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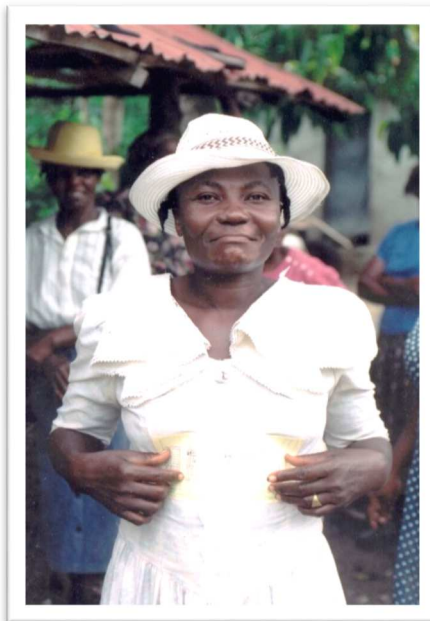
FINCA Haiti Update

Report for Rudy and Alice Ramsey

Organization: FINCA International

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A FINCA Haiti client proudly displaying her loan record

Introduction

In Haiti, FINCA has provided financial services to Haitian microentrepreneurs since 1989 in one of the poorest nations in the Western Hemisphere. During this time, the situation in Haiti has often looked bleak, with the country seeming to bounce from one catastrophe to another.

While some despair at the situation in Haiti, the reality is that your generous support has had a tremendous positive effect on the Haitian people. FINCA clients have worked to make their lives better. This personalized report provides an update on FINCA Haiti and the impact that your support has had on our programs over the past 6 years since you began supporting our program.

The Situation in Haiti today

Haiti remains one of the poorest nations in the Western hemisphere. Over half of its population of 10 million lives below the national poverty line (US\$2.42 per day), while one-quarter of the population lives in extreme poverty (US\$1.23 per day).

Only one-third of Haiti's workforce is employed in the formal sector; the Haitian poor have responded to this lack of formal employment opportunities by creating their own work as best they can, often in the agricultural and commerce sectors. The formal banking sector has been unable to respond to this most vulnerable target group, especially in the rural areas, as most of these tiny businesses fail to qualify for commercial bank loans. As a result, few entrepreneurs are able to invest in, or grow, their businesses, preventing them from creating and maintaining a livelihood for themselves and their families.

In January 2010, a magnitude 7.0 earthquake struck Haiti 25 km west of the capital, Port-au-Prince, killing more than 300,000 people and leaving 1.5 million people homeless. In early October 2016, tragedy struck again when Haiti was hit by Hurricane Matthew. The hurricane killed 500 people and left another 175,000 people without homes and millions stranded without food or clean water. High levels of aid and remittances have helped boost economic growth, but as these sources of funding decline, maintaining economic growth will be a major challenge, particularly in light of



My name is **Marie Chantale Carius**. I am a mother of four teenaged children—two boys and two girls. When I gave birth to my twins, I knew I needed to start a business so that I could support my family. The children's father left us, so I am raising them alone. One of my children is also mentally challenged, and needs extra support.

I sell *akasan*, a national dish prepared from corn and milk. I buy the ingredients in the public markets in Croix-des-Bouquets, and I sell the meals from my home. Before I heard about FINCA, I struggled to make my business grow and to make ends meet. When I heard about Men Nam Men Village Bank from my friend, I knew it could be a good way to increase my business and more importantly, offer my children a better standard of living. My loans have helped my business tremendously and I consider FINCA to be my business partner. I hope FINCA can always be by my side to support my business.

its limited resources, weak infrastructure, and the droughts and other natural disasters to which the country is vulnerable.

Haiti Statistics	
Population (<i>July 2015 est.</i>)	10,110,019
Life expectancy at birth (<i>2015 est.</i>)	62.8 years
GDP (<i>purchasing power parity, 2015 est.</i>)	US\$19.02 billion
GDP per capita (<i>2015 est.</i>)	US\$1,800
Human Development Index (<i>2015</i>)	0.483 (rank 163 out of 188 countries)

Despite its major challenges, Haiti has been making important progress in many areas through the joint effort of Haitians, civil society organizations, government institutions, the private sector, and international partners. As of 2016, 1.4 million people displaced from the earthquake have left refugee camps and relocated to more permanent shelters. Many of them now have access to drinking water and latrines—in some cases, for the first time in their lives. Access to education has improved, with 90% of children attending primary school—than there were prior to the earthquake. This is particularly significant in a country where the literacy rate is 67.5%. Additionally, a national system has been put in place to alert for cholera outbreaks in order to promote a swift and coordinated crisis response. As Haiti continues on a path of long-term, sustained economic growth, the smaller scale efforts by millions of micro-entrepreneurs around the country are also a critical driving force in rebuilding the economy.



Members at a Village Bank meeting in Haiti

Leading the efforts is Marie Marcelle Saint-Gilles, FINCA Haiti’s CEO. Ms. Saint-Gilles joined FINCA in 2012 and spearheaded FINCA Haiti’s turn around after the devastating 2010 earthquake that left the organization in a challenging situation. FINCA Haiti has seen unprecedented growth in the last few years under her leadership. Marcelle has dedicated her career to working in the Haitian microfinance sector for the past 20 years.

FINCA Haiti and You



FINCA Haiti was founded in 1989 and is headquartered in the capital, Port-au-Prince. FINCA Haiti currently serves over 38,000 clients—89% of them women—through 8 branches across the country.

Village Banking is at the core of FINCA Haiti’s portfolio, and the microentrepreneurs who form Village Banks are a driving economic force in Haiti. With their daily business activity, they are helping to rebuild the country’s economy while ensuring their

own livelihoods. FINCA’s average client profile in Haiti is a married woman with three to seven children. She typically sells foodstuffs, cookware, charcoal, used clothing, or soft drinks in a local market near her home. Even \$1 per day of additional income has an enormous impact on her family’s quality of life.

FINCA Haiti	February 2012	November 30, 2016
Clients	2,578	38,510
% of Women	84%	89%
Gross loan portfolio	\$516,440	\$8,172,000
Average loan size	\$178	\$212
On-time repayment	71%	96%

In February 2012, when you made your support available to FINCA, we were reaching just over 2,500 clients in Haiti and that number had been falling since 2011. Under the leadership of Marie Marcelle Saint-Gilles, your support arrived a critical time of turnaround for FINCA Haiti. The above comparison between early 2012 and the end of this calendar year shows the improvement and the great progress. Your \$50,000 of support represented nearly 10% of the total Gross loan portfolio at the time.

Because Village Bank members pay back their loans at nearly 100%, your donated loan capital became part of the larger pool of loan capital available to other clients that perpetually rotates through our system, becoming available for a loan to a new or existing client, and enabling us to grow our client base more than five-fold.

Your support has continued to recycle as loan capital in FINCA Haiti’s program and today we conservatively estimate this to be valued at \$90,047. This capital has been placed directly into the hands of micrentrepreneurs in Haiti. With an average loan size today of \$212, this represents 425 families that are being actively supported from your generosity.

As is true in many developing countries, Haiti's agriculture sector is crucially important to its economy. The agriculture sector employs 56% of Haiti's labor force, produces 25% of Haiti's GDP, and provides a living for 66% of its population. Thanks to your support, FINCA has been able to introduce and expand lending into previously unserved rural areas of Haiti, where we piloted new financial services serving smallholder farmers and agricultural workers.

FINCA is further leveraging the use of technology and a new model of outlet branches to reach more deeply into rural areas and increase access to financial services for underserved populations. FINCA Haiti has created the first fully-digital solution for financial inclusion in Haiti, where 81% of the population is unbanked¹ and 41% is rural,² yet 70% have a mobile phone.³ The solution, called MonCash, enables rural, unbanked Haitians to open accounts on their mobile phone, where they can pay bills, transfer funds, purchase goods, and save money. This model will enable FINCA to increase our outreach without the additional cost of building brick and mortar branches, which means lower costs both for FINCA and its clients.

FINCA Haiti and Hurricane Matthew

Since the devastating earthquake in 2010, FINCA Haiti has been on a solid growth path, increasing the number of customers to near 40,000—thanks to your support. This very positive trajectory was impacted this past October, when Hurricane Matthew swept through the south of Haiti. Many of FINCA Haiti's clients living in that region lost homes and businesses.

Already, our team has been in the areas hit the hardest by the storm and about 50% of clients in the area are standing strong and have not been impacted. For those who have, and the situation is very serious still, we are evaluating each client with the idea that some loans may need to be restructured, forgiven and in some cases, there may be no change at all. Once again, the strength of FINCA clients shines through even in the face of a terrible tragedy.

Marie Carmelle, of Les Cayes, Haiti, is one such client.

¹ Financial Inclusion Data/ Global Findex, 2014. <http://datatopics.worldbank.org/financialinclusion/country/haiti>

² CIA World Factbook, 2015. <https://www.cia.gov/library/publications/the-world-factbook/geos/ha.html>

³ Worldbank, 2015 data. <http://data.worldbank.org/indicator/IT.CEL.SETS.P2>

Marie Carmelle
Restaurant Owner



Marie Carmelle, 33, has been a FINCA client in Les Cayes, Haiti, since 2013. Her FINCA loan of USD\$230 enabled her to grow her business from a small roadside stall selling plantains into a restaurant, serving prepared food on a daily basis. She is a single mother of two sons, aged 13 and 8 years. She supports them financially all on her own, as their father abandoned the family. Both of her sons have been able to go to school, thanks to her earnings from her restaurant.

When Hurricane Matthew swept through Les Cayes, it destroyed her family's home. She and her sons were forced to evacuate to a friend's house until it was safe to return. Upon their return, she found that her business had been looted by thieves. She lost her entire business inventory as well as some money she had been saving for emergencies. All that remains of her business are two chairs. Marie Carmelle's children also lost their school uniforms and school supplies and cannot go back to school. Since the hurricane, the family has been living at her friend's house. With another FINCA loan, she hopes to re-establish her lost business to again provide income for her family.

'We need help in any way possible. I hope FINCA will give me another loan to be able to rise again. Because I can work, I just need assistance.'

Conclusion

FINCA Haiti has been a positive force for the poor in Haiti for 27 years, thanks to your strong commitment to making financial inclusion possible. FINCA Haiti has a difficult but not insurmountable time ahead in the coming year in the wake of the Hurricane. We will be successful because the people we serve will be successful. Thank you for being a part of FINCA.