



# The BID-IFAD-Fonkoze Partnership:

## Enhancement of Remittance Services To And Within Rural Haiti

May 20, 2009

# Presentation Highlights

- High level of the project
- What we did since the last cluster meeting;
- How we tried to integrate both side of the remittance corridor in our model?
- How we did our outreach and get the Diaspora involved?

# About Fonkoze

Founded in 1994, Fonkoze is a MFI which targets the rural poor, wherever they are in Haiti:

- ✓ 40 branches, in all departments of the country
- ✓ Over 1,000 credit and education centers
- ✓ 99% of our clients are women

## Mission

- ❖ Provide Haiti's poor with financial and educational services they need to make their way out of poverty;
- ❖ Eliminate in Haiti the type of extreme poverty that leaves families without hope by replicating proven models;
- ❖ Reverse the decline in Haiti's economy by empowering families to engage in sustainable economic development

# Why did Fonkoze decide to add the Remittances in their portfolio?

- ✓ Assist families to increase the dollars available to them as a means of combating poverty
- ✓ Increase transparency, thereby contributing to downward pressure on the fees
- ✓ Increase loyalty of existing clients
- ✓ Means to attract new clients
- ✓ New revenue stream for Fonkoze

# Highlight of Remittance Enhancement project

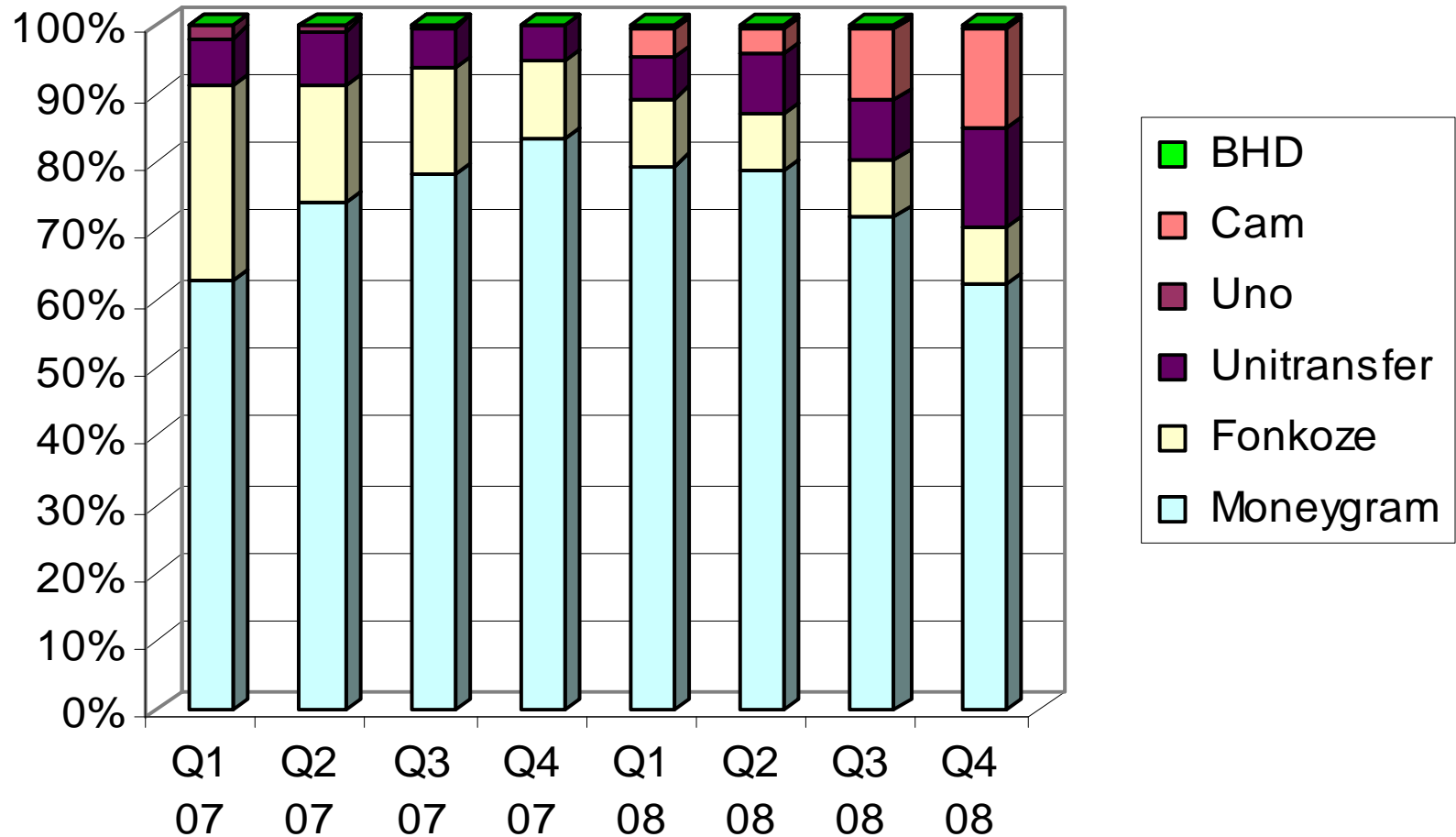
## Components

- Technology
  - 18 branches were provided with satellite, batteries, invertors and computers
- Development of a Database of HTAs
  - 300 Hometown Associations and support groups identified
- Capacity building activities
  - 65 Fonkoze employees received training to use software and computers for transfers and specific software of partners
  - Training of Haitian HTAs (Best practice for development and HTAs from other countries) (about 200 leaders trained)
  - Training of Haitian HTAs and support group leaders on Financial literacy (training of trainers) (about 200 leaders trained)
- Partnerships
  - CNB NJ, Moneygram, CAM, Dolex, BHD, Unitransfer, UNO and Allianza.
- Haitian Diaspora Outreach & Promotional campaign

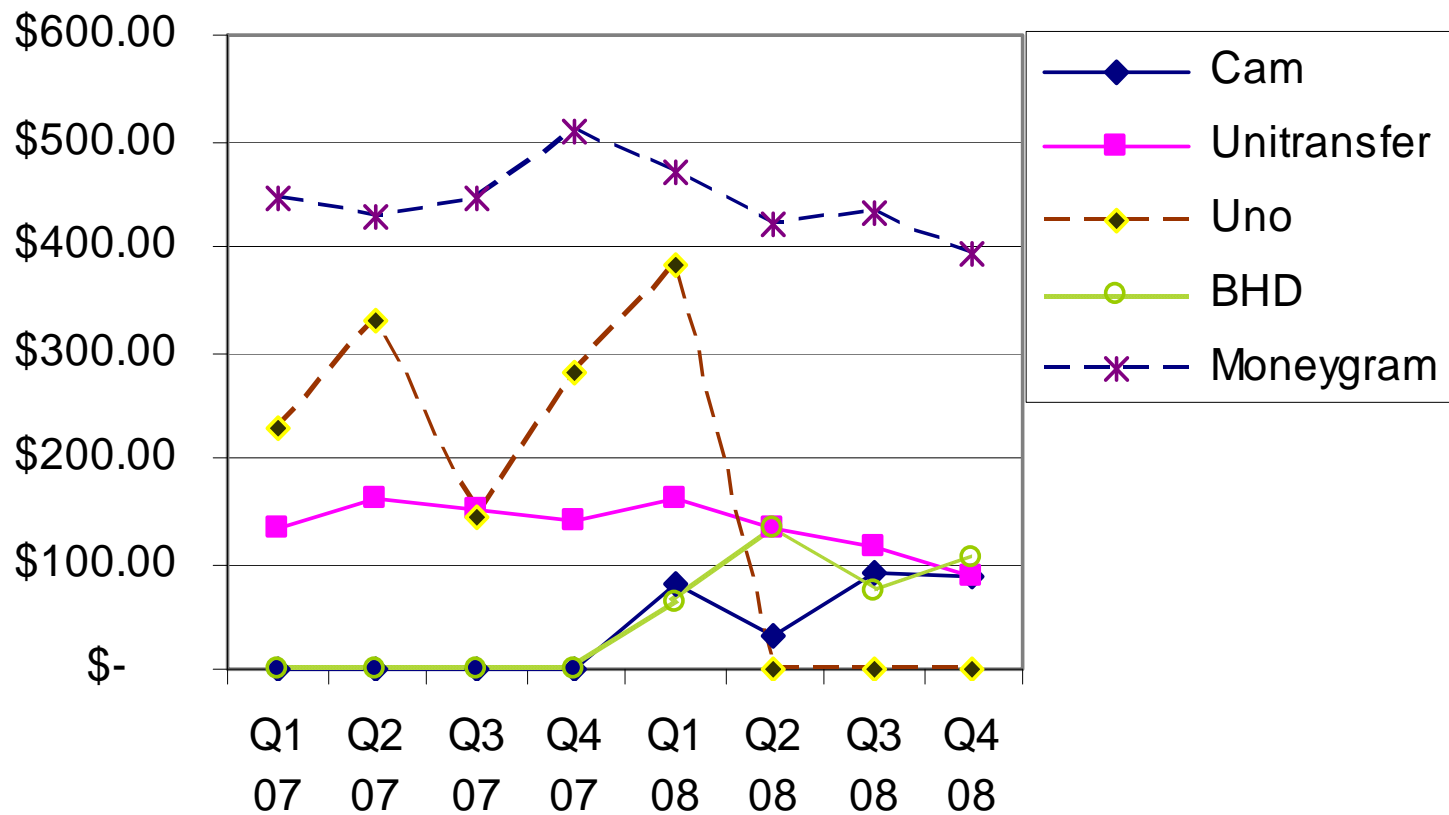
# Stats

	2006-07	2008-09	%
# of Branches	30	40	25%
# of Savers	105,000	190,000	45%
# of Borrowers (1)	45,000	55,000	18%
# Transfers (2)	28,803	65,500	56%
Total value of remittances (individual and collective) (3)	\$ 23,617,479	\$ 39,500,000	40%

## % of Transactions # by Partners

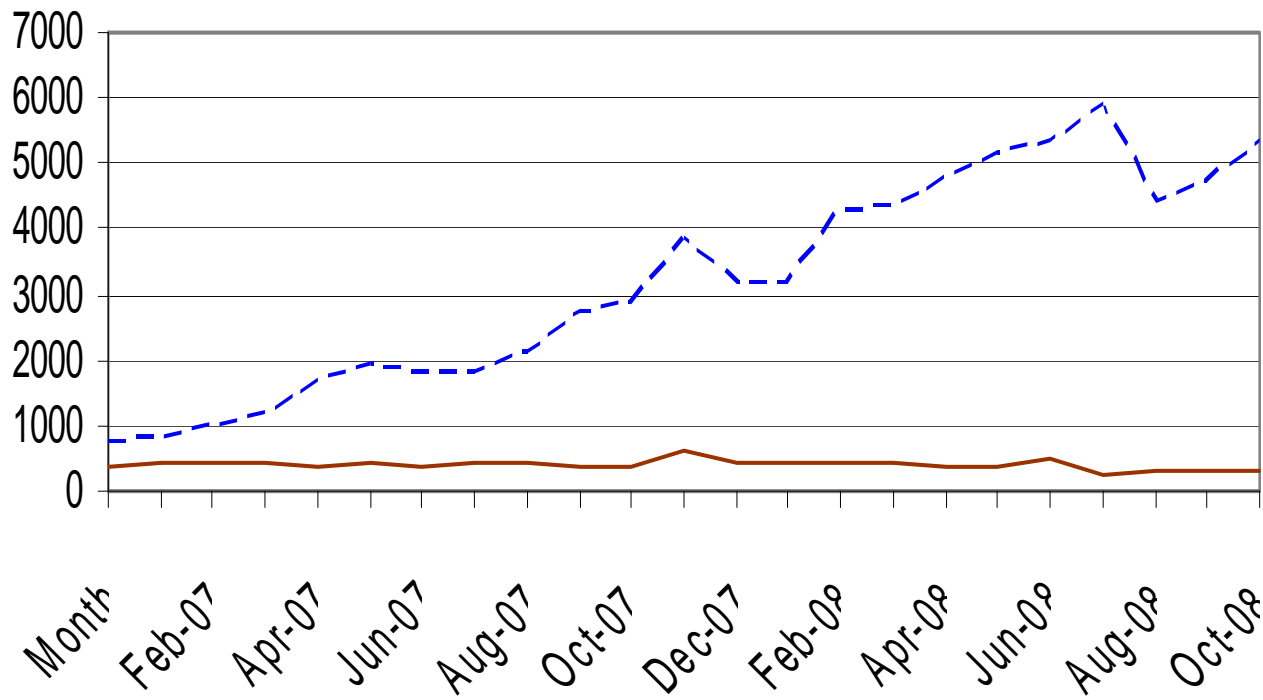


## Average Value per Transaction (excluding Fonkoze Collective Remittances)



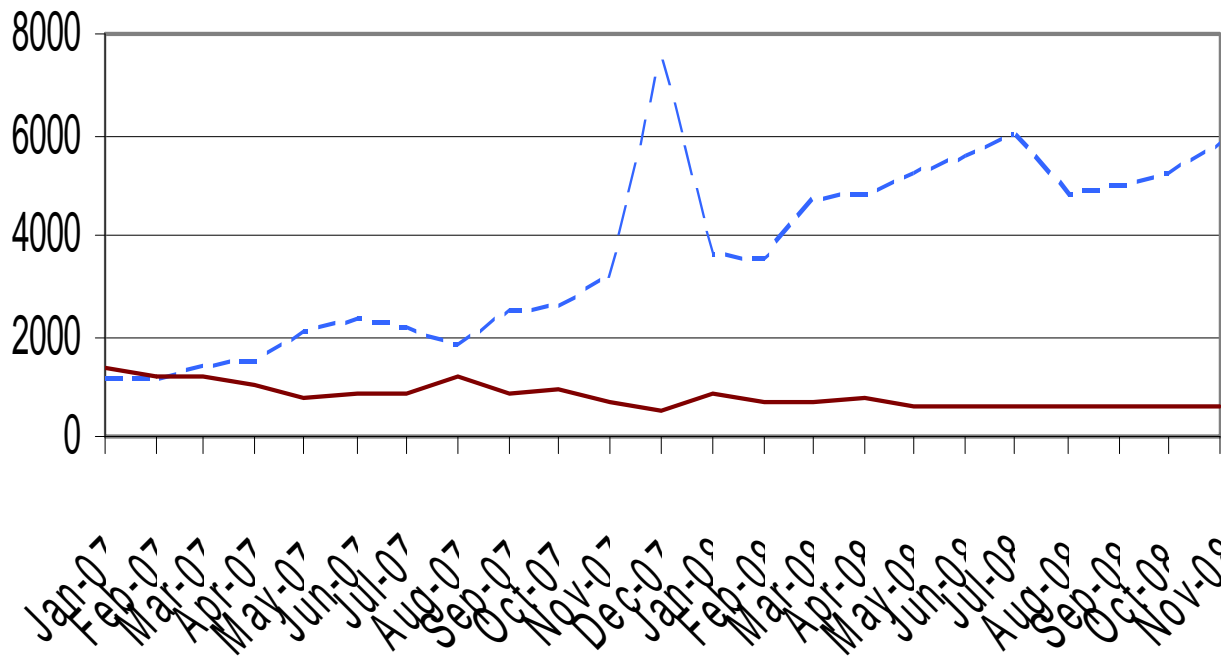


## Number of transfers monthly (excluding Collective Remittances)



- - - # of transfers
- Average value per transaction monthly (excluding collective remittances)

## Number of transfers monthly (Including Collective Remittances)



- Number of incoming transfers
- Average Value per transaction monthly (including Fonkoze)

# What we are working on now?

Open dialogue with the Haitian Diaspora and promotion of Fonkoze financial products

- Launch of Fonkoze Prepaid Debit card in the USA (IFAD-IDB)
- Services of Payroll, Investment accounts, Business Development\*

Future:

- Diaspora Investment fund (for small projects \$50K and less)
- Database of successful projects and micro-franchise mechanisms
- Access to Needs Assessments and information about existing programs through website
- Launch of new Micro Insurance products (with AIC)

# Haitian Diaspora (Migrants) and Development

- Almost 300 active HHTAs and support groups in the US, Canada and France
- Existing Federations:
  - AFHED (Boston)
  - **CENTRECH (Montreal)**
  - FHARE (NY)
  - **ROCAHD (Montreal)**
- Existing departmental Associations:
  - FEDASE (South HTAs NY)
  - Nord' Ouest Reunit (NY)
  - Tourinord (NY)
- Facilitators and HHTAs support group
  - ORAISO (NY)
  - **Haitian Hometown Association Resource group (NY, Miami and Boston)**

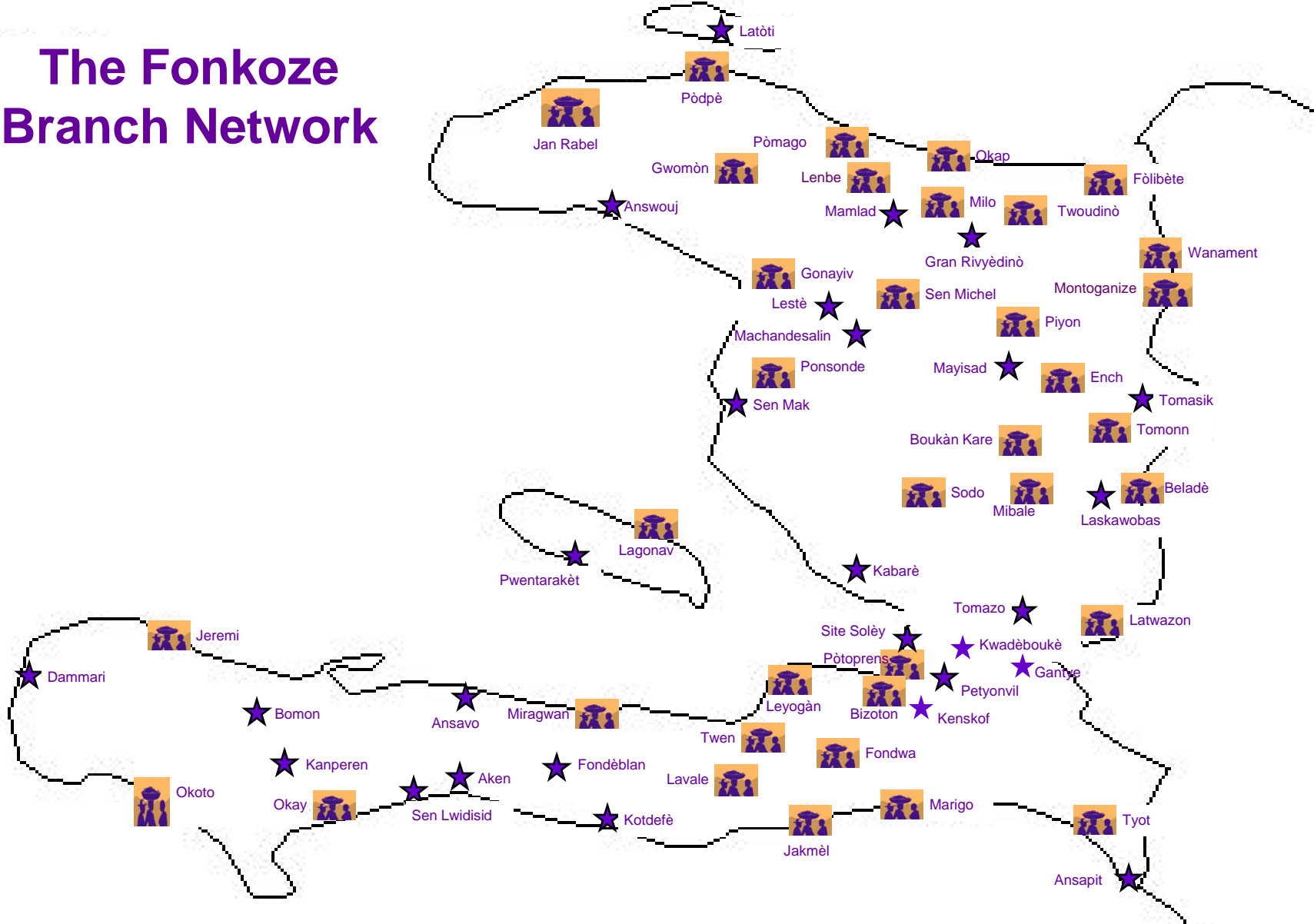


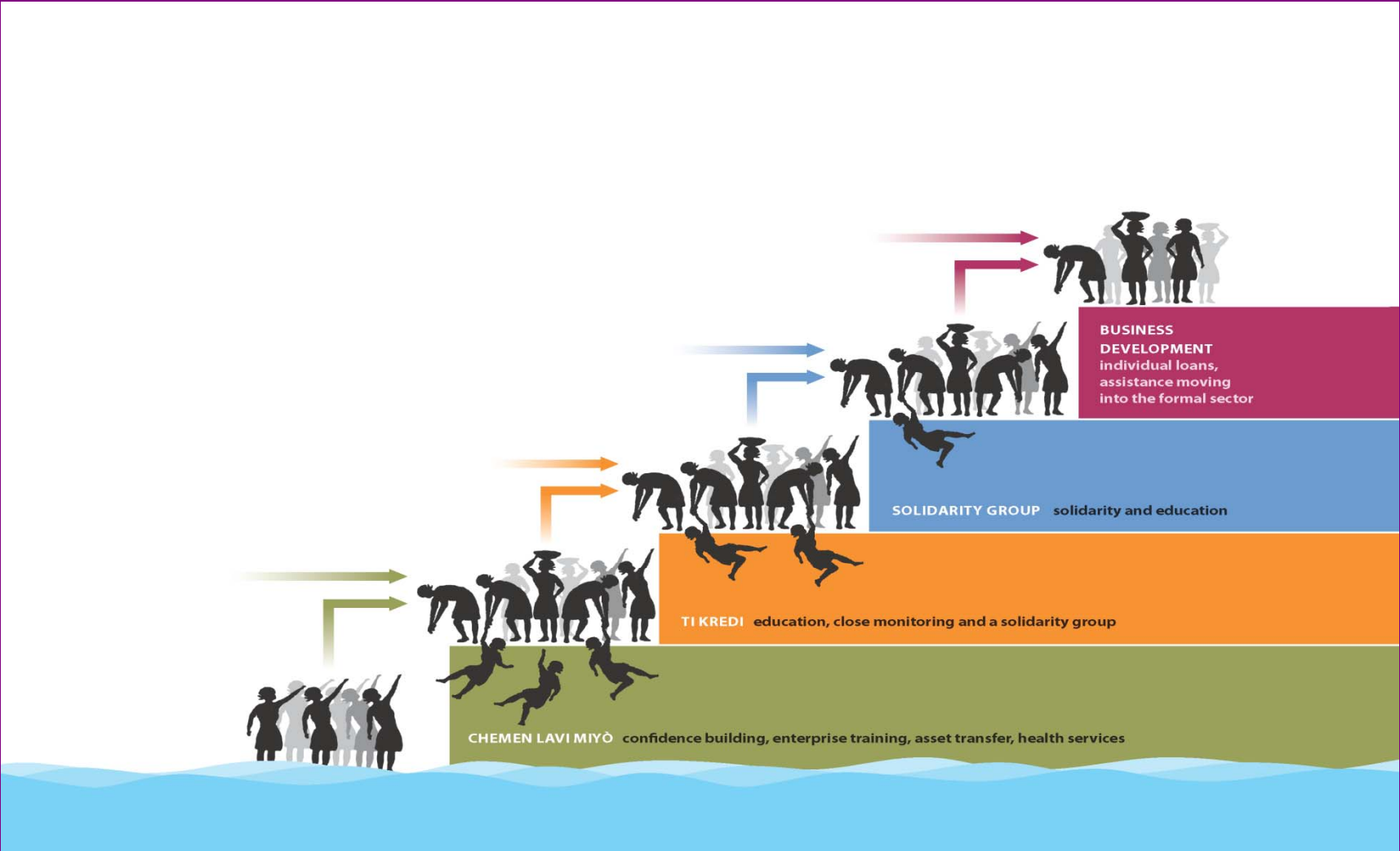


Questions?  
Comments?  
Ideas?

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# The Fonkoze Branch Network





# The IDB-IFAD Partnership

## ❖ Program Name:

Remittances and Rural Development Program in Latin America and the Caribbean:  
Strengthening the Income Generating Capacity of the Rural Poor in the  
Remittance Recipient Countries

## ❖ Objectives:

1. To support the development of low cost, efficient and accessible local financial and communications services for migrants and their families
2. To strengthen and empower migrant associations interest in supporting rural development in their countries of origin
3. To build the capacity of migrant associations for planning and implementing rural development activities in their countries of origin
4. To improve the income and living conditions of the rural poor through joint ventures between migrants and local organizations for sustainable rural agricultural and non agricultural enterprises