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Global Partnership Mobilized Following Anti-Poverty Summit

By Ethan Casey

Global leaders in the field of poverty reduction met November 14-19, 2004 in Thomonde, a remote village in central Haiti, to collaborate on a plan for

Fonkoze's Director, Anne Hastings, was inspired to plan and organize the ambitious summit of expert practitioners in poverty reduction by a conversation with Zanmi Lasante founder Dr. Paul Farmer, who told her: "I'm tired of

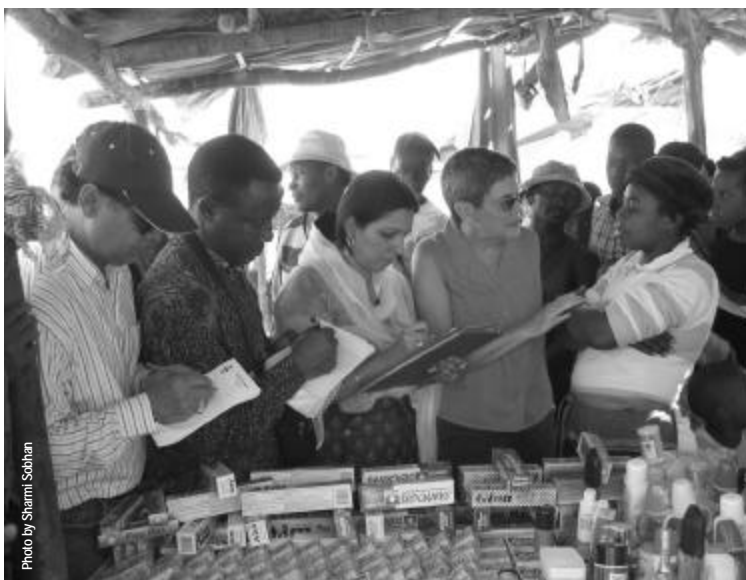


Photo by Sharmi Sobhan

Global practitioners talk to Fonkoze clients in the marketplace.

bringing people on the edge of death from tuberculosis, AIDS or other diseases to the point where they can become economically active, then watching them suffer because they have no way to make a living."

"The summit enlisted international experience to shatter the myth that we don't know how to bring people out of extreme poverty," said Anne afterwards. "No one

can tell us anymore that it's impossible."

can tell us anymore that it's impossible."

eliminating extreme poverty in Haiti within 10 years. Fonkoze and Zanmi Lasante, Haiti's leading non-governmental provider of rural primary medical care, joined efforts with Haitian and global partners and experts in health and microfinance, as well as in community mobilization, education and training, water, sanitation, and agriculture. The experts came from as far away as Bangladesh, Cameroon, Bolivia, as well as the Dominican Republic.

The initiative launched by the summit will replicate BRAC Bangladesh's pioneering model for reducing extreme poverty. It's inspired as well by the experience of the other global experts - H.A. Shah Newaz of Grameen Bank, Simeon Numbem of Afriland First Bank in Cameroon, and Neisa Vasquez of Pro Mujer in Bolivia - and will be adapted to the local Haitian context. Realizing that

(Continued on page 5)



Fonkoze
fondasyon kole zepòl

2005 is the International Year of Microcredit.

Let's make it a success!

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My dear friends,

Today I am making two New Year's resolutions for myself: to keep hope alive and to stay alive. Neither will be easy. All around me in my neighborhood, in my city, and in my country, hope is dying and people are dying – needlessly. It is tragic that Haiti, after 200 years of struggle, is in the situation that it is in today. Where dead bodies lay in the streets uncollected for days, as they do in my neighborhood. Where thousands of people are buried in mass graves after the floods in Mapou, Fonvèrèt, and in Gonayiv.

Many people believe that the source of the violence we are living with day in and day out are the gangs in the street. They are not the source of the violence – the single reason there is so much violence in this country today is that so many people have been excluded, marginalized, treated as worthless for so many years. Throughout our history, people living in the slums of Port-au-Prince or the rural areas of the country have not counted for anything in the minds of those in power in this country and in the powerful countries of the world that control us.

Why is it that when we see a gang member with a gun, we call it violence – but when we see hunger, we don't call it violence? Why don't we see homelessness, infant mortality, illnesses that go untreated, lack of access to clean water as violence of the worst kind – violence against humanity? Violence of this type is totally unnecessary. If we would simply address it with the knowledge and tools and wealth that we already have, we could rid the world of this type of violence. Would we still have 13-year-olds with guns in their hands, as I have in my neighborhood today, if we did? No, I don't believe we would.

Haiti has lots of enemies. Its enemies include countries and institutions that pledge dollars to help us address the violence against our people with education, health care, infrastructure, training – and then don't honor their pledges.

Fortunately, we have many more allies – allies like you. You are the ones who give us hope. When I see the dedication and commitment you have demonstrated over the last 10 years to help us build Fonkoze – which is a beacon of hope in Haiti – I feel confident that we can reconstruct this little country we all love so much. When I see that indeed you want to accompany us in our liberation, it gives me hope.

What's important is that we all work together for the independence of Haiti's people, not for their dependence. Help us to keep hopelessness off the faces of Haiti's children, its young people, its mothers and fathers, and its elderly. Let's make 2005 a year of reconstruction in Haiti.

With appreciation for all you do,

Joseph B. Philippe, CSSP

Coordinator, Fonkoze and President, Sèvis Finansye Fonkoze, S.A.

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Meet Louis Prezeau: Banking on Haiti

A Haitian American Making a Difference

The Haitian Diaspora is often known as the ‘tenth’ department of Haiti. Many are actively involved in the development of their country. Louis Prezeau is an excellent example of a member of the Diaspora who is making a difference in the lives of Haitians and Haitian Americans by helping to facilitate the flow of remittances from the Diaspora into Haiti.

Louis Prezeau left Haiti with his entire family in 1960 due to political insecurity and settled in New York. As a determined young man, Louis then put himself through college, taking night classes while working various jobs. At the same time he was raising three children with his wife, Ramona. Louis studied public accounting at Baruch College and upon graduation, went to work for an accounting firm and eventually became a certified public accountant (CPA) in 1970.

In 1975, Louis entered the field of banking by joining Freedom National Bank where he worked as a Controller.

Moving up the ranks, Louis eventually served as the bank’s acting President. Due to his strong management skills and financial acumen, he was approached by City National Bank of New Jersey (CNB) where he became, and remains, President and CEO since 1989. CNB’s



Louis Prezeau with his wife and grandchildren.

help Haiti and I just felt that if they were willing to do that, as a Haitian-born, I should really lend some support.”

Louis recognized that the two institutions shared broadly similar missions – providing access to credit to people who were deserving but did not meet the criteria of traditional financial institutions. “I think that Fonkoze’s work in adult literacy and micro-credit to those without access, such as the *ti machann*, is a worthwhile and admirable cause.”

Fonkoze approached Louis to see if he could help them figure out how to set up a low-cost, efficient money transfer service that would allow Haitian Americans to send remittances back to their families in Haiti. They formed a partnership and Fonkoze’s money

transfer service kicked off operations in 1998. What convinced Louis to get involved? “Fonkoze had offices in very remote sections of the country where people wouldn’t normally have access to wire transfers. I thought that made a lot of business sense.”

In addition to supporting Fonkoze’s money transfer service, Louis is also an investor in Fonkoze Financial Services. “One of the attractions of being part of Fonkoze is that they have a social commitment and operate in a business like manner. I felt it was a worthwhile investment.”

“One of the attractions of being part of Fonkoze is that they have a social commitment and operate in a business like manner.”

primary mission is focused on providing its immediate community with banking services, which may be unavailable to them through larger institutions. Ranked as one of the country’s top ten African-American owned and operated financial institutions in the United States, CNB currently has branch operations serving New Jersey’s Essex, Bergen and Passaic counties and New York’s Nassau county, Harlem and Brooklyn communities.

Louis was first introduced to Fonkoze in 1997 when he met Anne Hastings, the Director and Father Joseph, the Coordinator. His initial thoughts following that meeting were, “I was really excited to see their commitment to

“I feel very fortunate. I come from one of the poorest countries in the world. I come from a family that was not poor, however, I still worked hard to get my education and succeed at my profession. God’s been good to me. If I can give a little back, that’s the least I can do.”

Celebrating Our Clients by Connecting Them to Their Families in the US and Canada

By Lorelei O'Hagan

This year Fonkoze is celebrating 10 years of service in Haiti. We want to show our clients our appreciation for all they've done to help us, so we have been organizing "Fonkoze Family Days" in each of the areas in which we have a Fonkoze branch. We also have been using the occasion to promote our award-winning money transfer service. In June, we began our Family Day campaign on the island of Lagonav to reach both of those goals at the same time.

Family Day is a full day event in which we give a free, five-minute telephone call to the US or Canada to every Fonkoze client who has a savings account with us or wants to open one on that day. In addition, we provide refreshments and celebrate our tenth birthday. While our clients enjoy connecting with family and friends, we are learning where in the US and Canada our clients have friends and family.

Many Haitians, even from the most remote, rural areas have family living abroad, and a good percentage of those send money back to Haiti. Remittances are a lifeline for many Haitians. Fonkoze's money transfer service offers the lowest rates available to transfer funds, and we'd like to let our clients' families and friends know about it.

Depending on the resources in each town, we rent a cyber café; set up cell phones, satellite phones or rent space at public calling centers so that our clients can reach their families without having to travel too far. The great majority of our clients do not have access to phones and many have never been inside a cyber café, so we have our local branch staff and Port-au-Prince staff at every calling center to facilitate the calls.

One elderly woman in Lagonav made the first phone call of her life.

One elderly man handed over a crumpled piece of envelope with a phone number scribbled on it. He couldn't



A Fonkoze client phones her family in the U.S.

read it, but he knew what it was. He spoke to his son in Boston after 4 years of their not talking to one another.

Another client brought her neighbors, who were not yet clients, to open accounts. She was so proud to say that she had been trying to get them to come to Fonkoze for a long time. They all made calls to family in the US.

One elderly woman on Lagonav made the first telephone call of her life! Another woman spent her entire phone call talking about Fonkoze holding Family Day rather than catching up with her family! The smiles and laughter have made it all worthwhile to everyone involved.

To date, we have gone to all but three of our branches. Almost every weekend teams from the Port-au-Prince office have been caravanning to the farthest corners of Haiti: up in the mountains on the road to Jakmèl, near the beach in Okay, or on the Central Plateau in Ench. The local staff at the branches are very enthusiastic, even though it means working all day on a Saturday or maybe even a Sunday, because they are opening new accounts, getting the word out about Fonkoze, and seeing big smiles from their clients. Since the start of Family Day we have opened almost 1,000 new accounts and have connected over 1,700 clients with loved ones far away.

Want to send money to Haiti? Just call 1.800.293.0308 to learn how.

Key Indicators September 30, 2004	Fonkoze Financial Services	Fonkoze: the Foundation	Consolidated
Number of branches	14	6	20
Number of Loan Clients	22,673	3,132	25,805
% Female (solidarity loans)	98%	98%	98%
Loans Outstanding (\$US)	\$2,957,579	\$685,932	\$3,643,511
Savings Balance (\$US)	\$4,507,858	\$485,950	\$4,993,808
Number of Savings Accounts	56,294	7,411	63,705
Portfolio at risk > 30 days	2.8%	5.0%	3.3%
Loan Loss Ratio	0.15%	0.43%	0.21%
Loan Clients/Credit Officer	420	361	379

Note: In the last issue of Nouvel Fonkoze, we discussed the split between Fonkoze (a not for profit foundation) and Fonkoze Financial Services (a commercial microfinance institution). Even though there are now two separate institutions, they continue to operate in a mutually reinforcing way. If you would like to view the article again, please visit our website at www.fonkoze.org.

DEFINITIONS

Portfolio at risk >30 days = total balance of loans overdue > 30 days / average portfolio outstanding
 Loan loss ratio = loans written off / average portfolio outstanding

Global Partnership Mobilized

(continued from page 1)

extreme poverty in Haiti is not homogenous, the summit participants designed new programs specifically targeted to the most vulnerable: households living with HIV and tuberculosis, as well as extremely poor families.

"We will crush the cycle of extreme poverty on the Central Plateau within five years," predicts Anne, "by replicating BRAC's program, which has already demonstrated a 75% success rate for \$291 per person over a two-year period. Their program consciously couples enterprise development training, social development, health care, legal services and financial services with short-term stipends to reduce hunger and one-time asset transfers of productive assets like chickens or goats. By the time participants complete the program, they are fully prepared to enter a regular microcredit program and succeed."

Fonkoze chartered a 13-seat airplane to fly most of us to the mountain town of Hinche, and the rest came by dirt road over treacherous mountain roads, six hours from Port-au-Prince. On Saturday, November 13, we met in Cange with Paul Farmer, who offered drinks and a toast: "Cheers to poverty reduction!"

As he always does, Dr. Farmer cut to the heart of things: "How do you ask poor women who are sick or just recovering from sickness to go out and succeed in a faltering economy?" he asked. It was not a rhetorical question.

Rabeya Yasmin of BRAC replied, "You cannot - not with microcredit alone. They need far more than that, but we do know what they need."

The implications are global. As Anne Hastings told BBC reporter Hannah Hennessy at the press conference in Port-au-Prince on Friday, November 19: "What we're trying to do in Haiti is target a country of manageable size, one and a half hours from the richest country on the face of the earth, and take all that we've learned globally and put it into practice in one department of this country."

Dr. Robert Davis, Senior Vice President, Program Services for Freedom from Hunger, who served as one of the summit's facilitators, was among the many participants who left Haiti after six days full of enthusiasm and renewed commitment. "This marks the beginning of the globalization of the anti-poverty movement," he observed. "We're adapting proven models from around the world to solve extreme poverty in Haiti."

In addition to Fonkoze and Zanmi Lasante, the organizations committing to the partnership include: Concern Worldwide, Freedom from Hunger, Project Medishare, Fonkoze USA, DAI/FINNET, DAI/HAP, Save the Children, Plan International, Haiti Outreach, MEDA, Grameen Foundation USA, as well as the four institutions represented by the global practitioners: the Grameen Bank, BRAC Bangladesh, First Afriland Bank, and ProMujer Bolivia.

Reflections from Haiti: Fonkoze USA 2004 Delegation

By Theresa Smolen

Reading about Haiti and visiting Haiti are two very different experiences – first, because you can't hear and smell a news article and second, because the media doesn't present all facets of this island country – only the negative news of political unrest, violence, and disaster. There's much more to Haiti than these headlines.

During my 10-day visit as part of Fonkoze USA's delegation, I saw the highlights of Haiti from Port au Prince



Delegates Theresa Smolen and Patty Pierce with Fonkoze clients.

to Fondwa and Jacmel to Fermathe, from the busy streets, dusty rutted roads and brown hillsides dotted with trees, to the colorful clothing worn by many Haitian people and their willingness to talk with visitors. Poverty is difficult to see, but when you talk to Haitians and see their resilience and resourcefulness, you also see they are rich with potential

and hope.

The ti machann (women street vendors) juggle family and work and still make time to participate in Fonkoze's activities. The business development clients talked about

"The delegation with Fonkoze showed me that organizations like this, standing shoulder to shoulder with the Haitian people, are making a difference."

their business goals and how loans from Fonkoze have helped them. Their determination is inspiring as they talk about obstacles as challenges to be overcome.

The ti machann said they save so that one day there's the possibility that they have enough savings to say to Fonkoze, thank you very much, but I don't need your help anymore. They do not dream of big things like cars or vacations. Most of them expressed the goal of being able to send their children to school. Education and a better life for their children is the common dream.

There is activity from early morning until evening whether you are in the countryside or in Port-au-Prince. The U.S. elections, UN peacekeepers, armed Haitian police and news of killings in Cite Soleil and Bel Air haven't changed the fact that life goes on for those still alive.

I see the potential of Haiti and know there is hope. If there's anything Haitians have acquired from their circumstances – it's patience. It is a difficult road, but the delegation with Fonkoze USA showed me that organizations like this, standing shoulder to shoulder with the Haitian people, are making a difference.

Fonkoze's Assistance to Flood Affected Areas

Fonkoze and Fonkoze USA would like to thank all of our supporters who responded to our appeal for hurricane relief assistance. The response has been just overwhelming.

Since the hurricane, Fonkoze has worked hard to meet the needs of employees and clients affected by the floods. We are pleased to report that all of our employees whose homes were lost or damaged are now relocated in adequate housing with our assistance.

Many of our clients have received new loans that will enable them to get their businesses back on track. These loans are specially structured to meet client needs with extensions in the loan term and a zero interest rate. In addition, our credit officers will provide technical assistance and close supervision.

For those clients who lost their lives, Fonkoze has forgiven their loans and hopes to be able to give their families a small death benefit. In addition, in 2005, Fonkoze plans to pilot a new life insurance product for all of its clients. **Your support in making life insurance a reality for our clients is essential to its success. Please donate now to help us to develop this crucial product for our clients.**

Meet Roselene Bellevue: Making People Beautiful in Jacmel

By Theresa Smolen

An elegant woman in a professional white smock and a pink apron worked cream into a seated woman's hair, surrounded by students eagerly watching and learning. Fonkoze client Roselene Bellevue works seven days per week and splits her time between her beauty salon, Studio De Beaute, and her School of Cosmetology next door.

of 50,000 gourdes, Roselene was able to buy additional merchandise such as beauty products for the hair and face.

Roselene currently has so many students that she has had to turn people away. Government administrators from the Bureau of Social Affairs in Jacmel test her students and issue certificates for those who pass. She makes sure they

is teaching. "I like to teach," said Roselene. "I want to see the profession spread."

When asked why she chose her

"All the objectives I've reached so far, I couldn't have reached without Fonkoze."



Photo by Sharmi Sohan

Roselene Bellevue in her beauty salon in Jacmel.

Roselene started her business with her own money in 1998 and opened the school in 2001. She joined Fonkoze's business development program in 2003. This program encourages the growth of small businesses in the provinces of Haiti in order to encourage rural employment and stem migration into Port-au-Prince. With her first loan

are ready for the test by providing both theoretical and practical education, as well as giving tests herself. She teaches four days per week for three to four hours each day and then returns to her shop, located downstairs, to provide beauty services to her clients. Roselene employs one person to help in the shop while she

profession, Roselene explains, "I knew that once I finished school, I wanted to go into beauty school. My role is to make people beautiful."

In 2004, Roselene received her second loan, double the amount of her first loan, but because of the situation in Port-au-Prince, has not been able to utilize it fully. Her plan for this loan is to buy in bulk so that she can act as a wholesaler and sell to other beauty shops in the Jacmel area. "All the objectives I've reached so far, I couldn't have reached without Fonkoze," said Roselene. "I plan to go back to Fonkoze each year."

Roselene is happy with her business, but said she feels it does not compare with shops she has seen in Port-au-Prince and the Dominican Republic. Her goal is to expand to have the biggest, most beautiful studio in Jacmel with a school and a laboratory. She would like to expand her services to include facials and massage therapy.

Roselene's confidence and love for her profession are apparent as she works toward her goal of the biggest, most beautiful shop in Jacmel!

Give the Gift of Stock

Support small business owners like Roselene. To learn how to initiate a charitable securities transfer, please contact Mary Beth Curlee at 1.800.537.4509 or by email at mary.curlee@wachoviasec.com

Send Money to Haiti Quickly, Safely, and Inexpensively

Fonkoze offers the lowest available rates to transfer funds to Haiti. Our fee schedule is as follows:

Amount Transferred	Fee
\$10 - \$1,000	\$10
\$1,001 - \$2,000	\$15
\$2,001 - \$3,000	\$20
\$3,001 - \$4,000	\$25
\$4,001 - \$5,000	\$30
\$5,001 and above	\$50

Contact our Customer Service Representative toll-free at 1.800.293.0308 or by email at fundnotice@fonkoze.org to learn how you may send money to Haiti.

For churches and other non-profit organizations, Fonkoze charges only \$10, regardless of the amount.

2005 is the International Year of Microcredit

Microfinance changes the lives of people and communities by providing access to basic financial services to the underserved. However, studies have shown that billions of people remain without access to even modest financial services. To meet this huge unmet demand, the United Nations has designated 2005 as the International Year of Microcredit, calling all interested organizations and individuals to build inclusive financial sectors and strengthen the powerful, but often untapped, entrepreneurial spirit existing in impoverished communities. A collaborative and spirited effort by all stakeholders will ensure that the Year's objectives are met so that microcredit can play an even larger role in the global strategy for reducing world poverty. **Thus, now more than ever, is the perfect opportunity to support Fonkoze and be a part of this worldwide movement. Visit www.fonkoze.org to learn of the many ways you can get involved.**



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