In the developing world, millions of people are sunk in extreme poverty without any prospect of escape. Poverty crushes down men, women and children. It condemns them to bare survival, depriving them of access to essential public goods, while refusing them the right to live in dignity. Exacerbated by ongoing daily injustice, poverty often causes desperate acts: family separation, migration, violence. Poverty is the prime enemy of peace.

The great challenges of our time are linked to poverty: unemployment, malnutrition, difficulty in accessing drinking water, education, training, medical care, as well as climate change and declining biodiversity. Poverty lies at the heart of the world’s problems.

A major characteristic of poverty is exclusion from economic activity. The poor do not have a regular job, they are unable to sell or produce on an ongoing and profitable basis. Economic exclusion pushes them towards social exclusion.

Yet the market dynamics can be a valuable tool in fighting poverty.

Since 1992, Agrisud has launched 16,100 market-rooted, small-holder enterprises in Africa, South Asia, and the Indian Ocean area. These income generating enterprises have lifted thousands of families out of poverty. These small-holder enterprises are both profitable and sustainable. The survival rate of a typical enterprise after 4 years is 85%. Over 67,500 sustained jobs have been created.

Agrisud contributes to sustainable development through:

- reinforcing the local micro-economic fabric,
- creating sustainable jobs,
- promoting gender equality,
- eco-managing natural resources,
- adapting produce to local market needs,
- improving local food security,
- capacity building of local players.

The average cost of a small-holder enterprise launched and backed-up by Agrisud is €2,000. Agrisud is composed of a staff of 160 including a team of 7 in France.

1 Morocco, woman entrepreneur / photographer Reza
2 Cambodia, vegetable farming
For Agrisud, 2006 was yet a fruitful year.

Our NGO continued to run over 20 projects in 10 African and South Asian countries, leading to the launch of 1,784 new small-holder enterprises in a year time. Our activities were extended to 2 new countries: Madagascar and Niger.

By the end of 2006, the total number of small enterprises launched by Agrisud reached 16,100.

The 2006 operation ended with a surplus of 17,900 Euros.

At year-end 2006, 22 operations were underway, which the present report will review. They aim to create or reinforce more than 7,500 small-holder enterprises which grow and market fresh produce on a local scale. Each project’s life cycle is on average 4 years. The overall financial support for these programs will amount to 15.6 million Euros, essentially provided by our major traditional partners: the European Union, the French Government, AFD (the French Development Agency), French local governments, United Nations agencies. Further funding is provided by the private sector: foundations, companies, individual donors.

New partnerships were built in 2006 with environmental protection organizations, for instance WWF and Good Planet, aimed at strengthening interaction between environmental performance and poverty alleviation. Ongoing cooperation was reinforced with institutions such as Care France and Volontaires du Progrès. Agrisud supported its network of NGOs which assure sustainability of our action. At the request of the Mohammed V Solidarity Foundation, Agrisud’s “capacity building program” addressed and trained local NGOs in Morocco.

A number of awareness-building events were organized during the year, including the illustration of our Moroccan program by the renowned photographer Reza.

These results were made possible thanks to Agrisud’s expertise which we have been building over the past fifteen years. Faithful to its slogan “fighting poverty through enterprise”, we use a market- and corporate-approach in order to create small sustainable enterprises, robustly rooted in the local economy.

Naturally, as for any NGO, life was not easy every day. In 2006, we were confronted with political crisis in Sri Lanka and in the Democratic Republic of Congo. Several development programs were delayed in Angola, India and Niger.

This, however, did not undermine the active support of our Board or of our partners, nor did it weaken the resolve of our teams.

1 Sri Lanka after the tsunami, water accessible once again.
Nothing is more eloquent than our on-site results: thousands of small entrepreneurs are in business, well rooted on their markets and gaining regular income.

They are empowered to move further away each day from poverty. Every one of them is a contributor to sustainable development.

The efficiency of Agrisud’s approach is confirmed in the field. Moreover, we receive a broad local demand for further action. Those are the leading reasons for us to go on.

2006 : 1,784 new enterprises

1 Laos, vegetable market
2 Laos, riverbank gardening
2006 financial data

Agrisud

Statement of income data (euros)

<table>
<thead>
<tr>
<th>Operating expenses</th>
<th>Surplus</th>
<th>Operating income</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 285 890</td>
<td>17 312</td>
<td>3 303 202</td>
</tr>
</tbody>
</table>

2006 Expenses

- General and administrative: 17.3%
- Preparation of new operations: 4.8%
- Field operations: 77.9%

2006 Revenues

- Private funding: 32.2%
  - Caisse d’Epargne, Kwanda Angola, Total Angola, Fondation de France, LSDH, others (1)
- Public funding: 67.8%
  - European Union, French and Gabonese Foreign Ministries, AFD, others (2)

Agrisud Network *

Statement of income data (euros)

<table>
<thead>
<tr>
<th>Operating expenses</th>
<th>Surplus</th>
<th>Operating income</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 874 423</td>
<td>33 156</td>
<td>5 907 579</td>
</tr>
</tbody>
</table>

* Including the following entities and projects: Gabonese Institute for Economic Development, AgriCam, Agridev, Laos, India, Morocco, Madagascar projects.
Operations underway

Angola
Professionalizing peri-urban agriculture in Luanda: 1,300 enterprises over 2002-2006, €950,000. Funded by French Ministry of foreign affairs.
Building a Resource Center in CAOP-Luanda: 40 enterprises and a training facility over 2005-2006, €70,000. Funded by Ecole Française, Total-Sonangol.

Cambodia
Food security in the Banteay Meanchey Province: 800 enterprises over 2002-2006, €1,190,000. Funded by European Union, Agrisud, Caisse d'épargne France, PhiTrust, Laiterie Saint Denis de l'Hôtel.
Promoting local products for tourism: 50 enterprises over 2005-2006, €30,000. Funded by AGRIDEV.
Food security in the Banteay Meanchey Province/Supporting Children refugees: 180 enterprises over 2005-2007 through support to Agri-Cam. Supporting the development of Agri-Cam, a local NGO.

Gabon
Peri-urban agriculture in Libreville and provinces: 920 enterprises and agro-ecological experiments over 2004-2008, €7,500,000. Funded by AFD (French development agency) and French Ministry of foreign affairs.
Agricultural development, «3 frontiers zone» (Gabon, Equatorial Guinea, Cameroon): pilot activities 2005-2006, €85,000. Funded by European Union. Partners: Association Francaise des Volontaires de Progres (AFVP) and a local NGO.

India

Laos

Morocco

DR Congo

Sri Lanka
Training in Central Africa

1 Cambodia, mushroom farming
2 Sri Lanka, revived fruit production
3 Cambodia, farming under shelter
New operations

**Angola**

**Cambodia**

**Gabon**
Peri-urban agriculture in 3 new provinces: €45,000 over 2006-2008. Funded by the Gabonese State.

**Madagascar**
Fighting food insecurity in the Southern regions of the island: 3,600 families concerned, €110,000 over 2006-2008. Funded by European Union and Care. Partners: Care, FAFAFI, AFVP.

**Morocco**
Capacity Building Program for sustainable small-holder projects: training sessions organized for executives in charge of solidarity programs at the Mohammed V Foundation and its partner NGO’s.

**Niger**

Projects

**Brazil**
Peri-urban agriculture in Fortaleza: 200 enterprises over 2 years. Partner: Banco Palmas, a local NGO.

**Cambodia**

**DR Congo**
Food security in the Bocongo Province: 1,000 enterprises over 2007-2009, €1,300,000. Funded by European Union and Agrisud. Partners: Kinshasa Agronomical and Veterinary Center (CAVT), AFVP, AGRIDEV.

**Gabon**
Professional training program. Funded by European Union.

**India**
Alliatiating poverty in the Himalaya through organic farming: 4,000 enterprises over 2006-2009, €335,000. Partners: HABC, a local NGO, Rajiv Gandhi Foundation.

**Madagascar**
Peri-urban agricultural activity in Antananarivo: program content, funding and partnership to be determined in 2007.

**Morocco**
Professional integration of handicapped youth, Ouarzazate: 30 enterprises over 2006-2009, €340,000. Co-funded by «Moroccan Concerted Programs» and Horizon, a local association. Partners: Horizon, AFVP.

**Sri Lanka**
Agricultural diversification, Kandy zone: program content, funding and partnership to be determined in 2007.

1 Madagascar, market gardener on her plot
2 DR Congo, family-run farm
Sustainable development in motion:

Improve food security for vulnerable populations

Madagascar

«Food security program» in the Anosy Region
Objective: improve food security for 3,600 families in 18 districts.
Action: enhance agricultural output in quantity and quality, provide technical support and training, diversify crops, control production factors (access to seeds and water), offer marketing support.
The program is co-funded by European Union and run with AFVP, FAFAFI, a local NGO.

Niger

«Food security and local economic development program» in the Dosso, Tahoua and Diffa Regions
Objective: improve food security for 1,200 families severely affected by recurrent food crises.
Action: reinforce support capacity of 24 districts and 2 local NGOs, Rail Niger and Working in Niger, diversify agricultural activity, transfer know-how, protect agricultural zones, provide access to land, irrigation, seeds and adapted equipment, provide training and technical backing as well as commercial support.
The program is co-funded by European Union and run with AFVP, the 2 local NGO's.

Angola

«Agricultural development program» in Cubal, Benguela Province
Objective: improve food security for 1,000 families severely affected by 20 years of civil war.
Action: reinforce support capacity of all local partners, help recovery and development of small-holder farms: diversify agricultural activity and improve production means (seeds, adapted equipment), provide training and technical backing, facilitate access to market.
The program is co-funded by European Union and run with Association Française des Volontaires de Progrès (AFVP), Angolan Association for Community Development.

For Agrisud, the stakes are twofold: improve access to food and upscale production to generate regular income.

Fighting poverty and malnutrition

Three illustrations:

1 Madagascar, high quality manioc plot
2 Niger, women market gardeners
Agrisud encourages poor populations in the South to conserve biodiversity. The methods we implement mitigate the ecological footprint of farming activities.

Develop local genetic resources in agriculture
- Revive local breeds
- Breed robust and prolific ovine
- Improve breeding conditions through local resources

Develop local vegetables to secure market gardening
- Enhance farming of local seeds (amaranth, spinach...)
- Use palm trees to create shade net
- Secure and reinforce farming and breeding systems
- Promote local resources

Develop eco-efficient farming techniques
- Crops on vegetable cover
- Carbon sequestration (estimate: 1 ton per hectare per year)
- Improve soil quality and erosion control

Forests and fruit planting
- Diversify production (fruits)
- Protect farming sites (windscreen, closure)
- Rehabilitate degraded zones
- Carbon compensation
- Reduction of greenhouse gases
- Viable production systems

Promote non-itinerant agriculture
- Crops on vegetable cover
- Maintain soil fertility through permanent vegetable cover
- Implement alley cropping and leguminous shrubs hedges

Rehabilitate shallows
- Limit pressure on sloppy areas degraded by traditional cropping systems
- Promote shallows through irrigated and rain crops
- Help to abandon slash and burn techniques
- Reduce pressure on nature

Extend interaction between natural resources and farming systems
- Promote compost
- Produce natural biomass
- Conserve soil fertility
- Biological control in market gardening
- Fight insects with natural inaciticide
- Contain plant-eating insects with natural predators such as ants
- Improve cropping systems
- Promote natural resources

Conserve biodiversity

1. Morocco, breeding improved ovine races
2. Cambodia, compost making
3. Gabon, farming corn over vegetable cover
4. Gabon, banana plantation over vegetable cover
Agrisud has devised a Capacity Building Program to transfer its expertise to local organizations. This training program is focused on management of small-holder, economically viable development projects.

The structure is a modular format composed of 10 full days. The participants can enrol in the full program or take the modules individually.

**Module 1:** Overall approach and pre-requisites, how to professionalize small entrepreneurs and secure long-term sustainability of their economic activities

**Module 2:** Preliminary studies, feasibility, project finance

**Module 3:** Strategic implementation, project management and follow-up, performance measurement, impact evaluation

**Module 4:** Application of the methodological approach to a concrete project, assessment of the training program, joining a network of partner NGOs.

In December 2006, Agrisud set up specific training sessions in Rabat, Morocco addressing executives in charge of solidarity projects at the Mohammed V Foundation and its partner associations.

Through this event, Agrisud paid tribute to the partners of the program and raised awareness among potential new partners in Morocco and in France.

These events were made possible thanks to the support of: Aquitaine Region, Caisse des Dépôts (France), Caisse de Dépôt et de Gestion (Morocco).
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NGOs in the South

NGOs in the North
CaraFrance, Good Planet (Yann Arthus-Bertrand), ENDA Europe, Médecins du Monde, Association française des volontaires du progrès, WWF

Sustainable development and solidarity networks:
Alliance pour la Planète, Comité 21, Coordination Sud, Comité Français pour la Solidarité Internationale, Programme Concerté Maroc, RADSI Aquitaine, Inter-réseau

Education and Research:
Bordeaux School of Management, Sciences-Po Paris, CNEARC, ICRA, IFAID, INAPig, ENSAT, ISTOM, CIRAD, IRD

Corporate sector: Groupe Accor, Caisse des Dépôts France, Caisse de Dépôt et de Gestion Maroc, Laiterie Saint Denis de l’Hôtel, Centre des Jeunes Dirigeants, Easy Neuf, Total Gabon, Total Angola, Total Sonangol, Kwanda Angola, Conseil Supérieur du Notariat

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Foundations: Caisse d’épargne, PhTrust, les Pélicans, Fondation de France, Mohammed V Solidarity Foundation, Citigroup Foundation

Institutional: European Union, French Ministry of foreign affairs, AFD, UN High Commission for Refugees, Food and Agricultural Organization, World Bank
Contacts

Angola
Arnaldo Ameida e Souza, Rua Rui de Sousa n° 17, 1º Andar, Luanda
[244] 239 24 93 aameida@agrisud.org

Brazil
S/C Banco Palmas Avenda Valparaías 698, Conjunto Palmeira, Fortaleza
[55] 85 3669 3800 yhuet@agrisud.org

Cambodia
Chloé Légé, BP 1461 Phnom-Penh
[855] 12 813 876 clege@agrisud.org

DR Congo
Florian Dezwaene, Bd Lumumba/10e Rue Limite, 2550/558, BP 993 Kinshasa
[242] 997 58 38 85 fdezwaene@agrisud.org

Gabon
Christian Renardet, IGAD, Montagne Sainte, BP 20423, Libreville
[241] 74 52 47 crenardet@agrisud.org

India
S/C Rajiv Gandhi Foundation, Jawahar Bhawan, Dr. Rajendra Road, New Delhi-110 001
[091] 11 37 55 117 sberton@agrisud.org

Laos
S/C MDP, Xiengthong, Sakarin Road, Luang Prabang P.O. Box 993
[856] 71 252 248 sberton@agrisud.org

Madagascar
Sylvain Defontaines, S/C Care, avenue Gallieni, Ampotatra, Fort-Dauphin (261)
33 14 46 444 sdefontaines@agrisud.org

Morocco
Marie-Charlotte Vuillat, 366 Cité Mansour Eddahbi CGI, 45000 Ouarzazate
[212] 061 39 43 11 mcvuillat@agrisud.org

Niger
Hamadou Goubakoye, BP 11468, Niamey
[227] 96 42 34 30 hgoubakoye@agrisud.org

Sri Lanka
Bramenthiran Thamotharampillai, 210/2 Lower Road – Orr’s Hill, Trincomalee, Sri Lanka (94) 26 22 21 205 bramen@agrisud.org

France

Head office
18, Route de Lassijan, 33760 Frontonac - Tel/Fax : 33 5 57 25 17 06

Paris office
195, Bd Saint-Germain, 75007 Paris - Tel : 33 1 58 50 41 63 - Fax : 33 1 58 50 03 19
www.agrisud.org - email : agrisud@agrisud.org