



Photo by Darcy Kieffel

Determination, Innovation, and Solid Results

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**Fonkoze Benefit in
January 2011 to Honor
Haitian People**

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With many in the U.S. asking the question, “where has all the money gone?” the Fonkoze Family of institutions can proudly say we put all generous donations to effective use by rapidly implementing quality programs on the ground. And, even in the midst of post-earthquake challenges, we launched new programs to meet the needs of Haiti’s most vulnerable.

Kore Fanmi Fonkoze

Kore Fanmi Fonkoze, which is Haitian Creole for “Program to Reinforce the Fonkoze Family,” was Fonkoze’s program for members following the earthquake. The program was based on a catastrophic insurance product Fonkoze was about to roll-out when the earthquake struck. Working with partners, Fonkoze was able to provide benefits to its members as if they were already covered by catastrophic insurance.

All members of Fonkoze — members who paid their initial membership fee of about \$6 and were in good standing — were eligible to be considered for participation in the program. This included clients who had a loan on the day of the earthquake and those who did not. Members who

belonged to the ten most affected branches were automatically eligible for benefits while members living outside the earthquake region qualified if they lost their home, business, or both.

There were four core components in the program:

- All qualifying members received a 5,000 HTG (about \$125) cash indemnity payment intended for livelihood recovery, housing and food;
- All qualifying members who had a loan on the date of the earthquake received a reimbursement of their outstanding balance on January 12, 2010;
- All qualifying members were eligible to take a new loan if they were ready;
- Participating members are completing a new education course in disaster preparation, catastrophic insurance, risk mitigation, and home repair and rebuilding.

By the end of September the program was complete, with 19,103 Fonkoze members receiving a small grant. An additional 8,956 members who were hosting family who had fled Port-au-Prince received the same small grant. 10,031 loan reimbursements were made for members who held loans on January 12 and 10,869 new loans were disbursed to earthquake victims and host families. All recipients are participating in risk management education.

Kore Fanmi Fonkoze was made possible by support from American Red Cross, Mercy Corps, Citi, the Dioceses of Miami and Orlando, Opportunity International Germany, and many others.

Operations, Staff and Services

Fonkoze provided financial support for 470 staff that lost homes. Tents, backpacks, tarps and supplies were provided while trauma was addressed with psychological support. With the support of the Inter-American Development Bank, ten offices were rebuilt or repaired, and 3 new branches opened. The transfer department went from a five

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FONKOZE
Branch Offices

Creole / French

Ansapit / Anse-à-Pitre

Beladè / Belladère

Bizoton / Bizoton

Bomon / Beaumont

Boukànkare / Boucan Carré

Ench / Hinche

Fòlibète / Fort Liberté

Fondeblan / Fond-des-Blancs

Fondwa / Fond-Oies

Fonvèret / Fond Verrettes

Gantye / Ganthier

Gonayiv / Gonaïves

Gwomòn / Gros Morne

Jakmèl / Jacmel

Janrabèl / Jean Rabel

Jeremi / Jeremié

Kabarè / Cabaret

Lagonav / La Gônave

Latwazon / La Toison

Lavale / La Vallée

Lenbe / Limbé

Leyogàn / Léogane

Marigo / Marigot

Mibalè / Mirebalais

Milo / Milot

Miragwàn / Miragôane

Montòganize / Mont Organisé

Okap / Cap-Haïtien

Okay / Les Cayes

Okoto / Les Coteaux

Piyon / Pignon

Pòdpè / Port-de-Paix

Pòmago / Port Margot

Ponsonde / Pont Sondé

Pòtoprens / Port-au-Prince

Sen Michèl /
St. Michel de Lattalaye

Sodo / Saut d'Eau

Tirivyè d'Nip / Petite Rivière
de Nippes

Tomonn / Thomonde

Twen / Trouin

Twoudinò / Trou-du-Nord

Tyòt / Thiotte

Wanamant / Ouanaminthe



Dear Friends of Fonkoze:

Wè jodi, men sonje demen. See today, but remember tomorrow is coming. We see today — the remaining rubble and devastation from the earthquake, the thousands afflicted and dying of cholera, the flood waters of Tomas. We see today, but know tomorrow is coming. We know because of your outpouring of support. You give us strength and courage to forge ahead.

That is just what we have done. We pulled together quickly after the earthquake, determined to never close our doors. We expanded current programs and implemented new ones.

We made significant strides with post-quake efforts, especially with our recovery program for members, *Kore Fanmi Fonkoze*. Based on a version of the catastrophic insurance program not yet fully launched, *Kore Fanmi Fonkoze* was implemented so that some 20,000 qualifying Fonkoze members who lost their home, businesses, or both, could recover.

Our core programs continue to thrive. Especially in the wake of the cholera outbreak, we are evolving our health, nutrition and education programs. Fonkoze staff working in the programs for the poorest, are traveling to the far ends of Haiti to recruit thousands of new participant families. Two very moving essays in this newsletter highlight this important work to end this kind of poverty in Haiti.

And, bravely responding to member's needs even in the wake of this year's challenges (or precisely because of this year's challenges), staff implemented new and innovative programs. Among these programs are catastrophic micro-insurance; a new contact center for distribution of funds; and a new website, *Zafèn*, a window into Fonkoze's budding work with Haiti's small-and-medium-sized enterprise sector.

Please join us on January 10, 2011, when Fonkoze will host a commemorative event in New York City to honor the courage of the Haitian people and raise critically needed funds for our programs, especially our programs for the poorest.

Wè jodi, men sonje demen. See today, but remember tomorrow is coming. In Haiti, and at Fonkoze, we know tomorrow is coming. With your continued support, Fonkoze will continue its critical role in Haiti's tomorrow.

With much gratitude,

Father Joseph B. Philippe, CSSp

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MEMBER PROFILE

Walking with Elie: Serving Haiti's Most Remote Families

By Steve Werlin, Assistant Director Chemen Lavi Miyò

Fonkoze's Chemen Lavi Miyò, (CLM) or the Road to a Better Life, reaches out to those on the margins of society. It is the first step on Fonkoze's Staircase out of Poverty, and targeted toward women who have no productive assets, and are not yet ready for microfinance. Throughout the 18-month program, case managers support members as they learn to run a small business, repair their homes and access health care and education services. Participants develop both their capacity and their confidence until they have their own functioning micro-enterprises. Fonkoze is currently qualifying 1,000 new members into this important program.



The remote area of Tit Montayn



Elie... "a boy who knows a lot."

Deniza is the easternmost corner of Tit Montayn. It's a tough, two-hour hike over a steep mountain pass from Bouli, the region's central village and the location of our CLM team's base. The route passes along a waterfall, where it's steep and narrow enough that pack animals — horses, mules, donkeys — can't make the trip. They have to go over a higher, but easier, ridge. Deniza is especially mountainous, even compared to the other parts of Tit Montayn, thickly threaded with steep, rocky ravines. Hiking around Deniza is hard work for those unused to it.

But it's also a populous area with several small villages and plenty of households scattered throughout the farmland that spans the slopes that separate them. There's been a lot of work for our CLM team to do in Deniza to blanket it with our member selection process. We created a temporary secondary base in Deniza to help us as we conduct wealth ranking meetings and both preliminary and final verification visits.

As always, the final stage of the work involves re-visiting households whose residents were absent the first or second time we went by. It's frustrating work because you can pass by a house any number of times in vain. Especially right now,

when the folks across Tit Montayn are especially busy with their farms.

On my first full day in the region, I was to go with Lenord, one of our case managers, to Mablanch, Pay Diri, and two or three other neighborhoods well over an hour away from our base.

I was chagrined when I learned that Jean Romain would not be available to join us. He needed the day to take his daughter down to Boukankare so that she could be measured for her school uniform and he could pay her school fees.

Jean Romain is the newest member of the team. When we decided to enter Tit Montayn, we thought that work in so remote a region would be much easier if we had someone on the team with real local knowledge. So we hired Jean Romain, who grew up in Deniza as the son and grandson of important local leaders, and he's been a key member of our team ever since.

Without him, I thought our trip to Mablanch would be a miserable affair. Lenord was not one of the case managers who had been to the houses the first time, so he knew them no better than I did. We could have used the map that was produced at the wealth ranking session, but that would be challenging because the maps tend, in the best of circumstances, to be only moderately accurate and

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would surely be less so in Deniza, where the terrain is so irregular as to make any mapping hard.

There are no roads in Tit Montayn, only footpaths. Right now, at the peak of the fall harvest, in a year that's had plenty of rain, the paths are almost invisible if you don't know them. They're entirely overgrown with the grasses that cover the uncultivated areas here. It grows over six feet high. Without someone who knows their way around, it's hard to find anything.

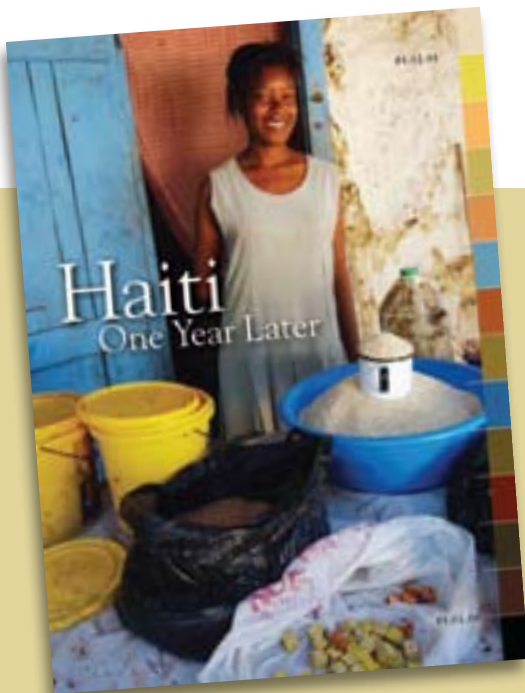
Jean Romain, however, showed no sign of concern. He would send us with Elie. Jean Romain is 29, his parents' eldest child. Elie is their youngest. He's eleven, and doesn't look a day older than that. So when Jean Romain told us that Elie would be our guide, I was more than surprised.

Now, I know that children grow up differently in different cultures. An American child is not a Haitian child. And even within Haiti, there can be big differences among the various ways that children grow up, differences that greatly affect what they are able to do and when. But I was still

surprised to find an eleven-year-old able to guide two strangers through a maze of footpaths in an area more than an hour from his home, able to hike with us uncomplainingly for over six hours through bright sunshine and heavy rain. He led us to the homes of people he barely knew, people who didn't know him at all until they asked him who his father was.

But that's what Elie did: speaking only when spoken to, waiting patiently for Lenord and me when we fell too far behind, carrying Lenord's water, but not presuming to drink any until it was offered to him, not eating a thing except an occasional wild guava until we all got back to the base and could eat together. When we returned to his parents' house, he was giddy, pleased with himself for having discovered a series of little paths that he hadn't known about before.

Elie is in school. He's scheduled to leave Tit Montayn next week for his family's house in Boukankare, where he'll spend weekdays throughout the school year. He'll hike home some weekends, but told me that he'll stay down in Boukankare sometimes, too. The five-hour hike to get home is long. He's fallen behind some in school, but not very far behind. He has to repeat third grade this year. Last year, he didn't pass. But for all the academic skills that he may lack, he's clearly a boy who knows a lot. ■



"Haiti One Year Later" January 10, 2011 New York City

A Fonkoze Benefit to Honor the Haitian People

Join **Dr. Paul Farmer** of Partners in Health, **Nicholas Kristof** and **Sheryl WuDunn**, authors of *Half the Sky*, **Elizabeth Littlefield**, President and CEO of OPIC, and **Anne Hastings**, CEO of Sèvis Finansye Fonkoze to honor the courage of the Haitian people and to raise critically needed funds for Fonkoze's role in the rebuilding of the country. Visit www.fonkoze.org for more information.

STAFF PROFILE

Facing Dangers on the Job, Staff Remain Committed to Members

By Steve Werlin, Assistant Director Chemen Lavi Miyò

In another moving essay written last August by CLM Assistant Manager, Steve Werlin, we are reminded just how dangerous the work of a CLM case manager can be. Sadly, two weeks ago, one of the survivors of the boat accident described here, Nicolas Seraphin, died in a motorcycle accident near Mibale.

The mountaintop chapel in Piton, a very rural community within Fondwa, was badly damaged by January’s earthquake. About a third of the back wall remains, just a triangle of cinder blocks covering the lower left-hand corner. The other walls, though cracked, still mostly stand, but sitting within the chapel you feel as though you are in a ruin, a ruin still doing the work it was built to do.

Fondwa, in mountainous southeastern Haiti, is about four hours away from the region where we do our work. The CLM team went there to attend a funeral. Franck Laurore, one of our new case managers, was killed on the job last Thursday.

Laurore was part of a team of four who had been assigned to collect data in an area called “Tifon.” Tifon is on the far side of the lake in Peligre that was formed when a hydroelectric dam was built in the 50s. The team had been working there for several days. Like other teams that are in the field right now, they were following up community meetings, identifying families who are poor enough to need our help. Each day, three of them would take a canoe-ferry over and back across the lake while Laurore would walk. The extra hike would take him over an hour each way, but Laurore couldn’t swim, so he was afraid of the boats. Most of them are dugout canoes

no reasonable person would believe in. All that extra walking makes a big difference in a day’s already hard fieldwork.

Thursday, Laurore was exhausted. The team had been hiking all day up and down Tifon’s steep hills. The food and water they brought with them had run out. When they got back to the lake at the end of the day, his partners were surprised to see Laurore negotiating the price of the crossing with the oarsman. He was just too tired for the extra hike.

They got most of the way across the lake when a freak storm appeared. Its high winds swamped the boat. Two of the team members were able to swim to safety. A third man, who cannot swim, was saved

because the wind blew them so close to the dam that a bystander was able to climb down and throw him something to grab hold of. Laurore panicked and went straight to the bottom. We recovered his body two days later, when it finally floated to the surface, just a few feet from the dam.

Laurore was 29, his aging parents’ sixth and youngest child. Our team met to plan the funeral with the older sister and brother-in-law whom he lived with while he went to high school. They had lots of understandable questions about their little brother’s death, but the most striking thing about the meeting was their very vocal determination that Laurore’s work continue. Even in his first months with the team he had apparently told them enough about what we do, enough about the desperate poverty of those we serve, to convince them of the work’s importance.

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Photo by Bethony Jean François

Franck Laurore

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And the work is continuing. By Tuesday all the teams but Laure's were back in the field. Two of that team's three surviving members are still too shaken to work, but the other was studying the remains of their soaked-through documents to determine what of their data can be salvaged and what must be collected all over again.

Our team's members have been very badly shaken. But their determination is keeping them

on the job nonetheless. César, another of the new case managers, explained this well. "When you see the way a woman like her is forced to live," he said, "it's easy to keep your mind on the job you need to do."

Although we know we will lose some of our program participants — their intense poverty can be deadly in any number of ways — we don't expect to lose staff. Laure's death robbed us of our most precious resource. ■

Cholera Outbreak in Haiti

As this newsletter goes to press, well over 1,000 people have died from cholera while thousands of others have suffered from the disease. Haiti's rough terrain, poor road network, and the remoteness of many of its people creates an enormous public health challenge. Many people live a full day's travel away from a health clinic, but cholera can result in death within just four hours of the beginning of symptoms.

Fonkoze's 43 points of service are further broken down into nearly 2,000 centers, locations where Fonkoze members meet at least every two weeks not only for loan repayments but also to receive education, health services, and to participate in solidarity. Fonkoze has instituted the following response through this center network:

- Fonkoze is training 28 employees as trainers who will teach every single center "chief," the members who are elected to their center, about cholera education. These center chiefs have access to cholera response kits that include oral rehydration solutions, aquatabs, and chlorine. Each serves either the purpose of preventing cases of cholera or managing cases until the patient can reach a clinic or hospital;
- Staff has rapidly assembled a special education module that can be delivered at center meetings which explain exactly how to use these supplies and educate the members of the center about cholera

and how it is transmitted. Members are encouraged to spread this information in their communities.

Through these efforts, Fonkoze hopes to prevent about 4,000 cases of cholera based on current estimates of the number of members who may succumb to the disease. While cholera is likely to linger in Haiti for many years to come, it is a preventable and treatable disease that should not result in the loss of life.

Not a stranger to crisis, Fonkoze has mobilized all

of its resources to not only protect and help its employees and members but to help fight the spread of the disease in all of the communities where we work. As there is no highly effective vaccine for cholera, the best course of action is to fight the spread of the disease and to provide access to resources needed to recover from cases of the disease. This includes education about purifying water, wash-



Fonkoze's Director of Health Programs Nicole Muller Cesar teaches members good health habits at a center meeting.

ing hands and food, cleansing the those who have died, and hydrating while rushing to the nearest medical clinic.

Each center is a long-term association of 30 to 50 women, and is located close to the place that they live. This makes them perfect locations to provide other services, especially emergency services like education about cholera and the essential supplies that they need to protect themselves and manage the disease in their community.

Fonkoze is leveraging its existing network to transport solutions and information to every corner of Haiti. These and the efforts of thousands of others throughout the country will help to contain this tragic epidemic. ■

Micro Insurance: Managing Risk in Member's Lives

By James Kurz

Plagued by tropical storms, floods and hurricanes that have killed hundreds of thousands of people and left even more destitute, Haiti has a long history with Mother Nature. Every two years, and sometimes more often than that, the country is inevitably struck by serious natural disasters. Haiti's poor, already vulnerable, struggle to cope with assets



washed away, family members lost, and the challenges of simply staying alive while waiting for the disaster to end.

Fonkoze realized several years ago that its members needed tools, like those available in the developed world, to safeguard against devastating risks, especially the loss of key family members. In 2008, Fonkoze and partner Alternative Insurance Company of Haiti launched the country's first life and credit insurance for microfinance members. Fonkoze pays the premium for this program, which entitles all Fonkoze members who die to an indemnity payment of \$125 for their named beneficiary and the repayment of their debt so neither their family nor their solidarity group is left with repaying the debt.

Yvonne Exile is a Fonkoze member in Mirebalais, a rural town in Haiti's Central Plateau. "I love this insurance so much that I consider it my husband," she says. "Normally, it is your husband's responsibility to repay your loan in the case of death, but with AIC, the insurance takes this responsibility. For me, that is huge." This micro-life-insurance has helped hundreds of families of Fonkoze members since it was rolled out, but it does nothing to help members who lose their businesses, their homes, or their assets in a disaster.

One of Fonkoze's members from the northern city of Gonaives spent almost a decade successfully working her way out of poverty. With microfinance loans, she created a business selling plastic containers. In 2004, she and her children watched from their roof as flooding from a tropical storm

washed away her livelihood. But she didn't give up. She rebuilt her business with another micro-loan and another, proving that her spirit, while bruised, was not broken. Then in 2008, she again lost everything and had to start over.

This vicious cycle traps so many in Haiti. Having thousands of our members suffer through similar stories

following storms and turmoil, Fonkoze turned to innovation to help members stay on the staircase, even when disaster strikes. So in 2009, Fonkoze, again in partnership with AIC, started to develop catastrophic insurance for its members—unfortunately not quite in time to be ready for Haiti's largest natural catastrophe, the earthquake of January 12.

With the support of partner Mercy Corps, the American Red Cross, and others, Fonkoze evaluated the lessons it had learned in responding to the hurricane season of 2008 and listened carefully to the needs of its members through focus groups and surveys. The task force assigned to the response realized that Fonkoze could both meet the short-term needs of its members and test a long term solution at the same time. The result was a simulation, a payout of benefits "as-if" all members were covered by insurance on January 12, of catastrophic microinsurance called "*Kore Fanmi Fonkoze*" which is discussed in the cover article of this newsletter. Most members used the indemnity payment they received to invest in restarting their business, obtain food and water, and improve their shelter.

Just this fall, Tropical Storm Tomas destroyed the crops, homes and livelihoods of members in flooded areas, underscoring the need for a solution. With the support of organizations from around the world, Fonkoze is working harder than ever to make catastrophic insurance a reality. In December, Fonkoze and its international partners will announce details of an innovative approach to catastrophic microinsurance that will benefit not only the members of Fonkoze but all of Haiti's poor. ■



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person staff to thirteen, and paid \$73,099,389 in remittance transfers for a total of 156,740 payments between January and September.

Fonkoze took on additional income-producing programs to create jobs and meet critical needs in Haiti, providing payroll services for tens of thousands of workers in cash-for-work programs. By the end of September, Sèvis Finansye Fonkoze and Fonkoze together were providing financial services to 43,000 loan members and 220,000 savings members.

Health, Education, and Programs for the Poorest

With the support of The Mastercard Foundation, Fonkoze staff in the Central Plateau are working hard to identify 1,000 new *Chemen Lavi Miyò* (CLM) members and 2,000 new *Ti Kredi* members. CLM and *Ti Kredi* are Fonkoze's programs for the poorest and the very poor respectively, and part of the post-earthquake commitment to address migration and stimulate the economy in rural areas. The CLM team carrying out this work continues to show remarkable motivation even in the face of recent deaths of two members. The CLM team even provided a summer youth camp for more than 800 children of CLM members in the Central Plateau.

Fonkoze continues to accompany members with programs addressing poor access to health-care, nutrition, and education. While funding for education programs waned in the post-earthquake environment, Fonkoze has still managed to enroll almost 6,000 members into this much-sought-after program. While initiating a program to fight cholera, Fonkoze's health department is

carrying out the second round of de-worming campaigns for CLM and *Ti Kredi* members' children, while also distributing vitamins.

New Programs and Innovations

Even in the face of very challenging circumstances after the earthquake in Haiti, Fonkoze introduced new initiatives. On April 1, Fonkoze and partners launched *Zafèn*, a project to identify, develop, and finance small and medium enterprises (SMEs) across Haiti. The project features a website dedicated to connecting individuals worldwide with these sustainable investment opportunities. The goal in the coming year is to share 300 creditworthy SMEs with other stakeholders interested in targeting this important sector. The *Zafèn* website has already fully funded 34 projects for a total of \$162,125. Please visit the website at www.zafen.org.

The Diaspora has been particularly engaged in *Zafèn* through the Haitian Hometown Association Resource Group, which also secured funding to enable Diaspora groups to invest in SMEs in Haiti, and leverage this investment through micro-franchising.

Finally, Fonkoze will soon launch a catastrophic insurance product. After watching members rebound from the 2008 hurricanes, and then the earthquake, it has become clear that our members cannot continue to build assets and improve their lives, only to see it all destroyed in the blink of an eye. There must be an integrated, comprehensive approach to help Haitians manage the inevitable risk in their lives.

"Where has all the money gone?" At the Fonkoze Family of institutions, it has been put toward creating solid results for Haiti's future. ■