, while preserving the original mission of its founding shareholders, in particular CCFD Terre Solidaire.

SIDI's General Partner is SIDIGestion SAS, which brings together four of SIDI's founding shareholders: CCFD-Terre Solidaire and three religious congregations, namely: the Congregation des Sœurs Auxiliatrices, the Congregation des Filles du Saint-Esprit, and the Congregation des Filles de Jésus de Kermaria.

The Management Board

Appointed by the General Partner, is responsible for validating the investment and technical supports proposals prepared by the operational team to ensure the management and administration of SIDI. SIDI SCA's Managing Partners are Nicolaas Heeren (since September 2020) and Nathalie Klopfenstein (since September 2021), both appointed by the General Partner for a four-year (renewable) term.

The Consultation and Steering Committee

Appointed by the General Partner, the committee is responsible for approving and ensuring compliance with SIDI's ethical charter and strategic plan. The committee members are:

Sylvie BUKHARI DE PONTUAL <i>CCFD-Terre Solidaire</i>	Catherine GRANIER <i>Congrégation des Sœurs Auxiliatrices</i>
Patrick SAURAT <i>CCFD-Terre Solidaire</i>	Anne-Marie MONNERAYE <i>Congrégation des Filles de Jésus de Kermaria</i>
Françoise BEAUMONT <i>Congrégation des Filles du Saint-Esprit</i>	Gabriele GIUGLIETTI <i>Banca Popolare Etica</i>
Guy EVERS <i>Epargne Solidarité Développement (ESD)</i>	Geneviève GUÉNARD <i>SIDIGestion SAS</i>
Philippe LOIRET <i>Epargne Solidarité Développement (ESD)</i>	

The Supervisory Board

Made up of limited partner shareholders appointed at the Annual General Meeting, the supervisory board ensures the permanent control of the actions of the company's management. It submits an annual report to the shareholders on SIDI's financial statements and governance.

The Board's president is M. Philippe Loiret, who serves with the following members:

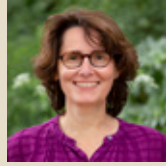
- Crédit Coopératif represented by Lucrece MBONGO,
- Caisse des Dépôts et Consignations represented by Gina BARBARA,
- The non-profit Épargne Solidarité et Développement (ESD)(bringing together a large majority of SIDI's individual shareholders), represented by Maelle DUQUOC (ESD)
- Jacques DEMONSANT
- Philippe COQUART
- François LEGAC
- Marc RAFFINOT
- Benoît MONSAINGEON

The team

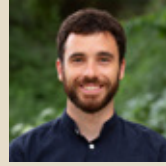
Leadership team



Émilie DEBLED
Chief Executive Officer



Anne-Sophie BOUGOUIN
Chief Finance Officer

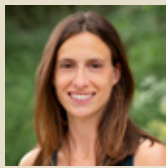


Joan PENCHE
Chief Operations Officer

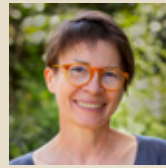
Operations team



Julie TORRES-SZANTYR
Capacity Building
and TA Manager



Natasha OLMI
FEFISOL Portfolio
Coordinator



Catherine BELLIN-SCHULZ
Investment Officer and
Consultant Facilitator



Cristina ALVAREZ
Investment Officer



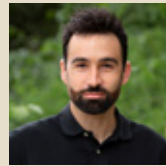
Jean-Marie CAVARROC
Investment Officer



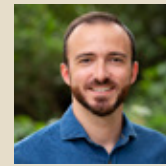
Emmanuel VUILLOD
Investment Officer



Jean-Baptiste COUSIN
Investment Officer



Philippe MASSEBAU
Investment Officer



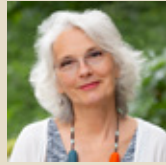
Johan THUARD
Investment Officer



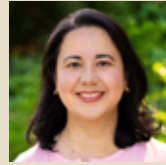
Anaïs DUFOUR
Investment Officer



Anna CICCOTTI
Co-financing and
Technical Assistance Officer



Dominique PASSARIELLO
Operations Assistant



Diana MURILLO-SOLIS
Operations Assistant

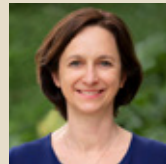
Management and administrative team



Irina KRAUCH
Head of legal
and compliance



Gabrielle ORLIANGE
Social and Environmental
Performance Manager



Isabelle BRUN
External Communications
Manager



Laurent CHÉREAU
Shareholder Relations /
Administration Manager



Ariane BEVIERRE
Social and Environmental
Performance Analyst



Erkan KARAOGLAN
Accounting
and Portfolio Manager



Iness NOUIRA
FEFISOL Administrative
and Accounting Manager



Céline VIDAL
Shareholder Relations and
Administration assistant

Soluti team



**Ms. Priscilla
MIREMBE SERUKKA**
Board chairperson

Direction



Mr. Paul KATENDE
Chief Executive Officer



Mr. Cressy MUSASIIZI
Operations Manager



**Ms. Anne Rose
NAMATOVU**
*Finance and
Administration Manager*

Staff



Mr. Abel TUKAMUBONA
Investment Analyst



Mr. Christopher LUYIMA
*Finance and
Administration Specialist*



Ms. Deborah NAMPEWO
*Accounts and
Administration Assistant*



Mr. Joseph ODEKE
Transport Assistant

Volunteer consultants, a valuable commitment alongside SIDI's team

To grow and expand its business, **SIDI also relies on the commitment of some twenty voluntary consultants.** These former professionals in the fields of finance, agriculture, and international cooperation contribute their time and expertise to the monitoring and support missions of partnership organizations they support,

in particular through their participation in governance and on boards of directors. Acting as a complement to the operations team, they considerably strengthen the support provided to our partners.

Pioneer of solidarity-based finance, SIDI has been financing and supporting economic players for over 40 years, mainly in Africa, Mediterranean Basin and Latin America, with a view to improving the living conditions of vulnerable populations.

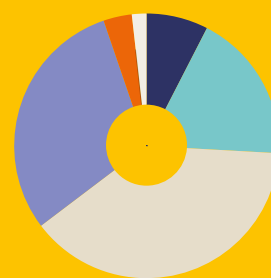




Our resources

SIDI's financial independence rests on its business model, based on the mobilization of shareholders and savers who provide the bulk of its resources and enable it to carry out its social mission.

This is why SIDI strives to mobilize and broaden its support base and to generate leverage through alliances.



BREAKDOWN OF SIDI'S CAPITAL

- 8% CCFD-Terre Solidaire
- 18% Religious institutions and congregations
- 39% Individuals
- 30% Funds and banks
- 3% NGOs and social enterprises
- 2% Public actors



SIDI's capital shares and FCP "Faim et Développement" have been certified since 1997

Share capital

SIDI has a vast and varied shareholder base, a guarantee of both the stability of its capital and the priority given to the company's social and environmental objectives. In fact, since the company was founded, shareholders have not been paid any dividends.

In 2022, SIDI's share capital increased by 600 000 euros net, contributed by nearly 130 existing or new shareholders, including the NGO GRET's Fonds d'Innovation pour le Développement Solidaire. As of 31 December 2022, SIDI's capital stood at 34.6 million euros.



The "Faim et Développement" mutual fund

The first of its kind in Europe, the «Faim et Développement» mutual fund was created by CCFD-Terre Solidaire and Crédit Coopératif to combine fair savings returns with support for the economies of developing countries.

The principle of this sharing product is that subscribers share 50% or 75% of their annual interest with CCFD-Terre Solidaire, which manages the money to fund SIDI's support activities.

Given the context of very low interest rates, sharing income has been limited in recent years. However, CCFD-Terre Solidaire is partially making up the difference by maintaining a significant annual contribution to SIDI (EUR 800,000 in 2022), thereby guaranteeing that the costs of supporting partners, which cannot be covered by portfolio income alone, will be met.



€818 546
technical
assistance
envelope



€800 000
CCFD-Terre
Solidaire
subvention
for support

FID

The Fund for Innovation in Development (FID) is a shareholders' current account funded by SIDI, CCFD-Terre Solidaire, and a religious[?] congregation, which makes it possible to cover the main risks associated with investments by compensating for losses incurred in difficult contexts.

In 2022, four investments were written off (one outstanding loan and three very small equity investments) for a total amount of €231,000, €203,000 of which was charged to the FID. In terms of provisions, €504,000 was also allocated to the FID during the year. Without the intervention of the FID, SIDI would have had to bear these additional costs and would have ended the year with a negative result. The DIF, which stood at 6.4 million euros at the end of 2021, has therefore fallen slightly: at the end of 2022 the DIF stood at 6.2 million euros and was 79% allocated due to the level of provisions on the portfolio.

Leverage negotiated with lenders

At the end of 2022, SIDI was piloting and managing three technical assistance programs and a program to support the strengthening of agricultural value chains, enabling it to supplement its own support offer with time and/or expertise that it does not have at its disposal:

- **The ACTES Foundation** (see p.6), which approved nine requests for commitments totaling €232,000 in 2022.
- **The FEFISOL II Technical Assistance Facility.** Throughout 2022, in parallel with the launch of the FEFISOL II fund, SIDI negotiated and mobilized new funds from donors for a 12-year "AT FEFISOL II" technical assistance facility. An initial allocation of 1.3 million euros was granted by FISEA+ under the management of PROPARCO and BIO, enabling SIDI and Alterfin to implement new capacity-building projects.
- **SSNUP**, a program that aims to finance technical assistance projects that support actors in agricultural value chains to mitigate agricultural risks and improve safety nets for ten million small households. Having joined this program in 2021, SIDI can offer projects, and in 2022, it presented and obtained the validation of six projects, for a total contribution from SSNUP of €240,000.
- **The FIFAD** (Finance Inclusive pour des Filières Agricoles Durables) program, initiated by SIDI through its proposal to the Agence Française de Développement to create a program to support social entrepreneurship in Africa. It was developed along with several local organizations: AOPP in Mali, SOCPA in Burundi, and IKURU, AMPCM, and UPC-N in Mozambique and is designed to improve the living conditions and incomes of their producers.

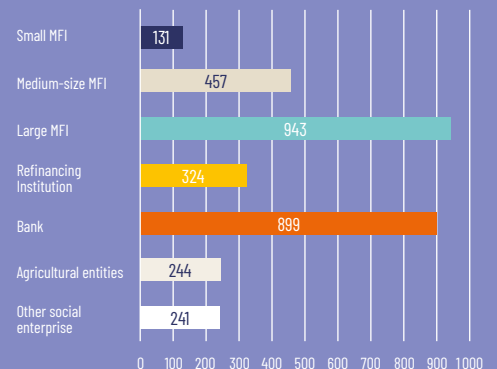


Financing in 2022

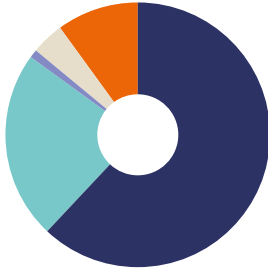
In 2022, SIDI's financial activity was very intense, with 20.6 million invested for the benefit of 35 partners, including eight new ones.

Net of repayments for the year, SIDI's portfolio grew by 27.7% to 9.7 million euros. Half of this growth was due to the July 2022 launch of FEFISOL II, the fund set up in the wake of FEFISOL's success, in which SIDI has committed to invest 4.9 million euros. In addition, SIDI has increased its investment in SOLUTI, its subsidiary for East Africa, by 1 million euros.

As of December 31, 2022, the consolidated SIDI/SOLUTI portfolio, added to the FEFISOL portfolio under SIDI management (and adjusted for SIDI's investments in SOLUTI and FEFISOL II), amounted to 46.7 million euros invested among 97 non-fund partners.



**AVERAGE INVESTMENT BY TYPE OF PARTNER
IN THOUSANDS OF EUROS
(AS OF 31.12.2022)**



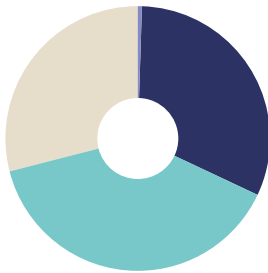
PORFOLIO BREAKDOWN BY REGION

- 62% Sub-Saharan Africa
- 23% Latin America & the Caribbean
- 10% Mediterranean Basin
- 1% Asia
- 4% Eastern Europe

Soluti and FEFISOL II in detail

In 2022, SOLUTI disbursed nearly 3.5 million euros to 12 partners in Uganda and Tanzania. At the end of 2022, SOLUTI's portfolio stood at 13.1 million euros for its 30 partners including 26 MFIs, mainly concentrated in Uganda (67% of outstanding loans and 77% of partners), as well as in Tanzania and Kenya.

Finally, in 2022, FEFISOL II began financing MFIs and agricultural value chains in Africa. As with the FEFISOL fund, SIDI is the fund's business sponsor alongside Alterfin, the other co-founder. In this capacity, SIDI's teams are responsible for identifying and appraising financing applications and monitoring partnerships for FEFISOL II, which accounts for approximately half of the fund's activity. In the first six months of FEFISOL II's operations, seven financing applications were validated, for a total of 3.4 million euros in commitments.



PORFOLIO BREAKDOWN BY TYPE OF INVESTMENT

- 32% Participation
- 39% Loans in local currency
- 29,5% Loans in hard currency
- 0,5% Guarantee



Tailored support in 2022

Tailored support is an integral part of SIDI's mission in light of its work with partners who often face a multitude of difficulties linked to the political and/or economic context in which they operate, the vulnerability of their clients to external shocks, and a shortage of sufficiently trained and experienced local human resources. Their social commitment, along with their increasing commitment to preserving the environment, warrants SIDI's provision not only of financial resources but of support services that will enable these partner companies to gradually build up their institutional and financial autonomy and, thus, better serve their local communities.

Depending on whether it is implemented by SIDI or by third parties, support is qualified as «direct» or «indirect». In all cases, each partner is monitored by a partnership manager who defines the challenges for the year and the support objectives to be achieved.

SIDI's direct support is provided remotely and/or through field missions. In 2022, more than 80 missions were carried out with partners. This direct support is provided by the operational team, with the assistance of around 15 volunteer consultants. This close monitoring covers different aspects depending on the type of partner supported.

A valuable way of contributing to the implementation of a partner's vision and mission is to participate in its governance by ensuring a long-term presence on its governing bodies. As a result of its priority mission as a patient capital investor, SIDI is a shareholder of 31 institutions and sits on the Board of Directors of 28 of them. The seats on the Board are held by a partnership officer and/or a SIDI consultant appointed for their expertise and availability.

SIDI complements this offer with indirect support managed by the partnership officers and carried out, in this case, by external consultants. These technical assistance projects, which numbered 22 in 2022, are carried out within the framework of the technical assistance programs (presented on p17).



28 partners
where SIDI sits
on the Board of Directors



22 technical
assistance projects



BREAKDOWN OF TECHNICAL ASSISTANCE, BY GEOGRAPHICAL AREA

- Sub-Saharan Africa: 16
- Latin America & the Caribbean: 2
- Mediterranean Basin: 4

Four main categories of tailored support

Consolidating and contributing to the empowerment of our partners (governance, institutional transformation, crisis management)

This is the area in which most of the support provided by SIDI is concentrated. SIDI is a shareholder in some 30 institutions and thus participates in their governance. In addition, nearly a dozen institutions are undergoing a process of institutional transformation that is being supported by SIDI. Around fifteen institutions have also benefited from support on the «fundamentals» of accounting and financial management. Finally, in 2022, some partners experienced a crisis, due to external or internal factors, and SIDI mobilized its human resources to support the institutions in managing and emerging from the crisis.

Strengthening the social and environmental performance of our partners

This theme covers a number of possible areas of intervention: diagnostics of the systems in place to monitor social and environmental performance, workshops to support partners in defining indicators, training in agroecological practices, contributions to pilot projects to diversify agricultural crops, conversion to organic farming, etc.

Promoting innovation and the emergence of new models (digital transformation, community finance)

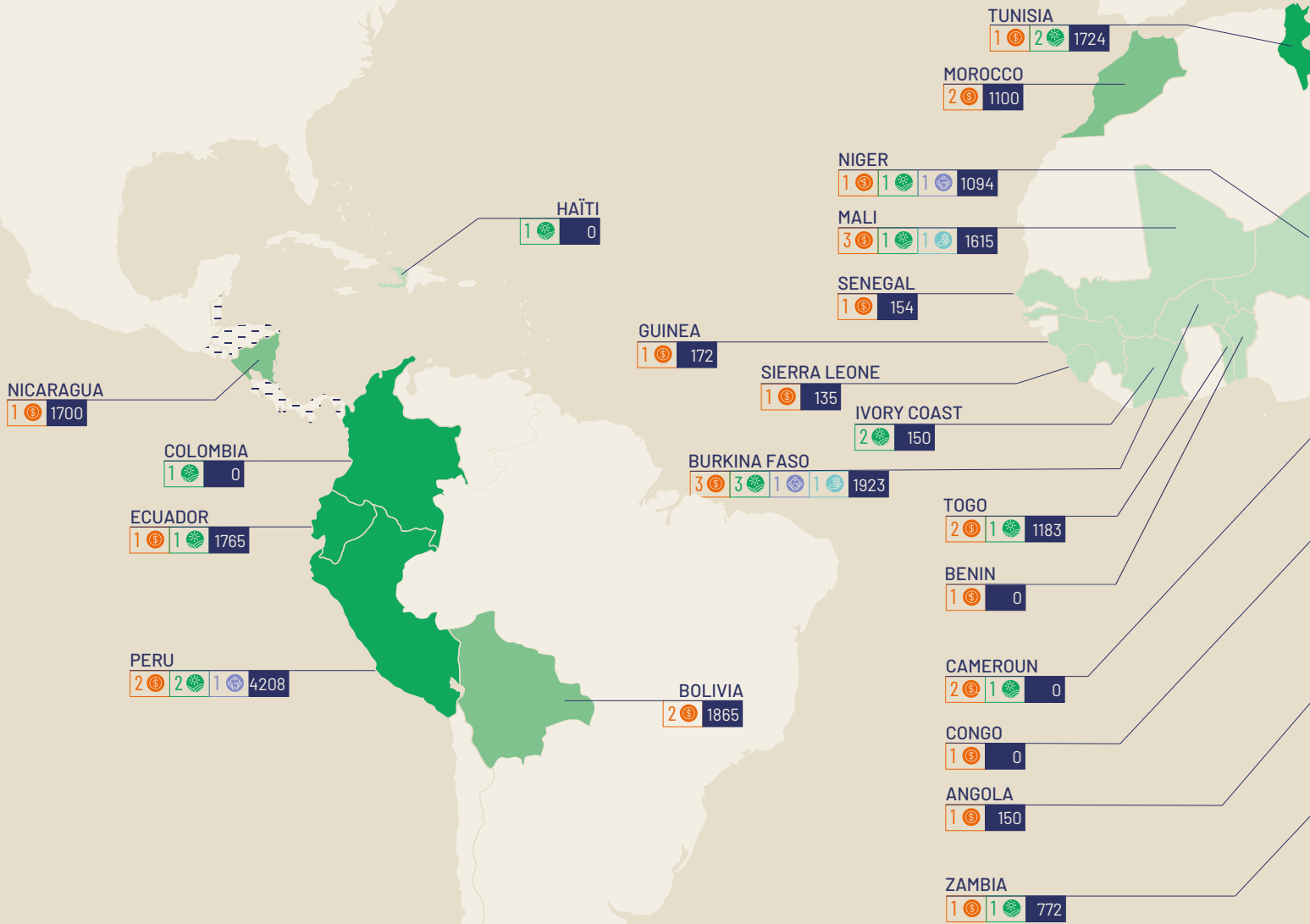
This theme covers a wide range of initiatives designed to reach people excluded from traditional financial systems, notably through the digitalization of distribution channels and the development and strengthening of community finance groups.

Promoting networking and exchange

One of SIDI's essential missions is to enable the exchange of experience and knowhow among peers, or among more mature institutions and others who wish to learn from them. SIDI's support makes it possible to organize experience-sharing trips/exchanges and workshops bringing together a number of players to discuss a common issue and to encourage the emergence and sustainability of networks in the field of inclusive finance.



Where SIDI works



LEGEND

772 Outstanding SIDI portfolio by country (in K€)

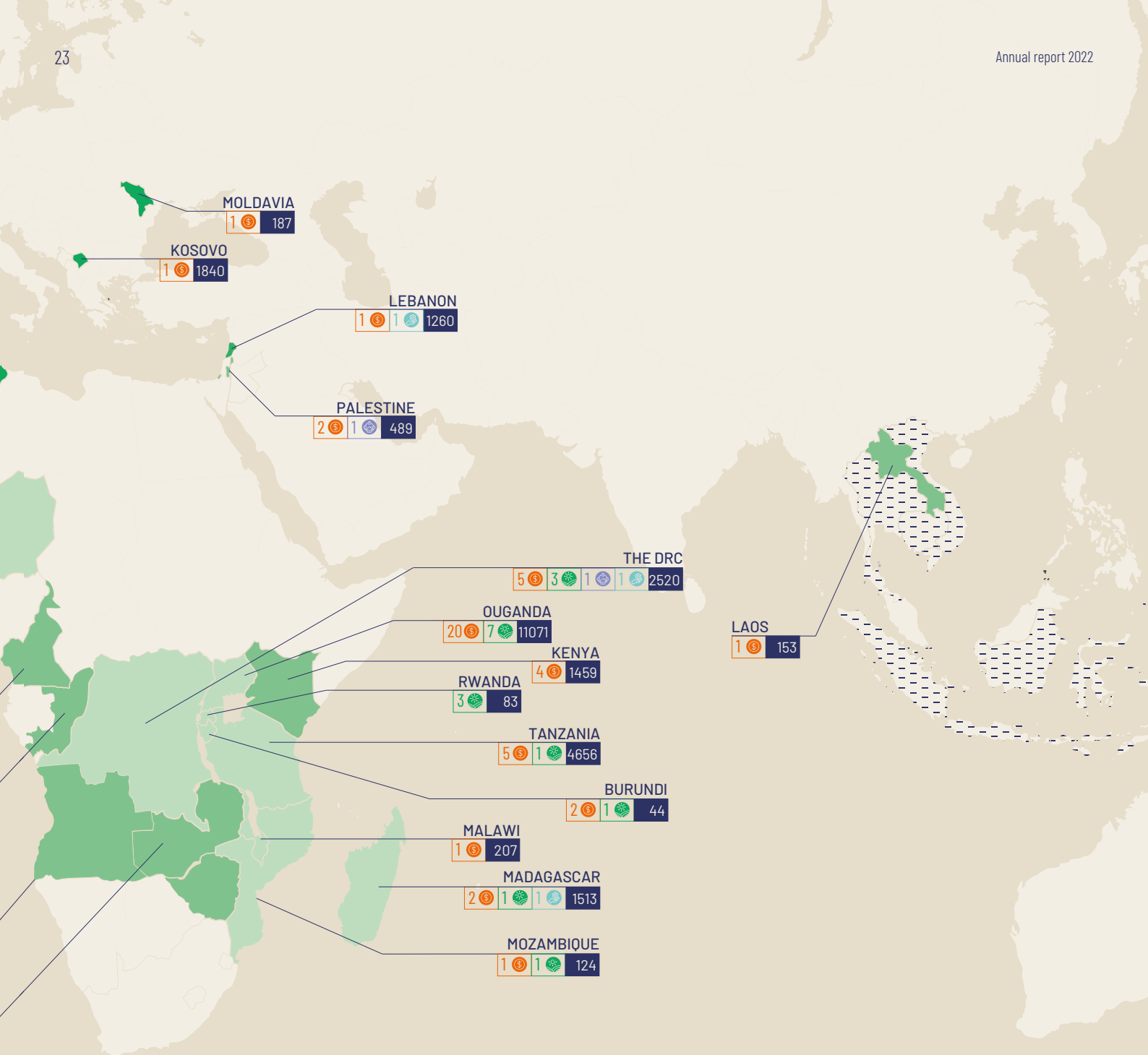
SIDI Indirect presence (via refinancing institutions)

- Financial institutions
- Agricultural entities
- Social enterprises
- Refinancing institutions

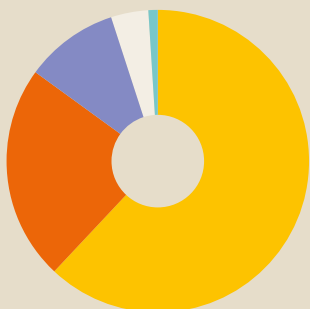
HDI LEVERS BY COUNTRY
(UNDP DATA, 2021)

- High HDI > 0.7
- Average HDI > 0.55
- Low HDI < 0.55

(France's HDIe = 0.9)



Multi-country refinancing institutions		2
SICSA	Central America	1284
PHITRUST	Asia	99



BREAKDOWN OF PARTNERS BY REGION

- 62% Sub-Saharan Africa
- 23% Latin America & the Caribbean
- 10% Mediterranean basin
- 4% Eastern Europe
- 1% Asia



Developing local financial services

USING INCLUSIVE FINANCE AS A LEVER IN THE FIGHT AGAINST POVERTY

In 2022, 49% of SIDI's partners were located in low-banking countries (where less than 40% of the population has a bank account).. Yet local financial services are essential to enable vulnerable populations, operating in the informal sector, to develop their economic activities and increase their resilience in the face of ecological and climatic crises. That's why supporting the structuring and growth of microfinance institutions (MFIs), especially the smallest ones that are poorly or not at all financed by other traditional players, remains SIDI's core business.

As a solidarity investor in the field of inclusive finance for almost 40 years, SIDI has proven recognized expertise in supporting and financing structures undergoing consolidation. Our small size allows us to be agile and adapt our offer to a demand that varies greatly depending on the context. We can offer long-term equity investments with no exit constraints, loans in local currency, guarantees, tailored support, mentoring, and networking.



83 partners
 working for financial inclusion
 81% of SIDI's portfolio
 58% of MFIs target rural areas⁽¹⁾
 70% of MFIs are small⁽²⁾
 27 are located in low-banking countries⁽³⁾



9.2 million
 beneficiaries
 including 51% women
 and 32% rural dwellers

(1) At least 50% of their customers are rural
 (2) Tier 2 or 3 MFIs (assets under €50 million)
 (3) Countries where at least 40% of the population has no bank account

What microfinance services does SIDI support?

85%

of partner MFIs offer their customers non-financial services

Non-financial services include, for example, financial education, business training, and health insurance. These essential services, in turn, contribute to the economic strengthening and resilience of the beneficiaries.

73%

of their portfolio is dedicated to income-generating activities

These income-generating activities primarily concern agriculture, trade, and crafts. By investing in these MFIs, SIDI plays an active part in the economic development of the target areas and in empowering the people who live there.

24%

of their portfolio is dedicated to agriculture

Supporting these MFIs is therefore SIDI's preferred way of working towards food security, as it is difficult to directly finance producer organizations operating on the local market. MFIs also finance the logistics, storage, and distribution of food products..

Nyakayojo Sacco: a Soluti partner in rural Uganda

Nyakayojo Sacco is an MFI located in western Uganda, in a rural area not far from the regional capital Mbarara.

Despite its relatively modest size (7,000 savers, 1,400 borrowers), this institution plays an important role in its community through **its proactive support for the financing of agricultural activities** (which account for 22% of its portfolio). It became **a SOLUTI partner in August 2021** with the granting of a loan of 400,000 Ugandan shillings (around €100,000) over three years to finance its loan portfolio.

In 2022, SOLUTI provided Nyakayojo Sacco technical assistance that included the installation of an application to complement its existing management system and the training of staff in its use. **This application will now enable Nyakayojo Sacco to offer its customers mobile financial services just like larger institutions.** The ACTES Foundation also contributed €5,000 to this project, which was greatly appreciated by the MFI's teams.

In terms of results, between July 2022 and March 2023, around 10% of Nyakayojo Sacco's members had already used the mobile services for transactions representing between 3% and 4% of the total savings deposited (average deposits of just over €13,500, withdrawals of €5,500; total savings of around €500,000, with a rate of €1 per 4,000 shillings). **The benefits for customers are clear, since the application eliminates waiting times and allows members who live far away (up to 300 km) to access the services remotely.** Nyakayojo Sacco still has to meet the challenges inherent in this offer, such as the importance of the fight against computer fraud, which could be the topic of a complementary technical assistance mission sometime in or after 2023.

For SIDI, this partnership clearly illustrates SOLUTI's added value (in a context in which SIDI also holds stakes in major banks and MFIs in the sub-region) in effectively supporting structures that are well established in their communities and in providing efficient services to vulnerable populations. Furthermore, SOLUTI was able to put its loan in place in 2021 right after the lifting of Uganda's rigid COVID-19 restrictions, something that SIDI would not have been able to do.



Microloan Foundation Malawi: an MFI dedicated exclusively to women

MLF Malawi, the first subsidiary of the British charity Microloan Foundation UK, was set up in 2002 **to provide Malawi's poorest women with the tools and skills they need to lift themselves out of poverty.**

With a GDP per capita of USD 567 in 2021, Malawi is one of the poorest countries in the world. The country is landlocked, and its economy is poorly diversified, being particularly dependent on the agricultural sector and therefore extremely vulnerable to external shocks and the effects of climate change (price volatility, extreme weather events, epidemics, etc.).

MLF Malawi caters exclusively to women living in rural areas. The MFI offers only group loans, the majority of which are used to finance small businesses, with the remainder allocated for agriculture. Its products are tailored to serve the most vulnerable; **it offers loans of less than \$100.** The MFI is a small institution that grew substantially in 2022, ending the year with a portfolio of €4.2M, and 40,000 clients.

MLF Malawi has been a partner since 2013. It was initially financed by FEFISOL and then by SIDI in 2019. In 2022, SIDI granted MLF a new loan in local currency (€207,026), in order to continue supporting the development of this institution with a strong and clearly established social mission.



KOFIP in Haïti: better monitoring of MUSOs

KOFIP (Kolektif Finansman Popilè) is a Haitian NGO created in 1997 to promote popular financing tools. **KOFIP works with some 1,400 Mutuelles de Solidarité (MUSOs) that bring together 37,500 members,** providing them with training, management documents, and credit to strengthen the funds gathered by members. Since 2011, KOFIP has benefited from SIDI's technical support in following up with the MUSOs through training sessions carried out during the missions of the partnership officer. Indeed, as with most informal savings groups, follow-up is crucial to their long-term success, especially when they receive funding. However, despite its organization at the municipal and departmental levels, KOFIP is encountering difficulties in this area, due primarily to the effects of the COVID-19 crisis and, in September 2022, to the "Pays Lock" or "Country Lock" social protest movement, which has made it difficult to obtain good quality data.

KOFIP has therefore embarked on a process of computerizing not only the production and «storage» of MUSO data, but also their use to produce reliable status reports and forecasts. It has developed **a Mutuelles de solidarité management application called MUSOMOBIL,** which is designed to enable each MUSO to improve its management of

member loans and external borrowings, as well as to enable the organizations that promote and monitor MUSOs to better assess their impact through regular monitoring of their statistics. KOFIP created the Musomobil.org website, where over 70 MUSOs have already registered and entered basic information about the group and its members.

SIDI's support in the development of the MUSOMOBIL application consisted in helping to create «management modules» so that each MUSO could produce, at each meeting and for each member, figures for membership fees, loans granted and repaid, and assistance provided. In addition, thanks to a €12,400 grant from the ACTES foundation in 2022, KOFIP was able to select the IT specialists responsible for developing the application. Several tests carried out by SIDI's partnership officer have confirmed that the modules are operational, enabling the latest MUSOs to automatically generate reliable reports. The project should be completed in 2023 with the recovery and integration of data for the oldest MUSOs, after which KOFIP will have a reliable tool that will greatly accelerate the monitoring of its some 1,400 groups.

Promoting experience-sharing exchanges: UCMECS learning visit to UBTEC

UCMECS is an umbrella organization for eight credit unions operating in the Savanes region of northern Togo, which has over 16,000 borrowers and more than 66,000 savers, mainly from rural areas; 60% to 70% of the loans disbursed by the network to finance economic activities go to the agricultural sector.

UCMECS has had a long-standing partnership with SIDI, which granted UCMECS its first loan in 2006, and it partnered with FEFISOL, beginning in 2013. Since 2019, SIDI has no longer financed UCMECS, due to the institution's ability to mobilize savings from its members. Nevertheless, SIDI has continued to provide UCMECS with support on various issues, notably through an agreement with Louvain Coopération, another technical partner of UCMECS.

The Savanes region has one of the most unfavorable climatic and environmental contexts in the country, characterized by a short, irregular, and unevenly distributed rainy season. Moreover, agricultural production and livestock farming are the region's economic backbone, employing more than 90% of the working population. This hazardous situation, amplified by the effects of climate change on soil degradation and agricultural yields, represents a major risk of food and economic insecurity for the local population.

UCMECS is aware of this major risk to the running of its business and has chosen to reconcile its economic growth with greater social and environmental responsibility over the next five years of its strategic plan. To achieve this, UCMECS wants to tailor its credit offer more closely to its target customers.

In this context, SIDI and UCMECS have agreed on **a support project to develop green financial products to support producers who invest in organic production**. In 2022, a grant of nearly €4,000 from the ACTES foundation enabled UCMECS to carry out **an exchange and experience-sharing visit with UBTEC**, SIDI's partner in Burkina Faso, to learn about good agricultural practices and the constraints of agroecological financing.

Indeed, SIDI and UBTEC have already carried out a series of studies that UCMECS can draw on. In 2016, a study of the vulnerability of family farms helped UBTEC to gain knowledge of their farming and land management practices. The following year, UBTEC was supported in its assessment of the risks to the environment of its various loan products, as well as of its members' different farming practices, which led to the development of an initial policy to encourage good practices and the creation of a small guarantee fund. Finally, with support from the TAPSA program, between 2017 and 2020, UBTEC was able to implement a more comprehensive policy that included training and monitoring of its food crops.

The visit enabled the UCMECS delegation to exchange views with the UBTEC team on the process of setting up green finance products, on practices, and procedures, as well as on the constraints and difficulties encountered by UBTEC and the solutions they found. **These peer exchanges, supplemented by interviews with beneficiary customers, have made it possible to develop an implementation plan for green and agroecological finance within UCMECS**. SIDI now wishes to commit itself alongside UCMECS in its next growth phase, which will mark the effective development of its agroecology product offering.





Developing agricultural value chains

The agricultural sector, and family farming in particular, is considered too risky or unprofitable by many investors, yet it plays a major role in the development of the areas in which we operate.

Family farming responds to the three major challenges faced by agriculture:

- Diversifying farms, making them more resilient and better able to preserve natural resources and biodiversity
- Maintaining income generating employment in rural areas, including for women, against a backdrop of mass migration to overpopulated cities that offer few high-quality job opportunities
- Food sovereignty, where the farm produces first and foremost to satisfy the needs of the household

This is why SIDI has been involved in the development of agricultural value chains for many years. We choose to prioritize financing and supporting producer organizations and high social and environmental impact SMEs that source their supplies from small family farmers. In this way, we are helping both to strengthen sustainable farming practices that are resilient in the face of climate change and supporting agroecology as a method of agricultural production.



37 partners in 2022, producer organizations (POs) and high social and environmental impact SMEs

19% of SIDI's portfolio
50% of disbursements in 2022
134,000 small producers supported, **32%** of whom are women

SIDI's equity investment in Beni Ghreb: a new dimension to the partnership

Beni Ghreb is an SME that packages and exports dates produced in the Hazoua oasis in southern Tunisia, on the border with Algeria. It was founded in 2002 in response to the desire of a group of farmers to make it easier to market their produce and increase their income. Beni Ghreb buys all its production from the group, which consists of 130 families in the oasis. **These organically grown dates are marketed in Europe.** The quality of the Deglet nour variety they produce is excellent.

The company provides the producers with a technical team that monitors the palm trees once they flower and takes charge of the harvest. The dates are then sorted, washed, and packaged at the factory before being exported to Europe.

Beni Ghreb is a company with a strong social and environmental mission to benefit the inhabitants of the Hazoua oasis. Organic certification allows the producers to benefit from a 40% higher purchase price for their dates than on the conventional market. The company is also one of the main employment sources for women in the town, mainly the wives and daughters of farmers in the group. Beni Ghreb also has a major positive impact on the environment. In particular, it has developed both an agroforestry program to regenerate the oasis's traditional ecosystem and sprinkler irrigation systems that save 70% of water consumption.

SIDI has been making campaign loans to Beni Ghreb since 2018 (initially via the FEFISOL fund and then directly in recent years). In the wake of the COVID-19 pandemic, the company experienced financial difficulties that led them close to bankruptcy at the end of 2021.

The devaluation of the Tunisian dinar and, above all, the COVID-19 crisis rendered the company unable to export its 2019 production, even though it had purchased it from the producers. **In early 2022, the challenge was to save the company, restructure it, and recapitalize it.** SIDI therefore acquired a stake in the company in an attempt to turn it around.

SIDI deployed **a close support to Beni Ghreb beginning in 2021**, which was stepped up in 2022. The Investment Officer and a volunteer chartered accountant consultant monitored the company on a weekly basis and carried out two field missions to identify specific support needs and draw up an action plan to save the company. **SIDI acquired a stake in Beni Ghreb by converting its debt into capital** under a plan, which was ratified at the Extraordinary General Meeting at the end of June 2022, to safeguard the company. SIDI currently holds almost 20% of the capital.

Alongside the need for capital, Beni Ghreb and SIDI have identified ways of modernizing and improving the efficiency of its processes. Thanks to the SSNUP* program, Beni Ghreb has been able to acquire, and train in the use of, a new management system, which has been put in place and is operational for the new season starting in October 2022. The SIDI consultant assisted the Beni Ghreb team in choosing the service provider and IT solution.

At the end of 2022, the company's liquidity situation was still very tight. **The next step is to draw up a five-year strategic plan.** Together with Alterfin, SIDI will mobilize the technical assistance of FEFISOL II to recruit a consultant to help Beni Ghreb carry out this exercise.

67% of partners are certified organic

58% are Fairtrade-certified

Certifications enable partner producer organizations to benefit from better prices. In particular, Fairtrade certification enables local/community development projects such as schools or health centers to be financed.

76% of EAs support producers in implementing agroecological practices

Agroecology brings together a set of agricultural practices aimed at making maximum use of the functionalities offered by nature, while reducing pressure on the environment and preserving natural resources. SIDI has developed an agroecological analysis grid designed to analyze and question the agricultural practices of its partners and to support them in their transition to more sustainable practices.

69% of POs offer complementary services to their beneficiaries

These may include literacy services, training in various agricultural techniques, services specifically dedicated to women or young people... All are services that contribute directly to local development.





Complementarity between SIDI and FEFISOL II for Biotan in Tanzania

Biotan Group Limited is an organic cashew nut processor based in Dar es Salaam, Tanzania. The company buys raw cashews from small farmers in the coastal region and processes them into cashew kernels. During the 2021-2022 season, Biotan sold 337 metric tons of organic cashew kernels, mainly to the European market, generating sales of just over €2 million. **In addition to its impact on job creation, with its employees and daily workforce, Biotan offers the highest raw cashew purchase price in the country, thereby increasing the income of its 840 supplier households.**

In terms of environmental impact, Biotan is the only SME in the country's organic farming sector and one of the three largest across all sectors. It also benefits from the experience and commitment in environmental engineering of its CEO and a highly effective internal control and traceability system.

That is why, since 2020, **SIDI has provided Biotan with €600,000 in working capital, renewed in 2022, to finance the purchase of raw organic cashew nuts from a network of certified farmers.** In 2022, FEFISOL II also participated in financing the cashew campaign, complementing SIDI's support with a line of credit for the same amount.

That same year, a FEFISOL II technical assistance project was born out of discussions between Biotan's managers and SIDI's investment officer about the company's future. Biotan has grown steadily over the past five years and now wishes to take an important step in its change of scale, which requires careful planning on how to get there. **Biotan's objective is also to attract a new strategic partner alongside SIDI/FEFISOL II.** The technical assistance project therefore aims to carry out a full diagnostic of Biotan's existing business activities and structuring, with a view to developing a five-year business plan.

For FEFISOL II and Biotan, this support is designed to be very complementary to the technical assistance already being provided by SIDI (via SSNUP), amounting to around €35 000 and covering:

- The development of digital tools to improve stock management and product traceability, from producer to end customer.
 - Obtaining «HACCP» hygiene certification to ensure the safe production of foodstuffs.
 - The development of good agricultural practices, R&D on varietal improvements, and training in the use of cashew by-products.
- Support from FEFISOL II was able to begin at the very beginning of 2023, and Biotan's managers are very satisfied with the work of the consultants, who have real expertise in the subject and are already providing Biotan with sound, appropriate advice.

A new commitment for Norandino, a virtuous producer organization model

Cooperativa Agraria Norandino Ltda (Norandino) is a union of farmer cooperatives founded in 2005 in Piura, in northern Peru. Today, it is present in seven regions, made up of twelve organizations totalling almost 6,778 small-scale farmers.

Norandino's mission is to improve the living conditions of its member families by offering them access to local and international markets. **The cooperative is driven by the values of transparency, equity, respect, responsibility, democracy, and quality of service.** Initially specializing in coffee, the cooperative diversified into the production of cane sugar in 2003 and of cocoa in 2007. Coffee accounts for 80% of the cooperative's annual sales, followed by cocoa and panela (unrefined cane sugar). On a national scale, Norandino is a major player, exporting almost 10% of Peru's coffee.

In early 2020, it opened its own cocoa grinding factory, enabling producers to process the beans themselves into cocoa mass, a crucial step towards greater autonomy. This factory has enabled Norandino to consolidate its long-standing partnership with French importer Ethiquable. In addition to this chocolate factory, it has both a coffee factory and a panela factory. The coffee factory is ideally located, close to the export port of Paita. It also has sufficient capacity to prepare coffee for export from other cooperatives in the region.

Norandino has thus become a benchmark cooperative in its sector in Peru, backed by a network of solid, committed international buyers like Ethiquable. It is exemplary in terms of its organization and composition (history of its members and deep roots), diversification of income, change of scale, and creation of local added value. It also pays close attention to environmental aspects (organic certification, promotion of agroforestry, training for producers, etc.) and increases producers' incomes through higher than market prices and second payments.

In view of this positioning, and to strengthen its collaboration with Ethiquable, as well as for the opportunity to learn from Norandino's successes, SIDI expressed its interest in entering into a partnership with the cooperative. In 2022, the organization was unable to obtain all the funding it needed from local banks to finance its agricultural operations, so Ethiquable approached SIDI, which, at the end of 2022, granted Norandino a one million dollar financing line over five months.

SIDI is now looking at how it can support Norandino in diversifying its buyers in order to consolidate its growth. It is also looking into the possibility of offering the **cooperative support in analyzing its investment strategy.** For SIDI, the challenge is to enable this large-scale cooperative, resolutely committed to its social and environmental performance, to maintain its financial equilibrium in a Peruvian context that is strained by rising prices, political instability, and the effects of climate change already at work.



Support for the coffee sector in Africa's Great Lakes region through the strengthening of five producer organizations

SIDI finances and supports five Arabica coffee cooperatives in the African Great Lakes region on the border between the Democratic Republic of Congo (MUUNGANO and CPNCK) and Rwanda (ABAKUNDAKAWA, KOPAKAMA, BUHANGA).

These coffee cooperatives are well-aligned with SIDI's target and objectives:

- strong local roots, democratic management, 100% local leadership;
- small institutions with good growth potential: current turnover of less than €2 million with 1,500 to 4,500 coop members.
- institutions with a high social and environmental impact: both organic and Fairtrade certified, substantial community redistribution of premiums, second coffee payment, agroecology projects, etc.

For three to ten years, SIDI has been supporting these organizations in improving their economic self-sufficiency (financing working capital and investments, access to markets, financial management), **developing the activities they offer their members, and managing their social and environmental performance.**

Given major similarities between the two border areas (soil/climate conditions, high population density and small plantations, similar coffee bean varieties, related economic activities, and fairly similar coffee markets), **the support needs of these cooperatives are rather similar:** to improve their economic model and internal management, to improve their access to the market and financing, and to implement more efficient and sustainable farming practices.

In order to meet these needs, in addition to the financing provided, SIDI has set up a two-year technical assistance project and obtained co-financing for a budget of €250,000 via the SSNUP program and the ACTES Foundation.

This project has three components corresponding to the three main needs identified and will provide personalized support for each of the cooperatives, as well as knowledge exchanges and training workshops among different players in the sector.

The project kicked off in July 2022 with a discussion and collaboration workshop on the Idjwi island in the middle of Lake Kivu in the DRC. The event brought together 35 people: members of eleven coffee producer cooperatives, buyer representatives, institutions providing technical and/or financial support to the cooperatives, expert consultants in the sector, a public regulatory authority representative and, finally, three SIDI investment officers who organized and led the workshop.

The workshop was a success: **the cooperatives were able to exchange ideas in confidence and learn from each other's experience, despite the competitive context and tensions between the DRC and Rwanda.** The discussions focused on three main themes:

- the sustainability of farming practices through the promotion of agroecology;
- improving the operational efficiency and shared governance of cooperatives;
- access to markets and finance

The aim for 2023 is to continue activities to strengthen the accounting and financial management skills of each cooperative and to provide training in agroecological practices and market access.

The deterioration of the security situation in the area, as well as tensions between the DRC and Rwanda, meant that adjustments had to be made in the implementation and selection of the consultants chosen to provide training and support, but fortunately this did not prevent the program from continuing.





SIDI supports and finances economic players in developing countries through innovative and sustainable partnerships, with a view to improving the living conditions of vulnerable populations, particularly in rural areas, and promoting virtuous ecological practices.

Balance sheet

for the year ended 31.12.2022

In thousands of euros

ASSETS	EXERCISE AS OF 31.12.22	2021	LIABILITIES	EXERCISE AS OF 31.12.22	2021
FIXED ASSETS	-	0	EQUITY		
INTANGIBLE ASSETS					
Software	2	1	Capital	34 611	33 995
IMMOBILISATIONS CORPORELLES			RESERVES :		
Facilities, fittings	16	17	Legal reserve	3 311	2 287
Office and computer equipment.	9	13	ESUS Reserve	2 590	-
			Portfolio risk reserves	768	768
			Other reserves	-	2 543
			Retained earnings	-	838
FINANCIAL ASSETS			RESULT	476	236
Holdings	24 697	17 778			
→ "South" holdings	24 041	17 417			
"North" holdings	656	361			
Loans and fixed receivables	16 326	14 364			
Other financial assets	100	105			
Accrued loan interest	69	30			
TOTAL (I)	41 219	32 307	TOTAL (I)	41 758	40 668
CURRENT ASSETS	-	-	PROVISIONS		
			Risk provisions	509	529
			Other provisions	273	209
RECEIVABLES			TOTAL (II)	782	738
Clients	108	-	DEBTS		
Co-financing	374	420	CCA - Shareholder	35	4
			SIDIGestion - Shareholder	10	10
OTHER RECEIVABLES			CCA - FID	5 420	5 639
Portfolio advances ⁽¹⁾	460	538	CCA - Legal persons	1 383	874
Products to receive	2	1 080	CCA - Natural persons	8	5
Other receivables	59	4	Loans	3 374	3 084
			Other financial debt	613	753
			Subtotal - Long-term debts	10 844	10 369
TREASURY			Trade payables and related account	190	115
Investment securities	8 388	8 273	Social and tax debts	444	334
Liquid assets	7 760	11 242	Investments to be made	3 232	300
Treasury	1	2	Other ebts	107	31
			Subtotal - Current debts	3 972	780
REGULARIZATION ACCOUNTS			REGULARIZATION ACCOUNTS		
Prepaid expenses	8	17	Prepaid income	1 023	1 337
Active conversion gap	-	8		-	-
TOTAL (II)	17 159	21 584	TOTAL (III)	15 839	12 486
GRAND TOTAL (I to II)	58 378	53 891	GRAND TOTAL (I à III)	58 378	53 891

Including the acquisition of a €4.86 million stake in FEFISOL II.

Balance receivable from :
- ADA for the SSNUP, support fund for producer organizations
- Belgian investment company (BIO) for financing the FEFISOL II technical assistance fund.

- the FID (€5.4 million)
- the BNP guarantee envelope (€700,000 for the financing of guarantees)
- technical assistance funds from FEFISOL, FIFAD and SSNUP (€750,000 million)
- its current accounts (€7 million)

The remainder is invested in savings products, which allows SIDI to quickly meet financing requests.

"Fonds d'incitation au Développement" in order to cover the main risks associated with SIDI's social investor status

€325 million from solidarity savings funds

Income statement

for the year ended 31.12.2022

In thousands of euros

	2022	2021
CCFD-Terre Solidaire contribution (linked to "Faim et développement" mutual fund income) to finance support's activities		
OPERATING INCOME		
CCFD - Terre Solidaire services	800	821
Other services	156	93
Co-financing to support partners	463	333
Co-financing of FEFISOL Technical Assistance Facility	154	161
Portfolio income (attendance fees, commissions, etc.)	145	156
Re-invoicing of charges	98	19
Other operating income	159	52
Reversals of operating provisions	28	43
TOTAL	2 005	1 677
OPERATING EXPENSES		
Personnel expenses	2 105	1 927
Mission expenses	207	77
External services	435	280
Expenses and transfers to projects linked to co-financing	463	333
Expenses related to the FEFISOL TA Facility	147	161
Other operating expenses	233	205
Taxes and similar payments	163	145
Depreciation and amortization	20	28
Allocations to operating provisions	93	10
TOTAL	3 865	3 167
OPERATING RESULTS	-1 861	-1 489
FINANCIAL INCOME		
Loan portfolio Income - Gross interest	1 070	1 014
Income from equity investments - Dividends	1 675	1 229
Investment income	4	69
Foreign exchange gains on the portfolio	273	117
Unrealized foreign exchange gains	25	125
Reversal of provisions on the portfolio	8	152
Reversal of provisions on the portfolio (excluding FID)	0	109
Reversal of provisions (other)	13	114
Financial income (other)	0	27
TOTAL	3 067	2 957
FINANCIAL EXPENSES		
Loan interest	73	60
Exchange losses on the portfolio	59	284
Exchange losses (unrealized)	36	1
Losses related to the portfolio (write-offs, etc.)	51	14
Losses on disposal of marketable securities	4	7
Allocation of portfolio provisions (FID-SIDI)	95	121
Allocation of portfolio provisions (excluding FID)	218	641
Allocation provisions (other)	227	125
Other financial expenses	0	0
TOTAL	763	1 252
FINANCIAL INCOME	2 305	1 705
EXCEPTIONAL REVENUE	130	339
EXCEPTIONAL EXPENSES	97	319
EXCEPTIONAL INCOME	32	20
INCOME TAXES		
NET PROFIT	476	236

Including €149K for the management of FEFISOL I

A 60% increase over one year, mainly due to €103K repayment by FEFISOL II for structuring costs

External services include::
- management of technical assistance facilities (see p.17)
- FEFISOL II structuring costs(€98K repaid to SIDI in 2022) - SIDI's governance activities
- legal costs (contractualization and recovery)

Including 2022 €5,664 carbon contribution (see p.10)

Including 64% in partnership expenses

This income and expense relates entirely to the liquidation of FEFISOL I.

SIDI/SOLUTI partners

REGION	COUNTRY	PARTNER	ACTIVITY	NEW PARTNER 2022	SIDI & SOLUTI FUNDING IN 2022 (THOUSANDS OF EUROS)	SIDI PORTFOLIO AT 31.12.22 (THOUSANDS OF EUROS)
SUBSAHARAN AFRICA	AFRICA	MAIN	Network		-	-
	Angola	KIXICREDITO	Microfinance Institution		222	150
	Benin	RENACA	Microfinance Institution		-	-
	Burkina-Faso	ACEP BURKINA	Microfinance Institution		-	1349
	Burkina-Faso	BIOPROTECT	Agricultural Entity (Cereals)		75	120
	Burkina-Faso	GEBANA BURKINA FASO	Agricultural Entity (Market gardening)		600	-
	Burkina-Faso	PRODIA	Microfinance Institution		-	267
	Burkina-Faso	SINCO	Social Business (Energy)		-	34
	Burkina-Faso	SINERGI BURKINA FASO	Refinancing Institution		-	152
	Burkina-Faso	UBTEC	Microfinance Institution		-	-
	Burkina-Faso	VIIM BAORE	Agricultural Entity (Cereals)		-	-
	Burundi	CAPAD	Muso promoter		-	-
	Burundi	ISHAKA MICROFINANCE	Microfinance Institution		-	44
	Burundi	SOCOFA	Agricultural Entity (Cereals)		-	-
	Cameroon	CECAW	Microfinance Institution		-	-
	Cameroon	GRASSLAND	Agricultural Entity (Cereals)		50	-
	Cameroon	UCEC	Microfinance Institution		-	-
	Congo	CAPPED	Microfinance Institution		-	-
	Ivory Coast	ECAM	Agricultural Entity (Cocoa)		150	150
	Ivory Coast	ECOCAJOU	Agricultural Entity (Cashews)		-	-
	Guinea	CREDIT RURAL DE GUINEE	Microfinance Institution		-	172
	Kenya	ASA KENYA	Microfinance Institution		-	274
	Kenya	BIMAS	Microfinance Institution		166	392
	Kenya	ECLOF KENYA	Microfinance Institution		-	479
	Kenya	YEHU MICROFINANCE SERVICES	Microfinance Institution		-	313
	Madagascar	NUTRIZAZA	Social Business (Nutrition)		-	107
	Madagascar	SIPEM	Microfinance Institution		1000	1273
	Madagascar	UCLS	Agricultural Entity (Cocoa)		94	31
	Madagascar	VAHATRA	Microfinance Institution		-	102
	Malawi	MLF MALAWI	Microfinance Institution		207	207
	Mali	AOPP	Agricultural Entity (Cereals)		-	-
	Mali	BMS SA	Bank		-	552
	Mali	KAFO JIGINEW	Microfinance Institution		-	458
	Mali	NYESIGISO	Microfinance Institution		300	452
	Mali	ZIRA CAPITAL	Refinancing Institution		152	152
	Mozambique	CONFIANÇA	Microfinance Institution		-	-
	Mozambique	IKURU	Agricultural Entity (Cashews)		-	124
	Niger	ACEP NIGER	Microfinance Institution		457	779
	Niger	FCMN-NIYA	Agricultural Entity (Market gardening)		-	189
	Niger	SINERGI	Refinancing Institution		-	126

SIDI/SOLUTI partners

REGION	COUNTRY	PARTNER	ACTIVITY	NEW PARTNER 2022	SIDI & SOLUTI FUNDING IN 2022 (THOUSANDS OF EUROS)	SIDI PORTFOLIO AT 31.12.22 (THOUSANDS OF EUROS)	
SUB-SAHARAN AFRICA	Uganda	ACPCU	Agricultural Entity (Coffee)		665	665	
	Uganda	ASA UGANDA	Microfinance Institution		-	1070	
	Uganda	BRAC UGANDA	Microfinance Institution		-	1134	
	Uganda	BUTUURO PEOPLES SACCO	Microfinance Institution		-	123	
	Uganda	CENTENARY BANK	Bank		-	431	
	Uganda	DESTINY MICROFINANCE UGANDA	Microfinance Institution		-	42	
	Uganda	DINNERS GROUP LIMITED	Agricultural Entity (Cereals)		-	35	
	Uganda	ELEGLANCE	Microfinance Institution		-	37	
	Uganda	FINCA UGANDA LIMITED	Microfinance Institution		-	693	
	Uganda	HOFOKAM	Microfinance Institution		-	814	
	Uganda	KATERERA	Agricultural Entity (Cereals)		-	128	
	Uganda	KIGARAMA PEOPLES SACCO	Microfinance Institution		206	195	
	Uganda	LETSHEGO UGANDA LIMITED	Microfinance Institution		1028	1252	
	Uganda	MATEETE SACCO	Microfinance Institution		206	218	
	Uganda	NUMA FEEDS LIMITED	Agricultural Entity (Cereals)		154	138	
	Uganda	NYAKAYOJO PEOPLES SACCO	Microfinance Institution		-	62	
	Uganda	OMIPA	Microfinance Institution		77	77	
	Uganda	OUTSPAN AGRICULTURAL EXPORT LTD	Agricultural Entity (Cereals)		-	45	
	Uganda	PREMIER CREDIT UGANDA LTD	Microfinance Institution		514	514	
	Uganda	RUGENDABARA COOPERATIVE SOCIETY	Agricultural Entity (Cereals)		-	7	
	Uganda	RUSHERE SACCO	Microfinance Institution		128	193	
	Uganda	RWANYAMAHEMBE SACCO	Microfinance Institution		-	77	
	Uganda	SEMULIKI	Agricultural Entity (Cocoa)		-	114	
	Uganda	SHUUKU SACCO	Microfinance Institution		257	257	
	Uganda	UGAFODE	Microfinance Institution		986	1227	
	Uganda	UMF	Microfinance Institution		-	1007	
	Uganda	VISION FUND	Microfinance Institution		514	514	
	DRC	ALTECH	Social Business (Energy)			440	440
	DRC	COOCEC	Refinancing Institution			205	205
	DRC	CPNCK	Agricultural Entity (Coffee)			262	262
	DRC	EALE	Muso promoter			-	-
	DRC	HEKIMA	Microfinance Institution			565	840
	DRC	KAWA KABUYA	Agricultural Entity (Coffee)			-	17
	DRC	MUSO BUKAVU	Muso promoter			-	-
DRC	MUSO UVIRA	Muso promoter			-	-	
DRC	MUUNGANO	Agricultural Entity (Coffee)			623	448	
DRC	PAIDEK	Microfinance Institution			309	309	
Rwanda	ABAKUNDAKAWA	Agricultural Entity (Coffee)			278	-	
Rwanda	BUHANGA	Agricultural Entity (Coffee)			-	-	
Rwanda	KOPAKAMA	Agricultural Entity (Coffee)			103	83	

SIDI/SOLUTI partners

REGION	COUNTRY	PARTNER	ACTIVITY	NEW PARTNER 2022	SIDI & SOLUTI FUNDING IN 2022 (THOUSANDS OF EUROS)	SIDI PORTFOLIO AT 31.12.22 (THOUSANDS OF EUROS)	
SUB-SAHARAN AFRICA	Senegal	PAMECAS	Microfinance Institution		-	154	
	Sierra Leone	SALONE MICROFINANCE TRUST	Microfinance Institution		135	135	
	Tanzania	AKIBA	Microfinance Institution		165	165	
	Tanzania	ASA TANZANIA	Microfinance Institution		197	1240	
	Tanzania	BIOTAN	Agricultural Entity (Cashew)		1100	1100	
	Tanzania	BRAC TANZANIA	Microfinance Institution		-	923	
	Tanzania	MUCOBA	Microfinance Institution		-	32	
	Tanzania	YETU MICROFINANCE	Microfinance Institution		-	1196	
	Togo	ASSILASSIME	Microfinance Institution		-	183	
	Togo	GEBANA TOGO	Agricultural Entity (Cocoa)		1000	1000	
	Togo	WAGES	Microfinance Institution		-	-	
	Zambia	FOREST FRUITS	Agricultural Entity (Honey)		914	472	
	Zambia	MLF ZAMBIA	Microfinance Institution		300	300	
LATIN AMERICA & THE CARIBBEAN	LATIN AMERICA	SICSA	Refinancing Institution		-	1284	
	Bolivia	IMPRO	Microfinance Institution		190	293	
	Bolivia	SEMBRAR SARTAWI	Microfinance Institution		1630	1571	
	Colombia	CENCOIC	Agricultural Entity (Coffee)		-	-	
	Ecuador	BANCO CODESARROLLO	Bank		228	1715	
	Ecuador	COPROBICH	Agricultural Entity (Cereals)		88	50	
	Haïti	KOFIP	Muso promoter		-	-	
	Nicaragua	FONDO DE DESARROLLO LOCAL	Microfinance Institution		-	1700	
	Peru	CAFE PERU	Agricultural Entity (Coffee)		778	1333	
	Peru	CREDIFLORIDA	Microfinance Institution		371	245	
	Peru	FORTALECER	Refinancing Institution		14	469	
	Peru	NORANDINO	Agricultural Entity (Coffee)		1023	1023	
	Peru	PROEMPRESA	Microfinance Institution		-	1137	
ASIA	SOUTH EAST ASIA	PHITRUST ASIA	Refinancing Institution		-	99	
	Laos	FONDS COOPERATIF	Microfinance Institution		-	153	
MEDITERRANEAN BASIN	Lebanon	AL MAJMOUA	Microfinance Institution		-	877	
	Lebanon	FAIR TRADE TOURISM LIMITED	Social Business (Agriculture)		-	384	
	Morocco	ALAMANA	Microfinance Institution		1000	1000	
	Morocco	ATTADAMOUNE	Microfinance Institution		-	100	
	Palestine	ACAD FINANCE	Microfinance Institution		-	385	
	Palestine	ASALA	Microfinance Institution		-	-	
	Palestine	DAMAN	Refinancing Institution		-	104	
	Tunisia	BENI GHREB	Agricultural Entity (Market gardening)		150	446	
	Tunisia	ENDA TAMWEEL	Microfinance Institution		-	1193	
	Tunisia	SOUTH ORGANIC	Agricultural Entity (Market gardening)		200	85	
	EASTERN EUROPE	Kosovo	KRK	Microfinance Institution		-	1840
		Moldavia	MICROINVEST	Microfinance Institution		-	187



SIDI IS A MEMBER OF THE FOLLOWING NETWORKS:

