

FINCA HAITI SITE VISIT



Nearly two years after the January 12th, 2010 earthquake devastated some of the most populated parts of Haiti, the land, people, and its infrastructure still remain deeply damaged and scarred from the generations of extreme poverty, political corruption, and abundance of seemingly well-meaning yet often harmful international government and NGO intervention. For me it was a very confusing land of contradictions and complexity, yet one thing was clear: Haiti needs to break its cycle of deeply entrenched dependence on outsiders and to develop a sustainable and empowered government, businesses class, and citizenry. Without these critical and complementary components, Haiti will never be able to pull out of the economic and social downward spiral it has been in since it became the first free republic born of a slave rebellion. The more I saw during my 2 weeks there, the more I truly believe that responsible microfinance programs offer Haiti one of the best opportunities upon which to build a foundation to support and achieve real change over time.

FINCA Haiti Site Visit - October 27th



On June 21, 2011, Sustainable Communities Fund made a \$37,500 investment with FINCA International, with the arrangement that 100% of our funds would be directed to their "FINCA Haiti (FH)" affiliate (21 affiliates exist worldwide). As promised, on July 27, 2011, our funds were wired to FH to become part of its overall small business investment fund and began to be distributed to qualified low-income borrowers. On October 27th I met with

FH national marketing staffer (and my interpreter) and the Branch Manager for their Jacmel office, who introduced me to local borrowers and showed me their operations and systems. This is what I saw and learned that day.



FH currently has 12 national offices supporting about 5,000 borrower entities in the form of individual business owners and “Village Banking Groups (VB)”. VBs consist of 10-25 individuals who form a collaborative social partnership with their neighbors, family, and friends to consolidate their borrowing power, provide business support and hold each other accountable to their loan payments. Currently Jacmel has approximately 600 borrower entities. The lowest loan amount given is \$75 USD, reserved for borrowers within the VB loan designation, while individual borrowers typically have larger loans. FH provides only small business loans currently, but it is in the process of trying to expand into agricultural loans (which have inherent challenges given existing microfinance structures). This is a critical and needed change as Haiti has to better develop its internal agricultural markets given its huge dependence on the Dominican Republic for most of its agricultural food supplies.

Courageous Women of Haiti/Claire-Heureuse

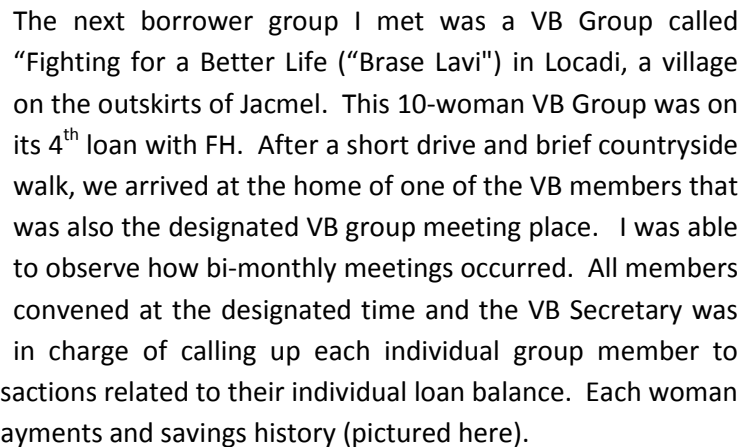


and Secretary received their VB loan check (pictured here), they went to

The first group I met that day at the FH Jacmel office was a brand new Village Banking Group called “Courageous Women of Haiti” or (“Claire-Heureuse” in Creole French), which was in the office processing paperwork for its first loan installment. The group consisted of 11 women and 1 man. Over the course of several hours they processed paperwork, the VB President



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to end, the VB group members are entirely responsible for their financial transactions and money management.



At the end of this particular meeting, VB members engaged in a lively internal debate about what was or wasn't working with the FH lending system. This was important because FH is to convene all the VB Presidents in Haiti in Port-au-Prince in December 2011 at a national conference to discuss program issues so FH could better understand the needs of their borrowers. [I was told the topic that was being hotly debated was about having to make payments every 2 weeks, rather than on a preferred once a month timeframe.] It was very good to see that FH was serious about gathering borrower feedback to improve its systems and services, as well as serious about creating leaders among the VB Groups' Presidents and Secretaries by building their skill capabilities and giving them the forum to nurture leadership skills.

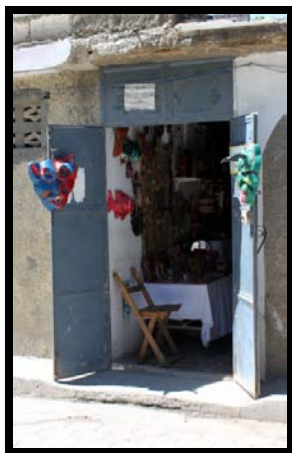


Nacis Hermithe



The next borrower we visited was a woman named Nacis Hermithe, who is on her third loan of \$ 25,000 goudes (\$625 USD) with FINCA. Nacis is the owner of a handicraft shop and one of its core artisans, along with about 15 members of a women's handicraft cooperative that sell goods in her store. First we visited her home design studio and then we traveled to her shop on the main street that is home to what is considered the

country's handicraft center (which equates to about 15-20 stores and studios—though many items are shipped to Port-au-Prince to be sold there). Nacis' earlier loans have allowed her to rent a shop of her own rather than having to sell her goods to other shop owners.



Running her own shop allows her and her cooperative members to receive more of the direct profits from the goods they make and sell—Nacis verified that overall she makes more money in her business now. Her current loans allow her to purchase the raw materials needed for her ongoing handicraft production. In addition, her daughters and son (who I met on a later shopping visit to the store), as well as the majority of her family members, are major contributors and beneficiaries of the store (daughter is an artisan, marketing and business manager; other daughter is an artisan; son-in-law is involved in sales, etc.). The loan she was receiving ultimately had an impact on the lives and finances of many others associated with her.



Raymond Les Bains Beach - Food Vendor



The last borrower I met required a 30-minute trip to the best public beach in Jacmel—Raymond Les Bains Beach—which is a big weekend destination for local Haitians and international NGO workers who go there for music, sun, sand, drink, food, and weekend entertainment/R+R. The woman borrower I met (name unknown) was a relatively new borrower—a food vender who cooks up great grilled fish, spicy Haitian coleslaw (pikliz which I greatly miss!) and ever present fried plantains. While the late afternoon business seemed slow that day (a Thursday), I was



assured from Friday through Monday this beach area drew large and hungry crowds throughout the day and night. [I can attest that her food was great and the stop was a fabulous way for me to conclude what was an incredibly enlightening and fascinating day for me.]

Kim's Closing Thoughts on Haiti

After two weeks of living and working in Leogane—the town at the epicenter of the earthquake that was almost completely devastated by its impact and overrun for better or worse by international NGOs—it was incredible for me to see Haitians that were moving forward socially and economically in an empowered way to achieve a healthier and more stable existence for themselves and their families. I feel I can say with confidence that the SCF loan is and will continue to make a difference to those who greatly need it—and I can only hope it will be part of a critical trend of developing an empowered Haitian business class that I think is necessary to move Haiti in a new direction. Without citizens who feel deeply vested in the success of their local, regional, and national economy—who are able to have a voice and feel they are in a position to hold politicians and organizations accountable—Haiti will not be able to move forward to achieve any level of true independence and real economic and social prosperity.



See www.tscfund.org to see other borrower profiles from FINCA Haiti.

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