IMPROVING ACCESS TO CREDIT FOR FARMERS AND FARMER ORGANIZATIONS SUPPORTED BY FEED THE FUTURE WEST / WINNER

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EXECUTIVE SUMMARY

Haiti is the least fortunate country in the Western Hemisphere, with the majority of its 10 million people living under the poverty line and more than half of them in abject poverty. Most Haitians depend on the agricultural, agrarian, fisheries and farming sectors. Small-scale subsistence farming is vulnerable to damage from frequent natural disasters, exacerbated by the country's widespread deforestation. Haiti suffers from high inflation rates, a lack of investment as a consequence of insecurity and a severe trade deficit. It is estimated that over 60 percent of the population relies on the farming sector for their living which in turn comprises 25 percent of the country's gross domestic product 'GDP'. Of this sector a mere 3 percent of farmers receive any form of credit. This sector alone represents a major exclusion of 60percent of the population to the inherent benefits of economic integration. More specifically the farm sector suffers from a chronic deficit of funding for working capital, acquisition of needed inputs, capital items, equipment, machinery, tools and the finance of buildings. Access to bank credit is limited as loans (net of provisions) only stood at 25 percent of total banking assets as of September 2011 (as compared with around 60 percent for the region) and credit is reportedly directed primarily to consumption and services, while key sectors such as agriculture and transport literally receive no lending. Long-term credit is only available in relatively small amounts from development financing sources and a limited number of mortgage financing providers

Against this backdrop we set about collecting information and listening to the opinions of some of the principal stakeholders that include Government agencies, farming cooperatives, commercial banks, cooperative banks, development banks, sector technical assistance projects, members of business and business support groups.

The report that follows documents the main obstacles and anomalies that together have come to exclude this significant group from the fruits of an integrated economy. Fear of the unknown can be cited as a major obstacle at the level of the banks to overcome the need to develop an appropriate lending policy for agricultural beneficiaries. The fact remains that 30 years ago 10 per cent of all bank loans in Haiti were comprised of agricultural related credits. This illustrates what can be done given the right incentives, and commitment.

In addition to the information received, we identified similar situations in other countries, and reviewed their remedial steps to determine their applicability to the situation in Haiti. We documented some of these with the methodologies below. The problems that beset Haiti are not new to international development. The suggested remedies and mechanisms effectively applied and implemented should bring significant improvement to the plight of the largest economic group of the Haitian population.

The exclusion of this important group from the economy imposes an enormous burden on the country's resources and calls for an urgent response to bring together near, medium and long term responses to alleviate their situation. One statistic that emphasizes the urgency surrounding the need for a short dated solution is that for the annual importation of food which is estimated to cost the country in excess of US$1 billion. All contributions to the containment and reversal of this hemorrhage have far reaching implications.

It is sincerely hoped that this work brings a margin of relief over the near term to the many stricken by the adversities of the country's battered economy and over time, facilitates their total integration into the productive sector and society.

Scope of Work

The scope of work for this consultancy included the following:

- Before leaving the US, review available documents on FtF West/WINNER interventions related to agricultural activities and rural credit operations (2 days in the US).
- In Haiti, interview key WINNER personnel, including the Chief of Party, the Senior Agronomist and Economist, as well as field teams and representatives of farmer associations and cooperatives (4 days).
- Meet with the Minister of Agriculture and senior managers at the Ministry of Agriculture. Meet with the Minister of Economy and Finance, as well as the Governor of the Central Bank and the Director of the Industrial Development Fund (2 days).
- Meet with commercial and development banks and micro-credit institutions. (2 days). Prepare and organize a slide presentation for representatives of farmers and organizations assisted by the project, senior managers of the GOH and financial institutions, and USAID staff. The consultant will present his findings and recommendations (1 day).
- Write the final report, taking into account the comments and recommendations received after the presentation (2 days in the US).

I. CONTEXT AND PURPOSE OF THE ASSIGNMENT

The purpose of this short term assignment was to better understand how FtF West/WINNER-assisted farmers can obtain credit for the production, processing and commercialization of agricultural products. More precisely, we were to analyze existing sources and conditions of credit for farmers and organizations in FtF West/WINNER corridors. We were to propose new ways to offer more affordable loans that will be specifically related to the acquisition of agricultural equipment or inputs, payment of labor for improved practices etc. We were to identify the best lenders for each type of loan among existing micro-finance organizations, commercial and development banks and other specialized finance institutions.

We were to take into consideration credit problems caused by the absence of legal status of farmer associations and highlight the roles that cooperatives can play to facilitate access to commercial loans given by banks at better terms than micro-credit institutions. We were also to review the possibility for banks to lend money to farmer organizations that operate like small businesses, instead of lending to individual growers who currently are the main beneficiaries of micro-credit institutions. The Haitian Government is expected to draw on the findings and recommendations of this consultancy to design and implement a modern rural credit policy, based on a market economy approach that will benefit a much larger number of farmers and organizations and contribute to expanding agricultural production in a sustainable manner.

1.1 Scope of the Study

This report does not identify new mechanisms as credit in whatever form is based upon time proven methods and processes. Bankers design whatever best suits their appetite for risk under each credit situation. It does however attempt to bring together and describe the sources of financing that can be procured at the institutions listed in the table above that with application of the policy based incentives described here should stimulate a fairly quick response and flow of financing to the agricultural sector.

1.2 Brief Presentation of Feed the Future West/WINNER

1.2.1 (Annual report, diverse documents and brochures)

The Feed the Future West/WINNER (FtF-W/WINNER) project is financed by the United States Agency for International Development (USAID). Chemonics International Inc., registered in Haiti as Chemonics Foundation Haiti, is implementing the project under USAID contract number EPP-I-04-04-00020-00 Task Order No. 4.

The long term vision of FtF-West/WINNER is that people living within targeted corridors (Cul-de-Sac and Matheux) will have improved livelihoods, and will have invested in sustainable agriculture development in the corridors of Cul-de-Sac and les

Matheux. In order to achieve these results, the project works in close partnership with the Ministries of Agriculture and Environment of the Government of Haiti (GoH), farmer associations and other private/public partners to develop and transfer technologies to small farmers that will allow them to increase their productivity and agricultural production, to promote other viable livelihoods while protecting the environment with the goal of ensuring economic and food security for the rural households as requested per President Obama initiative: Feed the Future. Consequently, FtF-W/WINNER is going to promote activities aimed at increasing productivity in the value-chain of four main crops: corn, rice, bean and plantain. 80 percent of its budget will be allocated to the four crops before mentioned, while the remaining 20percent will go to high value crops – vegetables and flowers – and potato. The experience of these households will serve as a model approach to replicate both within and beyond the targeted corridors. WINNER works towards three Intermediate Results:

1. Agricultural Productivity Increased
2. Watershed Stability Improved
3. Agricultural Markets Strengthened

In order to achieve its goal to see its results maintained after the end of the project and replicated elsewhere, the project organized in 2013 a round table with all the public and private stakeholders. The purpose of this round table was double: 1) To have the project evaluated by its stakeholders and beneficiaries, and 2) To find out what would be needed in order to maintain and replicate the achieved results. One of the main tools identified by the participants was the access to credit. The current credit offer was deemed scarce and not adapted to agricultural production and processing.

Despite the immense difficulties and dearth of financing facing the country in general and the agricultural sector in particular, the Feed the Future West/WINNER project has made remarkable progress and a significant contribution to the welfare of farmers in the five areas of activity of Gonaives, Matheux, Kenscoff, Cul-de-Sac Plain and Mirebalais. The project's annual report of September 2013 describes in greater detail the progress made over the year. In general terms a marked increase in productivity was recorded across the Project's focus crops as well as it's having established components designed to bring sustainability to the farm sector.

Amongst other milestones, five agricultural cooperatives were designed and implemented in these regions of activity. This is the first step needed to consolidate resources. Eventually the Project plans to design and implement a union of cooperatives to take over their joint activities. It is expected that this union will become fully institutionalized and transformed into a viable and bankable counterparty.

1.2.2 Main results

This limited scope survey of the Haitian farm sector and its potential lenders was performed in Haiti between January 20th and January 30th 2014. It required we interview senior management of commercial banks, microfinance institutions, farm cooperatives, technical support projects involved in assisting and supporting the development of the agricultural sector; senior officials of the Central Bank of Haiti, IDB, IFC, BNC, senior aides to the Prime Minister etc. the Government's development bank and SOFIHDES, which is privately owned**.** The brevity of our visit imposed a tight schedule on setting up and attending the planned visits; in fact 'on the ground' time lapsed with incomplete information gathering at several key institutions. FtF WINNER Project management intervened to provide as much information as was available before the report delivery deadline of February 28th. A list of interviewed parties is appended to this report.

Much of the information reported is based upon anecdotal evidence and is vulnerable to inaccuracies although care in recording our findings and understandings was taken at all times. Other anomalies exist including the stale dated nature of information appearing on some projects' websites which created the risk of quoting obsolete information. Our work was not expected nor could it be regarded as resolving all of the financing needs of the agricultural sector. We have set out a series of steps that could and should be considered to bring the farming sector closer to some of the solutions that already exist but have so far eluded it.

1.3 History of Financial Sector

Historically the financial sector was populated by various entities that provided support to agriculture and industry. In 1989, five development-finance institutions--both public and private--helped to offset deficiencies in commercial-bank financing. The main lenders for agriculture were the Agricultural Credit Bank (Bureau de Crédit Agricole--BCA) and the National Agricultural and Industrial Development Bank (Banque Nationale de Développement Agricole et Industriel--BNDAI). BCA provided short-term credit to nearly 20,000 small-scale farmers for the purchase of inputs and tools. Established in 1951, BNDAI lent to all categories of farmers, but it provided mostly short-term financing to larger, more capital-intensive producers, particularly those cultivating irrigated rice. BNDAI also lent to industrial enterprises, generally on a long-term basis. Private and public funds helped to set up the Industrial Development Fund (Fonds de Développement Industriel--FDI) and the Haitian Financial Development Society (Société Financière Haïtienne de Développement--Sofihdes) in the 1980s. FDI, founded in 1981 to aid firms with ownership that was at least 51-percent Haitian, offered no direct lending to industry, but it assisted existing companies or new ventures in acquiring credit, supplied guarantees on new loans, and provided technical assistance. SOFIHDES, established in 1983 with funds from the CBI, AID, and the Haitian private sector, supplied credit with extended repayment schedules to manufacturing firms and agribusinesses ineligible for commercial bank loans. A fifth development-finance institution was the Mortgage Bank (Banque de Crédit Immobilier-- BCI). Established in 1986 with 98 percent private capital, the BCI provided loans of up to US$100,000 for the housing industry and it offered technical assistance and special loans for some low-income workers. The BCI became Capital Bank.

Other financial institutions included insurance companies, credit unions, finance institutions for the informal sector, and an extensive underground credit system. Several dozen companies wrote insurance policies in Haiti in the 1980s, but only a few were locally owned. Credit unions, established in the 1940s, mobilized savings primarily for agricultural associations and individuals.

II. CREDIT NEEDS OF WINNER-SUPPORTED FARMERS

As mentioned in our terms of reference, the biggest definable obstacle to the progress of the farm community is a lack of finance to support its activities. Farming in Haiti involves all steps of the production cycle from land preparation to the purchase of seed, fertilizer and inputs in the pre-crop phase, working capital while crops are growing and are harvested as well as the need to acquire equipment and machinery such as tractors, silos, greenhouses and ploughs that contribute to the later phases of the production cycle of getting food to market. It can be concluded that the whole crop cycle in fact requires finance to ensure smooth production flow and that self sustaining flow of funds becomes available for reinvestment and growth.

FtF West/WINNER has been working with 272 farmer associations that represent 106,000 members. These associations have no legal status and cannot access commercial credit from local banks. Only MFIs lend to individual farmers at high interest rate. When considering that only 3 percent of the total farm sector has access to any credit at all, one quickly appreciates the enormity of the pent-up demand. This allows one to conclude that any help to the sector is better than it currently has. However, the situation is so dire that it requires a broad, committed and comprehensive response from the market aided and sanctioned by the highest level of Government.

The development and institutionalization of agricultural cooperatives has been an objective of FtF West/WINNER and so far, five such entities have been established and implemented. The objective is to merge them into one union of cooperatives to create greater stature and to upgrade their viability. Amongst other benefits of this initiative is that it enhances their appeal to the financial sector as potential borrowers since as per the law of Haiti they have a legal status. Steps to strengthen this group's business model should continue until they are fully institutionalized and have acquired a reputation and stature amongst banks as safe viable outlets for loans regardless of the term.

The development of Value Chain Financing 'VCF' mechanisms has been integral to FtF West/WINNER's activities since inception in 2009. 'VCF' however requires more development amongst the banks and farming community than has been seen to date.

There is a need to design and adopt a universal VCF capability. What this involves and how it is packaged is best answered in the following terms. The expression is explained more fully below in Paragraph 6.1 - means what banks have been approving by way of loans for producers since many years in the form of financing for each phase of the process from the purchase of inputs to growing, to harvesting, to the processing, to distribution and delivery to the end user or consumer. With modern systems and the ability to speed up payments, the efficiency of cash flow has improved so much that the various phases and products used to finance businesses such as inventory financing, supplier credit, forfeiting, bill discounting, collections, payments, acceptances etc. have come together contractually in an integrated and inter-connected fashion under the heading of Value Chain Financing. Briefly stated it is about speeding up and optimizing the efficiency of cash flow, it includes improving supply and reducing the inherent costs and risks compared with the more traditional approaches.

In Haiti this mechanism could be packaged in the form of a buyer credit if the banks could identify a significant and credit worthy buyer for FtF West/WINNER's core products. In this situation a bank would lend to the buyer who would in turn advance (or on-lend) resources to producers prior to their crop harvest. Repayment would come from the delivery and sale of the farmer's produce to the buyer be it domestic of foreign. The transaction could be also packaged as a seller credit wherein a bank could lend to the producer on the strength of the assignment of a purchase order signed with a buyer of the produce.

There are many ways of packaging VCF transactions depending on whether the need to finance is that of a buyer, importer, seller or buyer exporter and the extent to which they undertake international business or not. Each transaction has its own idiosyncrasies and would have to be packaged separately according to the dynamics of the parties involved, the transaction and its stake holder's needs. In Haiti the USAID sponsored HIFIVE project is involved in this type of transaction development at the level of the MFIs and should be considered a strategic resource and advisor in case of need.

2.1 Farm Credit in FtF West/WINNER Zones of Intervention

2.1.1 Public policy and institutions (BRH)

The BRH as supervisor of the financial sector has ongoing initiatives designed to upgrade its utility for banks and their clients. BRH is an active member the Alliance for Financial Inclusion, a global association that has an objective to seek ways to integrate excluded groups into the rest of the economy.

BRH is concurrently researching the development of chattel mortgages for use by its banks. Chattel mortgages represent a lien over the title of durable goods such as tractors, plows, silos, pumps and similar pieces of equipment used for farm production. Banks would normally lend up to 80 percent of the book value of these assets when new. It is difficult to estimate a date when Chattel Mortgages will be formerly introduced into the Haitian financial sector as the development of the land and property registry takes time and is dependent on a less than efficient and slow legal system.

2.1.2 Private financial institutions (banks, MFIs, other)

The Haitian banking sector as of September 30, 2013 was comprised of 9 banks that had extended $53 billion gourdes of loans to the public funded by $146 billion gourdes of the public's deposits. The sector appears highly liquid with a significant amount of funding lays idle on its balance sheets as the result of high mandatory reserves and a 'gun shy' posture of its main components. Of the sector's total loans, 76 per cent was extended by just three institutions UNIBANK 32.45percent, SOGEBANK 31.11percent and Banque National de Credit (BNC) with 12.32percent.

We visited management at four privately owned commercial banks - 1.Capital Bank 2.Scotiabank, 3.SOGEBANK, and 4.UNIBANK to hear their opinion on their institution's support if any to the farm sector. CitiBank was not visited as we know it to be focused exclusively on corporate and private banking in Haiti.

A. Capital Bank is small and despite having an integrated MFI has reportedly neither direct exposure to the farming sector nor plans to exploit it. In relative terms it has been quite successful in serving its client base. However due to its still evolving status diversification into agricultural lending at any level has not yet occurred. Questioned on whether they would consider it later on, they responded that it will be evaluated for viability and would require setting up a dedicated agricultural lending department accompanied by training of staff in the so far unfamiliar skills of lending to farmers etc.

B. Scotiabank provided valuable information on some of the challenges facing the farm sector from a lending point of view. Their general manager is President of the Haiti Bankers Association and shared with us some useful documents on some of the more prominent issues. As a foreign owned lending institution Scotiabank like Citibank has no intention currently of diversifying away from its role of serving the needs of corporate and private clients. Changes in public policy might oblige them to change that posture.

C. The MFI of SOGEBANK is integrated with the group's activities and maximum loan amounts are much higher than at the other 200 MFI institutions located around the country. SOGESOL participates on a highly selective basis in the agricultural sector although to date they have no dedicated agricultural financing facility. The group is quite well developed as a financial institution and does lend on terms and conditions that could be used in the agricultural sector. Given the specialized nature of lending to agriculture, establishment of a dedicated agricultural credit unit would be the best way to deal with this challenge. The group has the resources and its branch network is well located in several rural markets that with an appropriate incentive and commitment could be geared up to exploit the opportunities of the agricultural sector.

D. UNIBANK confirmed its group's understanding and use of conditional sales contracts as a way to secure term financing for the acquisition of capital goods such as pumps, tractors, silos, farm vehicles and the like. Control of the financing secured by conditional sales contracts is accomplished by retaining title to the asset until the financing is repaid in full and which is complemented by a suitable loan to value 'LTV' ratio and the assignment of insurance against most risks including loss. It is believed the bank would respond positively to participating in the agricultural credit market as management said they were flexible to considering all new forms of credit.

   UNIBANK's MFI Micro Credit National has a dedicated agricultural credit unit with staff well versed in the procedures and processes involved in agricultural credit.

E. BNC - Discussions with BNC confirmed a lack of interest in the sector due to its general risk profile. Nevertheless they have had no reported problems with agri-business through their SME financing program once all of the conditions of the loans had been fulfilled. Thus, their support to the farm cooperative COPACMI with a US$12M line of credit extended for the purchase of raw materials for the mill (rice and corn). The mill was financed over a two year term using a conditional sales contract over the equipment purchased as collateral security at an interest rate of 15 percent. This is a marked improvement when compared with MFIs lending to the sector at rates in excess of 30 percent per annum.

   Small support indeed however BNC's case serves as a model of what can be accomplished that can be cloned by other lending institutions and groups requiring working capital and equipment financing.

   Satisfactory compliance with the terms of this financing should stand well for COPACMI as the basis for repeat transactions. By that time its operations will have their first year's development completed reflected in a set of comparable financial statements that hopefully serve to enhance its bankability. It is the uncertainty of lending to a new business in a sector well known for its risks that creates apprehension amongst lenders. This is a natural reaction. Add to that the perceived weakness of their knowledge of credit staff on how to effectively lend to the agriculture sector and the chances currently of a loan application progressing to a satisfactory conclusion are seriously diminished. An effective response to this situation should include intensive training to potential lender's senior credit staff as well as senior management of the potential beneficiaries (farmers and agricultural cooperatives). In an effort to contribute to bankers' knowledge of lending to agriculture, we attach a copy of a standard Guideline to Agricultural Lending based upon best practices principles.

F. SOFIHDES is a private development finance corporation, founded in 1983, with the primary objective of contributing to economic development of Haiti, through investments in productive sectors such as: industry, **agribusiness,** tourism, communication, transportation, construction, technologies, handicraft, etc. It was established with a private equity of US $ 1 million and its equity as of September 30, 2004 grew to US$ 3,415 million.

At the beginning of its operations, the bank benefited from a long-term loan from USAID as well as a grant for technical assistance for worth a total of US$10 million. SOFIHDES is not a commercial bank and as such is not authorized to receive deposits from the public. It finances its operations through financing obtained from local and multilateral institutions. Besides financing received from multilateral development agencies, it gets part of its funding from Haitian commercial banks and uses the discount facility offered by Industrial Development Fund (IDF), a publicly-owned development finance corporation within the BRH. SOFIHDES has extended loans to a mango exporters which in turn have on-lent funds to the mango farmers. Repayment of these on-lending situations comes from the proceeds of the fruit harvested. The latter loans are reported to be "informal" and the companies exporting mangoes claim they did not charge interest when it is a reliable supplier (at least 2 years doing business with them). The loans to the individual farmers are normally left to MFIs. Through USAID finance of Hi-Five project, the MFIs supported claim to have made loans to 18,000 small farmers. Hi-5 like SYFFAH advised that they do not interfere with loan interest rates, which this year, according to Le Levier, have ranged between 15 and 25 percent.

G. FDI - The Industrial Development Fund of Haiti, FDI as it is known by its French acronym, is a financial institution the purpose of which is to promote the economic development of Haiti, by meeting the financial needs of small and medium enterprises endowed with a potential of job creation, foreign currency generation, and local raw material valorization - and operating in an environment-friendly way. FDI has a mission to promote the development of agribusiness particularly in the provinces outside of Metropolitan Port au Prince.

To accomplish its mission, it develops a complete set of alternative financing instruments, including venture capital, venture loan, credit guarantees, subordinated loans that it makes available to small and medium entrepreneurs with no or limited access to traditional bank loans, because of their inability to meet the minimum capital and guarantee requirements set forth by the commercial banks' credit policies. As a not-for-profit institution, its main focus is not a high rate of return on equity. However, it knows when/where profit is not an explicit purpose; it becomes a constraint, a survival prerequisite, the safer way to preserve, in real terms, the value of its financial resources, and a factor of sustainable growth. The late director of the institution managed it as a for profit institution. The difference between FDI and commercial banks is that it did not have a target on investment. Nevertheless they would never voluntarily finance an unprofitable business even if it had potential significant social impact. This condition was imposed by the international donor agencies.

It also understands that the fulfillment of its objectives is conditioned by their ability to provide stable employment in positions that enable employees to grow personally and professionally in an organizational environment where competence, integrity, teamwork and fairness are the rules. Within its mandate is participation in the agricultural sector.

2.1.3 Donor interventions

Donor support to the development of the agricultural sector has been diverse across the donor community but generally it can be said that there is an earnest sentiment toward helping Haiti recover from the 2010 earthquake, evolve and modernize its infrastructure. The following agencies were visited and are profiled for information purposes. Other donor funded projects were not included in our survey therefore our comments are limited to those mentioned below.

IFC

IFC or the International Finance Corporation and private sector division of the World Bank makes indirect support available to farming. Its participation in the country's development and recovery from the 2010 earthquake are diverse and at year-end aggregated some US$130 million. Amongst its portfolio it provides financing for the development of financial instruments and provides financing to banking intermediaries that in turn have the potential to assist the farming sector of the country. Examples of these are an equity stake in SOGEBANK and the development of leasing as way to mobilize capital resources while containing the risks to which loans would be exposed. The latter when available will make a potentially very useful contribution to the farming sector as most agricultural equipment and vehicles lend themselves very well to be financed using leasing mechanisms. SOGEBANK is scheduled to set up a leasing division in response to this development. Finalization has been delayed by the GOH which has been presented for consideration and adoption relevant draft legislation and regulation. Meanwhile there is reportedly a problem with the treatment of VAT on lease transactions that has to be resolved. Government is urged to ex**p**edite their decision at the earliest opportunity.

International Donor Projects

HIFIVE or *Haiti Integrated Finance for Value Chains and Enterprises* is a financial sector service project funded by USAID designed to encourage a dynamic Haitian economy by increasing the availability of financial products and services to its people and to its enterprises. A catalyst and a facilitator, HIFIVE works primarily on the supply side of the financial sector to empower Haitians by providing access to innovative financial products and services with a focus on rural areas, targeting high potential value chains, supporting the use of technology while maximizing synergies with other USAID projects.

HIFIVE works to improve the capacity of a core group of financial suppliers – namely strong microfinance institutions (MFIs), commercial and development banks (those receiving DCA support and others), and credit cooperatives (credit unions), to design and deliver appropriate financial products to value chain participants and other bankable enterprises from USAID's, DEED, MYAP Partners, WINNER, Feed the Future and other projects. Working with the financial institutions, technology providers and USAID's other priority projects, HIFIVE supports the development of solutions that will expand and accelerate the outreach of financial services to rural and agricultural zones.

The main focus and objective of HIFIVE is

- The delivery of technical assistance
- Capacity-building and market facilitation to create profitable and sustainable relationships between the financial institutions and the participants in different value chains
- Working with financial institutions to develop sustainable SME lending approaches and with groups of selected SMEs in targeted value chains to improve the quality of SMEs seeking finance
- Grant fund, Haitian Catalyst Fund, (HCF) providing grants to private sector and other partners to support activities contributing to HIFIVE objectives.

The development of supply chain financing mechanisms in Haiti is viewed as a viable and important contribution to the farm sector's activities and every effort should be made to link FtF-WINNER's beneficiaries with HIFIVE's financial institution stakeholders. A commitment from both projects should be sought to mitigate opportunity loss.

SYFAAH's main focus group is comprised of:

a. Financial institutions wishing to professionalize their practices in agricultural financing (including the ***Le Levier*** network of financial cooperatives - credit unions);
b. Groups of agricultural producers;
c. Ministère de l'Agriculture, des Ressources naturelles et du Développement rural (MARNDR).

This project is funded by CIDA of Canada, carried out jointly by DID, FAQDI (Financière agricole du Québec – Développement international inc.) and the Inter-American Institute for Cooperation on Agriculture (IICA) aims to set up an agricultural finance and insurance system in Haiti that structures the financial services offered to agro-entrepreneurs with the ultimate goal of rebuilding the rural and agricultural economy, creating jobs and improving food security in Haiti. This system will result in greater professionalism for the sector as a whole, specifically capacity building of agro-entrepreneurs, financial institutions, and the government for more effective management of two national guarantee and insurance funds.

DID acts as project manager and contributes to strengthening the agricultural credit services provided through the following activities:

- Selecting the participating financial institutions
- Analyzing the potential market for the agricultural sector
- Establishing a strategy for greater professionalism in agricultural credit
- Proposing a suitable organizational structure
- Defining adapted credit products
- Training specialized staff for agricultural lending, and
- Drafting and implementing credit risk management and monitoring management standards.

Given that the principal activities of this CIDA funded project are very well aligned with the objectives of FtF West/WINNER's counterpart farmers, close contact and the development of a high level of mutual collaboration should be sought and monitored to ensure that it is optimized.

Le Levier is an advisory group run by Desjardins and sponsored by CIDA of Canada to help the development of the credit unions of Haiti. See the next section 4.4 – Available farm loans.

2.1.4 Available farm loans (beneficiaries, amounts, utilizations, sources, terms, interest rates, delinquency)

So far the only regular providers of credit to individual farmers in Haiti are the MFIs (including the MFI's branch of commercial banks) and Credit Unions. These groups are estimated respectively at around 200 and 42 and small lender institutions that are mainly funded by grant and donor sourced funds in the former case and donor funds and member's deposits in the latter. The size of these institutions is small and the aggregate of their funds to the agricultural sector are believed to be less than 3percent of the total of bank lending. Interest rates are traditionally high due to the labor intensive nature of administering portfolio's of small loans and the more than average risk profile of their borrowers. According to BRH there are 46 credit unions.

Le Levier, a CIDA sponsored advisory group to the 42 credit unions, advised that loans for working capital, equipment and fixed assets are offered to individual farmer owner/members of these institutions up to a maximum of US$50,000.

These loan transactions are normally structured by requiring a 25 percent cash deposit be lodged in guarantee and funds are lent for up to 5 and 7 years for equipment and fixed assets respectively. Payment experience has reportedly good to date. The 15 percent to 24 percent interest rates charged by the credit unions could be said to be on the high side but are less that many of the MFIs which charge up to 40percent per annum. The Le Levier website profiles the services offered and includes a list of institution and branch locations. (www.lelevier.ht/caisses). The ability of the credit unions to respond to their member's credit needs is not precisely known since they reportedly suffered considerably during the 2010 earthquake.

2.1.5 Credit impact on agricultural development

Never precisely quantified, it can be firmly asserted that the potential impact of credit on the farming sector is considerable. This is especially true when considering that the sector has so far been largely excluded from bank lending; as mentioned elsewhere, only 3 percent of all farm operators have ever received any financing. As a consequence donor grants and resources are the main driver and source of financing of the sector. For obvious reasons this has to be finite and the injection of any funding from whatever source has a relatively major impact on the sector's welfare and progress. In 2010 the MFIs network was comprised of about 200 offices of which 126 were located in urban areas and 71 in rural zones. This illustrates a sparseness of service in the regions where FtF-WINNER's main counterparts are located.

Any financing that contributes to a reduction of imported food has to be regarded as strategically vital for Haiti. It should therefore be easy for Government and potential lenders to understand that their full unqualified support of our proposals is required in the national interest and that the issue justifies an urgent, broad, and coordinated response.

III. FARM CREDIT CONSTRAINT ANALYSIS

3.1 Legal and regulatory constraints

Farm credit suffers from several legal and regulatory constraints. These include the following:

a. Protected by a law dating back to the Duvalier era, farm workers real assets may not be attachable by lenders in the event the individual's payment default. This means that lenders cannot take a lien over an individual farmer's assets. This fact alone contributes to the exclusion of farmers from borrowing from banks on a collateralized basis, with the result of their having to resort to borrowing from money lenders at exorbitant rates of interest.

b. In an effort to overcome this anomaly, FtF West/WINNER has fomented the registration of the members of the farmer associations – which per Haitian law are not considered as a "moral person" – into farming cooperatives. This milestone development is viewed as one of the most significant contributions to the development of Haiti's rural sector. However the farming cooperatives may not borrow from most MFIs or credit unions which are closed to non-members. As far as we have been able to ascertain the MFI units belonging to SOGEBANK, UNIBANK and Capital Bank could lend to farm cooperatives. The whole idea behind the development of cooperatives was that they are not limited to MFIs for their financing and rightfully qualify in principle for loans from commercial banking institutions. The fact that COOPACMI successfully negotiated a two year equipment financing and working capital package from BNC at 15 percent interest stands as a fine example of what can be done. This framework has been proven to be functional, is legally acceptable to lenders therefore the business model should be refined and cloned as widely as possible. Until universally adopted the farm sector will continue to suffer the disenfranchising effect that existing legislation has its individual farmers. In summary, current law precludes effective lending to individual farmers and farming associations with the result that lending institutions simply do not lend to anyone whose assets and activities are agriculture related.

c. Collateral in the form of a lien or mortgage over real estate is currently a less than acceptable form of guarantee for a loan. The World Bank reports that there are 5 procedures to complete in formalizing a real estate mortgage and it takes 301 days to register a lien and a tax of 6.6 percent is payable on the value of the underlying property. This places Haiti at number 130 out of 185 countries around the world on which this process has been evaluated. The total processing time was reduced in 2008, up to which time 683 days was the normal processing time. Further work in modernizing this process is required with some urgency as until accomplished the situation and other sundry defects in the land registration process are viewed as a major disincentive to owning real estate and lending against real estate to secure a loan.

d. The lack of status of the individual farmer has historically prevented them from become beneficiaries of adequate and appropriate financial support. This is why FtF-W/WINNER has proposed to the Government the status of Entreprise Agricole a Responsabilite Limitee (EARL), this way a farmer exploiting even a small parcel of land belonging to him can be regarded as and treated as a micro-business.

3.2 Financial constraints

As far as was ascertainable the main financial constraints and limits of funding via MFIs is that they normally do not capture deposits and consequently do not leverage their capital. Three exceptions exist, namely the MFIs owned by SOGEBANK, UNIBANK and Capital Bank which receive capital allocations from the financial groups to which they belong.

The lack of an effective centralized credit information data base precludes lenders from checking on the payment history and character record of potential borrowers. This is a major disincentive to lending to individuals and cooperatives alike especially in rural areas. Haiti strengthened access to credit in 2010 via the adoption of a new law that broadened the scope of assets that can be used as collateral for loans and extends the security interest of the creditor automatically to the products, proceeds and asset replacements. Part of the same set of reforms subsequently allows movable assets to be used as collateral.

3.3 Institutional constraints

To effectively lend to the farm sector requires a physical presence in the rural areas where low-scale farming activities are located is needed. The expense related to the administration of small loans has to be controlled to avert the disincentives that high interest and small loan portfolio administration has on the lenders (economy of scale). Unless banks have branches in the rural areas populated by small farmers doing business with them becomes cumbersome and costly.

Since farming cooperatives appear to be the most viable vehicle to apply for bank financing it must not be overlooked that they would not normally qualify for financing from an MFI or Credit Union since these institutions are not allowed to lend to parties that are non-members. This limits the commercial banks and their integrated MFIs and development banks as the only viable sources of financing for their operations.

3.4 Other constraints

The absence of appropriate governance: Even though the law exists, it is difficult and often costly to have the law enforced due to the weakness of the State and the legal system. If a loan has been obtained backed by tangible collateral, recovery of the loan using the existing foreclosure system is a complicated and protracted process.

IV. PROPOSED SOLUTIONS TO IMPROVING FARM CREDIT

4.1 Short term solutions

Improving existing instruments through a value chain approach

Value Chain Finance 'VCF' is evidently one of the mechanisms that should be further developed given its perceived importance in terms of cost containment and ability to speed up the processes between producer and end user(s). See comments under HI-FIVE above.

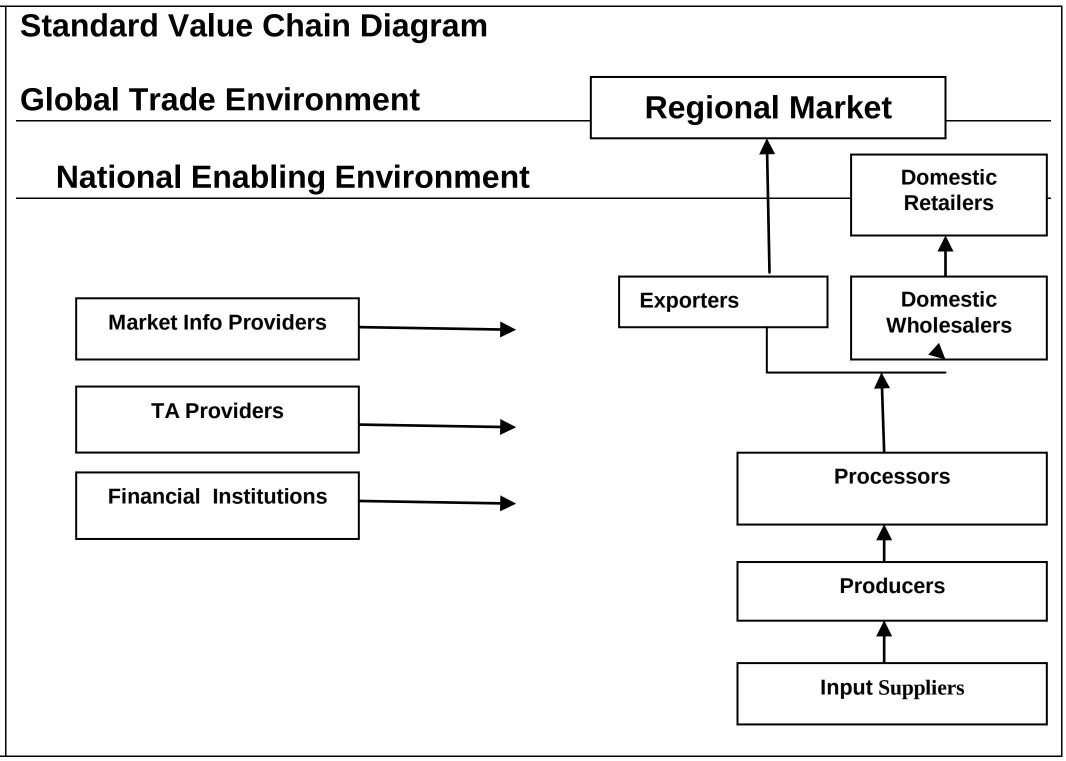
For the benefit of those new to Value Chain Financing mechanisms, we explain below. The sample profiles the application of VCF to a hypothetical financing need in Haiti.

What is a value chain**?** According to Kaplinsky and Morris 2002: p 2, a value chain is "the full range of activities involved in getting a product or service from conception, through the different phases of production and delivery to the final consumer." One of the strengths of value chain development is that it considers the producer and product within the larger commercial context. Linking production to global and regional markets, commercialization has led to viewing producers as investment opportunities that are critical for development of the sector and country's economic growth and competitiveness.

Value chains consist of different actors at each stage of production where value is added. As highlighted in **Box 1**. below, a typical agricultural value chain consists of at least the following:

Box 1. Standard Value Chain Diagram

- **Input supplier**
- **Producer**
- **Intermediary or transporter**
- **Processor**
- **Exporter or domestic wholesaler**
- **Global retailer or national retailer**



Lead firms are companies that exert influence through several layers of the value chain and can promote greater value chain integration. **Box 2** below defines lead firms more specifically, based on a recent working group of value chain development practitioners.

One of the key methodological components of this study was to identify and assess the role that lead firms play in agricultural value chain integration and whether integration leads to differences in prices, terms, and conditions of value chain finance. As **Box 2** highlights, there are also important supporters that operate from outside the value chain, including providers of sector-specific pricing and market information, agriculture and enterprise-related TA, and finance.

Box 2. Lead Firms Defined

1. Small, medium, and large firms that have forward/backward commercial linkages with targeted micro, small, and medium scale enterprises (MSMEs). In this context, lead firms have the following qualities:

a. Include buyers, traders, input suppliers, veterinarians, exporters, processors, etcetera.
b. Vary significantly in size between one and another and may operate as part of either the formal or informal economy.
c. Have varying levels of formality in their relationship with targeted MSMEs, ranging from a completely informal (market-based governance system) to a formal, contract-based arrangement (directed governance systems).
d. Manage and control different phases of the value chain and are frequently engaged in aggregating production among producers.
e. Are distinguished by the commercial interest they have for engaging with MSMEs (not just corporate social responsibility) and the leverage potential they have to impact MSMEs (important characteristics from a development programming perspective).

2. Dynamic market actors that can promote greater integration of MSMEs into value chains and provide important goods and services. In this context, lead firms have the following qualities:

a. May provide complementary fee-based or embedded services (including training, technical assistance, inputs, and financing) as part of their business relationships with MSMEs.
b. Frequently add value to raw materials and products and provide linkages to final markets.
c. Often serve as industry models, key innovators and respected thought leaders in their industries.
d. Are often “first movers” and innovators in new sectors.
e. Often have significant influence in tackling enabling environment issues.
f. Share a mutual interest with MSMEs, and have a vision for incorporating them into the value chain.

Source: USAID, FIELD Working Paper, September 2008

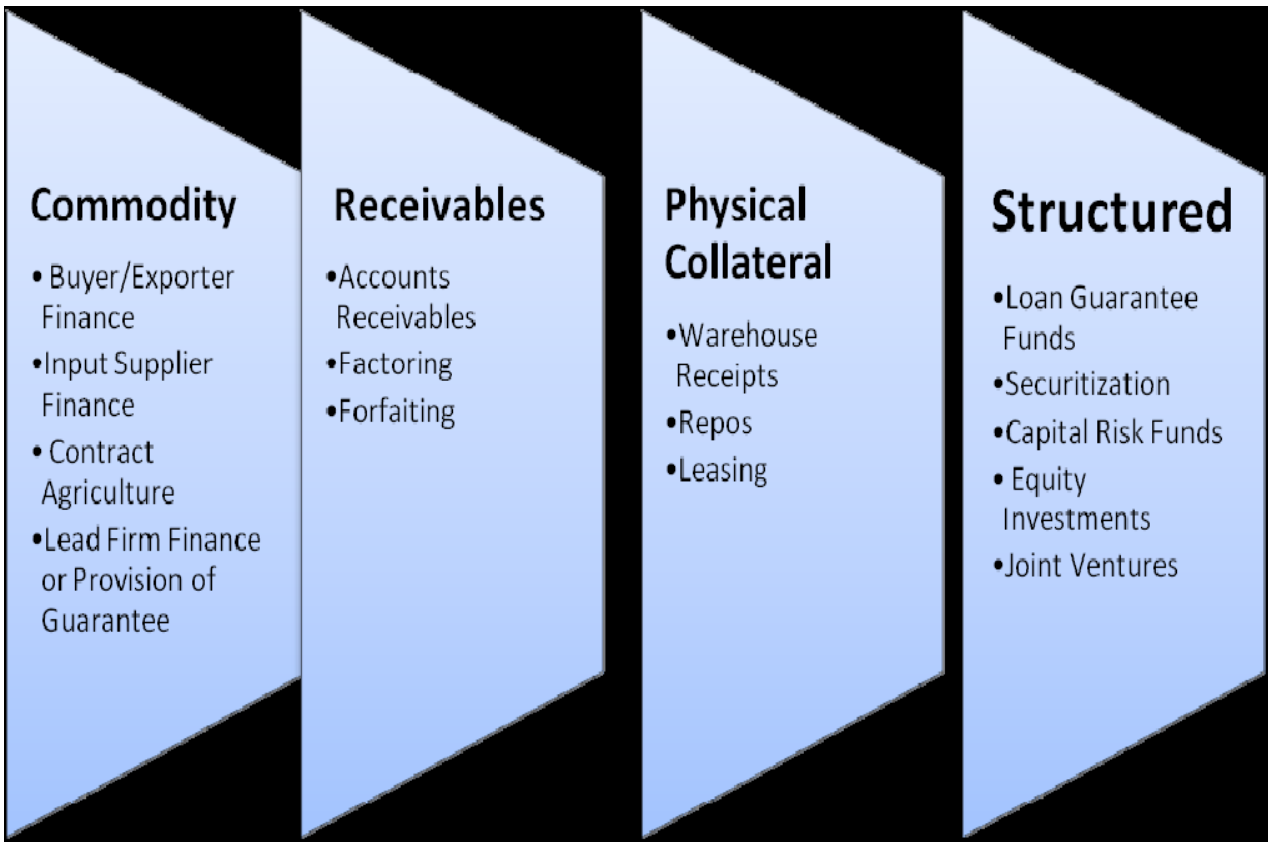
In the interest of enriching the reader’s knowledge base from the experience of others we provide an extract from IDB’s 2010 publication *Financing Agriculture Value Chains in Central America* which has characteristics closely similar to the situation found in Haiti.

> **Value chain finance** refers to “the (financial) relationship between two or more actors within the value chain” (Neven, 2008). There are two types of value chain finance, direct and indirect:

- **Direct value chain finance** is finance that one value chain actor provides to another.
- **Indirect value chain finance** is provided from outside the value chain (usually by a financial institution) based on the borrower's value chain activities (e.g., purchase contracts, advance contracts, promises to buy, or transaction history).

There are, however, many different financial instruments that can be used to engage in value chain finance. The limitations are only the creativity of the actors involved and the legal and Haiti's regulatory framework.

Box 3. Instruments Used in Value Chain Finance



The following table outlines the main sources of financing available for the diverse stages comprising a value chain finance mechanism within the current legal framework in Haiti:

Stages of the Value Chain	Beneficiaries	Purpose of the Loan	Type of Loan	Range of Interest rate (%)	Term of the loan	Type of Financial Institutions
1. Importation and/or Production of Inputs	Trade houses importing agricultural inputs or cooperatives	Importation of fertilizers, improved seed, pesticides, mechanized equipments (tractors, mills)	Letter of credit sight or acceptance Bonded Warehouses (“warrantage”)	Current commercial loans (6-10)	Up to 6 months	Commercial Banks State owned financial institutions
2. Purchase of Inputs by farmers	Individual farmer or farmer associations	Purchase by individual farmer of farmer association of seeds, fertilizer, pesticides, tools for its crop production.	Short term loans by MFI’s or Credit Unions with collective collateral from association members	50 to 70% of the commercial rates	Depending on production cycle	Credit Unions MFI’s Commercial Banks
3. Production (land preparation, labor, irrigation, weeding, harvesting)	Individual farmer or farmer association	Purchase of mechanized land preparation services, labor for irrigation, weeding…labor for harvesting crops.	Credit from MFI’s or credit union for 50% or less of the cost of the services purchased.	50 to 70% of the commercial rates	Depending on production cycle	Commercial Banks Credit Unions MFI’s
4. Acquisition of Equipment for Production, Post-Harvest Operations and Processing	Bankable individual farmers. Cooperatives Agri-businesses	Acquisitions by mentioned beneficiaries of tractors, mills, silos, threshers, greenhouses	Loans for commercial banks Conditional sales (see explanation below) Credit unions if it accepts to charge commercial interest rates.	6-10	0-5 years	Commercial banks MFI’s

Stages of the Value Chain	Beneficiaries	Purpose of the Loan	Type of Loan	Range of Interest rate (%)	Term of the loan	Type of Financial Institutions
5. Transport	Bankable individual farmers. Cooperatives Agribusinesses Individual farmers	Purchase of means of transportation (canters, trucks, pick-ups). Payment of the transportation of farming goods to sales point (markets, supermarkets, raw materials processing facilities).	Conditional Sales Loans at commercial rates	Commercial rates.	To 5 – 7 years	Commercial Banks, Credit Unions and MFIs' Commercial Banks, Credit Unions and MFIs'
6. Marketing	Individual famers Cooperatives	Purchase of Agricultural goods by cooperatives form farmers for their mills, conditioning center	Advances on future sales to purchasers	Interest integrated with invoice price	Up to 6 months	Processing firms Supermarkets

1. **Importation and/or Production of Inputs**: Currently the main inputs of agriculture have to be imported. We are referring to improved seeds, fertilizers, pesticides, tractors, pumps, mills. These importations are mainly done (even in the case of State subsidies) by established trade houses. Commercial banks in Haiti routinely open letters of credit (sight or acceptance) for their clients. When the products arrive in the country, what could be used, in addition to the distribution of the trade house and the Ministry of Agriculture, are bonded warehouse where the product is stocked. There, the product constitutes a guarantee for the bank. Each time the product is sold, payment is made to the bank.

2. **Purchase of inputs by farmers:** Input stores, particularly those owned by farmer associations are reluctant to extend credit to their members for fear of non-payment.

   MFI's or credit unions in the area can offer credit to farmers for the purchase of goods. Some MFI's, for example ACME in Kenscoff has given a line of credit of over one million gourds to an association (SOHARDERK), SOHARDERK has the responsibility to loan to its member and collect the money. This process has the advantage of rendering credit more available but is also more expansive since the farmer pays for the interest of ACME and SOHARDERK. Nevertheless, this form of "collective credit" can be replicated.

3. **Production:** The modus operandi is the same as in 2.

4. **Acquisition of Equipment:** In the case of mechanized services, it should be expected that the farmer puts down half of the cost of the service in cash and seeks financing for the other half. In the case that farmers want to acquire heavy equipment, tractor or accessories, two main possibilities are offered above all to the cooperatives: a) Conditional sales: The financial institution can offer conditional sales where, even if the lender retains the title to the equipment, he signs a contract with the financial institution stipulating that the institution has the right to repossess the good in case of non-payment; b) Commercial loans from Commercial banks or a financial institution accepting to finance the equipment at commercial rate.

5. **Transport:** For the acquisition of means of transportation, the process is the same as equipment described in no. 4. The loan for the transportation of goods to the market is generally a transaction between the truck owner and the producer (individual farmer, cooperatives).

6. **Marketing:** In advance sales the purchaser advances money to the producer and will recuperate its money once the producer brings him its money. Often these advances are currently done without interest but the interest can be included in the purchase prices.

Farmer education and sensitization
Development of an effectively compiled business and financial plan should have the effect of drawing out the strengths and weaknesses of a business. Participation alone in this process helps to sensitize senior management of firms including cooperatives to the risks of their business and how to mitigate them. While discussing these plans, management should be required to consider the best solutions and mechanisms to mitigate the threats and negative aspects of their business to avert loss while considering the advantages inherent in their strengths and opportunities.

The need for education and training are unalienable components of any reform support initiative.

Policy measures
Weaknesses of the financial sector and market stand the best chance of overcoming their plight of mitigating their exposure to credit risks if all lenders practice a strict and structured *Know Your Client Policy 'KYC'*. This is a highly disciplined framework that seeks to establish and maintain detailed information on client's business activities and background. KYC compliance is a mandate that the world demands from financial institutions. KYC compliance is mainly presented on the risk mitigation platform of banks. In Haiti USAID has funded a project designed to strengthen banks' compliance with AML requirements.

Although KYC has been introduced to many countries' financial institutions, it has frequently taken more as a best practice and had not been mandated. It was only after America's terrorist attacks that it became a mandate for many countries. There were increased terrorist attacks and activities with the dawn of the new millennium. With globalization and improved communication in the world, the ills of society were unmasked. Corporate scandals which had reached new heights were also exposed. It was clear the role played by dirty money or laundered money was very influential in local and cross border crime and terrorism. The need to discourage attempts to cut down these exploitations of the worldwide financial services and systems has become most urgent.

Rigorous application by lending institutions of the processes required by the anti-money laundering AML routine will help strengthen the credit process at banks and contribute to a strengthening of their credit risk management.

4.2 Long term solutions

Legal and institutional reforms
The land registration process urgently requires modernizing. Until this occurs unquestionable title to property and registration of liens thereon precludes its ready use as collateral. Lending against mortgaged real estate is an unacceptably slow process that is both expensive and fraught with trepidation to the point that few lenders will even consider its use as collateral security.

Creation of new farm credit instruments
Crop insurance, life insurance and insurance coverage of real property and equipment is not currently readily available in Haiti. Crop insurance is being developed by the CIDA sponsored project SYFAAH and has been used on an experimental basis over the past year. The conclusions of these tests are not precisely known. Crop insurance has the potential to reduce the cost of financing but against that are the costs of the insurance policy which in other countries around the region used to benchmark the product indicate something in the range of 4 percent and 6 percent of the value insured.

V. CONCLUSIONS

It can be said that several sources of financing already exist for use by the Haitian farm sector. Access to these financial sources requires a prior assessment of the particular credit facility's purpose, amount and term as well as the location of the applicant to determine the best formula. Whatever requires financing for farmers should be subject to a standardized disciplined application process to optimize the chances of its success. This can be summarized as including:

Applicants
The farm cooperative is considered the most viable business model and framework to apply for a loan given its legal status and more definable organizational framework and similarity to a small business. Concerted efforts should continue to upgrade these institutions to ensure they contain all of the components of internal control, sustainability and that they function in a disciplined profitable manner.

Whether short, medium or long term financing is needed, any formal application for credit to a lending institution would have to be accompanied by a detailed business and financial plan that adheres to a framework recognized by and accepted by the banks. This is an unalienable component of any application for credit however the quality of its content and effectiveness are key to the strengthening of the process that assures success of the application.

Policy Solutions
Government involvement in facilitating that the essential links between farmers and lenders are put in place is imperative. The precise ministerial level of this is not clear without on the ground confirmation. However, Government support and action is required to ensure that the response becomes a mission of urgency and that any obstacles are swept aside as fast as possible.

The policy issues requiring Government priority consideration are:

- Establishment of a minimum mandatory percentage of banks' loan portfolios be directed to the agricultural sector. The percentage can be modified according to the country's needs. (India mandated that 18 percent of loan portfolios go to farmers). With HG$61 billion in total bank loans reported as of March 2013, an initial allocation of 5 percent would constitute a significant response to the country's needs as compared against the current situation. A phase in period would have to be allowed to give banks time to establish their agriculture lending operations, train their staff and adjust their activities accordingly. Non compliance with the norms established once the regulations are formalized by the BRH would have to be accompanied by a set of punitive measures amongst which fines would have to figure.
- The use of fiscal incentives at the level of lenders and the farm community on income derived from farm lending and activities to stimulate their participation in supporting the sector. Haiti's standard corporation's tax is 30 percent therefore a partial or total exemption to payment of this tax should stimulate participation.
- Other steps that benefit borrowers could come in the form of limits on interest rates. Countries in the region have imposed interest rate limits on lenders to the agro-industry at 50 percent of that charged on commercial loans. The benefits of this structure would have to be carefully weighed to ensure that any change cannot be manipulated to distort the market or facilitate arbitrage. Interest rate manipulation does not respond to the mechanisms of a market economy which we were mandated to recommend. Interest rates should be driven by the supply and demand for money without undue external influence.

The legal obstacles summarized here also require Government intervention to ensure issues and obstacles are resolved and removed in the fastest time possible. If not already mandated, a steering committee to guide implementation of the needed reforms should be formed and staffed by key actors of the donor community.

Financial Solutions

The 200 MFIs and 42 credit unions (26 federated and 16 non-federated) located around the country in 70 different communities appear to be the primary lenders to individual farmers and the main limitation to using their services is the rate of interest charged on their loans that we are informed ranges from 15 percent per annum to around 40 percent. The website of Le Levier (http://www.lelevier.ht/caisses/) carries details about the credit unions and the parameters of loans extended by these institutions. This information includes a list of the main purposes for which loans are considered and the maximum terms available. Both the MFI and credit union framework have limitations as who can qualify as a borrower due to their cooperative legal framework which limits ownership to individual members. The MFIs of SOGEBANK, UNIBANK and Capital Bank do not appear to have this restriction.

Haiti so far has no centralized credit information system. A credit bureau is a vital component of a functioning financial sector. BRH should consider the development of a procurement advice inviting interested parties to submit their bids for the establishment of a credit bureau. The subject should be discussed with the Haitian Bankers Association for their ideas and suggestions.

Of the other institutions reviewed, SOFHIDES and FDI are the only ones that were identified as having a formally defined mandate to invest in agribusiness although reports indicate very little money has been lent to the sector. Unable to interview management of these institutions leaves one to conceptualize the ways that this could be made available.

Whatever option is finally identified and agreed to, it would require profiling and negotiating with the lender/ investors. Credit quality is paramount to lenders before they will consider a loan or participation and it is imperative that lender's needs are clearly matched against loan applicants' ability to produce the minimum required information including financial reports and projections, and business plans. Identified weaknesses in any of these links should prompt the implementation of appropriate technical assistance.

Clearly with the right incentives in place, commercial banks would consider similar support to the farming community as the two development banks. They would need a short phase-in period while they set up their operations possibly in the form of a dedicated agricultural lending unit equipped with suitably designed policies, procedures and guidelines of operation and staff well versed in the skills of lending to agriculture.

Meanwhile, using conditional sales contracts to collateralize each transaction, these same financial institutions could take the steps to develop financing transactions of farm related equipment such as tractors, ploughs, pumps, silos, green houses etc. Two of the three bank owned MFIs are the best source of this credit at this time but discussions with FDI and SOHFIDES should be developed with the proposal in principle to determine under what conditions they would consider their involvement.

ANNEX A.

Parties met with in Haiti

Institution Name	Contact	Address etc.	Activity
Banque Nationale de CREDIT	Jean Philippe Vixamar – President and Management Board	103, Rue des Miracles, PaP 509-2816-0006 jdvixamar@bcnonline.com and jdvixamar@hotmail.com	State owned commercial bank
Banque de la Republique d'Haiti	Charles Castel, Governor Fritz Duroseaux, Administrative Board Member Antoine Grand'Pierre – Internal Audit Director	6, Rue du Quai PAP, Haiti ccastel@brh.net fritz.duroseau@brh.ht Antoine.grandpierre@brh.net agrandpierre@gmail.com	Central Bank and Financial sector regulator and supervisor.
Etienne, Max Consultant to BRH and ex BRH Manager		41, Rue Gregoire, Petionville, Haiti gestionconseil@yahoo.com	Consultant advisor to the BRH and GOH
Capital Credit and Capital Bank	Daphnee Rosarion – Head of Credit for SME loans Julio LAROSILIERE, Directeur Micro Crédit Capital	38, Rue Faubert, PAP, Haiti Daphnee.rosarion@capitalbankhaiti.com 509-22999-6717 ext 248 Mobile 3456-7703	Commercial Bank with branches in six locations outside of the capital Integrated MFI
COPACMI Cooperative des Paysans Chanpyon de Mirebalais	Yves Charles President	Tel: 3848-8867 and copacmi2012@yahoo.fr 95, Rue Claire Heureuse, Mirebalais, Haiti, WI	Agricultural Cooperative
Federation of International Development Assistance FIDA Sponsored by CIDA	Betsy Wall Executive Director	9, Impasse St. Claire Rte. Des Freres Petionville, Haiti And 155, Frobisher Drive Unit H-109 betsy.wall@fida-pch.org Waterloo, Ont. N2V2C9 Canada	Technical assistance for a fee.
Productive Cooperatives Haiti, sponsored by CIDA	Pierre Richard Pierre, Country Cooordinator Legrand Charles Coordinator Agriculure Programme	9, Impasse St. Claire Rte. Des Freres Petionville, Haiti And 155, Frobisher Drive Unit H-109 Pierre.richard@fida-pch.org legrandus@hotmail.com	Affiliated with FIDA discussed above.

Institution Name	Contact	Address etc.	Activity
Inter-American Development Bank	Gilles DAMAIS Chief of Operations Joaquin Dominguez, Financial Sector Specialist Felipe Gómez Acebo (HQ) Financial Markets Principal Specialist. CMF Division Bruno Jacquet Rural Development Senior Associate. RND Division Salim Loxleyt	Puits Blain 6, PAP, Haiti 509-2812-5000 GILLESD@iadb.org jaoquind@iadb.org felipeg@iadb.org brunoj@iadb.org Saliml@iadb.org	Regional Development for Latin America and Caribbean
International Finance Corporation	Jean Francois Pean Investment Analyst Lia Mamniashvili Operations Officer, Advisory	7, Rue Oge Petionville, Haiti Tel 509-3798-0817 and Mob. 509-3177-8820 jpean@ifc.org Mob. 509-4799-7624 Lmamniashvili@ifc.org	Development Bank
Le Levier Federation des caisses Populaires Haitiennes Funded by CIDA	Jocelyn St. Jean Director General	31, Rue Oge, Petionville, PAP, Haiti Tel: 509-3654-6503 Mobile 509-3722-8941 St_jocelyn@hotmail.com & Jocelyn.saintjean@lelevier.ht	Support to Cooperative Banks
MicroCredit National SA Affilated with UNIBank	Jean Clefils Similien General Director Bernard Fatton Sr. Consultant	27 – 2me Ruelle Jeremie Port au Prince Mob. 509-3404-2602 509-2813-0666 jcsimilien.mcn.hc and jcsimilien@unibankhaiti.com bfatton@unibankhaiti.com	Affiliated with UniBank Largest bank in Haiti with nationwide branch network and MFI intergtated to group.
Prime Minister's Office	Bonivert Claude Special Advisor to the PM	31, Blvd Harry Truman, PAP, Haiti Bonivert.claude@primature.net and beduale1@hotmail.com	Head of Government
ScotiaBank	Maxime Charles General Manager for Haiti	312, Angles Rue Louverture & Geffrard, PAP, Haiti Tel 509-3728-3089 maximed.charles@SCOTIABANK.COM	Branch and Scotiabank Toronto, Canada. M. Charles is President of the Haiti Bankers Association

Institution Name	Contact	Address etc.	Activity
HiFive Value Chain Development Project Integrated Financing to…..	Claude Claudomir, Fils- Team Leader Ivrose Joseph Sr. Technical Advisor to Team Leader	22, Angles des Oge et Magny Petion-Ville, Haiti Voip-301-637-6104 Mob. Tel: 509-3710-6121 cclaudomir@hifive.org.ht yjoseph@highfive.org.ht	Integrated Financing to Value Chains
SOGEBANK AND SOGESOL BANK Holding and integrated MIFI	Claude Pierre-Louis, General Director of SOGEBANK and Secretary Treasurer of Administrative Board of SOGEBEL Daphne Louissaint, Generl Director, SOGESOL (MFI) Adrien Tassy Gen. Director to SOGEBEL aand member of Management Board to Sogebank	SOGEBANK, Route de Delmas, BP 1315, PAP, Haiti SOGES OL NETWORK Petion Ville Delmas Carrefour PAP Jacmel Port de Paix, Petit-Goave Jerermie, Cap-Haitien Gonaives, Cayes, Saint Marc Croix des Bouquets Mirebalais and Ouanaminthe General Director SOGESOL Angles Rue Darguin et Geffrard, Petion Ville, PAP, Haiti Tel: 509-2229-5800 dlouissaint@sogebank.com Daphne.louissaint@gmail.com ATASSY@sogebank.com	All service banking group including corporate loans and services. Consumer credit, loans to $250,000 to MSME Factoring, Mortgages, savings and investments, money transfers etc. etc.
SYFAAH Système de financement et d'assurance agricole en Haïti (funded by CIDA)	Claude LaPointe Director of Projects	8, Rue Mangones, Berte, Petion-Ville, Haiti Mobile Tel: 509-3830-3650 and clapointe@did.qc.ca Office No. 509-2813-0285	Financing and Insurance for Agriculture