



SUCCESS STORY

Building Skills to Improve Access to Finance for Haitian Entrepreneurs

“Hearing these finance experts, lenders and entrepreneurs today has opened my eyes. Now, I hope that I will be better prepared to find finance,” says Carl-Heinz Loriston, participant in the HIFIVE “Access to Finance for Entrepreneurs” workshop.



Photo credit — HIFIVE

Carl-Heinz Loriston (right) and his partners Jean Wilson, Rodney Manigat, and Ralph Beauvoir (r-l) hope that the knowledge gained in the workshop will help them access finance for their project in Jeremie. Their company plans to produce flour from breadfruit, a seasonal product difficult to transport to markets.



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Under the tent at University of Quisqueya, whose campus was destroyed in the January 12th earthquake, Lhermite Francois emphasizes the 5 “C”s of Credit: character, capacity, capital, collateral and conditions.

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“Hearing these finance experts, lenders and entrepreneurs today has opened my eyes,” said Carl-Heinz Loriston, after participating in USAID Haiti’s HIFIVE¹ “Access to Finance for Entrepreneurs” workshop on Jan. 23, 2011, at the University of Quisqueya, Port au Prince. “Now, I hope that I will be better prepared to find financial support.”

Access to finance is a key element needed by successful micro, small and medium enterprises (MSMEs). However, in Haiti, as elsewhere, access is limited by cultural factors, regulatory requirements, credit policies of financial institutions and other obstacles MSMEs face. Most entrepreneurs have limited exposure to financial institutions and an insufficient understanding of criteria lenders use to identify and analyze “bankable enterprises.” The workshop hosted by the USAID-financed HIFIVE project sought to bring together local experts to help prepare participants for better access to finance.

Addressing the question of finance from several perspectives, the workshop aimed to help entrepreneurs better understand how credit and investment decisions are made, how bankers think and how the entrepreneurs’ own information can improve opportunities. MSME financial expert Lhermite Francois focused on criteria for “bankable enterprises,” while a panel of local bankers and microfinance institutions offered insight into their credit processes.

Emphasizing the advantages of being part of the formal, rather than the informal economy, Guy Lamothe, director of the Department of Commerce and Industry’s Center for Facilitation of Investments, underscored the need for transparency and formal registration of businesses² to help achieve long-term success that can create employment and contribute to improved livelihoods. Leading local entrepreneurs shared their personal experiences on the role of finance in their success, as well as the importance of building strong client relationships and professional networks that also expand financial access.

Workshop attendees will be able to apply their new knowledge at HIFIVE’s upcoming “Opportunity Fair,” co-sponsored by the Haitian Bank Association. This innovative matchmaking event, a first for Haiti, will bring together Haitian lenders, investors and MSMEs. Improving MSME bankability, thus, their access to finance, is central to USAID’s support. These are key elements in assuring that the sector realizes its potential as an engine for economic growth and employment in Haiti.

¹ HIFIVE is a USAID-funded project implemented by World Council of Credit Unions (WOCCU) and AED. It 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. TechnoServe (TNS) is a subcontractor to HIFIVE.

² In Haiti as in many developing countries, most businesses are “informal” and not formally registered as businesses with the government.