



# SUCCESS STORY

## Bill & Melinda Gates Foundation and USAID Launch Mobile Banking Initiative in Haiti.

*“With mobile banking in place, you don’t have to carry cash on you; life will be much safer,” according to Madame Charles, a merchant in Petionville.*



Residents queue outside of a money transfer office to collect cash from wire transfers.



Madam Emanise Charles uses her cell phone as a business tool and hopes it will benefit from HIFIVE’s Mobile Banking Initiative.

*Disclaimer: This “Success Story” is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of AED and do not necessarily reflect the views of USAID or the United States Government.*

After the January 12<sup>th</sup> earthquake, access to finance in Haiti was extremely limited. More than one third of the country’s bank, microfinance, credit union, and remittance offices were damaged or destroyed. As services were restored, customers were forced to wait in queues for hours. The question of how to expand the availability of financial services efficiently became pressing. The new Mobile Banking Initiative, a partnership announced on June 8, 2010 by the Bill & Melinda Gates Foundation (the Foundation) and USAID, hopes to address this issue with a \$10 million fund to encourage financial services by mobile phones to expedite the delivery of cash assistance to victims of the earthquake.

The Foundation and USAID share a goal of increasing mobile money services for the poor. In addition to the Foundation’s \$10 million in awards and additional funds for related activities, USAID will offer technical assistance and funding totaling approximately \$5 million through its Haiti Integrated Finance for Value Chains and Enterprise (HIFIVE<sup>1</sup>) project, already underway to improve access to financial services for the underserved.

In the near term, the partnership has potential to accelerate the rebuilding process in Haiti by expanding access to financial services for local businesses, urban and rural Haitians, NGOs (non-governmental organizations) and donor organizations which provide support to Haitians.

Haiti has 9 million people and 3+ million mobile telephones. Phone service is available in even the most remote areas of Haiti; however, points of financial service are more limited: only 530 financial institution branches existed prior to the earthquake. For most Haitians living in rural areas, access to basic financial services can mean a walk of up to 8 hours. The convenience, safety and cost effectiveness of using the existing telephone network for the delivery of financial services offers great promise.

Madame Emanise Charles, a 55 year old merchant in Petionville is typical of small entrepreneurs who use their mobile phone as a tool for business. Customers often call asking what is available, while she in turn makes calls to set up deliveries and to promote her products. The Mobile Banking Initiative will benefit entrepreneurs like Mme. Charles. By providing alternative ways to manage their cash and to access financial services, the Mobile Banking Initiative lays the foundation for advanced banking that could help millions of Haitians lift themselves out of extreme poverty. For Madame Charles, in addition to the safety and convenience advantages, she hopes that this will create a larger network of customers to generate more income for her business.

<sup>1</sup> HIFIVE, a USAID-funded project implemented by World Council of Credit Unions (WOCCU) and AED, 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.

Photo Source: Christian Kober

Photo Source: HIFIVE Project