



## SUCCESS STORY

### Mobile Wallets Increase Financial Security



The phone display for a LajanCash account used by the pilot VSLAs. (Photo Credit – World Council of Credit Unions)



The community of Aztek in Carrefour, where the Men Kontre VSLA is beginning to use mobile money services to facilitate their savings and loan payments for house construction and other projects (Photo Credit – World Council of Credit Unions)

The Carrefour commune in Haiti, located in Port-au-Prince, is an impoverished area that was severely affected by the earthquake in 2010. Nearly five years later, many families still lack the resources to rebuild their homes. CARE has facilitated the introduction of Village, Savings and Loan Associations (VSLAs) in small communities throughout Carrefour and other communes to help families to save up to rebuild. Through the VSLAs, members have begun construction projects on homes or small business ventures to grow their incomes. Unfortunately, theft of member savings - collected in cash during weekly meetings - has emerged as a major concern for the VSLAs. As the VSLAs become more established, they also require access to larger loans to meet their growing needs, and will require formal financial services. To address these challenges, CARE is using a grant from the HIFIVE<sup>1</sup> program to pilot the use of mobile wallets in twenty VSLAs using LajanCash, a mobile money service by HaitiPay/Banque Nationale de Crédit (BNC). Eventually, a total of 70 VSLAs will be linked to LajanCash mobile wallets through the HIFIVE grant.

Mobile wallets allow members of the VSLAs to safely store their money. Even if the mobile phone used to make transactions is stolen, the money remains safe as the mobile accounts are password protected and can be accessed from any mobile phone. Saint Louis Luckenson, a student and the treasurer of the Men Kontre (Hands Together) VSLA in Aztek, a community in Carrefour, is pleased that LajanCash has been introduced to his VSLA because it provides the group with a secure way to access their money. Before joining the group, he was not aware of how much could be done with small savings and the loans that can be accessed as a result. In addition to ensuring that there is food on the table, the members of Men Kontre have been able to complete construction projects such as the addition of roofs to their homes. With the introduction of LajanCash, members will not have to worry about the security of their funds.

As a VSLA evolves, the growing needs of members require access to larger loans, at which point traditional cash contributions will no longer be sufficient. The LajanCash mobile wallet sets the stage for greater financial inclusion by providing the more established VSLAs with a needed linkage to a formal financial institution. The VSLAs can then access credit and other financial services to help them cope with shocks and grow their livelihoods. While the introduction of LajanCash is still in the early pilot phase, community members are optimistic. Saint Just Luck Francillon, a Village Agent who is a liaison between CARE and several VSLAs, is excited both about the mobile money services being provided to VSLAs and about his active role in helping people in his community move away from dependency. Through the adoption of mobile technology facilitated by the HIFIVE grant, VSLA members benefit from more secure and greater access to the resources they need to rebuild their homes and achieve financial security.

September 2014

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<sup>1</sup> 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.