

Nouvel Fonkoze

JANUARY 1998

VOLUME 2 ISSUE 1

1997: Giant Strides for the *Organized Poor*

Dear Friends,

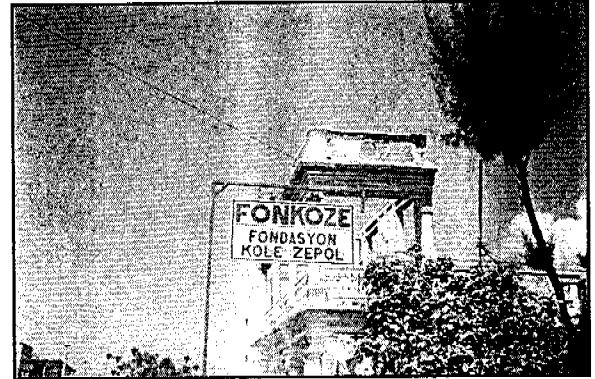
As 1997 draws to a close, I can not help but reflect on, and be grateful for, Fonkoze's impressive progress to date. Since our inception in 1994 — and especially in 1997 — Fonkoze has demonstrated that it is indeed Haiti's Alternative Bank for the Organized Poor. The grass-roots organizations that make up Fonkoze, and our many supporters here and abroad, are responsible for our advances. And while the political and economic struggle in Haiti continues, Fonkoze represents hope for the poor, and the possibility of true economic democracy.

Our progress has been phenomenal. In 1997, the membership of Fonkoze has grown from 50 organizations to 477; savings accounts have increased from 193 to 3,444; and loans extended to solidarity groups and member organizations has risen from 22 to more than 350. Private individuals and organizations invested more than \$200,000 with us this year. And we are now much better able to serve our

clientele, with our 10 branch offices in the countryside. (More details on all our activities are included in this newsletter).

Fonkoze continues to provide its members not only the financial services, but also the technical and educational services they need to engage in successful, income-producing activities. To date, Fonkoze has helped its members open more than 50 Literacy and Business Skills Training Centers in the countryside of Haiti. More than 1,000 people have passed through these Centers during this year and begun the process of learning to read and write using our very popular literacy game "Jwèt Korelit La".

1997 has also seen the launching of several major new initiatives. For instance, we have begun building an independently financed and managed investment fund to finance regional economic development projects in all 9 depart-



ments of the country. These investments are intended to strengthen local economies, provide new jobs, and encourage entrepreneurship. We will also use our investment program as a mechanism for linking potential investors abroad with investment opportunities in Haiti.

Another new initiative is our program to train branch managers. In partnership with Fairfield University — who has committed free tuition and internships — we are succeeding in hiring and training individuals from mem-

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FONKOZE in 1997 an Update...

INDICATOR OF PROGRESS	JANUARY 1997	DECEMBER 1997
Number of Member Organizations	50	477
Number of Savings accts	193	3444
Total Deposits	\$78,453	\$150,000
Number of Loans Made	22	359
Dollar Volume of Loans	\$25,733	\$331,000
Dollar Volume of Loans Outstanding	\$23,234	\$155,000
Delinquency Rate	Not measured	4%
Default Rate	0%	0%
Investments in Economic Development Projects	0	8
Dollar Volume of Investments in Economic Development Projects	\$0	\$47,000
Number of offices in the Countryside	0	10
Investments from abroad to Loan Fund	2	29
Dollar Volume of Investments from abroad	\$2,253	\$212,000
Number of Employees	9	52

FONKOZE USA IS ON THE MOVE!

In January 1997, one of Fonkoze's fondest dreams came true: Fonkoze USA was officially launched. The Board of Directors of Fonkoze USA consists not only of those who have been active Haiti advocates in the past, but also of individuals who have expertise in grass-roots economic development, community banking, and micro-enterprise lending. Take a look at the sidebar to see just how balanced the Board really is.

At the first meeting of the Board last January, the Directors committed themselves to working together to realize its mission: "To attract investment capital and raise donated monies that benefit the organized poor of Haiti through Fonkoze Haiti; and, "To promote education in the US about grass-roots economic development in Haiti, in particular, the unique model utilized by Fonkoze Haiti".

Fonkoze USA was fortunate indeed to convince Leigh Carter, a long-time Haiti advocate and a professional fundraiser, to become its first Executive Director. Leigh brings to her work with Fonkoze USA a wealth of experience and an unmatched commitment to her work.

Leigh has accomplished the unthinkable this past year: she has managed to raise a significant volume of donated funds, send interested investors directly to us in Haiti, and ensure that Fonkoze USA was incorporated in the State of New York, received its tax-exempt, 501(c)3 designation, and ensure that the Prospectus for potential investors was published!

Now Leigh and the Directors are prepared to raise significant investment funds in the US during 1998. These investments will be loans to Fonkoze USA. Fonkoze USA will, in turn, loan the money to Fonkoze in Haiti, who will redistribute these funds in the form of loans to member organizations and solidarity groups of women street vendors in Haiti.

Simply stated, our supporters in the US will now be able to take a portion of their

savings and invest it with Fonkoze USA. Fonkoze USA will then loan the funds to Fonkoze to be used to increase the size of their loan fund. After a specified amount of time, Fonkoze will return the funds to Fonkoze USA, who will return the funds (with a small amount of interest) to the investor. Our investors will be assured that their dollars are benefiting the poor of Haiti - giving them the credit they need to strengthen their businesses and ensure that food is on their family's table.

The establishment of Fonkoze USA is

good news for us at Fonkoze, and we look forward to the support - both financial and technical - that such a collaboration will bring to our work. If you reside in the US, and are interested in donating or investing funds with Fonkoze USA, please contact:

Leigh Carter, Executive Director

Fonkoze USA

P.O. Box 53144

Washington, DC 20009

Tel: (202) 667-1277

e-mail: LeighCarter@compuserve.com

FONKOZE USA BOARD OF DIRECTORS

Jose Artiga. Executive Director, SHARE Foundation

Alfredo de Avila. Center for Third World Organizing

Beverly Bell. Former Co-Director of Liaison Office for Haitian Democracy (Government of Haiti). Currently compiling an oral history of Haitian women

Max Blanchet. President of the Board, Chemical Engineer. Serves on the Board of several organizations, including the Lambi Fund of Haiti and the Bay Area Haitian-American Council

Lawrence Castagnola. Director, Haiti Focus

Paul Farmer, M.D. Harvard Professor and founder of Partners in Health

Jean-Marie Florestal. Vice President/Comptroller, Pine Bank (Miami)

Anne Hastings. Director of Projects, Fonkoze

Charles Horwitz. Attorney, NY State Department of Labor

Beverly Lucas. Attorney and Partner, Willig, Williams & Davidson (Philadelphia)

Michael McClanen. Director, The Haiti Project

Albert J. McKnight, CSSp. President, Southern Development Foundation

Joseph Philippe, CSSp. Coordinator, Fonkoze

Marie Racine. Professor, University of the District of Columbia

Paul David Rice. Founder and Director of Rural Development Programs for the Center for Democratic Participation and Development (Nicaragua)

Wilson Riles, Jr. Pacific Mountain Regional Director of The American Friends Service Committee

THE HAITI CONNECTION

As you may already know, a significant proportion of the Haitian population lives outside of Haiti — perhaps as much as 20%. Many, many of these Haitians, though they are not making much money themselves, send what little they have home to their families or friends still in Haiti. This money is critical to the ability of parents to pay their children's tuition, to pay for health care for their families, and to ensure that food is on the table at least one time each day. Those dollars are also critical to the Haitian economy as a whole.

Often Haitians send their money home in cash with "friends of friends of friends," which means that they have little control over when or whether it arrives in Haiti and no verification of its delivery.

Fonkoze is committed to providing a speedy, secure, and reliable service for those Haitians in the Diaspora who need to send money to their relatives and friends in Haiti. As a result, we have recently begun offering in six communities in the Diaspora *The Haiti Connection*, a money transfer service: Nassau and Freeport in the Bahamas; St. Maarten; Curaçao; Miami; and Newark, New Jersey.

The service operates differently from community to community, but in each community Fonkoze has developed a relationship with a local bank willing to assist in providing the service. Fonkoze opens a savings account at the bank and agrees to keep a minimum amount in the account. The bank agrees to fax Fonkoze in Haiti verification of every deposit made into the account on the day on which the deposit was made.

In some communities the Haitian who wants to send money home goes directly to the bank, fills out a form providing all the information Fonkoze needs to get the money to the correct person, and makes the deposit. In other

communities, the Haitian goes to his/her local parish to fill out the form and gives the deposit to the priest, who makes the deposit at the bank and faxes the form to Fonkoze. In one community the Haitian goes to his/her local Haitian association to fill out the form and then to the bank to make the deposit.

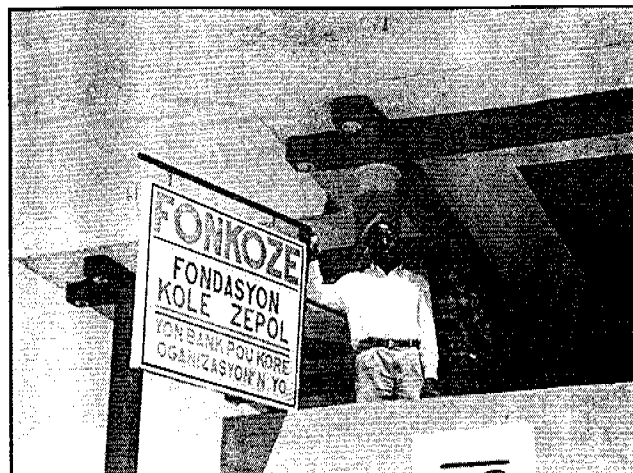
In every case, Fonkoze receives a fax copy of the form and verification that the deposit was made and then releases or delivers the money to the intended recipient. Fonkoze guarantees delivery of the money within 24 hours of the deposit if in Port-au-Prince and within 48 hours if in the countryside.

By providing this service, Fonkoze is:

- offering Haitians in the Diaspora an efficient and secure service,
- helping to ensure that the dollars enter the Haitian economy, and
- providing Haitians in the Diaspora a mechanism by which they can actively participate in the economic development of their homeland.

All of us here at Fonkoze in Haiti would like to congratulate those banks who have agreed to assist us in providing a speedy, secure, and reliable service for those Haitians in the Diaspora who need to send money to their relatives and friends in Haiti.

And, we would like to remind those of you who might need to use this service, that when you do, you are participating directly in the economic development of Haiti! If there is not a service site located close to you (see sidebar for transfer locations), send an email to Anne Hastings (ahasting@acn.com) and she will explain how you can transfer money safely and quickly no matter where you are located in the United States.



Fonkoze office, Gonayiv

MONEY TRANSFER LOCATIONS

In Miami:

Peoples National

Bank of Commerce

3275 Northwest 79th Street

Miami, FL 33147

(305) 696-0700

In New Jersey:

City National Bank

of New Jersey

900 Broad Street

Newark, NJ 07102

(201) 624-0865

In Curaçao:

Fr. BAAK at 462-3413, Santa Fama

Parish or Bénito DESROCHES at

(599 9) 868-4353

In St. Maarten:

The United Haitian Association in

St. Maarten Jean BOASMAN,
President

Tel: (599) 83355 Fax: 25886

In Nassau:

Fr. Pierre DORVIL

Queen of Peace Parish

Tel: (242) 361-0070

Tel/Fax: (242) 325-2240

In Freeport:

Fr. David REMY

Tel: (242) 352-5258

