



SUCCESS STORY

HIFIVE Earthquake Recovery and Stabilization Grants Help Microfinance Institutions Restore Operations.

“Thanks to the tent (provided by FINCA), my family was able to come back home”, says Lauren Filscient, a Credit Officer for FINCA Haiti.



Photo credit -- HIFIVE

Laurent Filscient, standing proudly in front of his family's temporary home. The tent was provided by FINCA by funds from the HIFIVE Post Earthquake Recovery and Stabilization Grant.



FINCA's branch in Léogâne was destroyed on January 12th.

Photo credit — HIFIVE

In Haiti, where only a third of the workforce is employed in the formal sector, the majority of the population relies on microfinance institutions (MFIs) for access to financial services and small loans. With hundreds of branches located throughout the country, MFIs often serve the poor who work in the agriculture or informal sectors. The January 12th earthquake left 48 of the 127 microfinance branches in the Ouest and Sud-Est Departments (the area most affected by the disaster), either completely destroyed or severely affected.

Responding to the needs of MFIs whose clients have been seriously affected by the January 12th earthquake, USAID Haiti and HIFIVE¹ launched the HIFIVE Earthquake Recovery and Stabilization Grant program. The grants provide support in key areas where MFIs need help to restore their capacity: 1) equipment replacement; 2) funds to stabilize capital of fund lending to clients; 3) development of new products adapted to client's post-quake needs; and 4) employee stabilization and human resources.

MFI FINCA has served the entrepreneurial poor in Haiti for more than 20 years and had over 12,000 clients. On January 12th offices in Léogâne, Jacmel, Aquin and Petit Goave were damaged beyond repair and offices in Les Cayes and Mirogoane were forced to move locations due to significant damage. 63 of FINCA's employees lost their homes during the quake and have suffered serious financial loss and psychological trauma. 40% of FINCA's clients were in the zone of impact and 33% of those clients now have loans that are at risk of not being repaid as the borrowers have lost their homes and or their businesses. HIFIVE's grant to FINCA will allow the MFI to cover many significant and otherwise unanticipated costs associated with the disaster over the course of the next six months.

Laurent Filscient is a Credit Officer who has been working with FINCA since 2008. The house in which he lived with his sister and elderly father was destroyed by the earthquake and the family was forced to live with friends. “Thanks to the tent (provided by FINCA), my family was able to come back home”.

MFIs in Haiti face many challenges in restoring their operations. HIFIVE's Earthquake Recovery and Stabilization grants will help them continue to meet their employee and client needs and assure that they have the capacity to contribute to Haiti's economic recovery.

¹ HIFIVE, a USAID-funded project implemented by World Council of Credit Unions (WOCCU) and AED, empowers Haitians by providing access to innovative financial products and services with a focus on rural areas, value chains, remittances, and use of technology to expand financial inclusion.