

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	SCBF 2015-05: Improving Mobile Banking through Client Education and Sub-agents
Country / Region	Haiti- Three pilot branches
Partner Financial Institution/s	Finca Haiti S.A.
Grantee	Finca Haiti SA
Overall Budget	CHF 175'380 (21% self-contribution)
SCBF Contribution	CHF 141'810 (87% SCBF funding share)
Date of Approval	02.07.2015
Duration	08.2015 until 05.2016
Context	<p>Overall, the Haitian market for microfinance remains vastly underserved. Currently only 19% of adults in Haiti have an account at a formal financial institution, including MFIs, and 5% took a loan from a financial institution in the past year. In December 2014, Microfinanza estimated that total MFI clients in Haiti to be around 180'000. FINCA Haiti offers clients the possibility to repay their loans by e-wallet at no extra cost, encouraging them to avoid a potentially arduous monthly trip to FINCA branches to make payments. Although the e-wallet's potential benefit to clients is significant, relatively few clients (324) were utilizing the service in August 2015. The availability of Moncash agents is limited, likely contributing to the low product usage. FINCA is keen to analyze the issue with the support of the SCBF and technical experts in the field. As such, FINCA Haiti aims to address these problems and identify other remaining barriers to a successful roll-out of the Moncash reimbursement service. This product up-scaling initiative is a follow-up to the successful recent development and launch of the Agro loan product with the SCBF support.</p>
Current Status of the MFI	<p>FINCA Haiti was founded in 1989 to serve the entrepreneurial poor in Haiti. FINCA Haiti continues to be a key player in the Haitian microfinance market, focusing its efforts on the lowest income and on women, operating mainly in the service and agricultural sectors. In July 2015 it had 31'000 clients across 9 branches and a portfolio of 8.5 million USD. 84% of customers were women. After a period of restructuring following the devastating 2010 earthquake, FINCA Haiti has started a period of exponential growth in particular in its rural branches where its Village Banking product enjoys strong penetration levels. In order to sustain growth FINCA Haiti needs to ensure secure and modern repayment methods, of which Moncash is the most important one and this is where SCBF support is crucial.</p>
Objective and Main Activities	<p>The objective of the intervention is to increase take-up of the Moncash mobile channel for loan repayment in Haiti thus lowering transaction costs for FINCA Haiti customers, especially those in rural areas. By leveraging technology, this will indirectly increase access to affordable loan products in rural areas. The project is divided in two phases, a first phase to understand the existing barriers to adoption through a diagnostic combining quantitative and qualitative tools with clients and staff. Then a second phase where FINCA and the team of expert consultants focus on four primary areas of improvement: 1) Availability of a high-service agent network, 2) Training of staff and clients, 3) Staff motivation, and 4) Internal processes. Upon project completion, FINCA Haiti should have 4,000 clients using its mobile money channel for loan repayment.</p>