

### Introduction

OIKOCREDIT, Ecumenical Development Cooperative Society U.A. (“Oikocredit”) is a social impact investor and worldwide cooperative with over four decades of experience in promoting sustainable development. The principle of empowering low-income people to improve their livelihoods is central to our work.

Oikocredit supports organisations in developing countries through loans, equity investments and capacity building. We seek to respond to the needs of these organisations and the people they serve by offering solutions that go beyond financing.

In 1995, Oikocredit established the [Stichting Oikocredit International Support Foundation \(ISUP\)](#) to, among other objectives, strengthen and complement Oikocredit’s development financing (credit and equity investments in social enterprises) efforts and capacity building programme and technical assistance in low income countries with its own capacity building and/or technical assistance supported by grant funding. Under the service-level agreement between ISUP and Oikocredit., the capacity building programmes and projects described in this report were undertaken in 2021

### Capacity building: our unique approach

The capacity building or technical assistance provided with support through ISUP helps Oikocredit partners acquire new knowledge, skills, technology and access to different markets. These resources strengthens their capacity for governance and management, both in financial and social performance.

Oikocredit is guided by the following standards in its efforts to help strengthen its partners’ social performance:

1. the Smart Campaign’s Client Protection Principles (CPP),
2. the Social Performance Task Force’s Universal Standards on Social Performance Management (USSPM); and,
3. the Consumer Protection Code created by Gogla, the global association for the off-grid solar energy industry.

Helping its partners improve their social performance goes towards supporting them to achieve growth, reach their sustainability goals, and realize their social mission.

Oikocredit’s capacity building programme is focused on five themes:

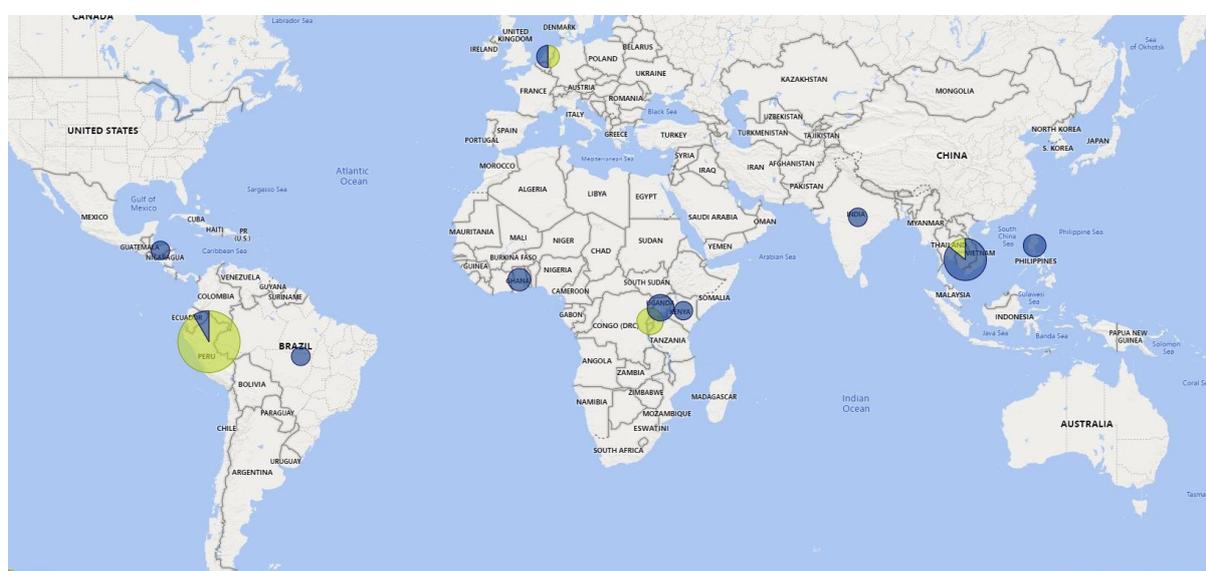
1. Financial inclusion: promoting ethical, responsible access to finance in a digitising world
2. Financial inclusion: helping financial institutions support SMEs to create sustainable jobs
3. Agriculture: supporting sustainable agriculture for smallholder farmers
4. Renewable energy: improving household access to clean energy
5. Social performance management: embedding and advancing social performance management, including use of the CPP and USSPM.

# Capacity Building Activities in 2021

During the year, ISUP managed 21 capacity building projects of which 14 were approved in 2021. The total funds disbursed on Capacity Building (CB) projects was a total of € 407,225 euros, of which € 343,793 came from donor funds and € 63,432 were contributed by ISUP.

CB Projects supported 50 partners and prospective partners (2020: 71) working in agriculture (60.8%), financial inclusion (37.4%) and other sectors (1.8%). Of the funds disbursed: 47.7% were allocated to projects in Africa, 24% to projects in Latin America & the Caribbean, 19% to projects in Asia and 9.3% to global programmes

In addition to ISUP, other donors to, and strategic partners in, our capacity building work included Act Church of Sweden, Oikocredit Stiftung Deutschland, Oikocredit Nederland, Plan International Canada, The Primate's World Relief and Development Fund, the Swedish International Development Cooperation Agency (Sida) and USAID (United States Agency for International Development).



Countries where partners received our capacity building support

● Financial Services ● Agriculture

## Examples of our capacity building projects

For much of 2021, as in 2020, the Covid-19 pandemic restricted capacity building for partners to what could be accomplished online. In the second half of the year, however, we carefully returned to providing capacity building on site and in person. As partners and clients increasingly resumed business as usual despite the pandemic, fewer partners required our support with special measures, and during the year only two partners needed financial assistance from the Oikocredit International Support Foundation (ISUP) coronavirus solidarity fund.

Our [Innovation in Response to Covid-19 programme](#), which we launched in 2020 with unused [coronavirus solidarity funds](#), has continued. The programme helps organizations develop adaptive client-appropriate solutions to problems generated by the pandemic. Open to applications from all regions and sectors where Oikocredit works, the programme has enabled digital training and solutions for rural clients, livelihoods diversification, organisational strengthening, a financial education campaign and the establishment of community cooperative stores.

Our Indian subsidiary, Maanaveeya, has joined the India Covid Response Program for Agriculture Transition. A strategic partnership with US International Development Finance Corporation (DFC),

USAID and others, this eight-year initiative will provide support for more than 200,000 smallholder farmers affected by Covid-19 through loans to farmer organisations, ag-tech companies and companies providing clean and affordable energy solutions, particularly for women farmers

In 2021 we completed our [Price Risk Management \(PRM\) Training](#) for Latin American coffee cooperatives, and we continue working in Rwanda on [the Tea Seedling Project](#) with the Karongi Tea Factory and its partner cooperatives to produce and distribute high-quality tea seedlings and train hundreds of smallholder cooperative members.



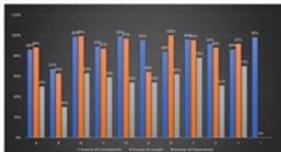
### Price Risk Management Training

Training modules and one-on-one meetings were conducted virtually due to travel restrictions because of the pandemic.

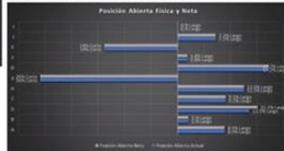
Over 100 one-on-one meetings were conducted with cooperatives to install the system and create users, train users in system functionality, conduct trial exercises, review data input, and configure parameters and catalogues for the Sales module specific to each cooperative.

¿Dónde estamos?

Avance de Cosecha - General



Posición Abierta Acumulada - General

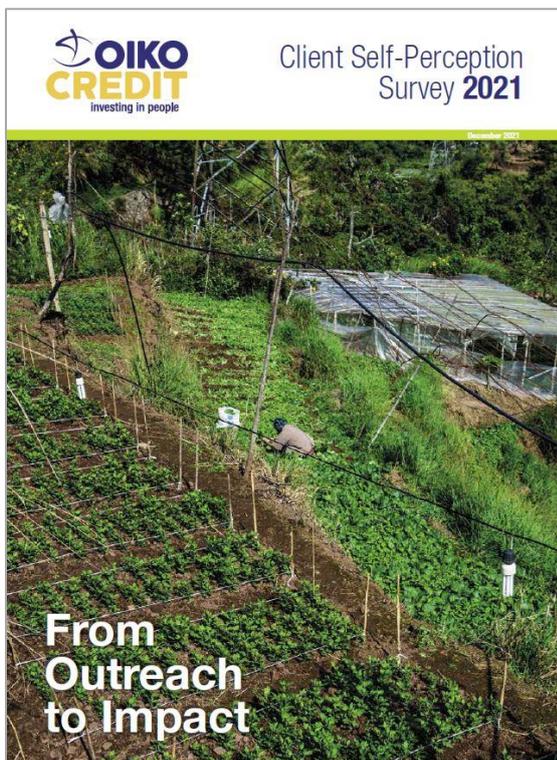


**Rwanda Tea Seedling Project.** Thomas HOLZ (CEO of Tee Gschwendner) distributing/giving a tea seedling to Collette MUKANTWARI during launching of tea seedlings planting.

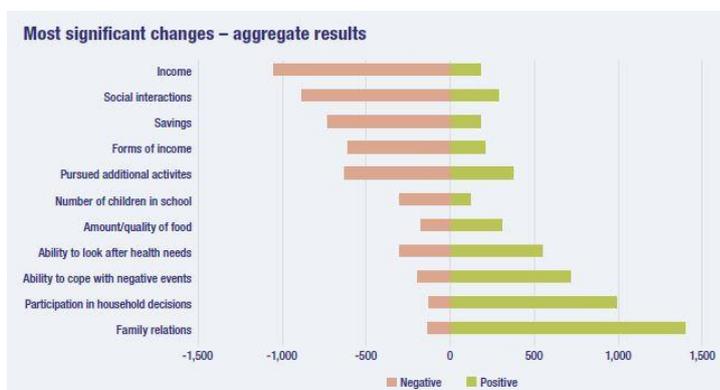
With our participation in the new [Smallholder Safety Net Upscaling Programme \(SSNUP\)](#), coordinated by the Swiss Agency for Development and Cooperation, the Luxembourg Directorate for Development Cooperation and Humanitarian Affairs, and ADA Microfinance, we have begun preparation with our partner Chamroeun to train Cambodian smallholder farmer cooperatives in strengthening organisational capacity and learning financial accounting, both of which improve their investment readiness. Through

SSNUP, we are also supporting our partner Inclusive Guarantee in combining client-centric weather index microinsurance with financial literacy training for thousands of West African smallholder farmers and their households.

We are supporting the **Women’s Innovation for Sustainable Enterprises (WISE)** project in Ghana to foster the growth of women-led enterprises and the **Innovative Financing for Improved Livelihoods project** with the Church of Sweden and Sida, combining small loans and capacity building for farmer-based cooperatives in Kenya and Uganda.



We also launched the [Client self-perception survey pilot](#) with the aim to help partners gain insights into how their clients perceived changes happening in their lives over the past year. We utilized 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.



## Outlook for 2022

The focus this year will continue to be on the development of new Capacity Building programmes under the SSNUP to increasing the productivity and resilience of smallholder farmers in Africa, Latin America, and Asia; and the consolidation of the Client self-perception survey project working with 20 new partners.

We will also start piloting the Small Credit Facility under the Innovative Financing for Improved Livelihoods project achieving a new significant milestone and analysing how this structure can be replicated for new projects.