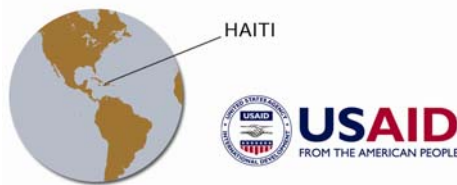




PROGRAM BRIEF HAITI

Increasing Financial Access to Jumpstart Economic and Agricultural Growth



PROGRAM OBJECTIVES

World Council of Credit Unions (WOCCU) has been working in Haiti since June 2009 as the lead technical firm on the USAID-funded Haiti Integrated Financing for Value Chains and Enterprises (HIFIVE) program. HIFIVE aims to stimulate the Haitian economy through financial sector development, promote job creation, improve livelihoods and contribute to the sustainable and lasting development of Haitian enterprises, particularly in rural areas. HIFIVE also manages the Haiti Mobile Money Initiative, funded by USAID and the Bill & Melinda Gates Foundation, to rapidly expand mobile money services in Haiti.

HIFIVE is working with 36 local credit unions (*caisses populaires*), nine micro-finance institutions, five commercial banks and nine other institutions to:

- Increase financial access for enterprises and high-potential value chains
- Expand access to financial services in rural areas
- Increase the use of technology to expand financial inclusion
- Engage the diaspora to increase the developmental impact of remittances
- Develop effective linkages with other USAID programs

BACKGROUND

When the devastating earthquake struck Haiti in January 2010, the country had already been in the process of rebuilding. After years of political instability and intermittent natural disasters, Haiti faced a stagnant and regressing economy with 80% of people living in poverty and a 75% unemployment rate. Subsistence farming sustained 66% of the population. Haiti desperately needed enterprise and agricultural development to generate employment and get the economy moving. Access to finance, traditionally limited to urban areas and those working in the formal sector, would be critical for stimulating investment and growth of micro, small and medium enterprises (MSMEs) and increasing agricultural production.

HIFIVE is working with 59 partner institutions to expand outreach to new markets, reduce costs and develop demand-driven financial products for Haiti's rural MSMEs, producers and farmers. As these institutions continue to struggle rebuilding after the earthquake, HIFIVE is implementing a new mobile money initiative through a partnership with USAID and the Bill & Melinda Gates Foundation to increase the availability of financial services through technology.

KEY INDICATORS

	3/2009	3/2011	Growth
No. of Partner Institutions	28	59	111%
No. of Total Clients	400,925	596,230	49%
No. of Rural Clients	181,000	485,033	168%
Total Savings (USD)	\$33.7 M	\$69.4 M	106%
Total Loans Outstanding (USD)	\$65.0 M	\$92.7 M	43%
New Financial Products	0	28	

PROGRAM HIGHLIGHTS

Maximizing and Building Local Capacity

The HIFIVE program finances and supports the work of Haitian organizations to meet the needs of value chains, MSMEs and individuals in rural areas. Through the HIFIVE Catalyst Fund (HCF), a wide variety of local organizations, including financial institutions, mobile network operators and service providers, apply for grants to test and expand their innovative financial products and services, technology solutions and risk mitigation techniques or to build staff capacity.

Improving Livelihoods in Rural Areas

HIFIVE works closely with other USAID programs in Haiti to strengthen value chains such as tourism, coffee, cocoa, mangos and handicrafts and provide financial products to improve the productivity and profitability of value chain participants.

Product development and expansion. HIFIVE has awarded several HCF grants to financial institutions for product development tailored to value chain needs. New agricultural products such as production cycle credit, equipment finance, transformation activity loans, farmer association loans and credit for long-term investments have benefitted 363,664 clients.

MSME capacity building. HIFIVE has provided business development services in governance, management and marketing to 235 MSME value chain participants to improve their ability to access finance. In 2010, HIFIVE also managed a business plan competition to recruit and train high-potential MSMEs and promote entrepreneurship in Haiti. Nearly 300 Haitians submitted online concept papers. First-round winners received business plan training, and the final 10 winners received US\$10,000 each to develop their projects.

SUCCESS STORY: CREDIT UNIONS EXPAND AGRICULTURAL LENDING

New SOCOLAVIM credit union member Iliette Delceme (pictured on right) has grown and sold rice for 15 years. She received her first loan from SOCOLAVIM to expand production as well as diversify and increase the variety of vegetables she sells. Delceme said the loan has allowed her to invest more in her business, increase her earnings and savings as well as develop a long-term business plan.

Agricultural loans are a new venture for SOCOLAVIM, which considered them too high-risk in the past. Through the Haitian credit union federation Le Levier, SOCOLAVIM received HIFIVE-funded training on agricultural lending and now participates in a USAID credit guarantee program that provides 50% risk coverage for a variety of agricultural loans.

Le Levier member credit unions have since launched new products to finance a diverse group of value chains, and additional products are under development. More than 70 new agricultural credit agents have received training through HIFIVE.



MOBILE MONEY SERVICES REACH NEW CLIENTS

While financial institutions have made some progress toward expanding rural outreach, many Haitians still live more than a seven-hour walk from the nearest point of service. Information and communication technology solutions, including mobile and branchless banking, help financial institutions rapidly expand outreach while reducing the cost of bringing services to rural areas and the risk Haitians take when they transport cash over long distances.

The **Haiti Mobile Money Initiative (HMMI)**, a joint venture of the Bill & Melinda Gates Foundation and USAID, began in June 2010 with HIFIVE managing a US\$10 million incentive fund to spur mobile money services in Haiti and up to US\$5 million of technical assistance grants to develop payment systems. The HMMI awards organizations that develop mobile money services within the competition's criteria and provides grants to those that produce real solutions to the challenges of deploying these services in Haiti.

Prior to the January 2010 earthquake, financial services were already geographically and economically inaccessible in rural

Haiti. After the disaster struck, the situation worsened with more than one-third of the country's financial institution infrastructure destroyed. In addition, humanitarian programs had an urgent need to accelerate cash payments to earthquake victims. With 85% of households in Haiti having access to a cell phone, mobile money offered a viable option to rapidly bring financial services and relief to rural areas of the country.

Just seven months after the HMMI began, two mobile service providers, Digicel and Voila, launched services that allow customers to use their phones as a "mobile wallet" to send and receive money, pay for purchases and even receive humanitarian aid on their cell phones. Digicel, the first to meet HMMI requirements with their Tcho Tcho Mobile service, won the US\$2.5 million "First to Market Award" in January 2011.

In addition to working with Haiti's mobile service providers, HIFIVE is assisting the Haitian government with developing appropriate regulatory policy to ensure safe and sound delivery of mobile money services. Through incentives, technical assistance and regulatory development, Haiti's mobile money revolution is accelerating financial inclusion in a country eager for change.

CASH-FOR-WORK PROGRAMS USE MOBILE MONEY



Mobile money services have made cash-for-work programs more efficient, less expensive and safer to implement now that workers receive payments through their cell phones.

ABOUT CREDIT UNIONS

Credit unions, called by various names around the world, are financial cooperatives that provide savings, credit and other financial services to their members. Credit union membership is based on a common bond, a linkage shared by savers and borrowers who belong to a specific community, organization, religion or place of employment.

ABOUT WOCCU

WOCCU is the global trade association and development agency for credit unions. It has implemented more than 275 technical assistance programs in 71 countries. Learn more at www.woccu.org.

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