



SUCCESS STORY

Improving Financial Access through Mobile Money Initiatives



ID Microfinance client Jean Edva Fleurantin checks his LajanCash account on his basic feature phone. (Photo Credit – HIFIVE)



Jean Edva Fleurantin received an SMS confirmation on his basic feature phone of the monthly loan payment he made to ID Microfinance via mobile money service LajanCash. (Photo Credit – HIFIVE)

For agricultural entrepreneur Jean Edva Fleurantin, making monthly loan payments meant taking off work to travel from Arcahaie to the closest bank in Cabaret, 16 km away. In order to improve access to financial services, ID Microfinance (IDM)¹ recently integrated mobile money services into its payment operations with the help of a grant from HIFIVE². IDM piloted the mobile money program with its Cabaret branch clients that live in Arcahaie. After receiving their loans from IDM and cashing the check in the traditional manner by visiting the only bank in Cabaret (serving clients up to Montrouis, 40 km from the branch), clients in the pilot were registered with LajanCash and given the option to repay their loans by visiting the nearest authorized LajanCash agent in Arcahaie. This service not only saves clients the time of having to visit a branch, but also money as they do not have to pay for transport to Cabaret.

Mr. Fleurantin enjoys the new mobile money option and would not return to the cash-based repayment system. He states: “I see that it [LajanCash] is better for me and I am always prepared to advise other [ID Microfinance] members to register for LajanCash.” Mr. Fleurantin has even persuaded other non-IDM members within his community to register for LajanCash. Understanding the benefits of the mobile money service, Mr. Fleurantin uses the service beyond loan repayment; he also uses it as a way to save, depositing extra funds on hand into his mobile wallet from time to time for safe keeping. He is patiently waiting for the day when he will not only be able to repay his loan via LajanCash, but also receive his loan disbursement using mobile money.

As a result of the positive feedback from the pilot, IDM is now promoting loan repayment through LajanCash to all of its 700 Cabaret branch clients. IDM plans to promote mobile money loan repayment to its 31,500 clients throughout its seven branches as soon as fifty percent of the Cabaret clients have enrolled in mobile money repayment. IDM is currently working with LajanCash to develop a mobile money loan disbursement system which would also eliminate the need to visit the bank to cash a loan check. The LajanCash loan disbursement system will be piloted in October 2014 in the original LajanCash pilot group in Arcahaie. Through these pilots, IDM is taking steps to improve financial services for traditionally underserved rural populations through innovative technology solutions.

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¹ ID Microfinance (IDM) was implemented in 1998 as Initiative Development (a French NGO)'s microfinance program and began to operate in Saint-Martin. Today IDM serves 31,500 clients through seven branches within the West Department.

² HIFIVE (Haiti Integrated Finance for Value Chains and Enterprises) is a USAID-funded program implemented by FHI 360 and World Council of Credit Unions that expands financial inclusion through improved access to financial products and encourages using technology to expand outreach.