

# SUCCESS STORY:

## TRANSITIONING TO THE FORMAL FINANCIAL SYSTEM: A Breakthrough in Financial Inclusion



Mrs Joseph Charles Elvina joined KPPP group 'La Résilience' in K-Soleil in September 2019.

*"Today, I am proud to say that I hold a saving account at SOCOLAVIM through KPPP service. Since the first information meeting with Rural Agent Philippe, I was interested to join KPPP as I always wished to have a bankbook in a respected financial institution. For me KPPP is a good service, as I will not have to travel conduct my transactions. Above all, we operate within a group, meaning that the sense of solidarity experienced with AVEC groups will be maintained."*

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**September 2019** – With technical assistance from the Accessible Finance Activity, implemented by World Council of Credit Unions (WOCCU), SOCOLAVIM credit union was selected to participate in a pilot program to extend financial services in rural areas with no or limited access to financial institutions, using the field officer banking methodology locally referred to as 'Kès Pam Pi Pre'M' (KPPP), "My Credit Union Close to Me" in English. Through field officer banking, Rural Agents from formal financial institutions use motorbikes to reach rural areas, bringing financial services through tablets with portable printers.

KPPP services recently allowed members of 'Associations Villageoises d'Épargne et de Crédit (AVECs)<sup>1</sup>, created with CARE support, to join the formal financial system in Gonaives through SOCOLAVIM. As CARE's project with the AVECs has terminated, Accessible Finance is providing support to AVEC groups through introducing KPPP services. CARE project officers, Accessible Finance, and SOCOLAVIM met to evaluate the continuation of KPPP services; subsequent meetings in the field with AVEC Village Agents outlined the necessity to test the concept.

To facilitate this transition, SOCOLAVIM hired three former AVEC Village Agents who became KPPP Rural Agents. As AVEC members were used to saving small amounts, they quickly understood the relevance of joining KPPP. During the first month of service in Gonaives, 101 members of AVECs became KPPP members; 64% are women.

Newly appointed Rural Agents, and former AVEC Village Agents, expressed their motivation to provide KPPP services to contribute to financial inclusion, improving livelihoods of the financially excluded, as well as advance their knowledge of the financial system. According to them, transitioning to the formal financial system helps members secure their savings, produce documents attesting to their financial status, and gain access to larger loans.

Rural Agents sensitize members on savings to minimize the impact of paying interest rates on loans. To encourage AVEC members and others to join KPPP, Rural Agents introduce the service by focusing on the following advantages:

- Safe and secure means to save without traveling
- Ability to conduct transactions without spending on transportation
- Opportunity to grow economic activities

Mrs. Joseph Charles Elvina, an AVEC member since 2014, is hopeful about the new opportunities she will have through SOCOLAVIM: "With KPPP, I am expecting to increase my savings and be able to apply for larger loans to grow my business."

<sup>1</sup> Associations Villageoise d'Épargne et de Crédit (AVEC) groups are made of 20 to 30 people who accumulate savings amongst themselves and give out small loans from these savings. Activities of AVECs operate in cycles of approximately one year. At the end of the cycle, the accumulated savings and benefits are distributed amongst members in proportion of their respective savings.