

HIFIVE: Haiti Integrated Financing for Value Chains and Enterprises

HIFIVE, an associate award under the **FIELD-Support LWA**, empowers Haitians by providing access to innovative financial products and services. With a focus on rural areas, HIFIVE targets high potential value chains, encourages an increased developmental impact from remittances, and supports the use of technology to expand financial inclusion.

RESULTS:

Among HIFIVE's key expected results are:

- 26 new financial products and services available in rural zones;
- 70% increase in number of rural microfinance clients;
- 20 new value chain financing solutions introduced;
- 71% increase in number of points of financial service; and
- 425,000 clients benefiting from new financial products, services, and technological innovations.



HIFIVE is USAID/Haiti's next phase in an integrated strategy to develop the country's financial services sector in a way that promotes employment generation, improves livelihoods, and boosts the economy. HIFIVE's activities specifically focus on improving the availability of financial products and services to support the expansion of agriculture and other production, as well as access to financial services for communities in rural and agricultural areas.

HIFIVE works primarily on the supply side of the financial sector, to empower Haitians through innovative financial products and services targeting the development of products adapted to the needs of high potential value chains. It also encourages diaspora investments and an increased developmental impact from remittances and supports using technology to expand financial inclusion. Following the January 12, 2010 earthquake, HIFIVE has also responded by prioritizing those areas that were mostly

heavily affected, and initiating activities to help damaged businesses get back on their feet and restart the Haitian economy.

HIFIVE Objectives:

HIFIVE's primary objectives include:

- Increasing the availability of value chain financing;
- Improving access to financial products and services in rural areas;
- Increasing more effective use of remittances;
- Increasing use of information and communication technologies (ICTs) for financial inclusion; and
- Developing effective linkages with other USAID programs.

HIFIVE was specifically designed to improve the capacity of a core group of financial suppliers—namely strong microfinance institutions (MFIs), banks receiving DCA support, *caisses populaires* (credit cooperatives), and insurance companies—to design and deliver



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appropriate financial products to enterprises involved in USAID's other projects. Working with financial institutions, technology providers and USAID's other priority agricultural projects, HIFIVE is supporting the development of solutions that will expand outreach of financial services to rural and agricultural zones, where it is needed the most.

HIFIVE Program Components:

The HIFIVE Catalyst Fund (HCF): HCF is a grant fund to increase financial services in rural and agricultural zones. Grants promote innovations and experimentation in development of technology solutions, capacity building, financial services and products, and risk mitigation.

Development Credit Authority (DCA) Guarantees: DCA guarantees are leveraged to encourage financial institutions to meet the financial needs of micro, small and medium enterprises engaged in production.

Capacity Building: Through the HCF grant fund, HIFIVE provides training and technical assistance to financial institutions and networks and to local service providers working with the financial and technology sectors.

Diaspora: HIFIVE works closely with Haitian Diaspora groups in the U.S., Canada, and Europe to encourage increased investment of remittances and to improve the development impact of remittances.

Sector Interest Groups: HIFIVE serves as a facilitator and catalyst in its relationship with sector interest groups, financial networks, and associations, encouraging dialogues that will lead to change.

Business Plan Competition: HIFIVE and its subcontractor TechnoServe encourage entrepreneurial development in Haiti through its business plan competition, "*Mon Enterprise, Mon Avenir*" (MEMA).

Business Development Services: HIFIVE and TechnoServe selectively target MSMEs participating in key value chains, providing a variety of business development services that help to improve their access to finance.

Inter-Project Coordinating Committee on Finance (IPCCF): The IPCCF plays a critical role in facilitating both bilateral and multilateral dialogues with other USAID programs and projects.

The FIELD-Support Leader with Associates is an 8-year cooperative agreement awarded by the USAID Microenterprise Development Office to improve the state-of-the-practice of microfinance and microenterprise development. FIELD-Support is implemented by FHI 360 and a consortium of 27 development partners. Learn more at: microlinks.kdid.org/field-support



"I consider Mangos as my bank account, CODECREM came to strengthen it," says Joseph Louis Juste, a mango farmer in Haiti.

The lack of financial resources—a situation exacerbated by the devastating earthquake in Haiti on January 12, 2010—frequently forces small mango producers to sell their mangos at lower prices to speculators prior to the harvest season. With lower revenues, the producer families are often tempted to cut their trees and to convert them to charcoal in order to meet their basic consumption needs.

To support producers like Mr. Joseph Louis Juste, HIFIVE worked with local partner CODECREM (*Cassie d'Epargne et de Credit de Mirebelais*) to provide a new type of loan for mango producers. The "**Kredi Mango**" (Mango Credit) loan product provides funds to producers at a critical time in the agricultural season, permitting them to hold on to their mangos until harvest when they can receive better prices. The growers also use the loans to buy seeds needed for market garden crops which provide additional revenue to the families while they wait for the mango sales.

The CODECREM loan program will benefit 200 mango producers, their 1,000 family members, and will create five full time jobs as CODECREM employees in the region. With his \$375 Kredi Mango loan from CODECREM, Mr. Juste has been able to save his mango trees and has even helped his two daughters—who have been displaced by the earthquake—begin growing peppers and breeding pigs.

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