

NOUVEL 23.2

FONKOZE

25 YEARS OF EMPOWERING

We Shall Rise

THE EARLY NINETIES, HAITI

Haiti was in the midst of a struggle for freedom and equality. Its first democratically elected president was living in exile, and a brutal military regime ruled the country. The organized rural and urban poor (the hundreds of grassroots organizations that worked tirelessly in the late eighties and early nineties for democracy in Haiti) were especially the targets of repression. Thousands were killed during this time, and many more were living in hiding or constant fear of reprisal.

A group of grassroots leaders – led by Father Joseph Philippe, a Spiritan Priest from Fondwa – envisioned a Haiti where individuals were not only given a chance at political democracy but at economic democracy as well. They had confidence their President, Jean Bertrand Aristide, would soon be restored to power and the military regime would depart. Fr. Joseph recognized that the grassroots movement organized to bring about historic political change could also be harnessed to bring about *economic* change on behalf of Haiti's poor.

Although the majority of Haiti's poor now knew how to organize themselves politically, they knew nothing about how to organize themselves economically. The poor were not allowed access to banks or to the financial services they needed to rebuild their lives. *Ti machann* (rural market women), for example, who had no collateral and could not read or write were not welcome in commercial banks – making it virtually impossible for them to grow their businesses and rise above their state of poverty.

Fonkoze was founded in this context.

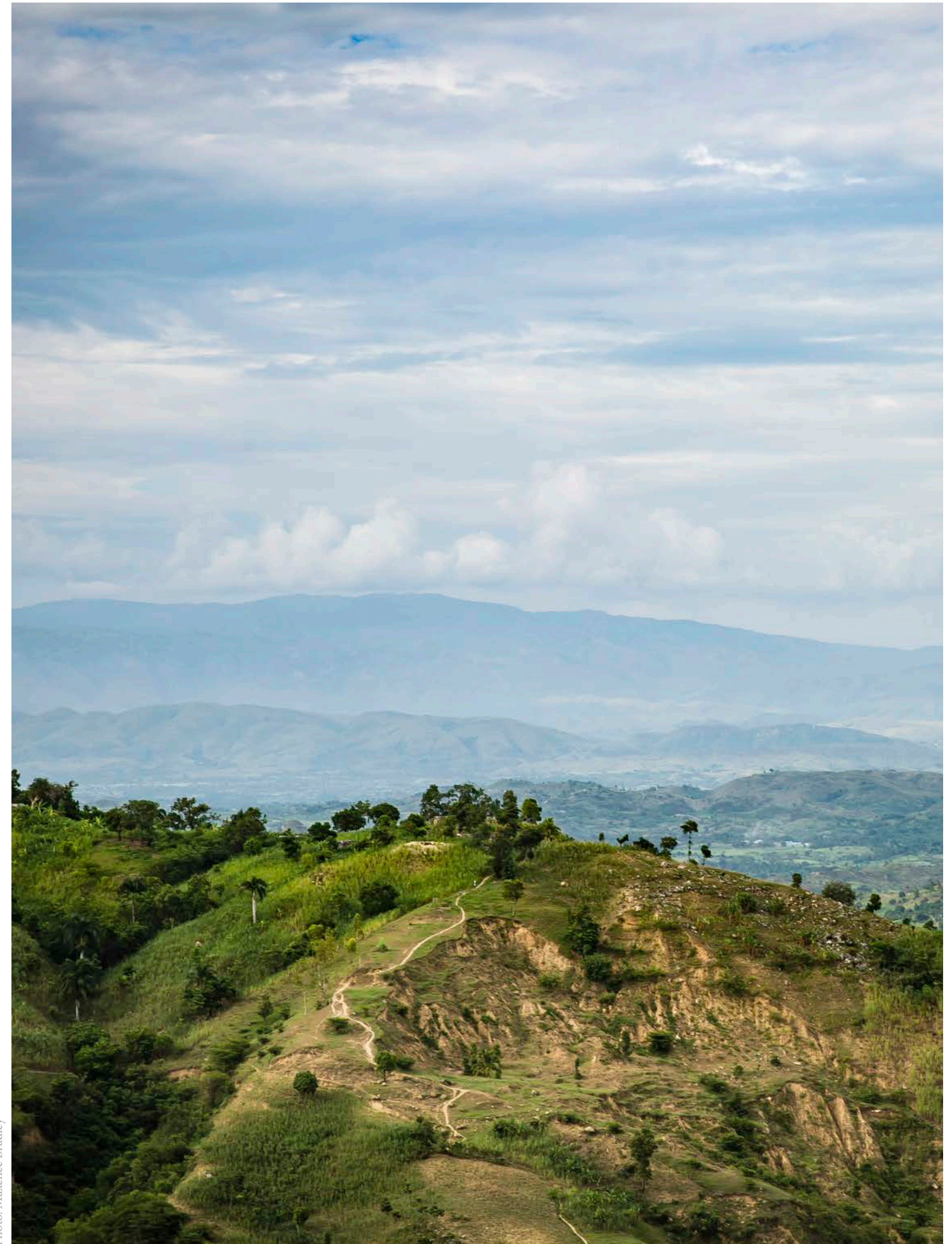


Photo: Maxence Bradley



Hope Actualized

THE YEAR 1994, HAITI

In 1994, Fr. Joseph, along with some 32 grassroots leaders, drew up the official papers to launch their efforts and in 1995, Fonkoze (Fondasyon Kole Zepòl, or the Shoulder-to-Shoulder Foundation) was officially recognized as a foundation under Haitian law.

At about the same time in Washington DC, an experienced management consultant and business owner, Anne Hastings, was applying for the Peace Corps. Then in her mid-40s, her only son was in college, and she felt something was missing in her life. She was ready to give back in a meaningful way. After being accepted into the Peace Corps and assigned to an African country, a client of Anne's encouraged her to introduce herself to the Director of International Operations. Once he learned of her working background, he asked her if she had any interest in Haiti. She said that she did, but the Peace Corps wasn't

working in Haiti at the time. The director said, "Forget the Peace Corps...I know a priest in Haiti that is doing amazing work."

He convinced Anne to send her resume directly to Fr. Joseph, and three days later, she received a message on her voicemail: "This is Fr. Joseph Philippe. We are pleased you have decided to work with us in Haiti. You may be the director of our new bank, Fonkoze. Thank you." Soon after that call, Anne found herself face-to-face with Fr. Joseph in Haiti. In the first fifteen minutes of their conversation, she says, **"He convinced me that he had more vision than all the top executives that had been my clients in DC put together."** Fr. Joseph pulled a rickety typing table between them, and with paper and pencil in hand, said, "Let's get to work." And just like that, Fonkoze was on its way. In the spring of 1996, Fonkoze organized a conference in Miami to bring

together micro-credit practitioners, Haitian-Americans, and Haiti advocates to discuss how Fonkoze should be launched. One of the main topics of discussion was how to finance the work of Fonkoze effectively. From this discussion, Fonkoze USA was later conceived in the fall of 1996. And in January 1997, it held its founding board meeting. **Fonkoze USA has been on a mission ever since to raise donated and invested (loaned) funds, increase public awareness about Fonkoze's empowering work, and facilitate technical assistance to its partners in Haiti.**

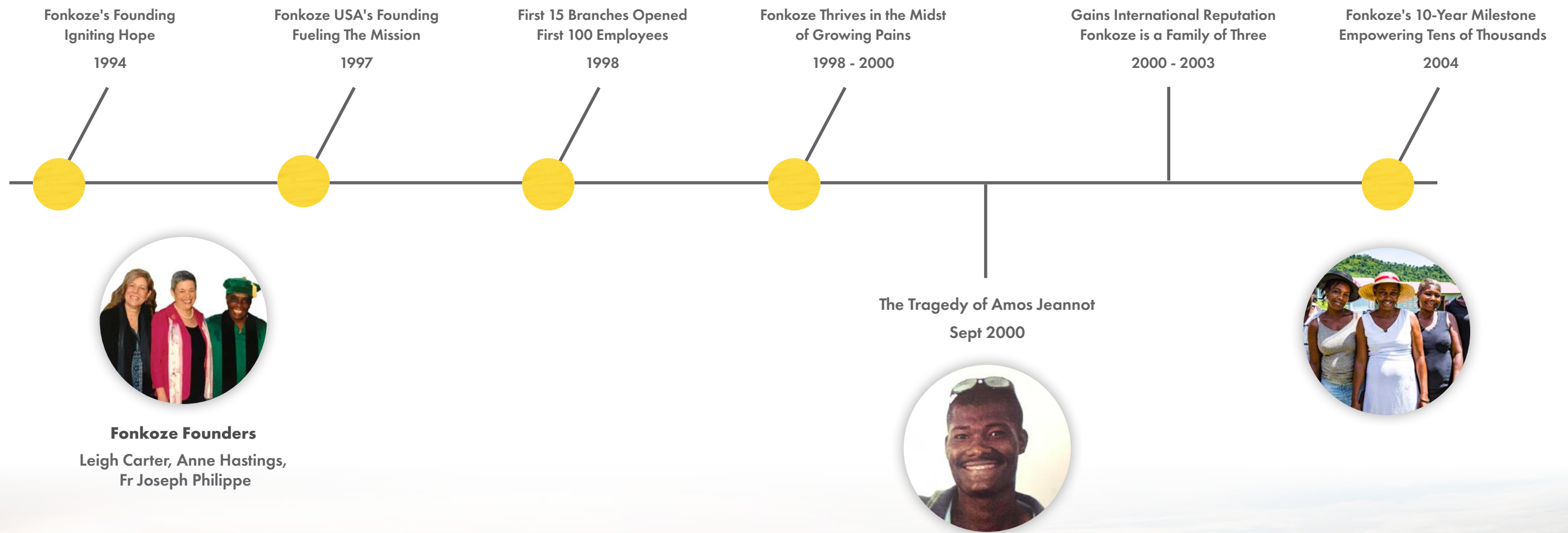
Fueled by donations and investments from individuals and organizations across the US, both Fonkoze in Haiti and Fonkoze USA undertook tremendous growth from 1998 to 2000. By the end of 1998, Fonkoze had opened its first 15 branches (thanks in part to a grant received by the Doen Foundation in the Netherlands) and had 101 employees. The same year, Fonkoze implemented development programs such as literacy and business skills training to accompany its empowering micro-lending services. In addition to the support Fonkoze received from donors and investors, it also received in-kind technical assistance

from dedicated partners such as Arnold & Porter, Fairfield University School of Business and City National Bank of New Jersey. This assistance was key in helping Fonkoze to tackle the learning gap it was facing as it sought to provide high-quality, empowering financial services to the poor.

While the organization had come a long way, it seemed Fonkoze's dream of sustainability (for the financial services work) was always just out of reach. Research showed that other micro-credit institutions throughout the developing world were also dealing with the same dilemma. It was at this time that Gordon McCormick, a Fonkoze USA major donor and Wall Street investment banker, became an active part of the team to shape Fonkoze's future. He and Anne both believed that private capital could be accessed to tackle the problem of poverty in Haiti. Together, they set about to do just that by actively visualizing what it would take to create a solid financial base from which the institution could grow. **Just as the organization was about to present their vision to the broader community, violent forces within Haiti moved on Fonkoze (See *Tragedy of Amos*, p. 7).**

The journey leading up

to Fonkoze's first ten years in operation was tumultuous, yet hopeful and impactful. The kind of change that the organization and its supporters were igniting was not always well received - and in 2000, it was challenged in a tragic way. But with loss and tragedy came growth and progress because the people behind the mission persevered.



Amos Jeannot

SEPTEMBER 6, 2000, HAITI

On the afternoon of September 6, 2000, a group of 10 men dressed in official Haitian National Police uniforms came to the door of Fonkoze. Under the pretext of checking Fonkoze's gun permits, they entered the building. The men forced all the employees on the floor at gunpoint and robbed the central safe. Before leaving, they asked by name for long-time Fonkoze employee, Amos Jeannot, and forced him into the back of their vehicle.

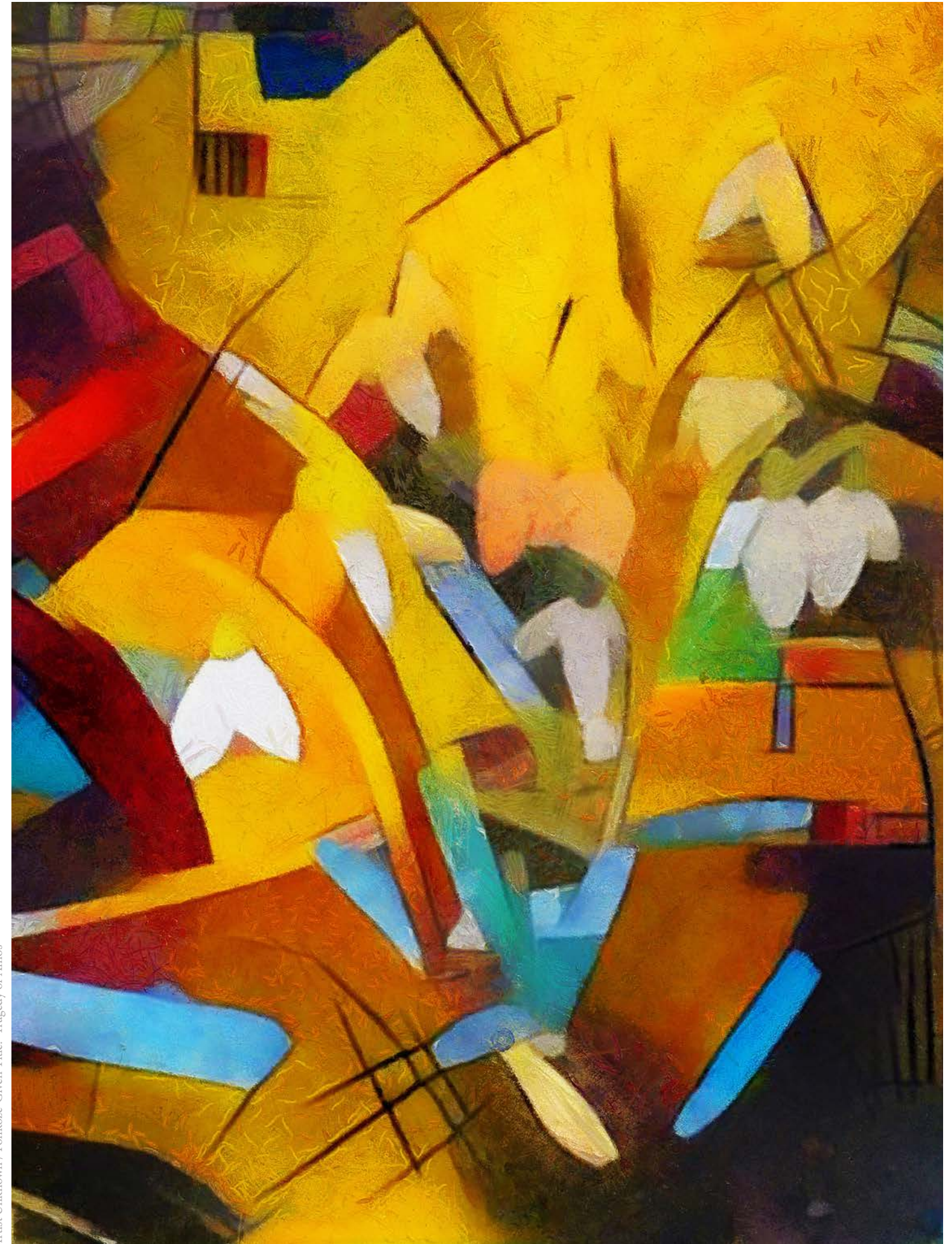
As the car drove away, Fonkoze employees painfully witnessed the men brutally beating him. Two days later, Fonkoze received a phone call. The caller said, "Tell Anne [Hastings] if she doesn't close Fonkoze, we won't let Amos go." It soon became evident that the attack was about more than money. It was about intimidating, or even destroying, the institution of Fonkoze. Even though the organization always kept a low profile, and quietly went about its work, someone was not happy with Fonkoze's progress. **Fonkoze USA and Fonkoze immediately broke with their low-profile status, and began to "make a loud noise."**

In Haiti, Anne and Leigh posted reward flyers in neighborhoods throughout Port-au-Prince and went to radio stations to broadcast Amos' kidnapping. In the US, Fonkoze USA organized

an international campaign to pressure the Haitian government to fully investigate the attack and kidnapping. More than 1,000 faxes from all over the world were sent to the President of Haiti and the Chief of Police. In three popular Haitian newspapers, full-page ads ran calling for a full investigation, offering support and solidarity for Fonkoze, and signed by more than 100 international organizations. Sadly, though, the tortured body of Amos Jeannot was found in the Central Morgue by Fonkoze staff member Alexandre Hector three weeks later. Amos left behind a wife and a four-month-old son.

The National Cathedral in Port-au-Prince was filled to capacity with mourners at the memorial service as a banner flew in front proclaiming, "Thank you, Amos, for all your good work in the country, with the peasants, with the youth, and with the *ti machann* [rural market women]."

While the investigation stalled, Fonkoze continued its work to empower. When asked how Fonkoze staff could find the courage to do so, Anne replied, "Amos gave his life for Fonkoze; we have no choice but to keep moving forward." With even more determination and solidarity from clients and supporters, Fonkoze did just that.



Artist Unknown / Fonkoze-Given Title: "Tragedy of Amos"

A Loud Noise, We Did Make.

Despite the struggles Fonkoze had faced in its first ten years, it continued to thrive, determined to carry out its mission to empower Haiti's poor and disenfranchised. By the end of 2000, Fonkoze was empowering tens of thousands throughout the country. In the span of about two years (between 2000 - 2003), Fonkoze became well known within the microfinance sector in Haiti and began to earn an international reputation for its provision of rural microfinance services. In December 2003, Fonkoze was one of five institutions selected to receive CGAP's *Pro-Poor Innovation Award* - out of a pool of 300 applicants.

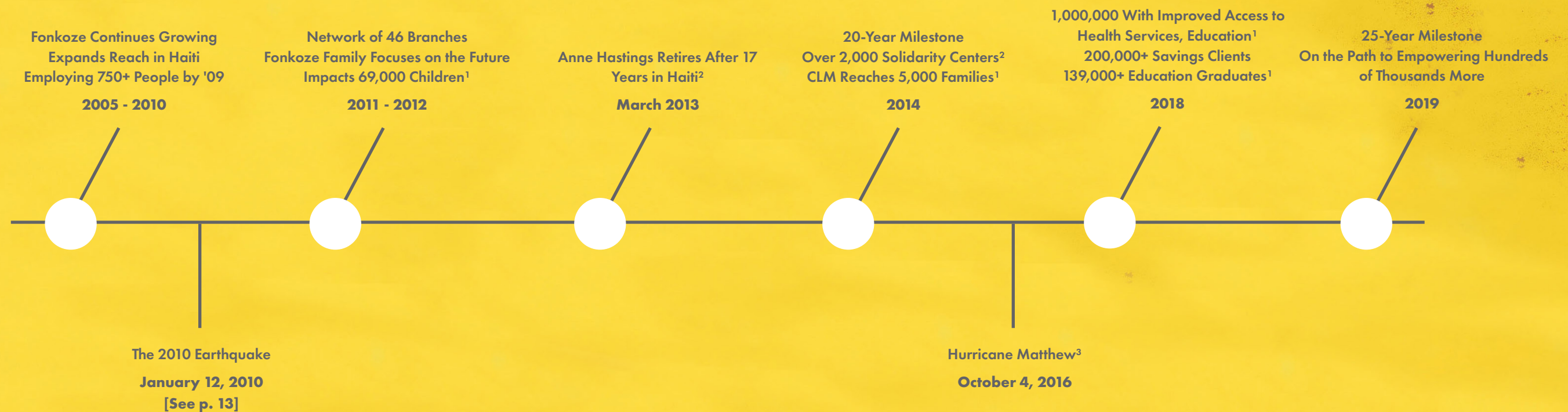
The institution (or *movement*) known as Fonkoze was now three separate organizations (Fonkoze Foundation, Fonkoze Financial Services ((SFF)) and Fonkoze USA) with three separate board of directors, teams - **and one overall mission: to eliminate poverty in Haiti.** Fonkoze Foundation (Fondasyon Kole Zepòl) still managed small, incubating branches and development services; Fonkoze USA continued to raise awareness and funds in the U.S. for the Foundation's programs; SFF was now strictly providing financial services. As SFF set out to work towards sustainability as a financial institution with a social mission, Fonkoze Foundation was expanding as well, largely due to the invested and donated funds raised by Fonkoze USA. Fonkoze's literacy and business skills training classes were augmented with education modules on reproductive health, women's and children's rights. And a health program was put into place to address the growing malnutrition problem in rural areas.

Fonkoze also recognized that the "ultra-poor," the poorest of the poor, would not benefit from micro-credit services due to their extreme state of destitution, hunger, lack of assets, and income. To empower these families, the Foundation initiated its ultra-poverty alleviation program Chemen Lavi Miyò (CLM or Pathway to a Better Life). Using the Graduation model first developed by BRAC, CLM employs specially trained case managers to work with ultra-poor CLM members throughout an intensive 18-month process to help them build sustainable livelihoods; the confidence and skills needed to create a better life for themselves and their families.



Through the storms, we

continue to pick ourselves back up, dust off our clothing and move forward despite the literal and proverbial winds that come our way. Our team's unyielding determination and the support we receive from our supporters are what make this possible.



1

¹69,000 children received vitamins (Vitamin A or multivitamins) through a partnership between Fonkoze and Vitamin Angels in 2012.

¹The number of individuals (69,000; 5,000; 1,000,000; 139,000) by date specified

²Anne Hastings retires on March 2013 to spend time with her grandchildren in the U.S.

²Fonkoze Solidarity Centers are located throughout Haiti, in virtually every region. Centers act as a distribution network for key resources - including Fonkoze's Adult Education classes and Health Services. At Center meetings, clients can build community, receive life skills instruction, disaster preparedness training, and more.

To get more information on Fonkoze's impact, visit fonkoze.org.

2

3

³Hurricane Matthew was one of the most powerful storms (category 4) to hit Haiti in several decades. Over 500 people died, and an estimated 2 million people needed humanitarian assistance. **Fonkoze was quick to respond to the needs of its clients in the wake of this devastation:**

Fonkoze USA raised nearly \$184,000 by March 2017, of which 100% was sent to its partners in Haiti to aid in their on-the-ground recovery efforts. Fonkoze Financial Services (SFF) facilitated large volumes of international and local cash transfers in six of the branches most affected by the hurricane, in addition to loaning an additional HTG 173.6 million (USD 2.6 million) in additional funds to its credit clients in those same branches. Fonkoze Foundation distributed over 3,000,000 water purification tablets and launched its Cholera Awareness and Prevention campaign (benefiting approximately 66,500 individuals living in the areas most affected by Hurricane Matthew).

JANUARY 12, 2010

SOLIDARITY IN THE WAKE OF DEVASTATION

Tranbleman tè

On January 12, 2010 – Fonkoze’s entire leadership team gathered in the Central Office in Port-au-Prince to go over the plans for the year. An important topic of discussion was how Fonkoze might find a way to protect clients from the inevitable natural disasters that come their way. Coincidentally, a 7.0 magnitude earthquake (*Tranbleman tè* in Haitian Creole) would strike Haiti later that same day, at 4:53 p.m.

It is estimated that 200,000 to 300,000 people tragically died that day – including five of Fonkoze’s beloved staff members and their loved ones. The earthquake also severely compromised the country’s financial infrastructure, limiting people’s access to much-needed funds. Remittances from friends and

family abroad – upon which Haitians rely on in good and bad times – were not being distributed. Fonkoze was quick to respond to this critical need.

Our solid organizational structure, paired with our staff’s dedication to our clients, enabled Fonkoze to reopen 34 of its branches almost immediately. Despite buildings being damaged beyond repair, Fonkoze’s team found a way to make it work. Setting up stations in courtyards, the staff utilized satellite phones and diesel generators to restart operations. Within the first week of reopening, Fonkoze delivered more than \$1 million in remittances and savings to Haitians in need.

In the weeks and months that followed, that number increased to multi-millions.

To bring liquidity to Fonkoze in Haiti and additional cash into the country, Fonkoze USA conducted an unprecedented cash drop in collaboration with the UN and the US military. On January 23, helicopters delivered \$2 million from Fonkoze USA’s account at the City National Bank of New Jersey – disguised in boxes for security purposes – to ten branch locations across Haiti. By January 26 – just two weeks after the earthquake – 39 of our 41 branches were back in operation. But our clients (19,000 at the time) were still struggling, having lost their homes and small businesses. And almost half of Fonkoze’s staff had damaged homes or no homes at all.

Fonkoze responded by creating an innovative program called Kore Fanmi Fonkoze (Program to Reinforce the Fonkoze Family). Designed with the Progress out of Poverty Index (PPI),

which has helped to monitor clients’ progress and inform Fonkoze’s decisions about its programs since 2006, Kore Fanmi Fonkoze was a comprehensive and innovative disaster relief and livelihoods recovery program. It provided all clients affected by the earthquake with a one-time cash grant for emergency needs, canceled their former loan balance, and provided those deemed ready with a new micro-loan to restart their businesses. Fonkoze also rolled out an education curriculum on disaster preparedness and risk reduction strategies. Including its staff, clients and their families, Fonkoze empowered more than 89,000 people to start rebuilding their lives in the wake of this tragedy.

The entire Fonkoze family extends its sincere gratitude to all of the donors who, in solidarity, supported our recovery efforts.

25-YEAR MILESTONE

As expressed in our Fonkoze Family's 2018 Annual Report Founder's letter to you, "It is truly amazing to see firsthand the kind of impact that you, our supporter and friend, and our team are making throughout Haiti." Although the 25 years leading up to where we are today haven't been easy by any stretch of the imagination, they have certainly been filled with much progress and hope. In solidarity, we have - with determination - overcome obstacles that at times seemed insurmountable.

Today, Fonkoze continues to gain momentum, empowering hundreds of thousands of individuals and families every year to rise above their situations and reach for their full potential. With over 200,000 people across Haiti participating in one or more of our empowering programs and approximately one million households in rural parts of the country who have benefited from our health program Boutik Sante to date, we are enabling communities of disenfranchised people to break the cycle of poverty - for good.

Fonkoze's holistic approach to eradicating poverty - addressing its many causes, forms and roots - helps to ensure our impact has a lasting effect. Our clients' children, for example, are now in a better position to succeed in life, building upon their parents' progress. And we aim to make this a reality for generations to come. Thank you for the part you continue to play in making our work and impact possible. With you by our side, we can (and will) eradicate poverty in Haiti.



IT WILL TAKE A COMMUNITY OF US...

To make health services accessible to **1,000,000** more people by 2021

To empower **25,000** more ultra-poor families via CLM by 2020

To expand our Adult Education program to **70,000** women by 2020

To invest in **200,000** people each year via our micro-lending programs

To help **100,000** more malnourished children become healthier each year

To train and support **8,000** more small-scale artisans by 2020

To spread **HOPE** via empowerment to countless lives in the coming years

To **ERADICATE** poverty throughout Haiti



With you by our side, **WE CAN.**
Donate a gift of hope at

give.fonkoze.org



25 YEARS OF EMPOWERING

[GIVE.FONKOZE.ORG](https://give.fonkoze.org)