

## GOOD PRACTICES AND LESSONS LEARNED

### OXFAM IT - HAITI

Project: Economic and social inclusion of marginalized, vulnerable and persons dependent on the informal economy, particularly women from cross-border trade zones in Haiti

**Good Practice: Financial education and creation of financial instruments accessible to informal economic operators**

#### 1. Key Areas of Good Practice

- Capacity building of the implementing agency and / or project partners, including (local) government agencies (1.9)
- Awareness raising of operators / workers in the Informal Economy and other stakeholders (4.3)
- Organisation of Informal Economy workers in officially registered associations, cooperatives or other groups (1.9)
- Community Savings and Credit Systems (3.5)
- Provide support to operators / workers in the Informal Economy to access services (social welfare services, business registration, access to formal savings and credit systems, training, etc.) (3.1)
- Entrepreneurship and Business Management Training (3.2)
- Training on Rights, Laws and Regulations (3.1)
- Support for improving occupational safety and health among workers in the Informal Economy (2.3)
- Social protection (4.4)
- Strengthening IE with attention to vulnerable groups (women, disabled people, youth, refugees, migrants, etc.) (4.6 – 4.7 – 4.8 – 4.9 – 4.11)

#### 2. Context - Brief description

##### Where the good practice was implemented:

Haiti and Dominican Republic

Peri-urban and rural areas around three border markets between Haiti and the Dominican Republic.

##### Why it was implemented:

The project context is dominated by the informal economy. Social services are extremely limited and are not accessible to most economic operators in bi-national markets.

The situation in Haiti is as follows:

- 19% of adults (> 15 years old) have an account with a financial institution;
- 47% of adults took money on credit, but only 4.6% do so through a formal institution;
- Nearly 20% of adults receive remittances from abroad.

The analysis of the situation on the border has highlighted some problems of access. The TSIs use savings services, mostly informal (tontines, solidarity associations) or formal (credit unions), but rarely banks. As far as credit is concerned, an unclear understanding of the mechanisms involved with credit is one of the most important barriers. In general, there is a brand of local service provision, especially banks, but also of several MFIs that do not serve rural areas. Informal systems such as tontines (soil in Haiti), semi-formal like solidarity associations (MUSO) and, among the

formal ones, the "Caisses Populaire", are preferred partners.

Currently, there is a deficit in the State social protection system in Haiti, the project actions promoted allowed the mapping of protection service institutions. Bi-national market potential has not had an impact on poverty reduction as benefits are not distributed evenly. The lack of basic services, information and regulations hinders the improvement of the living conditions of informal workers. Young women make up 80% of the workforce and are the most exposed to all types of abuse.

The project response:

- Allow people to understand their own needs and needs from their family budget, and then the various financial instruments, formal, informal and semi-formal, which are available
- Strengthen people's ability to choose the right financial instrument for their needs
- Accompany people in a gradual transition to more formal financial instruments

**Who was involved:**

**Who are the people who have helped (implemented) the good practice (project staff, local leaders, local leaders, community members)?**

- The project partner specialized in the theme of financial education: Microfinanza SRL
  - The strategic national players identified by Microfinanza: KNFP (Konsey Nasyonalyon Finansman Popile) for the theme of MUSO, and ANACAPH (National Association of Haitian Caisses Populaire) for entrepreneurship training.
  - Project staff: CMAH for accompaniment in financial education and entrepreneurship and GARR for accompaniment of MUSO
  - informal economic operators organised into 28 solidarity groups
- Beneficiaries: 635 people trained, 367 women and 268 men

**When the activity was implemented:**

October 2015	Presentation diagnosis of supply needs and demand for financial services on the border
March 2016	Key sectors and actors
April 2016	Action plan and involvement of KNFP and Anacaph
May-July 2016	Training cycle on designing business plans
July 2016	Selection of a financial education manager - draft of the program by Microfinanza
August to December 2016	MUSO training and creation of solidarity groups
From October 2016	Financial Education Training in the Three Zones
January 2017	Delivery of the kit for MUSO operation
June 2017	Evaluation of the first financial education training cycle
On-going	Mapping institutions capable of providing services to IST
October 2017	Presentation of the Financial Literacy Manual for Participants
December 2017	Starting second cycle training?

### 3. Level and type of innovation of the good practice

In cross-border markets, the promotion of financial education and inclusive finance is an important innovation. The innovative aspect consists in the methodology centred on the autonomy of decision of the person and on the good management of the family budget.

This puts the person at risk of using financial education as a formal institution marketing tool, with the sole purpose of increasing formal financial inclusion. Rather, the person is equipped to choose

the financial instruments most suited to his/her situation, and of course the adoption of formal instruments will be facilitated, but it is not the only objective. In addition, the approach from the family budget guarantees a holistic view of the needs of the family, in a context where income and expenditure of family and economic activities are rarely well separated. In addition, the transmission of skills for the family domain, is also effective in the management of a small economic activity.

The activity was particularly effective thanks to the simultaneous promotion of the constitution of Solidarity Mutual savings and credit among some of the participants, and the training in management of business plans with the involvement of representatives of credit unions.

#### **4. Description: processes and steps involved**

- Diagnosis of needs and needs in terms of supply and demand for financial services on the border. Appendix on the structure of the family budget
- Support for Microfinanza's financial education approach
- Selection of a Haitian expert as a reference for the activity
- Development of training modules adapted to the Haitian reality
- Development of training tools: program, games, example sheet
- Test the program on a first group of participants
- Integration with the promotion of Mutuelles de Solidarité
- Finalization of a textbook / financial education booklet for participants
- Mid-term evaluations

#### **5. Resources:**

- A technical partner with specific expertise in financial education in developing countries, and in contexts of vulnerability
- Motivated staff able to interact with local institutions, civil society organisations and informal groups, and with the capacity to understand the needs of beneficiaries and analyse them to find solutions
- A network of specialized partners in inclusive finance
- International partners and local partners who share local skills and knowledge to identify tailor-made solutions

#### **6. Sustainability of the Good Practice**

The methodology for the implementation of the activity was developed by the technical partner, Microfinanza Srl, but the action was carried out by the local partner, the CMAH, who appropriated the methodology and is able to achieve it autonomously.

The intervention of the technical partner, at this moment, becomes necessary in the case of integration of training

#### **7. What the originators of the Good Practice would do differently if they were to do it again**

An important aspect is to succeed in maintaining a logic of execution: financial education is a preliminary activity to the implementation of the social and financial inclusion strategies through Mutuelles de Solidarité, and of economic reinforcement through the promotion of entrepreneurship.