

DOXA MINI-CREDIT PROJECT

Doxa Foundation International, Inc is a Christian humanitarian organization solely dedicated to serve the poor in Haiti. Like other underdeveloped countries, Haiti has been struck in economic crisis for years. The hardship has hit extremely hard the poor in the urban and rural areas; people have no jobs and their family suffered. To help the poor, the Government and some non-profit organizations have established some programs. Despite good intention, reports have shown that a very small portion of the help reaches the poor because of bureaucratic corruption. Trying not to repeat the same mistake, **Doxa** has started a Mini Credit project to help the poor that channels the funds directly down to the grass root level; we started it in the city of Lascahobas, Haiti. With time, the scope of the Mini-Credit project will be extended to cover other geographical areas of Haiti.

What is Micro-Credit?

Micro-Credit programs extend small loans to very poor people for self-employment projects that generate income allowing them to care for themselves and their families

Project objectives

1. Long-term objective:

- To stimulate sustainable economic development at the grass-root level.

2. Short-term objectives:

- To assist the urban poor to generate their income and survive the economic crisis.
- To assist small entrepreneurs and people working in the informal sector(small tailor shop, vegetable vendors, women selling snacks and ready-made clothes...ect) in strengthening their business and learning to manage a loan.
- To improve the local economic situation condition and develop a community of self-reliance.

Type and method of assistance

A sum of money is given as a loan to a small entrepreneur or an individual working in the informal sector to be used as a capital to support his/her business. The amount of money varies according to the type of business and the individual ability to return the loan. This loan without interest has to be paid back during a period of six months. The repayment of the loan will start on the second month, giving him/her a month grace period before starting to repay the loan. This means, the sum of money to be paid back every month is 20% of the loan. The nature of the project should remain social at grass root and not rigidly structured to allow changes and adaptation to local needs.

Criteria for project beneficiaries

There is an exclusive focus on the poorest of the poor. Exclusivity is ensured by:

- a. Establishing clearly the eligibility criteria for selection of targeted clientele and adopting practical measures to screen out those who do not need them.
- b. In delivering credit, priority will be increasingly given to women.
- c. The delivery system is geared to meet the diverse socio-economic needs of the poor.

To be eligible for this project the person needs to meet the following criteria:

1. Residing in the project site/district
2. Having a small business that has been running for a year or two or has experience running small business.
3. Having a low income and living in a poor condition.
4. Showing strong motivation to improve his/her business.
5. Reliable and strongly committed to pay back the loan.

Additional features of the loan:

- Very small loans given without any collateral.
- Each person is to receive a loan for no more than two times.
- The second loan can only be given when the payment of the first loan is completed.

Project manager/implementer(s)

The following criteria are used to select individual(s) managing this project:

1. -Knowing quite well the people living in the district.
2. -Having worked with the local community members in various activities.
3. -Showing a leadership character.
4. -Being well known and respected by the community members.
5. -Accountable and motivated to help the poor.
6. -Capable of making reports.

Project implementation

As the Board members of **Doxa** reside in the United States of America, the management of this mini credit is totally trusted in the hands of the project manager(s) with the oversight of the Board. The selection of participants is made by the project manager(s). When a candidate agrees to all the conditions and rules of the project, he/she will complete a loan application and submit a proof of identity to be kept in the participant's file. The project manager will review the loan application and approve the eligible participants.

The amount of money given as a credit varies by activities or type of business. The participants should come to the office of the project manager(s) to get the cash loan and agree to pay back the loan on a specific date and time. The project manager should conduct monthly meetings. At that meeting, the participants will be able to share their experience in running their business and strengthen the social bonding among them.

Founding of the project

The founding of the project will be done by Doxa-Credit through members' donations.

Expansion of loan portfolio to meet diverse development needs of the poor

In order to get a more substantial impact on the economical and financial conditions of the community, this project will need to be expanded. As the general credit program gathers momentum and the borrowers become familiar with credit discipline, other loans programs will be introduced to meet growing social and economic needs of the region. Besides housing, such programs may include:

- Credit for building sanitary latrines
- Credit for installation of tubewells that supply drinking water and irrigation for kitchen gardens
- Credit for seasonal cultivation to buy agricultural inputs
- Loans to lease equipment/machinery to help farmers

The underlying premise of **Doxa Credit** is that, in order to emerge from poverty and remove themselves from the clutches of usurers and middlemen, landless peasants, the poor need access to credit, without which they can not launch their own enterprises, however small they may be.
