

The logo for the International Guarantee Fund (FIG) features the letters 'FIG' in a bold, white, sans-serif font. The letters are set against a red, curved background that resembles a stylized wing or a banner. The entire logo is positioned on a dark green background that spans the top of the page.

FIG

INTERNATIONAL
GUARANTEE FUND

ACTIVITY REPORT 2016



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OPENING REMARKS FROM OUR PRESIDENT

Dear Members and Friends,

In 1996, the Foundation RAFAD, together with their partners in Africa and Latin America, created the cooperative the International Guarantee Fund (IGF). The objective was to offer our partners' bank guarantees that would permit them to access financing through local banks. The guarantee to support the provision of development aid became the slogan for IGF. The adjacent idea was to avoid a system of traditional aid based on donations and charity, and instead put in place a means to allow the beneficiaries to help themselves.

In the course of 20 years, IGF has played a crucial role in mobilising and channelling financial resources that were available locally, towards institutions who work with, and for, the disadvantaged peoples of the South. Thanks to their actions, thousands of micro-entrepreneurs, farmers and artisans have benefited from access to loans in order to develop revenue generating activities and escape extreme poverty.

Finally, the solidarity and the mutual risk sharing amongst our members has turned IGF into the only perennial guarantee fund in the microfinance industry. And without doubt, the most incredible lesson from this adventure, is that, in spite of the multiple risks (climate, political etc.), the value of the shares has been maintained at the same level as the initial share capital of CHF 1200 per share.

Today, the environment in which IGF operates has evolved greatly. Microfinance has grown enormously and banks locally have entered the market, in order to cover the needs, particularly in the rural areas, where these are still great. Also, at an international level, the financial

crisis and the low interest rate environment, has called into question the business model of IGF, which has remained exclusively focused on issuing international bank guarantees.

These developments have forced IGF to think about new ways of delivering aid. Without completely renouncing the provision of guarantees, which contributed to our success, we need to explore other avenues and innovate with new products, in order to continue supporting our members effectively.

This is the purpose of the review initiated by the Board of Directors for the 20th anniversary. How do we evolve and adapt our activities in this context without losing sight of the fundamental values that represent IGF? The fruits of this review will be presented at the 2017 General Assembly.

The 20th anniversary will therefore be the start of a new era for our cooperative. We already want to thank all the volunteers', financial partners and friends, who will help us meet these challenges in the future, without forgetting those who have already helped us for many years, in particular Alain Vergeylen, our indefatigable Executive Director.

Deogratias NIYONKURU,

President of the IGF



FINANCIAL COMMITMENTS IN 2016

Country	Partner	Type of partner	Type of investment	Bank	Amount commitments in CHF	Loans generated in CHF	Leverage effect
BURKINA FASO	APMR	COOP	GUARANTEE	RCPB	27'373	54'747	2.0
BURUNDI	DIFO S.A.	IMF	GUARANTEE	BANCOBU	85'896	171'791	2.0
BURUNDI	ADISCO	COOP	DIRECT INVESTMENT	-	49'196	-	1.0
EL SALVADOR	AMC R.L	IMF	DIRECT INVESTMENT	-	491'957	-	1.0
GUATEMALA	CODEPA	COOP	GUARANTEE	BANRURAL	73'793	339'450	4.6
NICARAGUA	COOPSAFRA	COOP	DIRECT INVESTMENT	-	116'091	-	1.0
NICARAGUA	PRESTANIC	IMF	DIRECT INVESTMENT	-	350'350	-	1.0
NICARAGUA	CARUNA	IMF	DIRECT INVESTMENT	-	164'332	-	1.0
PÉRU	CAFE PERU SAC	COOP	GUARANTEE	BBVA	196'783	491'957	2.5
PÉRU	CREDIFLORIDA	IMF	DIRECT INVESTMENT	-	98'391	-	1.0
PÉRU	TOCACHE	COOP	DIRECT INVESTMENT	-	98'391	-	1.0
TOGO	FECECAV	IMF	GUARANTEE	ECOBANK	122'569	330'935	2.7
	TOTAL				1'867'159	2'848'016	1.5

At the end of 2016, our portfolio of commitments in guarantees and direct loans increased to CHF 1'867'159, split between Latin America (85%) and Africa (15%). Thanks to these financial commitments, almost CHF 3 million of loans were generated, which directly benefited the activities of over 16,000 people.

In Burkina Faso, we established a new partnership with the Association Promo-Monde Rural (APMR). This farmers' association collaborated with FIG to deliver a program of financial education, supported by the World Food Program (WFP). APMR consists of 2'400 members, 96% of whom are women, (read page 5 for further details), who grow cowpea, corn, groundnuts, sesame, sorghum, millet and rice. A guarantee of CHF 23'373 was granted to enable APMR to finance the purchase of 95 tonnes of fertilizer for the 2016 planting season. In Burundi, political instability, together with the fall in the price of coffee, produced difficulties in the sector. The cooperatives, supported by ADISCO, were impacted by this situation and found it difficult to repay the loans granted. In order to avoid paying exorbitant late interest charges, we came to a common agreement with ADISCO, to let the bank call the guarantee and convert the guarantee into a direct loan repayable by ADISCO. This decision should enable the cooperatives to start the 2017 harvest without the weight of excessive interest charges from the bank.

In Peru, the cooperative coffee producer « La Florida », a long-time partner of FIG, has experienced financial difficulties since 2015, due to several external factors (low prices of coffee, fall in production due

to 'rust' on the coffee plants) as well as internal factors (problems of governance). This situation led to the guarantee of USD 300'000 being called by the bank in 2015. Thanks to a tri-partite agreement, together with the French institution SIDI, this debt was able to be repaid in full to FIG at the beginning of 2016.

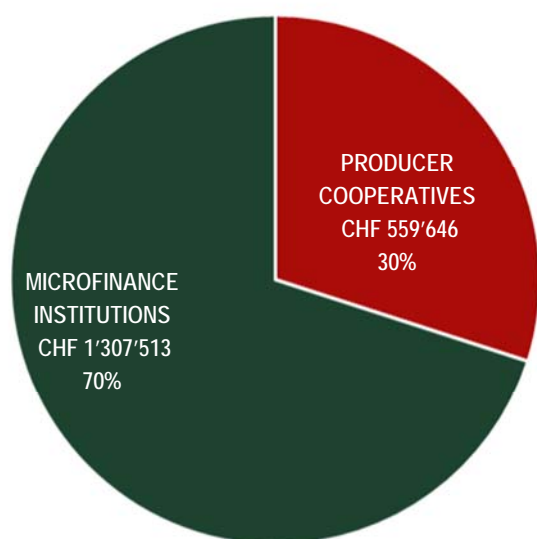
Also in Peru, FIG started a collaboration with the cooperative producer of Coca « Tocache ». The cooperative groups together 447 farmers and supports them with the commercialisation of their coca production (read page 5 for further details). Through the granting of a direct loan of USD 100'000, secured against the containers destined for an Italian importer, FIG supported the harvest in 2016.

In Nicaragua, FIG had collaborated with the savings cooperative «CARUNA » since 2008. On the basis of a guarantee deposited, CARUNA financed the cooperatives and the micro-credit partners of FIG in the country.

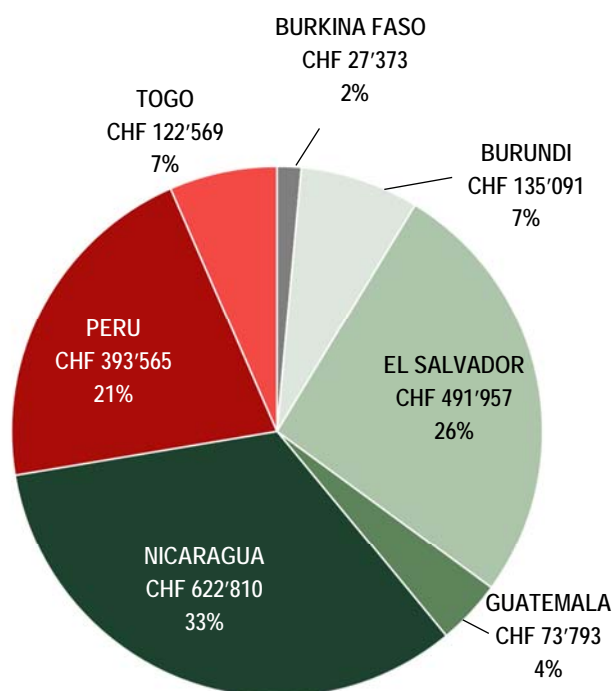
This mechanism, which had proved beneficial to FIG and its' members, had run into difficulties due to the financial pressures encountered by CARUNA, who had not honoured the repayment of the deposit on the due date. A trip to Nicaragua was organised to meet the management of CARUNA, in order to find a solution out of this impasse. This was a success, and it resulted in finding an agreement for FIG to buy back the debts incurred by our associates PRESTANIC and COOPSAFRA towards CARUNA. The operation permitted the transfer of our liabilities to CARUNA, to the FIG. We have, moreover, and in agreement with CARUNA, ended our mutual collaboration.

KEY FIGURES IN 31.12.2016

SPLIT OF COMMITMENTS BY TYPE OF PARTNER



SPLIT OF COMMITMENTS BY COUNTRY



Amount committed in Africa :	CHF 285'033
Loans granted in Africa :	CHF 606'669
Amount committed in Latin America :	CHF 1'582'126
Loans granted in Latin America :	CHF 2'634'913
Average leverage on guarantees :	1.7
Quantity of direct beneficiaries :	16'190
Quantity of indirect beneficiaries :	65'000

SPOTLIGHT ON OUR MEMBERS

THE PRODUCER COOPERATIVE OF COCOA « TOCACHE » - PERU



TOCACHE, was founded in 1987, by small producers of cocoa in the department of San Martín in the province of Tocache, Northern Peru. The

cooperative currently consists of 447 active producers of cocoa, of whom 107 (24%) are women. The objectives of the cooperative are the commercialization and export of organic Fairtrade cocoa, as well as classic cocoa.

2'485 hectares are dedicated to the cocoa crop, enabling the production of 650 tonnes of organic Fairtrade cocoa and 1'600 tonnes of classic cocoa per annum. In addition to the cocoa crop, which represents 80% of their incomes, the members also cultivate bananas and palm trees.

FIG entered into a partnership with this cooperative in 2016 to support their efforts to export cocoa by granting a direct loan of USD 100 000.

The loan helped them to purchase cocoa from its members prior to marketing it in Switzerland and Italy.



FARMERS' ASSOCIATION APMR – BURKINA FASO

Association Promo-Monde Rural 'APMR' is based in Sapouy, in the province of Ziro, in southern Burkina Faso. It supports activities in health, education and agriculture. In the area of health, the emphasis is on raising awareness in the communities in the fight against HIV/AIDS, tuberculosis, malnutrition, excision (female genital mutilation), as well as family planning.

In the field of education, APMR has a professional training centre

focusing on people in difficulty, who are uneducated or illiterate.

In terms of agriculture, APMR assists its 2411 members, consisting of 2325 women and 86 men, who are organized in 105 groups. Each group manages a collective field, where they grow cowpeas, maize, groundnuts, sesame, sorghum, millet, and rice. Outside of this, each woman has what can be called an individual field, where she can grow produce for her own family's consumption.

In the first instance, APMR benefited from the support of FIG and RAFAD through the provision of a training program on financial education, funded by the Geneva Federation for Cooperation (FGC) and the World Food Program (WFP). In the words of the Director, Mrs. Bonkougou, "This training helps a lot because it allows the groups to be autonomous, to have working capital and to avoid borrowing".

In 2016, FIG also provided a bank guarantee of CHF 23'373 to give APMR access to a loan granted by Caisses Populaires du Burkina Faso (RCPB). This one helped to finance the purchase of 95 tonnes of fertilizer to its members, which has been fully repaid.

Going forward, APMR hopes to be able to build a center on 1 hectare of their land to increase storage capacity for their produce.

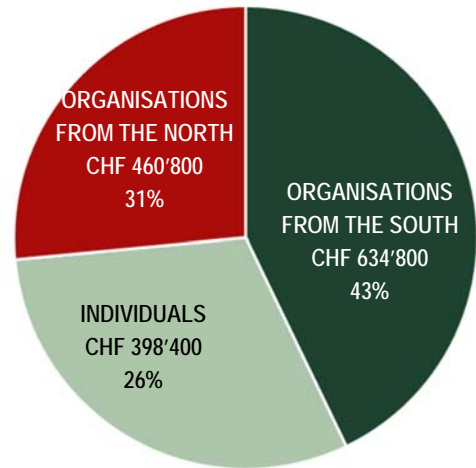


MEMBERS OF FIG

43 ORGANISATIONS FROM THE SOUTH

ABF - Burkina Faso	FECECAV - Togo
ACODEP - Nicaragua	FEDECOCAGUA - Guatemala
ADECOL - Senegal	FIE - Bolivia
ADIM - Nicaragua	FJEC - Congo
ADISCO - Burundi	FONGS - Senegal
AMC R.L. - El Salvador	FJN - Nicaragua
APMR - Burkina Faso	FUNDAMIC - Ecuador
ASEI - El Salvador	IDESI Nacional - Peru
AssEF - Benin	INSOTEC - Ecuador
CAFE PERU SAC - Peru	La FLORIDA - Peru
CARUNA R.L. - Nicaragua	MICRONEGOCIOS - El Salvador
CDS - Burkina Faso	OAP-IUED - Burundi
CFAD - Benin	PADME - Benin
CIPDEL - Peru	PRESTANIC - Nicaragua
CODEPA R.L -Guatemala	SAILD - Cameroun
COOPSAFRA R.L. -Nicaragua	SPEC-OIC - Togo
COOPEFACSA R.L.- Nicaragua	TOCACHE - Peru
CREDIFLORIDA	UGC - Mozambique
DIFO - Burundi	UGEOFI - Burundi
DSFD TOGO- Togo	VITAL-FINANCE -Benin
ECLA - Burkina Faso	WAGES - Togo
FADEMYPE - El Salvador	

SPLIT OF SHARE CAPITAL BY TYPE OF MEMBERS



15 ORGANISATIONS FROM THE NORTH

Municipality of Bardonnex - Switzerland	Municipality of Prilly - Switzerland
Municipality of Renens - Switzerland	Municipality of Satigny - Switzerland
Municipality of Onex - Switzerland	RAFAD Foundation - Switzerland
Municipality of Carouge - Switzerland	Swiss Foundation- Switzerland
Municipality of Collonge -Switzerland	ROTARY-St-Sulpice - Switzerland
Municipality of Genève - Switzerland	SWISSAID- Switzerland
Municipality of Lancy - Switzerland	URBAMONDE - Switzerland
Municipality of Meyrin - Switzerland	

45 INDIVIDUAL MEMBERS

You can support our activities by becoming a FIG member
Each share costs CHF 1'200.

NEWS

FIG CELEBRATES 20 YEARS OF EXISTENCE AND RENEWS ITS BOARD OF DIRECTORS

FIG celebrated its 20th anniversary and re-elected their Board of Directors.

On 19 May 2016, FIG hosted its' General Assembly, which marked 20 years since its' creation by the Foundation RAFAD and their partners from the South.

On this occasion, a new Board of Directors, was elected. In addition to Philippe Egger, Daniel Fino, Alfred Geiger, Armando Gutierrez, Deogratias Niyonkuru, Patricia del Carmen Padilla Lopez, who were re-elected, the Board of Directors appointed two new directors in the form of Pascasie Kana, Director of the Non-Government Organisation, OAP, in Burundi and Arnel Ntwari, Director of the micro-credit institution DIFO, also based in Burundi. Deogratias Niyonkuru replaced Wilson as Chairman of the Board of Directors. Jean-Jacques Martin, a member of the Board of Directors since 2006, decided not to stand for re-election.

On the side of the General Assembly, and in order to celebrate its' 20th anniversary, FIG, in partnership with the Foundation RAFAD and the FGC, organised a round table open to the public to bring together partners from Latin America and Africa to discuss challenges facing farmers in the South to access finance. A record of the discussions can be downloaded from FIG's web-site: www.fig-igf.org/

Lastly, this event was also an occasion to discuss the future of FIG and the challenges it faces. In fact, the economic situation internationally and the developments in micro-finance have profoundly changed the context in which FIG has operated since its' creation. Already, for several years, FIG has had to diversify its mode of operation in order to respond to the demands of its's members and face up to the new situation. In order to respond to these changes, and to develop a more global strategy, the General Assembly charged the Secretariat and Board of Directors to present a new Strategic Plan for 2017, to permit FIG to pursue its' mission against poverty in a more efficient way in the years to come.



AUDITED ACCOUNTS 2016

Profit and loss account

For the year ending 2016, the accounts presented a gross loss of CHF 25'406. The evolution of the exchange rates between the CHF, USD and the EUR gave rise to an additional book loss of CHF 27'649, which resulted in ending the year with a net loss of CHF 53'056.

On the financing side, the reduction of funds available following the repayment of the credit from the Spanish Cooperation resulted in a decrease of financial assets, which, in part, explains the reduction in income. Nevertheless, it is cash not invested today that will enable us to increase our revenues through commitments to our partners in the future. Our costs, on their hand, remained stable when compared to the fiscal year 2015.

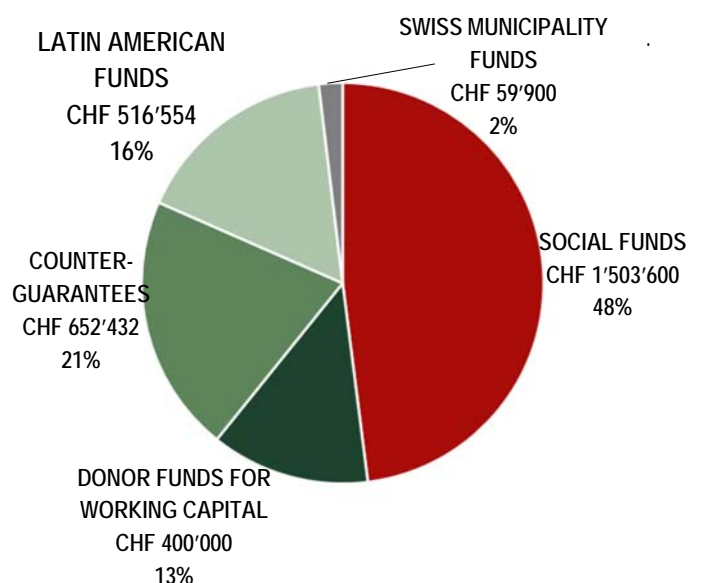
Balance sheet and working capital

At the end of 2016, our own funds were CHF 2'783'480, of which CHF 1'503'000 is shares held by members, CHF 516'554 of funds are allocated to Latin America, CHF 59'900 of contributions of public communities Swiss, CHF 400'000 of funds of donation and 303'426 of funds of risks and reserves. In addition to its own capital, the FIG has a

counter-guarantee off-balance sheet from the Foundation Lord Michelham of Hellingly, for an amount of CHF 652'431.

WORKING CAPITAL AS OF 31.12.2016

Total : CHF 3'132'486



AUDITED ACCOUNTS 2016

BALANCE SHEET

ASSETS	31.12.2016	31.12.2015
CURRENT ASSETS		
Cash and equivalents	1'042'497	723'305
Other debtors	11'854	12'358
Accrued assets	98'419	121'856
TOTAL CURRENT ASSETS	1'152'769	857'519
FIXED ASSETS		
Financial investments	284'615	288'701
Security deposits in local banks	1'361'237	1'682'181
TOTAL FIXED ASSETS	1'645'852	1'970'881
TOTAL ASSETS	2'798'621	2'828'401
LIABILITIES	31.12.2016	31.12.2015
CURRENT LIABILITIES		
RAFAD	-2'301	-7'342
Short term debt	2'004	2'016
Accrued Liabilities	15'437	27'821
TOTAL CURRENT LIABILITIES	15'141	22'494
SHAREHOLDERS FUNDS		
Share capital	1'464'000	1'546'400
<i>40 Southern members (529 shares)</i>	<i>634'800</i>	<i>644'400</i>
<i>61 Northern members (691 shares)</i>	<i>829'200</i>	<i>907'200</i>
Latin America Funds	516'554	525'525
Swiss Commune Funds	59'900	59'900
Donor Funds for Working Capital	400'000	400'000
Risk fund	323'049	324'552
Reserves	33'432	33'432
Retained earnings / losses	-53'056	-1'503
TOTAL EQUITY	2'783'480	2'805'906
TOTAL LIABILITIES	2'798'621	2'828'401

PROFIT AND LOSS ACCOUNT

INCOME	31.12.2016	31.12.2015
INCOME FROM INVESTMENTS		
Commissions on FIG guarantees	20'977	45'645
Deposits interest	18'717	11'554
Deposits in local banks interest	86'531	97'123
TOTAL INCOME FROM INVESTMENTS	126'226	154'322
OTHER INCOME		
Fees on services rendered	291	58
TOTAL OTHER INCOME	58	8'241
TOTAL INCOME	126'516	154'380
EXPENSES	31.12.2016	31.12.2015
ADMINISTRATIVE EXPENSES		
Salaries	113'547	112'368
Office expenses	2'934	2'071
Office rent	5'865	8'705
Travel and representation expenses	7'737	1'140
General Assembly and Board meetings	8'653	1'822
Other expenses	324	2'838
TOTAL ADMINISTRATIVE EXPENSES	139'060	128'945
FINANCIAL COSTS		
Commission charges for guarantees	3'594	4'794
Interest on the AECID loan	0	7'038
Bank charges	2'392	2'561
TOTAL FINANCIAL COSTS	5'986	14'393
OTHER CHARGES		
Consultants	6'877	0
Fundraising	0	2'775
TOTAL OTHER CHARGES	6'877	2'775
TOTAL CHARGES	151'923	146'112
GROSS PROFIT / LOSS	-25'406	8'268
Foreign exchange profit / loss	-27'649	-9'770
NET PROFIT / LOSS	-53'056	-1'503

The JAKAR company, organ of audit of the International Guarantee Fund, has certified without reserve the accounts for 2016.

OUR THANKS TO ...

FEDERATION
GENEVOISE
DE COOPERATION

RAFAD

BenevoLab

Commune de
Bernex

AVEC LE SOUTIEN
DE LA
VILLE DE GENÈVE

Commune
de
Satigny

COMMUNE DE
COLLONGE
BELLERIVE

Renens
CARREFOUR D'IDÉES

Soutenu par la
VILLE
DE
CAROUGE

CHÊNE
BOURG

onex
Ville de progrès
RÉPUBLIQUE ET CANTON DE GENÈVE

Ville de Lancy
République et canton de Genève

Commune
de
Bardonnex

VILLE DE
PRILLY

COMMUNE DE MEYRIN

Board of Directors

President : Deogratias Niyonkuru (Burundi)

Members : Philippe Egger (Switzerland), Daniel Fino (Switzerland), Alfred Geiger (Switzerland), Pascasie Kana (Burundi), Armel Ntwari (Burundi), Armando Gutierrez (Nicaragua), Patricia del Carmen Padilla Lopez (Nicaragua), Wilson Salmeron (El Salvador).

Secretariat in Geneva

Executive Director: Alain Vergeylen

Accountant: Michel Ferri

Volunteers: Martine Rey Widmer, Jacqueline Casella, Jean Dubois, Okita Lussamaki,

We also thank all the people who have directly, or indirectly, supported our activities during 2016.

Local Consultants

Jamir Contreras (Central America), Sergio Cortez (Peru), Antonio Javier Vaca Espin (Ecuador), Mbaye Sarr (Senegal), Jean-Paul Kiendrebeogo (West Africa), Oscar Rwaswa (Burundi).

Contact

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