



## SUCCESS STORY

### Access to Credit Helps to Rebuild Businesses after the Earthquake “Credit helped us to realize a bigger vision.”



Marcellus Jean Claude, completing a client's order, appreciates the business that they have been able to create with their loan from Caisse d'Espoir de Jacmel. (Photo Credit – HIFIVE)



Serge Guillaume and one of his partners, Jean Jérôme Guillaume, at their new workshop in Jacmel. (Photo Credit – HIFIVE)

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Many microfinance institutions suffered serious damage and losses in the impact zone during Haiti's earthquake in 2010. Their physical structures as well as their client activities and clients' repayment capacity were seriously impaired. As part of USAID's response, USAID HIFIVE<sup>1</sup> provided grants to a number of affected MFIs to help stabilize the institutions and to improve their ability to continue supporting their clients.

One of the credit unions in the badly damaged southern coastal town of Jacmel, Caisse d'Espoir de Jacmel,<sup>2</sup> suffered a crisis similar to many others in the impact zone. The credit union was concerned for their members. They needed access to credit to restart their businesses and return to normal life, yet they did not have the means to repay their existing loans. Through a HIFIVE MFI stabilization grant, the credit union launched a new program called Kredi 1%. The lending program targeted members who wanted to restart their micro and small businesses and help their local economy return to normal.

One group that benefitted from this financial opportunity included five tailors, each of whom had lost his individual business and equipment. Serge Guillaume, one of the founding members of the credit union, received a US\$2,000, nine-month loan from the Kredi 1% program. He and the others formed a group and used the funds to purchase new materials and sewing machines to open a new store in Jacmel.

“After the earthquake, we didn't know what to do or where to go,” Guillaume said. “This credit gave us hope when we had lost everything, and the loan helped us realize a bigger vision.”

Having repaid their first loan, the group is currently using a second, larger loan to expand their operations. Guillaume and his business partners are representative of the economic impact that access to credit can have, both on the individual entrepreneurs and their community.

Recognizing the importance of access to credit for the improvement of livelihoods and overall economic development, USAID's long-term vision has supported the creation, development, and the evolution of microfinance in Haiti. The microfinance sector now serves more than one million savers and nearly 300,000 borrowers<sup>3</sup> throughout the country. By providing critical assistance to institutions like Caisse d'Espoir de Jacmel following the earthquake, USAID helped ensure the continued growth and evolution of the microfinance sector, which is vital not only to the country's recovery but to its future economic growth as well.

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<sup>1</sup> HIFIVE (Haiti Integrated Finance for Value Chains and Enterprises) is a USAID-financed project that works to expand financial inclusion through improved access to financial products and services and encourages the use of technology to expand outreach.

<sup>2</sup> “Caisses” are cooperatively owned financial institutions, like credit unions. There are more than 100 active caisses in Haiti.

<sup>3</sup> “Census of the Haitian Microfinance Sector, 2010-2011.” USAID HIFIVE. All data is as of 9/30/2011.

