

## PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	<b>SCBF 2015-05 A: Improving Mobile Banking through Client Education and Sub-agents</b>
Country / Region	<b>Haiti- Three pilot branches</b>
Partner Financial Institution/s	<b>Finca Haiti S.A.</b>
Grantee	<b>FINCA Haiti</b>
Overall Budget	CHF 1'700 (20% self-contribution)
SCBF Contribution	<b>CHF 6'750</b> (80% SCBF funding share)
Date of Approval	02.07.2015
Duration	08.2015 until 09.2015
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 our branches to make payments. Although the e-wallet's potential benefit to clients is significant, relatively few clients are utilizing the service. We feel the low uptake may in part be due to the dearth of targeted marketing for rural female clients, our primary users. Additionally, the availability of TchoTcho agents is limited, likely contributing to the low product usage. FINCA is keen to analyze the issue with the support of 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 TchoTcho service. This Product up-scaling initiative is a follow-up to the successful recent development and launch of the Agro loan product with 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 has 31'000 clients across 9 branches and a portfolio of 8.5 million USD. 84% of customers are women. After a period of restructuration 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 TchoTcho 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 understand the existing barriers to increase take-up of the TchoTcho mobile channel for loan repayment 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. With the support of SCBF, FINCA and our team of expert consultants aim to focus on two primary areas of improvement: 1) client acceptance and 2) the availability of high-service TchoTcho agents. We intend to analyse the limited client acceptance by means of focus groups and client interviews. Once we formulate data driven answers to these questions, FINCA will adapt our product and marketing as needed and pilot the revised approach at three branches. To raise client understanding and awareness, FINCA also plans to launch a targeted marketing campaign.</p> <p>Upon project completion, FINCA Haiti should have 4000 clients using its TchoTcho product for loan repayment.</p>