

ILU Women's Empowerment Fund

SDG Tracker



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Geographical scope of the case study: Haiti

Sustainable Development Goals: SDG 5 Gender Equality and SDG 8 Decent Work & Economic Growth

Project Title: The ILU Women's Empowerment Fund

Description of project: Women's empowerment through the promotion of financial inclusion for women and equal access to capital and innovative digital technology

Target population: Women who are living below the poverty line in a post-humanitarian context

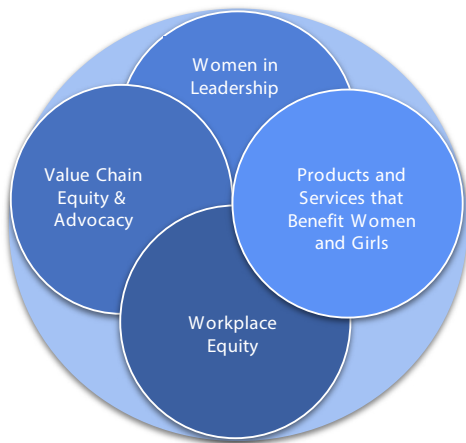
Main activities: The provision of micro loans, enhanced access to mobile phone-based digital wallets, and digital literacy training.

Results: By removing financial barriers for vulnerable women, enhancing their access to capital and strengthening their capacity to use digital technology, this innovative pilot project has improved women's financial inclusion and promoted their equal economic participation. It also highlights the important role that the private sector can play in promoting the 2030 Agenda.

Background

In order to advance an accelerated Agenda 2030, it is essential for Civil Society to work in partnership with the private sector, who have a wealth of expertise, knowledge and resources on social development issues. Such partnerships require the sharing of information, joint programming and greater accountability and transparency. In this context, the Ilu Fund delivers meaningful and measurable social and environmental benefits, with a focus on advancing five of the UN Sustainable Development Goals. The Ilu Fund reports quarterly on 5 of the SDGs.

Our Fund's approach to capturing gender disaggregated information has been vetted extensively by two DFIs and a leading impact investor (second largest Credit Union) in Canada. Gender Lens Investing (GLI) at the Ilu Fund integrates gender-based factors into investment decisions. We look for businesses that show leadership or commitment to one or more of our four gender lenses (see graph below):



We collect gender disaggregated data at the individual company level to gain a better understanding of women’s barriers to accessing beneficial products and services and to achieving positions of leadership. The Fund invests in businesses that are already gender leaders and those that are embracing and committing to more gender equitable business practices.

Target beneficiaries of the Fund’s activities are:

- Women entrepreneurs and women led businesses
- Women and girls who are recipient of health-care services, educational campaigns
- Women and men working for portfolio companies

Among such portfolio companies, we would like to highlight three partner NGOs that provide health-care services for women and children (SDG #3, Good Health and Wellbeing), along with financial support: Espoir and Insotec (Ecuador), and Pro Mujer International (Peru, Bolivia, Argentina, Mexico, Guatemala, and Nicaragua). In addition, the Ilu Fund began lending in Haiti two years ago, supporting an organization that serve women entrepreneurs.

Deetken Impact in Haiti

At Deetken Impact, our goal is to provide businesses with not only the financial resources they need to improve the living standards of the communities where

they operate but also the technical assistance to make those changes sustainable. Key to this process is having strong relationships with organizations and businesses that are committed to the communities, that have deep understanding of their needs and have solid business plans to achieve their goals.

Two years ago, Deetken Impact invested in Haiti for the first time through a USD 1 million loan to FINCA Haiti. Their plan is to expand their lending services to individuals, micro and small – and medium- sized businesses (MSMEs). With this investment they will grow their network of branches and digital financial services and build their capacity to develop customer-centric and gender-sensitive financial products. Deetken Impact is working closely with them to support this ambitious plan, as it relates to 3 of the SDGs that the Ilu Fund reports quarterly: #4 Quality Education, #5 Gender Equality, and # 8 Decent Work and Economic Growth. These interlinkages are key to advancing gender equality. The case study presented here has shown how promoting poverty eradication and social protection can go a long way in lifting women out of poverty, enhancing their health and wellbeing – and that of their children - and reducing their vulnerability to sexual and gender-based violence. By harnessing interlinkages, women’s resilience in the face of poverty and climate-related shocks has been strengthened.

Challenges in Haiti

When we think of vulnerabilities for people in Haiti, it drums up scenes of earthquakes and hurricanes – with over 90% of the population at risk of natural disasters. However, these events pass, and people with low incomes must live much in the present moment. According to the latest household survey, 59% of Haitians are living under the national poverty line. For everyday Haitians, personal safety is top of mind compared to natural disasters. Theft, sexual violence, and political upheaval are continuous concerns. Carrying cash for personal purchases, and more so, the larger amounts required for your business can be risky. Bank-

ing clients are commonly followed by assailants on motorcycle and robbed in less public areas. Shootings during these incidents are not uncommon. Evidence suggests that women and girls are disproportionately affected by natural disasters and humanitarian crises. Women often shoulder a heavier burden of care during humanitarian crises and in their aftermath. Women and girls are also vulnerable to abuse, exploitation and violence (including sexual violence) during and immediately a humanitarian crisis, with little support, protection and legal recourse.³⁵

Another challenge is logistical. Those living in the city face gridlocked traffic, where a 2-kilometer trip can take over an hour. For those working on farms, public transport may be infrequent and there may be long walking distances to boarding points. These logistical issues eat into valuable income-earning time which have a significant effect on already low incomes, or the ability to otherwise support a family. FINCA, one of Deetken Impact's investments in Haiti, has come up with a unique solution to overcome some of these issues.

Mobile phone-based digital wallets: the start of MonCash

This case study has revealed how important it is to harness technological innovation and ensure accessibility in order to leave no one behind in the 2030 Agenda. This requires deliberately promoting vulnerable women's access to and training on digital technology.

FINCA³⁶ has been leveraging the use of technology in the countries it operates for over a decade. More recently, the widespread use of mobile phones even among poor countries has made it possible to use

³⁵ This is emphasized in the Global Affairs Canada, (2017), Canada's Feminist International Assistance Policy: #HerVoiceHerChoice, GAC: Ottawa, under 'gender-responsive humanitarian action'.

³⁶ FINCA Haiti is a microfinance institution founded back in 1989, which currently has eight branches that serve over 45,000 customers – 90% of whom are women. They provide the majority of micro-loans through the village banking model, where a group of individuals come together and support each other while growing their business, and the group guarantees the individuals' loans.

them to expand access to financial services. In 2013, FINCA Haiti partnered with Digicel, the largest telecom provider in the country, to offer clients (90% of whom are women) the option to make their loan repayments via mobile phone – a service they called Moncash. MonCash is a digital wallet that can hold a currency balance in a digital account that can be accessed using a user's mobile phone. And the phone doesn't have to be a Smart Phone since it is code based rather than using an interface. Instead of having to make a long and expensive trip to a FINCA branch, this new service would allow clients – at no additional cost to them – to transfer their payments via mobile phone using a nearby Moncash agent.

The benefits to their clients were self-evident but the success of this program did not happen overnight. In 2015, less than 350 clients were paying their installments via Moncash. That's when FINCA Haiti, with the support of Swiss Capacity Building Facility (SCBF), conducted a study to determine what needed to be done to improve the use of mobile banking. The study confirmed that 93% of FINCA Haiti clients had a mobile phone and a Digicel line, which confirmed that the platform had great potential to reach most of their clients. So, what were the barriers to adoption?

As with any new technology, one of the main obstacles to the uptake of Moncash had been the lack of appropriate training for both FINCA credit officers and their clients. They needed to raise awareness about the program and make sure clients felt confident doing the transactions with a digital literacy campaign. They undertook hands-on practical training of the credit officers and motivated them to train and encourage their clients. Thereby, they became champions of Moncash. FINCA also realized that the existing network of Moncash agents was limited in size and it didn't cover the geographic area needed so they recruited and trained additional sub-agents and trained the existing ones to better serve the needs of their clients. "In addition, FINCA Haiti offered lines of credit to agents, allowing agents to better manage their liquidity and more

reliably serve customers”. Lastly, they created better channels of communication with Digicel and resolved issues with the service more promptly.

After implementing these recommendations, the growth of loan repayments via Moncash has been impressive. While the number of FINCA clients has grown from approximately 35,000 in 2015 to nearly 47,000 in 2018; the use of mobile payments has gone from a start of 340 members in 2015 to a remarkable 15,241 to date. Mobile loan disbursements have recently been rolled out. Future changes in legislation with regards to the maximum transfer amount could allow this number to increase significantly. That said, the 1,052 clients, who were mostly women, receiving loan disbursements to date has proven the success of this pilot project. We look forward to watching this growth continue at the same time as we further our understanding of the broader impact of digital finance on Finca’s enterprising clients.

Gender-sensitive poverty eradication and social protection interventions are only effective when projects are developed in a holistic, transformative and systematic way that cuts across silos. In this case study, enhancing access to technology, providing micro-loans and offering practical training made a significant difference to the rights, wellbeing and resilience of vulnerable women and that of their children; effectiveness in this case study relied on all three components.



Finca Haiti clients taking advantage of Moncash service.

The bigger picture for Haitians

As FINCA expands and continues to enroll more clients to do their loan payments and disbursements via Moncash, it is not only improving financial inclusion but is also helping to on-board more and more Haitians to the digital economy. They are overcoming barriers that have until now limited technology and finance to the domain of affluent citizens.

With their digital wallet usable for other types of transactions, it further reduces their need to carry cash, a particularly useful feature for women entrepreneurs. They can buy food at local stores that also use MonCash; they can transfer funds electronically to suppliers that also use the service; and they can exchange cash at a nearby MonCash agent and have it applied to their digital wallet. Access to their wallet requires verification of identity at the agent limiting the possibility

of false access to their account. This has a compounding impact on their safety, cost savings, and time savings as they are now using less cash everywhere.

As an example, the farmers in the Arbonite Valley in Haiti now have new opportunities as they cross the digital divide: using their phones to check weather, research plant conditions, find the best market prices, and use their digital wallets for transactions to sell their produce and buy supplies safely and securely. There is a direct linkage to the *Feminist International Assistance Policy* (FIAP), specifically Action Area 3 'Growth that works for everyone.'³⁷ This policy argues "Limited access to financial services – such as banking, credit and insurance – makes it difficult for poor households to recover from events such as poor harvest or a health crisis. This limited access to vital financial services also results in lost economic opportunities, particularly for small and medium-sized enterprises owned by women"³⁸. FIAP also explains that in order to ensure that women can participate equally in contributing to economic growth, they need greater access to and control over assets such as land, housing and capital.

This innovative case study speaks directly to the promotion of "financial inclusion for women and equal access to capital, markets, digital technology and business development services."³⁹ This initiative is true testament of how access to credit, mobile technology and digital literacy are jointly contributing towards sustainable economic growth in Haiti, particularly for women entrepreneurs. Thus, it has the potential for making a positive contribution to gender equality and women's empowerment. It also highlights the importance of collaborating with the private sector to promote Agenda 2030, and in this case SDG #5.

Finally, this case study has shown that it is important to remove financial barriers for vulnerable women and support them to exercise their agency and have control over their livelihoods, finance and decision-making. Simply focusing on their victimization or providing them with cash transfers and hand-outs will not create sustainable and systematic changes in unequal power relations; rather working together with vulnerable women in the design and implementation of projects that promote their agency is key to a transformative and accelerated 2030 Agenda and Platform for Action.

Recommendations

- Multi-stakeholder partnerships with the private sector should be explored, with special attention to information-sharing, joint programming and greater accountability and transparency.
- Projects should harness digital technology innovation and ensure accessibility in order to leave no one behind in the 2030 Agenda.
- Gender-sensitive poverty eradication and social protection interventions should be developed in a holistic, transformative and systematic way that cuts across silos and sectors.
- The multi-generational effects of poverty eradication and social measures for mothers and caregivers, should be considered in relation to the wellbeing of their children.
- An agentic approach to the 'leave no one behind' pledge is required to create sustainable and systematic changes in local communities.

³⁷ Global Affairs Canada, (2017), Foreword in *Canada's Feminist International Assistance Policy: #HerVoiceHerChoice*, GAC: Ottawa

³⁸ Ibid, pg. 36.

³⁹ Global Affairs Canada, (2017), Foreword in *Canada's Feminist International Assistance Policy: #HerVoiceHerChoice*, GAC: Ottawa, pg. 38.