



Nouvel Fonkoze

VOLUME 17 ISSUE 3

Making a Powerful Impact with “Little Credit”

The second Step on Fonkoze’s Staircase Out of Poverty is Ti Kredi, or “Little Credit.” This groundbreaking microfinance program focuses on Haiti’s most personally and financially vulnerable *ti machann* (market women).

84% of women who join the Ti Kredi program live on less than \$2 per day.

81% experience hunger on a regular basis.

To enable these women to become strong providers for themselves and their families, Fonkoze’s six-month Ti Kredi program provides financial services and business skills training. Led by specially trained credit agents, the program features small loans, quick repayment cycles, education, and support at weekly meetings.

Fonkoze uses participatory wealth ranking (PWR) to identify women who can benefit the most from access to microfinance and business skills training. The PWR process enlists the local community to help identify its most vulnerable members. As Ti Kredi graduate Hirane Bastien explained,

“Fonkoze encourages us *ti machann* who don’t have anything at all.”

Fonkoze’s mission commits us to serving these women, even though it requires a higher program cost to help them learn to manage and invest their loans. We believe that Haiti’s poorest deserve access to financial services in order to help them create better lives for themselves, their families, and their communities.



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Ti Kredi member Guerline Desvarieux uses a storehouse to stock the household items and alimentary products that she sells from her home.

For just \$126 per woman, Fonkoze provides the additional resources that Hirane and women like her need to manage successful microenterprises.

First, a new Ti Kredi member receives financial training, followed by a one-month loan of about \$25 and close accompaniment from her credit agent.

Her next loan is approximately \$35 with a two-month repayment

cycle, further increasing her business experience and building on her financial training. Once she has paid back her \$35 loan, she receives the final loan in the Ti Kredi program: \$60, with a three-month repayment cycle.

As in Solidarity lending, Fonkoze’s primary microfinance program, Ti Kredi members form credit groups made up of five women. Five to six of these groups

From Father Joseph

Dear Friends of Fonkoze:



Our road is not easy. This can be said of much in Haiti; it figures into the narrative of each of Fonkoze's members. And because Fonkoze remains attuned to our members' needs, we find ourselves fighting alongside them—taking that not-so-easy road.

As Fonkoze laid plans to achieve greater institutional sustainability, we could have chosen a simpler direction. We could have easily expanded our member base by reaching out to rural women who are strong entrepreneurs, who have

confidence, and who are already making well over \$2 a day.

In a MicroFinanza Rating survey of 65 pro-poor microfinance institutions in 30 countries, just 19% of their clients lived on less than \$2 per day—demonstrating the difficulty of reaching the very poor.

But we chose to reach out to the bottom tiers of the Staircase Out of Poverty, to women living in and near extreme poverty. These women need strong capacity training and ongoing guidance to ease them into the microfinance process.

For them, we created our Ti Kredi (“little credit”) program in 2003 in Sodo, located in Haiti's Central Plateau. Despite its success in certain branches, Fonkoze did not have the funding to maintain the program in all of our 46 branches. As of 2012, we were able to offer Ti Kredi in only 20 of our 46 branches.

But in this past year, with commitments from major partners, Fonkoze has begun rolling out this successful and well-tested product to every corner of Haiti.

In this edition of *Nouvel Fonkoze*, you will find stories about Ti Kredi and the encouragement and empowerment the program offers to women struggling to lift themselves and their families out of poverty.

In one of my favorite videos on the Fonkoze website, a Ti Kredi graduate explains how the program has impacted her relationship with her husband. Loris Viergella proudly says, “I want to make progress in my life, so that if my husband gives me beans, I can buy the okra.”

Our research proves that women who come up through the Ti Kredi program make even stronger Solidarity credit clients, strengthening not only Fonkoze, but their rural communities as well.

It's not an easy road for our members, but we are committed to walking it alongside them.

Sincerely,

Joseph B. Philippe, CSSp
Founder

FONKOZE BRANCH OFFICES

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Lenbe / Limbé	Tyòt / Thiotte
Leyogàn / Léogane	Wanamant / Ouanaminthe
Marigo / Marigot	

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Reaching New Heights: Carole Jean-Baptiste

Carole Jean-Baptiste spends her days pushing a wheelbarrow all over her neighborhood, selling beans, vegetables, and coconuts.

The 41-year old entrepreneur lives with her husband and four daughters in Flon, a small town outside of Leyogàn.

Carole recently celebrated her graduation from Fonkoze's Ti Kredi ("little credit") program. The six-month Ti Kredi program involves gradual increases in loan sizes and payback times to enable members to build up their assets and adjust to taking out microloans.

At first, Carole was critical of starting with just a \$25 loan from Fonkoze. But she has learned how to make a small amount multiply.

"I realized that this has allowed me to pay back the loans more easily and so Fonkoze now trusts me with a bigger credit," she says.

Thanks to business skills training from her credit agent, Carole has

"When I became a client with Fonkoze, I became someone else."

learned how to organize her profits and savings. Her husband is a blacksmith, but doesn't bring home money regularly. So the profit from her small commerce helps send her children to school.

"I am proud of myself now," Carole says. "I believe in myself to stay within my means. I am happy that I can help myself and my kids."

Living at the epicenter of where the earthquake struck in January 2010,



Now that she has successfully graduated from Fonkoze's six-month Ti Kredi program, Carole Jean-Baptiste plans to continue into Solidarity lending, the next step in Fonkoze's Staircase out of Poverty.

Carole lost everything. While standing outside her house, she watched her home collapse before her very eyes.

"I sat on nothing, I had nothing. But when I became a client with Fonkoze, I became someone else."

With her newfound confidence, Carole hopes to set an example for her four daughters of a strong businesswoman. As she shows off her Ti Kredi graduation certificate, she explains the vision she has for her children. Her eyes filling with tears, Carole says she dreams of the day her daughters finish their schooling and become a doctor, a nurse, an accountant, or an engineer.

"I want them to reach new heights. I want them to reach higher than myself." ●

Participatory Wealth Ranking (PWR)

Ti Kredi uses Participatory Wealth Ranking (PWR) to identify women in a community who are most in need of Ti Kredi's microfinance services, business skills training, and support.

The PWR process begins with fifteen to twenty community members, invited to participate by Ti Kredi credit agents, who draw a map on the ground of each household in the area, including its location and family name.

Next, Ti Kredi agents help the community members to rank all households using five wealth categories—wealthiest, very wealthy, middle income, poor, and poorest. The community defines these categories using such considerations as whether or not the household owns livestock or can afford to send their children to school.

The Ti Kredi agents then visit each household in the bottom two categories. They interview the female head of household about her life, using the information they gather to complete a Poverty Scorecard, Progress out of Poverty Index, and a Food Security Index. Based on the results, credit agents determine whether or not she qualifies for Ti Kredi.

This process ensures that Fonkoze serves women most in need of the Ti Kredi program, furthering our mission to alleviate rural poverty.

CONTINUED FROM PAGE 1

meet in credit centers of 25-30 women, providing them with fellowship and support that lasts even after their graduation from Ti Kredi.

During the program, each Ti Kredi member also receives educational instruction at weekly meetings. In addition to business skills training, she learns basic literacy, health, environmental protection, and other life skills that enable her to become a better mother, businesswoman, and community leader.

This educational instruction, combined with increasing microloan sizes, prepares a Ti Kredi member to graduate into Solidarity lending, the third Step on Fonkoze's Staircase out of Poverty. A \$75 Solidarity microloan would have been too large of a first loan to manage, but the Ti Kredi program provides her with the confidence and experience to use larger loans to successfully expand her business.

On average, 92% of members successfully complete the six-month Ti Kredi program and graduate into Fonkoze's Solidarity lending program.

Graduation from Ti Kredi is a tangible achievement. Hunger rates of graduates fall by a third. For those who choose to continue into Solidarity lending for at least a year, hunger rates fall by half.

"Fonkoze taught me how to live again," said Ti Kredi graduate Myrtha Desvarieux.

The generosity of our donors and partner organizations enabled Fonkoze to offer Ti Kredi to more than 4,000 women from almost half of our branches in 2012. 92% of those women graduated, and 100% of graduates decided to continue into the third Step in Fonkoze's Staircase Out of Poverty: Solidarity lending.

Given the impact Ti Kredi makes in the lives of Haiti's most vulnerable women, as well as the stability the program provides by developing

dependable loan clients for Fonkoze, we are working to empower tens of thousands more *ti machann* to build better, more secure lives. To that end, we recently doubled the number of branches offering the Ti Kredi program, which will enable us to triple the number of women we serve.

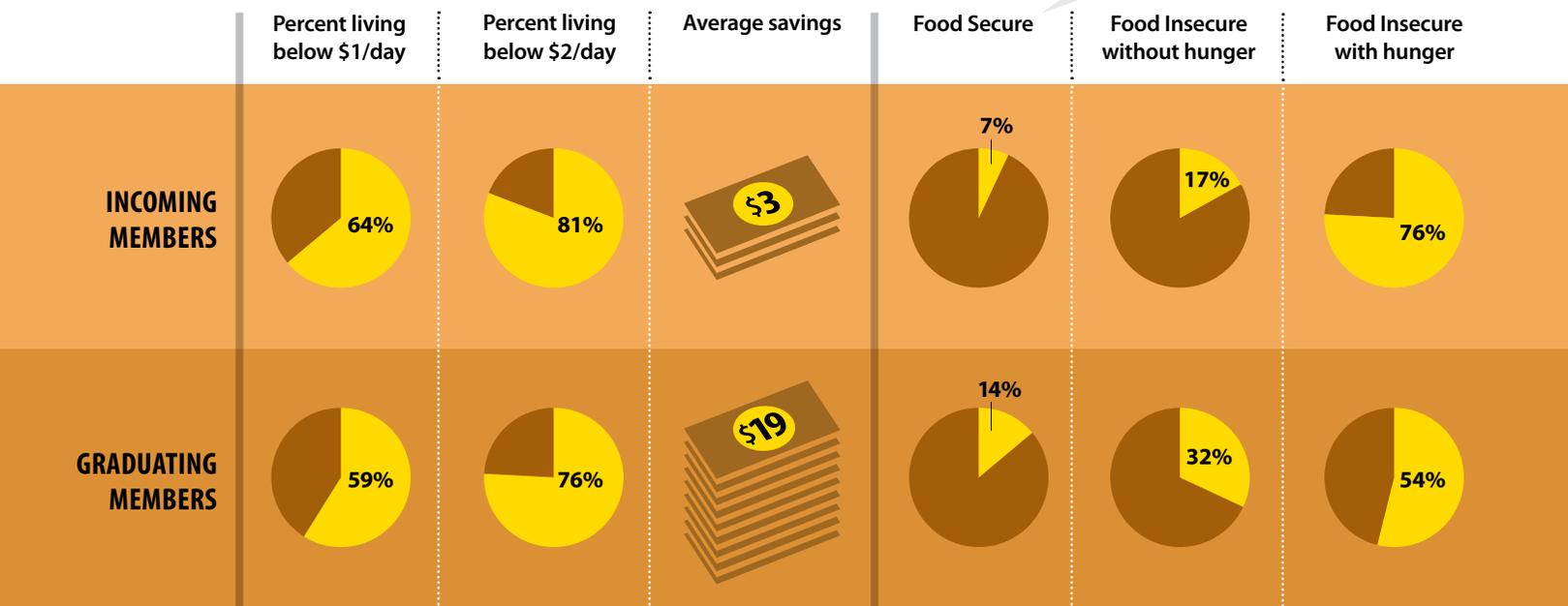
Yet, a third of our branches remain unable to provide this important second Step on Fonkoze's Staircase. We have the infrastructure and experience to enable women living on the edge of extreme poverty to access microfinance and business training so they can provide stable lives for their families. Now we just need your support. Together, we can help Haiti's most vulnerable women harness their potential and begin their ascent out of poverty through the Ti Kredi program.

Visit www.fonkoze.org to learn more about how you can empower a woman through Ti Kredi, Solidarity lending, and Fonkoze's other innovative programs.

Ti Kredi Socioeconomic Indicators

Data collected in 2012 by Fonkoze's Social Impact team confirms that Ti Kredi is not only reaching Haiti's most vulnerable women, but helping them materially improve their lives.

"Nearly a quarter of members progressed from food insecure with hunger to either food insecure without hunger or fully food secure. The number of food-secure members doubled after the end of the six-month program."



*Based on sample of 130 members who participated in the Ti Kredi program in 2012

An Insider's Look: Six Months in the Ti Kredi Program

PREPARATION



- ▶ Each Ti Kredi member participates in a 4-week training course that introduces her to Fonkoze, microfinance, and basic financial and business management concepts to prepare her for her first microloan.
- ▶ She joins with the other four members of her new lending group to choose a name. Her credit group will remain her support system throughout the program.

MONTH 1



- ▶ She receives her first kane (account book). Her *kane* will enable her to track her financial information as she progresses through the Ti Kredi program.
- ▶ She participates in her first center meeting, where she receives her first microloan of \$25. Her credit agent guides her through the process of choosing a small business in which to invest her loan.
- ▶ Credit centers consist of 5 to 8 lending groups and meet once a week.

MONTH 2



- ▶ She repays her \$25 microloan and receives a new \$35 microloan, which will last for two months.
- ▶ She uses the additional loan capital to invest further in her new business.
- ▶ She continues attending weekly Ti Kredi center meetings, where she continues to learn business skills and basic literacy skills.

MONTH 4



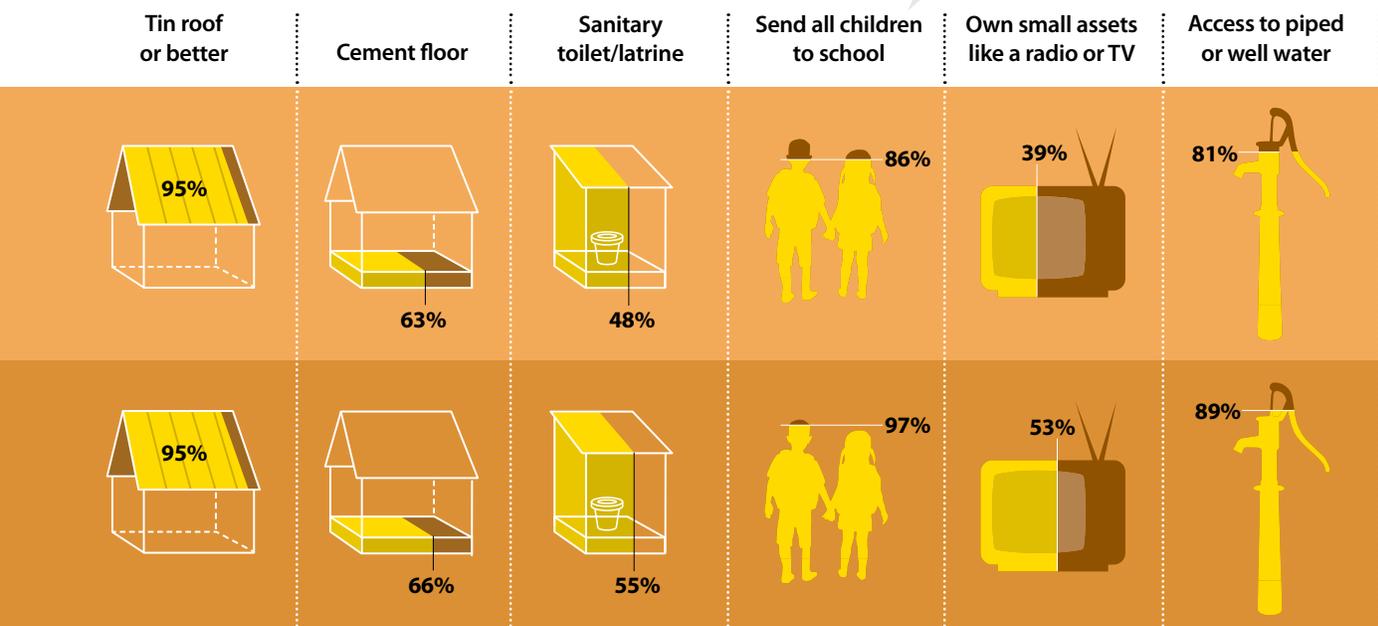
- ▶ She pays back her \$35 microloan and receives a new \$60 microloan, with three months to pay it back.
- ▶ She builds even further on her new skills during weekly meetings, and is introduced to subjects including environmental protection and health.

MONTH 6



- ▶ She repays her loan and graduates from the Ti Kredi program—with a savings account, a successful microenterprise, and a more secure future for herself and her family.

After completing the program, nearly 100% of Ti Kredi members were able to send all of their children to school.



Our Partners in the Battle



Rev. Dr. Rebecca Langer, Pastor of Spiritual Formation at Fonkoze partner Riverside Presbyterian Church of Jacksonville, joins Ti Kredi members in song and dance—a mainstay of every center meeting. “Yon ti pous ka danse,” or “One little thumb can dance,” is a particular favorite.

Ti Kredi, *se chwal batay nou*. “Ti Kredi is the horse in our battle.” So begins the refrain to a song about Fonkoze’s six-month microfinance program for some of Haiti’s most vulnerable women. Penned by a Ti Kredi graduate, it is

now sung by groups of irrepressible women gathering for Ti Kredi center meetings throughout Haiti.

Their singing would never have started without the support of Fonkoze’s partners. A diverse group of donors and investors enables the

Ti Kredi program to offer women who would otherwise be ineligible for a microfinance loan the education and ongoing support to not only run a small business, but to also thrive as leaders in their households and communities.

It costs just \$126 to put one woman through the six-month Ti Kredi program.

Thanks to the generosity of our donors, we will soon be tripling the number of women

singing about the strength Ti Kredi has given them. The support of partners like the W.K. Kellogg Foundation and Whole Planet Foundation has enabled Fonkoze to double the number of branches serving vulnerable women with the Ti Kredi program.

For many of Fonkoze’s partners, such as the Financial Women’s Association of New York, Ti Kredi’s focus on business skills training fits with their own business orientation. For donors like Givaudan, a Swiss cosmetics company, that connection goes even further.

Givaudan supports Ti Kredi in three farming communities in Okay, where it sources vetiver, a crop used in its perfumes. The Ti Kredi members’ small businesses, managed with the support of their credit agents, provide them with a more constant income. This enables them to grow higher-quality vetiver crops, making Ti Kredi not only a chance for Givaudan to support the entrepreneurship of Haitian women, but a smart investment as well.

Our partners also enable Ti Kredi to further its mission of serving Haitian women who would otherwise lack access to microfinance. Thanks to the support of Plan Haiti, Ti Kredi will serve 500 new members in Bèlans, an area so remote that credit agents must camp out overnight in order to reach members.

These are but two examples of the passion and ingenuity of our generous donors. As our Ti Kredi members sing, “*Fanmi a reyini pou rebati lavi*.” “The family gathers to rebuild life.” On behalf of Fonkoze staff and all our Ti Kredi members, thank you for continuing to rebuild lives as part of the Fonkoze family. ●

To find out how you can get involved, visit www.fonkoze.org.

Special Thanks to:

- ▶ Hope For Haiti
- ▶ Lyon’s Club
- ▶ Plan International
- ▶ Vista Hermosa
- ▶ Givaudan
- ▶ Financial Women’s Association of New York
- ▶ SC Ministry Foundation
- ▶ Raskob Foundation
- ▶ W.K. Kellogg Foundation
- ▶ Whole Planet Foundation
- ▶ FWA Lenore Albom Microfinance Giving Fund
- ▶ Riverside Presbyterian Church of Jacksonville
- ▶ Fonkoze Richmond Zanmi Group
- ▶ Michael Fisher

Fighting Poverty with Ti Kredi: Nadine Saint-Phat

Born in Haiti's Artibonit Valley, Ti Kredi credit agent Nadine Saint-Phat had always dreamed of working with marginalized women. When she learned about Fonkoze's work empowering rural *ti machann* (market women), it sounded like the perfect opportunity to realize that dream.

With a background in computer sciences and accounting, Nadine began working as a Ti Kredi credit agent in Lenbe in 2009.

"The education makes them believe in themselves, that their lives can change if they are willing."

"I was interested in Ti Kredi because I saw that the program offers very vulnerable women the training to enable them to escape poverty," Nadine said.

She has two favorite parts of the Ti Kredi program. First are the center meetings, because they provide members with the business skills, literacy, and health training that become tools to build better lives for themselves.

"The education makes them believe in themselves, that their lives can change if they are willing," Nadine said. "It also helps them in choosing the commerce they will do." Ti Kredi credit agents encourage the women to specialize in various types of commerce in order to make their businesses more profitable.

The center meetings also give the women an opportunity to share

their problems and to receive help from Nadine and her fellow credit agents in finding solutions. Nadine feels that being a woman gives her an advantage in relating to the members. "When you are working with women like you, it's easier to understand their needs and give them advice," she said.

Nadine's other favorite part of the Ti Kredi program is the graduation. "It's where they come to show the results of their six months of work,

ready to leap to the next Step in Fonkoze's Staircase Out of Poverty," she explained.

Nadine confessed that she cries tears of joy during the ceremonies. "The members'

testimonies make me feel that the Ti Kredi program is a great tool for fighting poverty in Haiti."

Her most memorable member story involves a Ti Kredi graduate named Jacqueline. When they first met, Jacqueline was scraping by begging for money to buy some mangoes to resell, in order to find a little food for her children. Nadine told her about Fonkoze, and Jacqueline decided to join the Ti Kredi program. She successfully graduated into Solidarity lending, Fonkoze's primary lending program, where she has been a successful member for the past fifteen months. She now has a stable income and money in her savings account. "I'm so happy. It's something Jacqueline didn't dream about at all before she entered Fonkoze," Nadine said.



"Ti Kredi is like a family," said Nadine Saint-Phat. Ti Kredi recently hired 70 new Ti Kredi staff members to support the program's expansion.

Nadine has also accomplished things she never dreamed about, like learning to ride a motorcycle to visit Ti Kredi members. While her work is not always easy, because many of the members live quite far, she hopes that she will always have the strength to help her country's social development.

"Fonkoze helps people to change their lives," she said. "With Fonkoze, women have more value in society and in their families." •



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Your gift to Fonkoze is helping put loans in the hands of 64,000 women throughout rural Haiti!

Keep Fonkoze in your thoughts and prayers.

Your prayers and positive thoughts are a source of strength and inspiration for Fonkoze staff and clients.

Make a tax-deductible contribution. Your gift is more important than ever! Visit our website to make a secure online contribution (www.fonkoze.org), or send a check payable to "Fonkoze USA" to 1700 Kalorama Road NW, Suite 102, Washington DC 20009.

Give through your employer matching gift program. Submit your company's matching gift form with your donation, and Fonkoze USA will process and return it to your employer. Or, send us your donation first, then present your acknowledgement letter to your employer for processing a match.

Give through CFC. Fonkoze USA participates in the Combined Federal Campaign (CFC). Designate your contribution to Fonkoze USA, CFC ID # 31204.

Remember a loved one. Give a gift in honor or in memory of a loved one. Provide the details via our online giving form at www.fonkoze.org, and Fonkoze will notify your honoree on your behalf with a beautiful card.



Become a Fonkoze Pledge Partner

You can help a woman in rural Haiti climb the first step on Fonkoze's Staircase Out of Poverty by becoming a Fonkoze Pledge Partner today! For as little as \$10 a month, your tax-deductible gift to Fonkoze USA can make a life-changing impact for some of Haiti's poorest women. Visit Fonkoze.org, or contact Fonkoze USA at 202-628-9033, to join.

Test Your Knowledge!



1. Fill in the Blank: In a survey of 65 "pro-poor" microfinance institutions in 30 countries, just ___% of their clients lived on less than \$2 per day.

- A) 8
- B) 19
- C) 34
- D) 46

2. What percentage of Ti Kredi members live on less than \$2/day before they enter the program?

- A) 51%
- B) 76%
- C) 84%
- D) 100%

3. True/False: The Ti Kredi program's expansion will enable us to triple the number of women we serve.

4. Which of the following education services do women receive in weekly Ti Kredi center meetings?

- A) business skills
- B) health
- C) environmental protection
- D) all of the above

5. On average, what percentage of Ti Kredi members successfully graduate from the program and continue into Solidarity lending?

- A) 75%
- B) 81%
- C) 86%
- D) 92%

For more information, visit our website: www.fonkoze.org.

Answers
1. B 2. C 3. True 4. D 5. D