

CONSIDERATIONS FOR GLOBAL DEVELOPMENT AND IMPACT  
USING HAITI AS A CASE STUDY

Isabelle Clérié

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APPROVED:

Douglas Henry, Major Professor  
Alicia Re Cruz, Committee Member  
Stan Ingman, Committee Member  
Lisa Henry, Chair of the Department of  
Anthropology  
David Holdeman, Dean of the College of  
Liberal Arts and Social Sciences  
Victor Prybutok, Dean of the Toulouse  
Graduate School

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As the world becomes more connected, issues surrounding sustainable development are coming to the fore of global discussions. This is exemplified in strategies such as the United Nation's Sustainable Development Goals (SDGs), released in 2015, which created a framework for global development that defines specific goals for issues like poverty, climate change, and social justice. To complement the analysis that went into defining the SDGs, capital allocations around the world are becoming more impact focused so that the paradigm of development is shifting from donations to impact investments. The push for impact, however, has led to a homogenization of global challenges like reproductive health and poverty. This, in turn, has led to a standardization of information resulting in agencies designing interventions based on data and information that is misguided because of incorrect assumptions about a specific context. This paper explores how the decision-making mechanisms of global development agencies and investors could apply more anthropological processes to mitigate negative impact. As the development sector becomes more and more standardized, anthropologists can act as translators between affected communities and the institutions deciding how best to help them.

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Isabelle Clérié

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## LIST OF ABBREVIATIONS

ABCD	Assets based community development
ANT	Actor network theory
CEO	Chief executive officer
EGI	Economic Growth Initiative
FPIC	Free, prior and informed consent
GIIN	Global Impact Investor Network
GIIRS	Global Impact Investing Rating System
HCD	Human-centered design
IADB (IDB)	Inter-American Development Bank
IMF	International Monetary Fund
IRIS	Impact Reporting and Investment Standards
LEAD	Leveraging Effective Application for Direct Investment
MCI	Ministère du Commerce et de l'Industrie
MDG	Millennium development goals
MFI	Microfinance institution
NGO	Non-governmental organization
PADF	Pan American Development Foundation
SDG	Sustainable development goal
SME	Small and medium enterprise
SROI	Social return on investment
UN	United Nations
UNDP	UN Development Program
USAID	United States Agency for International Development
USD	US dollar



## CHAPTER 1

### INTRODUCTION AND DESCRIPTION OF CLIENT

When the idea for this project arose, I was the director of a small nonprofit organization in Haiti called the Economic Growth Initiative (EGI). The organization worked with young Haitian entrepreneurs and provided them with training and access to a network of resources to help them grow their businesses. One of EGI's fundamental principles was that every business be a formal, legally registered, tax paying business. In order to do this, businesses had to, at minimum, acquire a "*patente*," which means they would have a tax ID and a registered name; it would be the equivalent of incorporating a business in the U.S.

One of the biggest challenges for the EGI entrepreneurs was that they were looking for financing between USD2,000 and USD5,000, but very few institutions were willing to give them credit because such amounts are either too low for larger microfinance institutions, or MFIs, that start lending at USD10,000 or too high for the more popular MFIs that lend up to USD1,000. The loans that were accessible to them had exorbitant interest rates. We had one entrepreneur who went to a *caisse populaire*, or an informal micro lender, where he had to put in 30% cash collateral and even though his first withdrawal was only 10% of the total sum sought he still paid 28% interest. To address the need for such "mid-level" loans, EGI decided to develop its own fund that could invest in the businesses in the program. The idea for the fund was that it would be flexible so as to accommodate the various needs and capacities of the businesses. This meant that the investments could take the form of cash collateral or be used as an equity investment which would give the fund a stake in the business. In

contrast to mechanisms like “social business grants,” the fundamental principle of the fund was that it was not a gift, so the entrepreneurs would be responsible for the money they received. This was done deliberately to counter the persistent giving culture that Haiti was being subject to with a deluge of grants, donations, and other free services that made Haitians expectant of handouts rather than feeling responsible for themselves.

In order to develop a model for this fund I opted to use the Applied Thesis experience to conduct research on the financial tools and mechanisms that were available to small businesses like the ones at EGI. This research was to be a feasibility study that would allow us to determine the most appropriate considerations for this fund beyond financial mechanisms such as entrepreneur’s attitudes towards receiving this type of funding and the willingness and motivations of donor institutions for backing such a fund.

In January 2016, however, because of irreconcilable differences between myself and the founder, I left my position at EGI and contacted Andrea Armeni at Transform Finance to talk about this research. I had met Andrea at the University of Notre Dame’s annual Irish Impact Conference in 2014. He is the co-founder and executive director of Transform Finance, and is a leader in the emerging field of impact investing, or “investments that are made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return” (GIIN). Transform Finance’s mission is to bridge the worlds of finance and social justice to ensure investments go toward the projects most likely to achieve deep social impact and transformation. As part of this work, Transform Finance convenes a network of

individuals and institutions that have committed to deploy capital in accordance with their three founding principles. Investments should: 1) foster community engagement in design, governance, and ownership, 2) add more value than they extract, and 3) be fair and just in their terms (Transform Finance). The Transform Finance Investor Network is made up of individual investors, investment funds, and foundations who all together represent over \$2 billion of assets allocated for impact investing.

Andrea and I had been in conversations about introducing impact investing in Haiti since 2014 so when I mentioned the research he was more than happy to work with me. The research was intended to identify the funding gaps for social businesses in Haiti that impact capital could address and define a fund model that applied the Transform Finance principles, and identify potential partners and a pipeline of investments.

Initially the emphasis of the research was on more technical considerations for a financial mechanism that could address the identified gaps. The focus was on the microfinance sector in hopes of understanding not just how they operate and what products they offer but also the motivations of the borrowers and how they used the money. To do this I would interview MFIs as well as their clients, particularly clients in rural areas that the MFIs were targeting.

This was all happening in the wake of a failed 2015 presidential election in Haiti so the country was experiencing a decline of stability as an interim government was installed in February 2016. The government failed twice to hold a second election during the year, but it finally took place in November 2016. Between February and November there were rising tensions between opposing parties that led to violent protests all over

the country. This caused many delays with meetings and made it impossible for me to make it out to the rural MFI clients that I was to interview.

After months of delays and additional research into the impact investing sector I instead began to hone in on the fluid concept of impact. Part of Transform Finance's mandate is to emphasize and elaborate on the importance of being very deliberate and mindful about what constitutes impact and how every community has their own context and their own ideas about what is best for them. After several conversations, we agreed that meaningful considerations for what impact is, how to identify it, and how to measure it are still lacking in the field. With this new focus, the research was redefined to be more globally generalized rather than being specific to Haiti, with the intention of making a case for how to think through impact that Transform Finance could share with their stakeholders.

Within their three principles of impact investing, Transform Finance has special considerations for the involvement of the affected communities. For example, Transform Finance is the implementation partners for an investment fund housed at IDEX called the Buen Vivir fund. "Buen vivir" is a Latin American indigenous epistemology that literally means "living right." The fund was designed with local actors with the specific intent of complementing local grassroots lenders that focus on the holistic wellbeing of a community rather than income production.

At its current stages impact investing is very much a fledgling field, though by no means a new concept. Funding giants such as the Rockefeller Foundation and the Ford Foundation have been engaging in impact investing since the 1980s. Foundations and private sector companies would make socially responsible investments by directing their

assets towards activities that aligned their respective mission or values in the form of traditional investments into socially or environmentally responsible activities. They also practiced negative screening, or divestment, which was a deliberate investment screening process that moved assets away from companies involved in activities deemed socially or environmentally irresponsible such as fossil fuel companies or companies that profited from child labor.

Today impact investing is a bit more specific about the social or environmental outcomes of their investments, though the rhetoric of the field is still often imprecise and undefined. Terms are used differently by different investors and other field building entities and the need for more understanding of the fluid concept of impact is dire.

This research had sought to sharpen the definition and collective understanding of impact investing by uncovering the diverse applications, meanings, intents, measurements, and practices surrounding its use. Transform Finance hopes to use the findings to continue developing the field and educating their investor network on how they can best effect positive change in the world.

## CHAPTER 2

### PROJECT DESIGN AND OBJECTIVES

Despite the evolution of the project from a Haitian impact investment fund to more global and conceptual considerations around impact, Transform Finance was eager to be involved in the research and set three deliverables.

- Deliverable 1 – Organizing an impact investing workshop in Haiti, including designing a curriculum
- Deliverable 2 – Producing a report for their investor network of the identified opportunities in Haiti
- Deliverable 3 – Provide recommendations for knowledge development around impact (ie. for webinars, publications, trainings)

#### 2.1 Deliverable 1 – Impact Investing Workshop in Haiti

In March 2015 I attend Transform Finance’s Institute for Social Justice Leaders in Oakland, California. I was able to attend with some financial support from Transform Finance and I attended on behalf of EGI. The event was a three-day workshop, the purpose of which was to introduce social justice leaders to models of financing that are otherwise inaccessible or unknown to them. The workshop was very enlightening but overall not applicable to me as most of the examples we reviewed were US based projects financed by local and community foundations. One slide that was of particular interest to me was a slide entitled “Anatomy of an Impact Investment,” seen in Figure 2.1.

	Donor/ Investor Type	Screening	Impact Intent	Returns
Philanthropy	Charitable Donor	Compliance, mission	Full	None
	Strategic Philanthropy	Impact, effectiveness	Full with leverage	None - Low
	Venture Philanthropy	Impact, scalability	Full with leverage	None - Low
Impact Investing	Direct Impact	Impact first, then financial	Significant	Moderate
	Indirect Impact	Financial first, then impact	Some	High
Investing	Sustainable Investor	Financial + positive ESG screen	Modest	High
	Socially Responsible Investor	Financial + negative ESG screen	Neutral	Maximized
	Financial Investor	Financial	None	Maximized

**transform finance** 2015 Institute for Social Justice Leaders  
Anatomy of an Impact Investment

Figure 2.1: Transform Finance Slide 2015. Source: Transform Finance. Source: Transform Finance

This discussion was one of the most pertinent to me as I could see its applicability in Haiti. I shared my feedback with Andrea and thus began a conversation around how to introduce impact investing in Haiti.

When we defined the goals of the workshop we were very specific about how to introduce impact investing in Haiti. We had very intentional considerations around the content and the language employed, as well as who to invite. I was adamant about not using terms like “social justice” in Haiti as it wouldn’t be well received. First, the term is not known in Haiti amongst local practitioners, and second, the word “justice” would confuse the issue and discussion around social equality, as these are very loaded subjects in a post-colonial Caribbean society like Haiti where socioeconomic status is

more of an issue than race. As a result, we entitled the workshop “Finance for Social Change,” and it was largely attended by social entrepreneurs. The invitation expressed the following:

The purpose of this workshop is to provide detailed information on what impact investing is and how your respective organizations can benefit from it. Impact investing is a relatively new form of financing that focuses on the added value that an activity brings to a community while emphasizing the involvement of beneficiary communities in their own wellbeing.

We had about 23 participants, 10 of whom were women, 4 of whom were CEOs of their own companies. Almost all of the entrepreneurs present had received financing from the Pan American Development Foundation’s (PADF) investment program Leveraging Effective Application for Direct Investment (LEAD), Yunus Social Business, or the Inter-American Development Bank (IADB). Several of them had received funding from two or all of them. The type of participants was not particularly diverse and Transform Finance asked about including more activist groups and also some investors. I strongly recommended against activist groups attending for two reasons. First, activist groups in Haiti are highly politicized and my exact words to Andrea were “We really don’t want to go down that road.” Second, when we considered having disabilities rights groups attend, we had requests from an advocacy group representing the hard of hearing, and a mobile disabilities group, we simply could not accommodate them because the venue was already paid for and was not handicap accessible, and hiring a sign language translator was not in our budget. As for having financing institutions present, I also recommended we not have them at the workshop because their presence would make the entrepreneurs uncomfortable and less willing to be open about their challenges and concerns. My colleagues agreed with me and we proceeded



with a social entrepreneur audience. At the event, when the discussion turned into a group therapy session where all the participants shared their frustrations in detail Andrea came to me and said, “Good call on not inviting funders!”



Figure 2.2: Participants at the Finance for Social Change Workshop in Haiti (2016).

For the curriculum design, I went through Transform Finance’s existing samples of curricula developed for past trainings and highlighted the sessions I thought would be most pertinent (Appendix B). Knowing most of the attendees and the type of content they are regularly exposed to, I opted for a format that would rely mostly on examples. Most of the forums and presentations around entrepreneurship tend to focus on the presenters rather than the participants so that entrepreneurs attending these events receive the same information repeatedly and no one is asking them if and how the existing mechanisms that accompany their work, such as financing tools, are really effective. So, during the workshop, every time we introduced a new idea such as an unfamiliar investment tool, it would be followed with examples. The biggest challenge

with this was that there were no locally specific examples for the types of concepts we shared, like shared revenue models in which an investor collects his or her profit based on a fixed percentage of the business' annual profit. As such a mechanism has never been implemented in the country, the best we could do was to devise hypothetical examples using commonly known companies and events as our case studies. This content was largely developed by me.

## 2.2 Deliverable 2 – Report

At the end of the workshop, participants were asked to complete a survey (Appendix C) about their experience. This is a standard practice for Transform Finance that is intended to gauge reactions to the information shared in hopes of providing more tailored content and ensuring a method of follow up with the participants. I collected and mined all of the forms and produced a synopsis for Transform Finance.

During the event I mostly observed and took notes but I did intervene a few times to refocus the discussion or address Haiti specific questions. Using the data from the feedback forms and my personal notes from the workshop and the meetings around the workshop, I drafted a report of the whole trip and Andrea and I worked on it for several weeks to produce an “Investor Briefing,” a publication of Transform Finance, entitled “Impact Investing in Haiti: Transform Finance Report and Next Steps” (Appendix D). The report was shared with the participants of the workshop, the Transform Finance Investor Network and my professional network. The feedback we've received thus far has been very positive. The most notable feedback we has been from three groups: Agora, one of the best known social business development organizations that mobilizes

its own impact investor network that is very interested in working in Haiti. Second was the Haiti Development Institute, a spin-off of the Boston Foundation's Haiti program that is largely funded by an affluent Boston family who, in the last year, have organized the first installment of their annual Haiti Funders' Conference as well as a trip to Haiti with twenty-five potential investors and funders. Lastly, leadership from Fonkoze, the only impact driven microfinance fund in Haiti, has reached out to explore opportunities for collaboration, specifically around potentially developing a new financial tool.

### 2.3 Deliverable 3 – Content Development

Transform Finance produces three knowledge resources: Briefings, a blog, and webinars. The webinars are monthly events where practitioners and experts that are aligned with Transform Finance's mission and principles are invited to share their methodology with the Investor Network. These practitioners are either specialists in the more technical aspects of the field such as finance or legal practices, or they are the "on the front lines" people working with and representing communities.

One guiding principle for Transform Finance is the input and collaboration of affected communities. As such, they would like to have more content around how to interact with and understand communities and their specific needs and desires for any development intervention. This deliverable was left open for me to determine how best to meet it and I have identified three avenues, the first of which is organizing publications and resources on the topic of impact. Second, I am currently working to identify experts on the subject, as well as find concrete examples. And lastly, out of this research I will be able to produce a separate report on power relations within any kind of

development context and how investors can be aware and sensitive to them in a way that is not inherently detrimental to the communities they hope to help.

## CHAPTER 3

### RESEARCH QUESTIONS AND THEIR EVOLUTION

#### 3.1 Question 1: What Needs can Impact Investing Address in Global Development?

When I left EGI in 2016 I immediately signed on for a four-month research project for a company in Philadelphia. During this time I was already in contact with Andrea Armeni and we were still discussing the microfinance angle for the thesis and simultaneously planning an event in Haiti. My objective in working with Transform Finance was not just to produce a research report, but also to introduce the theme of impact investing in Haiti. To that end, I proposed to Andrea Armeni that we organize a workshop in Haiti for social businesses and nonprofits.

It should be noted that in March 2015 I travelled to Oakland, California per Andrea's invitation to participate in Transform Finance's impact investing workshop, the Institute for Social Justice Leaders. This workshop was designed for social justice or activist groups in the US and was less focused on development. Nevertheless, I saw the potential for its use in Haiti and Andrea assured me that the content could be adapted to a development context and to the Haitian context, with my help. As we developed the model for the workshop that would take place in Haiti I was to participate in the curriculum design so that the general content was adapted to the Haitian context and to provide local or similar examples.

In order to ensure that we used the Transform Finance resources to the fullest, we decided to incorporate into the trip site visits of potential investments, as well as a meeting with financial institutions like social business funds, private banks, and microfinance institutions to explore the possibility of creating a Haitian impact

investment fund. With all this in mind Andrea defined three deliverables specific to the Haiti visit: a curriculum and information packet for the training, a report on the visit describing the challenges and opportunities identified, as well as defining a pipeline of potential investments.

In 2015 the United Nations launched their Sustainable Development Goals (SDGs), which are seventeen goals for global development to be met by 2030, as seen in Figure 3.1. All seventeen goals focus on social and environmental considerations such as eradication of poverty, job creation, climate change, conflict resolution, gender equality, and so on. The SDGs provided more specificity around global development targets and were designed very intentionally with a multi-disciplinary approach. The goals are intended to be a framework for countries to use but do not dictate ways to do so, which allows countries to define strategies that are specific to their needs and their way of doing things.



Figure 3.1: The United Nation’s Sustainable Development Goals. Source: [www.un.org](http://www.un.org)

With the launch of the SDGs impact investors began to frame their approaches around specific goals, but still not enough attention was given to local realities where interventions were being implemented. For instance, job creation could mean something very different to a rural farmer in Kenya than it does to a rural farmer in Haiti. What if the communities are more concerned about fulfilling their immediate needs, perhaps through their subsistence gardening practices? Furthermore, what constitutes a job and what considerations are applied to ensure that it is a quality job, or a non-exploitative job?

### 3.2 Question 2: What Happens When Impact Targets of Investors do not Align with Impact Targets of Investees?

It is very easy to get confused by the good intentions of impact investors, as meaning well and doing well are very different concepts. The first of Transform Finance's principles is that affected communities are involved in the design and decision making process of an intervention. That means that before any money is invested the community has been consulted and allowed to decide if they want the intervention and if so, how best to carry it out. For instance, in projects specifically involving or potentially affecting indigenous populations, implementers must first secure Free, Prior and Informed Consent (FPIC), which allows the indigenous community the right to approve or dismiss a project that is to be carried out on their lands (FAO).

The more I observed the disparities between what investors look for and what investees look for, the more I noticed the need for clarification between the two views. For instance, funders looked at social businesses very generically so that any company that applied a social business concept like green energy or a high percentage of female

employees they automatically qualified. What's missing here is the actual "intentionality" of the social impact, as Andrea Armeni discussed in the Haiti workshop (July 2016). I am quoted in a recent publication by Johnathan Lewis (2017) saying:

In Haiti, foreigners come here all the time and talk about factories being social businesses because they only hire women. Companies that are solar call themselves social businesses because they are environmentally-friendly. The truth is much less romantic: factories only hire women because they work harder and steal less; companies go solar because grid power is expensive and wildly unstable, so generators bleed cash. I really worry that the idea of social entrepreneurship is just a fluffy buzzword now. (p.130)

I began to focus on impact measurement and evaluation and per the recommendation of a colleague I joined a forum called The Pelican Group, which brings together a community of monitoring and evaluation specialists from around the world. The Pelican Group has been an incredible resource to me, not just for this applied thesis but also professionally.

### 3.3 Question 3: How Evolved is the Discourse of the Impact Investing Field?

Over the next few months as I became more and more involved in Transform Finance's work I noted how limited the considerations around impact really were. By October 2016 Andrea offered me a paid position as a researcher and content developer for the organization, and one of the programs that I coordinate is the monthly webinars that Transform Finance hosts for its investor network. These webinars are meant to be educational sessions where we share innovative models or explain various concepts or tools of the impact investing sector. After reviewing past webinars, and participating in over 10 (Figure 4.1), I realized that there is not yet a common language in the impact investing sector. Different funds use different language or employ the same words



differently; some funds are innovating in their deal structures while others use traditional models that inevitably prioritize profit over impact.

One of the most prevalent concerns within the impact investing community is the lack of standardization as seen in the traditional financial sector. Impact investing interventions are guided by impact targets, which are inevitably varied and complex. As a result, it is very challenging to set benchmarks or standards for the field. As is common with an emerging field, different communities of practitioners have come to be, as well as new trends and terms. A prevalent issue within the sector is that each community of practice has its own priorities with its own standards, and often its own terminology.

## CHAPTER 4

### METHODOLOGY

At the start of this project I was the Executive Director of EGI; after we parted ways I joined different “communities,” both online (forums) and in-person groups, and accepted contracts with different organizations to explore the multi-faceted nature of the development sector. By this I mean that I accepted work as a consultant for a few projects, which are explained below, all of which contributed to this practicum. The richest data came from my participant observations, which were then corroborated through my interviews. Below I provide detail on my observation sites as well as the specific events I attended, my findings are discussed in Chapter 6.

#### 4.1 Participant-Observation through Contracts

Over the course of this project, and in addition to my formal work with Transform Finance, I accepted four additional contracts, one with an environmental organization, two with consulting/project development firms and one with a multi-lateral organization.

The first contract I accepted was with an environmental organization working in a national park in the south of Haiti. The organization’s mission is to do conservation in the area as it is one of the last remaining forests in the country and houses one of the largest watersheds in the country that supplies over 4 million people. My job was to evaluate the existing operations and programs of the organization and help them identify new opportunities. To do this I spent a lot of time in the park working with the local staff and getting familiar with the community. This work was the catalyst to my interest in power dynamics and context specific decision making.

The second of these was with a consulting firm to develop a coffee project in the south of Haiti, which in the wake of Hurricane Matthew, lost over 80% of its agricultural production in the area and nearly 100% of coffee trees. The firm is owned by a colleague who had expressed interest in working together in the past and was interested in my work with impact investing. When she contacted me she explained that the two main coffee producers in the country were partnering to develop a project that would rebuild the coffee sector in the south. At the time that she contacted me, the project was largely in the idea phase and very little resources had been allocated to it. My job was to develop the project model and conduct both a baseline study and an impact assessment. I worked with them for ten weeks from November 2016 to January 2017. This work drew my attention to donor perceptions and objectives conflicting with the needs of communities.

The third contract I accepted was with a local beverage company that contacted me through a mutual acquaintance. The owners were interested in developing a new product using moringa, a natural superfood, and contacted me to develop a business plan for the product. I brought the project to a firm that does anything and everything around business development. They can develop business plans, conduct market and financial analyses, as well as provide a variety of operational support in the form of trainings. This contract began in February 2017. I am the team coordinator with five team members; I conducted the baseline study, developed the data collection methodology, and will define the impact potential of the project, and make recommendations for measurements and evaluations. For this project we conducted six site visits in the north, south, and central parts of the country and held twelve meetings

with different co-ops and local institutions. This work has significantly contributed to the elaboration of my considerations around community capacity to define their own needs.

Finally, the last contract is with the United Nations' Rule of Law program in Haiti. They are interested in mapping the civil society sector, specifically as it pertains to transitional justice. My job is to identify the actors in the field and organize a meeting with all of them, however few there are, to set goals and define a strategy moving forward. This work has provided me first-hand data around power structures in development and their effect on communities.

#### 4.2 Other Participant-Observation

From the very first version of this project with a microfinance focus I had planned on conducting participant observations at public and virtual events including, forums, roundtables, webinars, conferences, and meetings. Over the course of the project I attended over twenty events and they are as follows:

Figure 4.1: Events Attended

<i>Transform Finance Events</i>		
EVENT	DATE	DURATION (in hrs)
Transform Finance Haiti Trip		
Impact Investing Workshop	Jul 27, 2016	8
Meetings with Financial Institutions	Jul 28, 2016	4
Cacao cooperating meeting in Cap Haitian	Jul 29, 2016	4
Webinars		
Building a Community Centered Fund	May 18, 2016	1.5
Community Consent and Renewable Energy	Augt 9, 2016	1.5
Alternative Deal Structures	Sept 29, 2016	1.5
Transformative Opportunities and the Future	Sept 30, 2016	1.5

0% Interest and the Sardex Experience	Oct 20, 2016	1.5
Loan guarantees as tools for economic transformation	Nov 16, 2016	1.5
Racial Justice and Municipal Bonds (Part 1)	Dec 16, 2016	1.5
Racial Justice and Municipal Bonds (Part 2)	Feb 7, 2017	1.5
Democratizing Capital: Force for Good Fund	Feb 23, 2017	1.5
The Movement for Black Lives' Economic Platform	Apr 13, 2017	1.5
	TOTAL	29.5
<i>Non-Transform Finance Events</i>		
SME Conference – Min of Commerce and Industry and IDB	September 1, 2017	5
Forum Agribusiness – American Chamber of Commerce	November 16, 2017	3
Measuring Impact Webinar – Sonen Capital	October 7, 2017	1
Networking Breakfast – Pan American Development Foundation	August 25, 2017	4
<i>Brase Lide (Sharing Ideas)</i> – USAID	November 4, 2017	5
Opportunity Collaboration	9-14-Oct	50
Field Visits		
Cap Haitian	April 17-19	30
Plateau Central	April 20-21	20
Grande Anse	April 24, 2017	12
Business and Investment Development Project - Min of Commerce and Industry and World Bank	May 11, 2017	4
	TOTAL	134
	TOTAL HRS	163.5

I attended most of these events as an independent, meaning that I attended with no institutional or organizational affiliation. As such my colleagues began to say that I was “*nan tout sòs*,” literally “in all sauces,” meaning a person with a foot in many doors. The local events were hosted by multilateral NGOs, public institutions, or associations,

such as the American Chamber of Commerce. Being there as an independent person not seeking any funding or privileges allowed me to mingle and meet people I would otherwise would not meet such as university students or entrepreneurs based outside of Port-au-Prince, who fortified my resolve to consider a more bottom-up focus for my study.

The conference in Mexico, Opportunity Collaboration, was the only out-of-country event, and it was recommended to me by the conference's founder who also encouraged me to apply for a fellowship awarded by the Cordes Family Foundation to attend the conference. I received the fellowship based on my application and references, which included Andrea Armeni, and attended as a Cordes Fellow, along with thirty other fellows who were all founders of social enterprises and civil rights groups from around the world. I attended the conference, again as an independent, but with affiliations to Transform Finance, and with a profile detailing my intention to develop an impact investment fund in Haiti. At this conference, I met several people who work in Haiti and was able to observe the ever-present conflict between funder motivations and grantees' self-proclaimed purpose.

On September 1, 2016, I attended the *Salon des PME*s (Small and Medium Enterprise Workshop) event, hosted by the Ministère du Commerce et de l'Industrie (MCI). The event was open to the public at no charge and I attended as an independent. It was held at the Karibe Convention Center, the only venue in Haiti capable of hosting such a large event, and was attended by over 300 people.

This was the second edition of what the Ministry hopes to make an annual event and was attended largely by financial institutions, clients of financial institutions, and various regulatory bodies. The stated objective of the event was as follows:

...to promote the creation and growth of Haitian SMEs. Specifically, it aims to (i) give access to Haitian SMEs to the various business development services existing at the MCI; (ii) disseminate financial products existing on the Haitian financial market for SMEs; (iii) create an environment for dialogue between local financial institutions and SMEs while allowing them to initiate requests for funding from institutions present on the day of the event; (iv) create opportunities for business partnerships between several SMEs or between SMEs and investors.

Another very fruitful “field” for me was the Pelican Group community of monitoring and evaluation specialists around the world. The community is very active and capable of producing over twenty responses to one thread and over one hundred messages a week. I checked the forum daily and tracked specific threads that I thought were most relevant to my research. In addition to the opinions that were shared, the participants were also very forthcoming with publications and online resources and tools, which I also tracked and catalogued.

#### 4.3 Interviews

Initially my intention was to interview individuals representing various institutions, both funders and funding recipients, for which I would need approval from their institution to conduct my interviews at their sites. I had identified fifteen sites, mostly microfinance institutions, and a few large NGO funders such as the World Bank, USAID, and the Inter-American Development Bank.

Once my project focus shifted to considerations of impact it occurred to me that the perspective I was looking for would have to be unbiased and as such I could not

interview people who would speak to me on behalf of their respective institutions. Additionally, with this new focus the project was more generalized and less specific to Haiti, so I would look into impact considerations in general and use Haiti specific cases as examples. As I was already a member of the Pelican Group, I opted to recruit monitoring and evaluation specialists for the practical side of the issue. I sent a letter (Appendix A) to the group and received five responses, all of whom I spoke to. Given the high volume of daily messages and discussions in the group this was not surprising and I had planned on reaching out to individuals I had tagged as “persons of interest,” but was discouraged from doing so by some of the members I spoke to.

For the perspective of people doing the work that funders evaluate, I recruited through my professional network, but each person participated on their own behalf as professionals in the development sector, rather than representatives of their respective organizations. I found this to be instrumental for the quality of the data because as independent persons were more able, and willing, to have more open and honest discussions about the conflict between funders and grantees. I transcribed and coded each interview and kept them in a separate, secure folder.



## CHAPTER 5

### LITERATURE REVIEW

#### 5.1 Global Development

Contemporary international development arose out of an attempt to “modernize” the not-so-modern countries that collectively came to be known as the Third World. First World nations, such as the US and Western Europe, set about on a mission to provide access to all of the modern tools and infrastructure that made them so “developed” to otherwise “underdeveloped” countries (Edelman and Haugerud 2005; Escobar 1995a). Out of this movement, agencies such as the United States Agency for International Development (USAID), the World Bank, and the International Monetary Fund (IMF) were born. These agencies have their own objectives but their missions are all the same: to end global poverty. As a result of this globally focused mission they can all be found around the world implementing various projects deemed as avenues to poverty reduction, and thus development.

Development’s beginnings can be attributed to post WWII times when the US implemented the Marshal Plan (Escobar 1991; Ranis 1999; Naz 2006), which provided financial and technical assistance to European countries for them to rebuild infrastructure and revive their economies (Escobar 1995). Eventually this concept of development was applied to other underdeveloped areas and national budgets began allocating billions of dollars for development.

In 2000, the United Nations convened the largest gathering of world leaders in an effort to develop a global development strategy. Out of this gathering emerged the Millennium Development Goals (MDGs) which consisted of eight goals with specific

targets to be met by the year 2015. The MDGs were not particularly well received by the global development community as they were not well communicated nor were they very clear.

Part of the issue lies with how the MDGs were forged: they were drafted by a relatively small group of technocrats, through a top-down process, without substantial input or initial buy-in from local stakeholders. The corresponding targets and indicators were selected with only limited consultations with international agencies” (Engaging Philanthropy in the Post-2015 Development Agenda : Lessons Learned and Ways Forward 2015:)

By 2015, the MDGs had not made a significant contribution to global development, and the Sustainable Development Goals (SDGs) were released. The SDGs are the result of a three-year process that employed one of the most inclusive participatory procedures ever seen in the world that considered input from the UN, international organizations, civil society, local organizations, philanthropic organizations, businesses, and other stakeholders. The result of this coordinated effort was seventeen individual but overlapping goals with 169 precise targets to be reached by 2030 (Engaging Philanthropy in the Post-2015 Development Agenda : Lessons Learned and Ways Forward 2015).

Today development funding is ubiquitous. International aid agencies, financed by their respective governments, are pouring money into Third World countries to meet pre-determined objectives defined by the development agencies themselves. Furthermore, the discourse of development itself is created by those who define the problem: “discourses of development are produced by those in power and often result (even if unintentionally) in reproducing power relations between areas of the world and between people” (Gardner and Lewis 2005: 353).

Development has often focused on a pre-determined standard of progress rather than change, and economic versus social change or growth. Economic development models have disregarded the economic, social, and cultural disparities of countries and communities, which have exacerbated already complicated issues (Horowitz 1973; Edelman and Haugerud 2005; Escobar 1995a). Regardless of the definition used, development is essentially an aim towards something better, but the predominant conflict between development and anthropology is in trying to define what “better” really means to different communities.

## 5.2 Development Anthropology and Anthropology of Development

Around the 1970s, development agencies began to acknowledge cultural differences as a particular challenge to their work (Nolan 2001; Escobar 1995; Edelman and Haugerud 2005). As they worked in so many different countries, amongst such varied cultures, these agencies found themselves in need of “cultural experts” to mediate their interventions with the local communities: in a globalized world “Never before have so many lived so closely to so many of whom they know so little” (Becker as cited in Nolan 2008:167).

Nolan (2001) describes development as a cross-cultural encounter that requires that a development institution adapt its own organizational culture to the local culture where they are working. Anthropology, Nolan argues, can be a complement to this sort of work because it acts as a translator or negotiator between a local culture and a development organization, allowing a project to more specifically, and appropriately, meet the needs of beneficiaries: “Development is not a thing or a concept, it is a

*process* – of negotiation and sometimes conflict – over whose goals and values will prevail in change, whose rules will apply” (21).

As anthropologists became more and more involved in development work they eventually defined the subfield of development anthropology as anthropology done in support of development initiatives (Escobar 1995). The justification for taking part in development anthropology is often a “moral dilemma,” which Gow (1993) presents as follows: “by staying out, they may help perpetuate the costs and disadvantages; by participating they may ease the burden of the inevitable dislocations while encouraging, consciously or otherwise, the loss of a cultural integrity and ethnic identity” (381).

Development anthropology, as applied anthropology, is widely criticized by applied and academic anthropologists alike, as well as development professionals (Edelman and Haugerud 2005; Gow 1996; Cernea 1995; Escobar 1990; Gardner and Lewis 2005). One of the most prevalent criticisms coming from anthropology is development’s basis in intervention. The Boasian anthropologists who advocate for observation not intervention take serious issue with the interfering nature of development anthropology (Nolan 2001; Gow 2002; Gardner and Lewis 2005). On the development side, the use of anthropology is often misunderstood and the anthropologists often end up being perceived as moral and administrative nuisances who deal in knowledge that is deemed impractical (Escobar 1995; Gardner and Lewis 2005).

Over the years, however, the other subfield of the anthropology of development has emerged as the more traditional practice of anthropology as applied to development contexts (Edelman and Haugerud 2005; Escobar 1995a; Cernea 1995). Practitioners of

the anthropology of development are professionals who maintain their autonomy and, usually, academic ties and design and direct ethnographies that observe and collect data within development contexts but without the agenda to intervene or interfere with the development project design (Gow 1996).

In trying to understand the difference between anthropology aided development and non-anthropology aided efforts, Cernea (1995) discusses the difference between induced development, which is development intentionally sought, planned and implemented; and spontaneous development, which can only be observed. In order to induce development then, the anthropologist is uniquely equipped with an understanding of cultural systems that allows them to contribute to development initiatives in a way that renders the interventions more effective and less disruptive to a local population (Cernea 1995; Nolan 2008; Escobar 1995).

Cernea also talks about biased development models such as econocentric, comodocentric, and technocentric models that focus on only one thing. Econocentric models only consider financial and economic factors as the starting point for development, while comodocentric models focus on a commodity or product rather than its producers (ie. coffee instead of coffee growers). Technocentric models assume that technology can improve life and these projects “underdesign and underfinance the social scaffolding” (1995:344). This kind of single minded approach is a hugely debated issue in development as each one assumes there is one approach that can produce the targeted outcomes independently of the context in which it takes place (Cernea 1995). To address these singular minded approaches Nolan (2001) makes a case for anthropology in development as it applies a holistic approach. Holism being “the notion

that parts of a culture are connected in one way or another, often in ways that are not immediately visible” (13).

Development has become a multi-disciplinary field in which experts from every known field can come together to address a defined problem. Herath quotes Tucker, saying that “Without consideration of culture...development is simply a global process of social engineering whereby the economically and militarily more powerful control, dominate and shape the lives of others for *their* purposes” (2009:1459).

### 5.3 Power

The mechanisms and language used to create the development discourse and methods inevitably created a power dynamic whereby the developed First World countries became the superior more modern, and thus more developed nations. This, again, inevitably “unveiled” problems and abnormalities in so called Third World countries that these developed nations began to fix or assist with in the form of development initiatives. Arturo Escobar (1984) talks about the evolution of development saying that development is inherently ethnocentric as it was conceived by creating and defining “abnormalities,” which were then organized under the umbrella of “underdeveloped.”

Development anthropology, Gow (1996) argues, ignores the relationship between language and power and takes the development literature at “face value” ignoring the ethnocentric tendencies of planned development. As a result, the written products of development anthropology are written in an impersonal third person perspective that are guided by the financing institution’s objectives and thus further

reduce the influence of traditional anthropology (Gow 1996; Naz 2006; Cernea 1995; Scudder 1999; Nolan 2001). This is one of the predominant issues between development and anthropology; no matter how much autonomy the anthropologist is given within a development program context, their objectivity will always be compromised by the agency's own defined objectives (Gow 2002; Nolan 2008).

Escobar explains that we have to look at development as a discourse, looking at it both genealogically and archaeologically, which will allow us to understand how the West managed to assert so much control by essentially creating "the Third World politically, economically, sociologically and culturally" (384). When talking about critiques of development Escobar says that the critiques are at an impasse because there are no calls for a "better" or simply "other" way of doing development. He argues that a more useful critique of the sector would be of its discourse and practice. There should be more consideration about how to think about and talk about development in order for a practical transformation of the field to take place.

A prevalent question around expanding the considerations of development interventions is who should be involved. Anthropologist Kevin Donovan (2014) highlights the uses of actor-network theory (ANT) in development considerations. ANT, as developed by Bruno Latour, argues that development should aim for a well-established and defined network of actors who can facilitate various aspects of an intervention. ANT does not accept things as "matter of fact" but as "matter of concern" where all "facts" are debatable and, as a result, so are their solutions. Latour emphasizes the importance of "flat" society where the ever-present dichotomy of global/local, developed/underdeveloped, and others that only result in an unfounded

power dynamic, no longer exist but are instead replaced by a focus on the varying networks of each actor. When this happens, there is a translation in the goal that is a result of the inclusion of all actors' different capabilities and goals so that one action starts out as just an idea and is "translated" as it is applied to each actor's own capacity and goal. By doing this, ANT allows for more hybridization of action rather than "binaries" (Donovan 2014).

When looking at issues of power in development, it's increasingly important to consider "the pornography of poverty," which is the process through which images and stories of suffering are used in massive fundraising campaigns that lead to compassion fatigue (Cameron and Haanstra 2008). The term pornography of poverty was explored by Foucault who argued that it "...created a 'regime of truth' about developing countries that mediates relations between the North and South, and helps to reinforce the distinctions between 'the west and the rest'" (Cameron and Haanstra 2008:1478). Cameron and Haanstra, in their article "Development Made Sexy," present this issue whereby the overuse of the image of the child with a swollen belly or flies in his eyes has desensitized people to the reality of poverty and human suffering. But how is development made "sexy"? A good example is using celebrities as spokespeople for the cause, or turning it into a trendy topic as seen with the (RED) campaign. Such campaigns have used these "sexy" tools and brought in millions of donor dollars but have done very little for Northern understanding of global issues. Such gimmicks are unarguably effective fundraising tools but, in the end, they completely undermine the significance of development work and the contexts in which it takes place.



The discourse of development has grown to largely look at the distribution of power between the Northern, developed, First World countries and the Southern, underdeveloped, Third World countries. Naz (2006) discusses Foucault's definition of discourse as the "delimitation of a field of objects, the definition of a legitimate perspective for the agent of knowledge, and the fixing of norms for the elaboration of concepts and theories" (67). Regardless of opinions and debates on development, the fact is that the more modern First World countries defined a problem and development is the implementation of their prescribed solutions.

Despite the multitude of definitions of development, the term Third World is a "polite" way of saying poor (Naz 2006). The Third World, Naz argues, "is defined primarily by what it's not, rather than by what it is. Its central characteristics become what it lacks, not what it possesses" (2006:75). By applying these criteria for underdevelopment, the Third World just becomes one whole rather than many different countries with very different circumstances to which a standard of development can be applied and justified using the discourse of development as a guided effort towards progress.

A pitfall of large multilateral and bilateral agencies is that oftentimes their goal is to spend as much of their allocated budget as possible as quickly as possible. This not only reduces accountability and transparency standards, it also decreases the potential for program success. Ranis (1999) argues that "Global knowledge...needs to be combined symbiotically with local knowledge and, most importantly, local initiative" (78). Despite being one of the most common arguments in development nowadays, it is still

not a very frequent occurrence (Picciotto 2014; Thomas, Pease, and Thomas 2016; Guijit and Roche 2014; Herath 2009; So and Staskevicius 2015).

Inevitably, the incessant spending on development with little regard for tangible results has caused major distrust towards the entire development sector from beneficiary communities and donors alike. Ranis (1999) calls for more policy based aid that establishes how funding will be allocated by defining priority sectors, and who will be responsible for financing decisions. He argues that regional development banks can manage large funds from the World Bank or any multilateral or bilateral agency and calls for more policy based development which would, theoretically, allow recipient countries more control over how aid is dispersed in their countries, but these very policies are often developed with the help of these foreign aid agencies who can't help but impose their own targets and objectives.

#### 5.4 Considerations for Impact

The SDGs provide a strong framework for development considerations around the world, specifically around impact. Impact refers to the effects, positive or negative, that an organization's interventions have on the environment or a community or, as defined by the Development Assistance Committee, impact is "the positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended" (2002). In development agencies, impact is tracked and measured and used predominantly for communication and benchmarking. If an organization's goal is to create jobs, then its impact metric will be the number of jobs its intervention resulted in. Impact is often split between direct

and indirect impact, so that if this same organization that creates jobs is reporting these numbers they will illustrate the number of people who received jobs through the intervention, direct impact, and the number of people positively affected by this result, such as the families of the people who got jobs, indirect impact.

## 5.5 Impact Investing

As the development discourse adapts to changing realities and calls for more effective practice we see the field of impact investing coming to the forefront as the paradigm shift of the sector. Impact investing, or investments made with the specific intent of producing positive social or environmental results, is not a new field by any means. The field finds its origins in the late 80s when large companies began practicing socially responsible investing or SRI (Berry and Junkus 2013).

Corporations were later joined by private foundations who began investing their assets in entities that advanced their foundation's social or environmental mission through the use of Program Related Investments, or PRIs (Buchanan et al. 2015; Jackson and Harji 2012; Snider 2015). Another early practice of impact investing was negative screening, more commonly known today as divestment, which is a screening process that identifies investment opportunities that directly conflict with the principles of the investing entity. A perfect example of this is a pharmaceutical company that advocates against tobacco who will deliberately move their portfolio practices away from tobacco related investments (Buchanan et al. 2015).

Impact investing, which is defined by the Global Impact Investing Network (GIIN) as "investments that are made into companies, organizations, and funds with the

intention to generate social and environmental impact alongside a financial return,” aspires to be a common financial practice across sectors. Its limitations, however, lie in its still fledgling state as a non-regulated or standardized quasi-sector. In the traditional financial sector there are well defined and agreed upon benchmarks and terms that homogenize expectations. In impact investing, however, the impact component is too diverse and fluid to be similarly standardized.

While you may value comparability and consistency in measurement, standardization can reduce the precision of impact information that can be conveyed. It can be desirable to communicate impact in a single number, but aggregating information into one value doesn't necessarily capture the complexity of the impact being achieved. (Best and Harji 2013:7)

Out of this desire to measure impact, not just for investment purposes but for overall global development, there has arisen the sub-field of monitoring and evaluation which develops frameworks and tools for measuring and interpreting impact. One of the most common frameworks is the Theory of Change, which maps the assumptions of an investment along with the desired outcomes and the process it uses to reach those goals (Flynn and Barnett 2017; Chodos and Johnson 2016; So and Staskevicius 2015; Step by Step Guide to SROI Analysis 2009). A more quantitative based tool is the Social Return on Investment, or SROI, which mimics the financial sector's return on investment by evaluating the social cash flow per dollar invested (Best and Harji 2013; Step by Step Guide to SROI Analysis 2009; Social Impact Investment Taskforce 2014).

As impact investing develops and grows, institutions such as the Global Impact Investing Network (GIIN) are emerging as unofficial watchdog groups that set standards and even develop their own metric tools. The GIIN, in collaboration with several impact investing giants such as the Rockefeller Foundation, developed the Impact Reporting

and Investment Standards (IRIS) metric system in 2009. IRIS is a catalog of generally accepted impact metrics that impact investors and funds can use to assess their portfolio performance, providing the closest thing to standardization currently available to impact investors (Chodos and Johnson 2016; Thomas, Pease, and Thomas 2016; Schiff, Bass, and Cohen 2016).

In Figure 5.1, Flynn and Barnett (2017) highlight what they argue are the five key components to understanding impact: impact, differential impact, plausible causality, aggregation, and accountability.

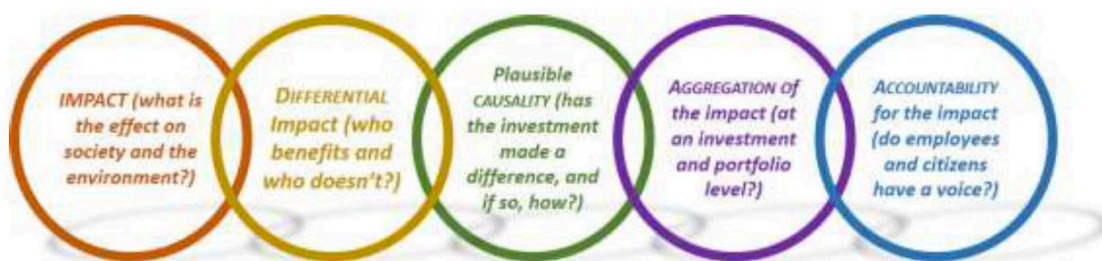


Figure 5.1: The 5 Components to Understanding Impact. Source: Flynn and Barnett 2017: 9

Metrics are considered to be important components to developing an impact investment strategy as they allow for more informed decision making within a portfolio (Gray et al. 2016; Social Impact Investment Taskforce 2014; Schiff, Bass, and Cohen 2016). The concerns surrounding the emphasis on metrics include the fact that as the field grows attempts at standardization, as seen with IRIS, are disconcerting because standardization does not allow for much consideration around context (Best and Harji 2013; Flynn and Barnett 2017). However, as Brest and Born (2013) argue:

Although IRIS and GIIRS provide first steps toward assessing outcomes, they fall short of doing so. For example, suppose that an impact investor believes that jobs in business enterprises can reduce poverty in BoP [Bottom of the Pyramid] populations. IRIS and GIIRS can measure how many people an organization

employs, but not the social value of those jobs. (as quoted in Flynn and Barnett 2017: 5)

## 5.6 Need for Anthropology

As the development discourse matures to make room for more meaningful considerations of what impact really means and how it is achieved, the introduction of the SDGs and their holistic considerations calls for a different skill set to elaborate the field.

The Sustainable Development Goals (SDGs) are strongly interconnected. This requires us to consider how we track not just progress towards individual goals, but also the interrelations between them. The creative problem solving and innovation this demands certainly requires skills in using research and evaluation methods. Yet even more important is a capacity for reasoning that (a) is willing to suspend judgement, (b) will question assumptions and claims, (c) can explore multiple perspectives and (d) addresses problems by exploring many possible solutions (that is, it engages in 'divergent thinking'). Put simply, we need evaluative thinking. (Schwandt et al. 2016)

There is a very real need for anthropologists in the development field; professionals capable of "evaluative thinking" to take the lead in the considerations around how development will progress in a more tangible and collaborative way. Flynn and Barnett (2017) also call for more collaboration between the impact investors and monitoring and evaluation professionals, recognizing that most of the methodologies employed in impact measurement are derivatives of social science methodologies.

In her article on the maturity of the development discourse Herath (2009) calls for a site-specific definition of indicators for development projects as developed with the help of the people allegedly benefiting from a development activity. This would dramatically contrast the current ways in which agencies that provide data on different underdeveloped regions define their national indicators that hardly ever reflect the need

of different villages or communities. Scudder (1999) argues that anthropologists have the deepest understanding of poverty than any other discipline, and as such anthropology is the right knowledge base to affect real change in poverty issues. Too often the only consideration for impact is that an intervention has made, or will make, people's lives better. "Better" is not always what's best and development institutions who ignore this are more likely to aggravate a problem rather than alleviating it (Morgan Simon, SoCap Plenary session, San Francisco, CA, October 2016). Anthropologists are uniquely qualified to translate what communities know to be best for them into more applicable interventions that agencies can carry out.

There are a lot of conflicts and perceived ethical dilemmas around anthropology within development. While these issues need to be more clearly defined and addressed, anthropology is the most appropriate field to be the interlocutor for global development decision makers and the communities affected by their decisions. A few prescribed actions are for anthropological associations and groups to better organize the information of the field and its various sub disciplines or specializations in order to create decision making bodies within global issues committees or groups like UNDP and the World Bank (Cernea 1995; Edelman and Haugerud 2005; Nolan 2008; Gardner and Lewis 2005). As Ranis (1999) argues, anthropology can help develop policies and considerations within decision making bodies that could change the paradigm of development to be more inclusive of bottom-up structures where communities have more control over how interventions affect them.

## CHAPTER 6

### FINDINGS

As mentioned above, Transform Finance’s mission is to align financial principles and practices with impact goals by having frank conversations with investors about the types of considerations that need to go into investment decisions. After several months of following discussions with investors I noted that though investor motivations surrounding “impact” are genuine, they lack tools and a common understanding of what impact can be. As a result, they rely on metric systems and frameworks that quantify everything but ultimately diminish the social benefit or impact of their activity.

Over the last few years, and with the introduction of the UN’s Sustainable Development Goals, the rhetoric of development is leaning more towards “sustainable development,” defined as being “development which meets the needs of the present without compromising the ability of future generations to meet their own needs” (Consolidated Set of GRI Sustainability Reporting Standards 2016). Theoretically, this is what is seen in development models more and more, specifically efforts surrounding the environment or income generating activities. The issue with definitions like this is that they over generalize and standardize their application in such a way that ignores diverse realities. For instance, the concept of “need” for communities assumes a deficiency in a lifestyle that may not necessarily apply. For example, a community’s lack of access to electricity does not mean that the community wants 24/7 power. Maybe they only want enough power every day to keep food fresh or to keep their devices charged. The development sector needs to apply more localized information to adapt their interventions to fit the needs of communities, as defined by communities.



With such considerations in mind I discuss four major themes that repeatedly arose in the course of my research. All provide insight into processes and relational structures that impede the actualization of real, mutually beneficial impact outcomes:

1. Power
2. The clash between funder objectives and community objectives
3. Processes versus systems
4. The need for a specialized skill

Despite identifying several themes for consideration around defining and affecting impact, the most prominent theme was the innate power structure within the development or social/environmental impact discourse. This issue permeates all of the themes discussed below.

#### 6.1 Theme 1 – Power

Power is a prevalent theme within development contexts. Starting with the rhetoric of the field, the language itself creates binaries of normal and abnormal. Much like Said's idea of Orientalism which can be "...discussed and analyzed as the corporate institution for dealing with the Orient - dealing with it by making statements about it, by teaching it, settling it, ruling over it" (Naz 2006). The concept of development is rooted in such colonialist discourses to allow for a larger entity to exert power on a smaller one. Escobar (1984) relates Foucault's insights on power by arguing that "the production of discourses by Western countries about the Third World [is] a means of effecting domination over it" (377). Foucault elaborates power structures and their

interactions with each other and argues that “any strategy which overlooks [the] manifold structure of power is self-defeating” (Escobar 1984:381).

During field work, upon entering a community pre-labeled as “marginalized,” “poor,” “low income,” or otherwise inferior, a professional needs to be aware that they are deemed as somehow more powerful than the community because they represent a decision maker (eg. An NGO or bilateral group). This can lead to a lot of hostility towards the professional or a level of reverence that makes communities compliant to a detrimental extent whereby they will say or do anything to get whatever it is they think the professional is able to provide (ie. money, gifts).

I have found that communities, after many years of interventions and interactions with the NGO people from staff, to evaluator, to donor. They develop an idea of what topics should be discussed and how things should be described, how to portray the organization and its activities. Even if I give the organization and its staff the benefit of the doubt and assume they don't influence the informants. They can answer usually based on what they think the NGO people want to hear. They answer what they think would be most appropriate or what they think we want to hear. (Apu, anthropologist/monitoring and evaluation consultant)

This is also seen when organizations seeking funding will bend their purpose to adhere to donors' criteria for giving funding.

One of the most significant considerations is around communication or interactions with communities. In contexts like Haiti and other “Third World” contexts local populations are very well versed in the development rhetoric and also very weary. A lot of evaluation mechanisms are heavily reliant on surveys and pre-fabricated questionnaires that “go through the motions” of assessing a project's success. This kind of data collection has become very extractive because in its standardized repetition it becomes more of a nuisance than anything else and the interview subjects are likely saying what they think the interviewer wants to hear.

Furthermore, qualifiers like “poor” or “marginalized” are condescending because if a rural farmer living on \$2 or less per day does not identify himself as poor then no institution has the right to do so. This problematizes a situation that is not perceived as problematic to the pre-identified affected person(s). If poverty were redefined by Haitian standards the country’s statistics would be very different.

In general, however, evaluations and measures of success are defined by what narrative the donor wants to tell, and donors always want to show how they’ve helped. For this to happen they need to define a problem and implement a solution, which is made easy with a set of global standards of living and various scales and rankings developed by organisms like the World Bank and the UN. Using these standards and frameworks allows donors to situate themselves within a narrative of power where they are the saviors to the poor, affected countries and communities. If you define the problem then you effectively decide how to solve it.

Such practices can be seen with a needs assessment which, by definition, identifies what is lacking and assumes a problem or deficiency that is otherwise not normal per the implementing organization. In an early interview, I spoke to a woman who was part of a team that used an assessment tool called Assets Based Community Development, or ABCD (Interview with Marie, monitoring and evaluation specialist). The fundamental principle of ABCD is not to assume deficiency but determine the “assets” of a community or what it has or is able to do rather than focusing on what is wrong with it. During the conversation around power, she argued that:

It’s difficult to find others who have the view that “You know what, to hand over power is really to put yourself on the line and it’s actually trusting in community dynamics,” and I think that requires people for people to drop a lot of prejudice in all aspects in terms of just believing what anyone can actually do regardless of

where they are. I think it's a massive shift of power that I don't think people are ready for to be honest. (Marie, monitoring and evaluation specialist)

In an informal interview with a colleague, that colleague argued that Haitians have to look past the *blan*, or the foreigners, and take charge of their future. I disagreed, arguing that Haitians are not masters of their own discourse. As such we may want to reassert our own authority over how the world perceives us, but as Marie noted above, people are just not ready for this transfer of power. Developing countries around the world are in inferior positions so that other developed countries can confirm their own status of superiority. It is a widely known fact that disaster is good for business. As such, if Haiti were to truly progress, we wouldn't qualify for so much aid funding and, beyond our own corrupt institutions that siphon such funding, the organizations implementing the prescribed solutions wouldn't receive their funding life source either.

During fieldwork with an environmental organization, I frequently accompanied the founders of the organization for two-day visits to the National Park where they implemented all of their conservation activities. When I was asked to conduct an in-depth assessment of the organization's capacity I decided to go to the Park for one week without the directors. The assessment was intended to better understand the daily operations and activities of the organization within the Park.

While there I wanted to gauge the local opinion of the organization and whether or not the buy in from the community was genuine. This was an important part of the work because if the people the organization trusts to not only believe in the mission but also understand its significance, not just for the environment but for themselves, don't care about or believe in the work this would directly affect the efficiency and institutional capacity of the organization. This occurred to me when one of the founders of the

organization made a comment about how they are supposed to set a good example for the community. I wondered how the workers, themselves from the community we were targeting, felt about that because if we pay them to work for us, they should to some extent reflect the principles of the organization.

Going into this process, I was acutely aware of the fact that I am a light-skinned Haitian woman which essentially equates me to an ignorant foreigner, quite possibly worse, and puts me in a position of power as the one with something to give. To establish rapport with one informant, Lionel, knowing that Haitians appreciate people that they can “*bay blag*” with, or joke with, I invited him to join me and the other employees for a drink during which I was the only woman and already subject to the playful jokes of my colleagues who knew me well at this point. This allowed Lionel to feel more comfortable and eventually he joined the banter. I wanted to determine if his buy-in with the organization’s mission was genuine or if he was, as they say in Haiti “defending a job.” Lionel had been trained by an American researcher living in the park to use a GPS plotter. I used this as an opportunity to shift the power dynamic and allay any inherent bias towards me as a woman and asked him to teach me how to use it. He came by the next day and we spent about a half hour working with the plotter. When we finished he sat with me for over an hour and we had a frank conversation about why his work is important to him. I did not prompt him directly and I didn’t take notes but by the end of the interaction I could tell that he was a genuine believer in the conservation work he was part of.

From this experience I saw the value of the free form question and have since applied it to all of my work. In my field visits I always allowed for a certain amount of

informal (usually irrelevant) conversation and interaction before any interviews during which I would ask to be taught something. For example, when I was in Cap Haitian meeting with farmer co-ops I would ask them about the medicinal properties of plants from the area, explaining that I was looking for remedies for my husband's high cholesterol. This always yielded very interesting and useful information, and on several occasions warranted visits to individual gardens to show me other medicinal plants. On every occasion the farmers gifted me fruits or vegetables from their gardens, which is a sign of respect and appreciation. These kinds of interactions yielded much richer data than a structured interview could have because no one was on the spot and there were no expectations from either party. This allowed the subjects to behave normally and candidly from which I could determine their individual capacity as well as their willingness and intentions for participating in the project we were developing. When we were able to have our more formal meetings everyone was much more at ease and able to provide the more technical information we needed for our assessment.

In my position of privilege as a light skinned person I do not think that I will ever be able to obliterate the power dynamics that arise naturally in the contexts I have explored above. However, I have managed to blur the line that dominates these relations by diminishing my perceived power through the use of what I think of as valued interactions. A valued interaction would be the example of Lionel where I allowed him to "bay blag", or joke, with me. Another instance is the use of compliments and admiration for a type of knowledge, as seen with my interactions with co-op members. Valued interactions, then, are those modes of comportment that local or indigenous communities know inherently such as ways of greeting, social protocols, even displays

of humility, such as asking to be taught something as a sign of respect for someone's knowledge.

Greetings are a particularly tricky instance of these valued interactions. In Haiti, the most common greeting is the kiss on the cheek. When I first come into a new community, acknowledging my privileged position, I always shake hands with people the first time we meet. If I kiss them the first time, it can be seen as a bit forward or misguided as I am not their friend and they don't know anything about me beyond their perception of my privilege. However, after we are acquainted and have had substantial interactions, I make it a point to kiss people on the cheek because now we know each other and I want them to know that I see them as being on a the same playing field as me. Not quite equal, but level. Once, during an introductory interaction with some community members, I shook everyone's hands before a meeting. During the meeting people spoke to each other and if I said anything they responded, but they did not respond to me directly, it felt more like they were speaking around me. The second time we met I kissed everyone, and after the initial surprise they started to look me in the eye and speak to me rather than around me.

Outsiders, or foreigners, coming into communities often apply these valued interactions in attempt to build rapport with communities, but if they have not considered these interactions within the broader context of what it means for the power dynamic between them and the local community, they can come off as either condescending or farcical to the locals. This can be observed in instances where white missionary girls coming to countries like Haiti will have their hair braided in corn rows. This is often done due to a perception of a trend as it is understood by the white girls, or as a "bonding"

experience, but is more often a great source of amusement for Haitians upon seeing these girls after several days of exposing their pale skin to the Haitian sun walking around with very red, and very visible, scalps. If, for instance, the white girls were to ask the Haitian women how to braid hair in this fashion, that would likely be more conducive to more genuine interactions.

## 6.2 Theme 2 – Differences between Funder Objectives and Community Objectives

In its most recent work, Transform Finance is developing a toolkit for investors who seek to apply racial equality considerations to their investment portfolios. In order to do this, they will host a gathering for racial justice leaders and activists during which they will highlight the less obvious racial effects of investment practices. This can include budget decisions or project designs that are made independent from a community, and end up being inappropriate, unwanted, or even damaging. Such effects are often seen in community development initiatives such as bringing in an organic foods store in a low-income community, also known as “gentrification” (internal Transform Finance document). Another example is with renewable energy projects: community lands are targeted for large energy projects but without community consent investors are highly likely to lose money dealing with community backlash. This was the case in a community in Oaxaca, Mexico where a development company obtained a land lease from the Mexican government to build a wind farm. The community was not consulted nor did they consent to the project and the project was suspended as conflicts broke out until two years later when the project was relocated after consulting with the community (Investor Briefing: Renewable Energy Impacts on Communities 2017).



The issue is that, internal to their own organizations, donors have indicators and compliance procedures from which they design their interventions, which can be seen in the criteria of Requests for Proposals and other such calls to action. What happens with this sometimes is that funding seekers, the people “on the ground,” will feel pressure to alter or mold themselves to fit these criteria and receive money that is not aligned with their overall business model or inconsistent with their organizational philosophy.

From my experience, working with organizations and proposal development, most of the times it was about what the donors wanted. Finding the best way to secure the funding. (Apu, anthropologist/monitoring and evaluation consultant)

In another interview with an international development expert she argued that donors come with a menu of options:

I think there's a real onus on donors here as well, as they are the ultimate drivers here and I think everyone is comfortable with the current paradigms because if a community expresses what it wants it also challenges the donor menu of we allocate X to this because we can anticipate X outcomes. And donors have a huge amount of accountability here and need to know how far they, [the donors], are prepared to go to challenge their norms. (Marie, monitoring and evaluation specialist)

Donors are more comfortable providing the “menu” that organizations or communities can then adapt to, rather than the other way around, and communities are afraid to challenge that at the risk of losing the funding opportunity altogether.

During the Haiti impact investing workshop, we asked the entrepreneurs what they needed. Specifically, what kind of capital they were looking for. Two of the most common responses were “patient” and “flexible” capital; two things that are virtually inexistent in the country, as financial institutions are highly risk averse, and utilize specific terms and conditions that are nearly identical for all of their clients.

The participants expressed how stressful and difficult it was to have a full turnover on a loan or quasi-investment within 12-36 months, which are the common time periods allotted for repayment on their financing. Additionally, institutions such as LEAD, a subsidiary of USAID, are unbending on the fact that all equipment purchases must be through American firms. Such restrictions can jeopardize the entrepreneur's business because in some cases the American equipment was not the best quality, or no American firm manufactures the equipment they look for. What's more, all of the funders had strict restrictions on owners collecting dividends from the businesses, which means that the owners couldn't collect their allotted percentage of the business' net profit. This proved challenging for some business owners as they were barely breaking even with their general operations and didn't collect monthly salaries.

Based on the feedback surrounding the event there arose three considerations around the need for a new financial mechanism in Haiti that could potentially close the gap between investors' and entrepreneurs' objectives.

First was the lack of available growth capital even for financially sustainable businesses that fit the profile of what a typical investor or lender finances. Microfinance institutions are largely involved in small commerce; very few finance agriculture, and none finance start-ups. Also, institutions funding small and medium enterprises employ a definition of SME that covers a tiny percentage of the business sector, with the result that most funding, from PADF to the IDB and Yunus Social Business, chases the same few enterprises, leaving all others behind. There is no flexible capital, and investment periods of usually 12 months are just too short for most enterprises. Additionally, in less than one year, Haitian commercial banks had increased their interest rates for clients by

at least 5-6%. At this point banks began actively discouraging clients with mail campaigns from making new investments, as a good loan in such a climate began averaging between 17-24%.

The second consideration from the workshop was around the disconnect between what projects need and what funders (both philanthropic and investors) are generally willing to pay for. With commercial banks offering unfavorable loans, social businesses turn to aid dollars to increase their capacity but are quickly overwhelmed with exorbitant reporting requirements, restrictions on use of funds, and crippling delays in disbursements. Requirements such as having to place funder logos on grant purchased goods or equipment can negatively impacted relationships with supply chains. The visibility requirements of aid organizations convey to their workers and suppliers that they are getting “free money”, which has led to decreased productivity, higher prices from suppliers, and lower willingness to pay from consumers. One social entrepreneur in the workshop, a young diaspora woman who owns an all-natural beauty product line, expressed:

When [a bilateral donor] requires that I put their logo on the equipment I buy with their grants it messes with my whole model because suppliers jack up their prices when they see the logo because to them it means I'm getting free money. (Carla, Haitian social entrepreneur)

And finally, social businesses get trapped in donor-centered business models where they have to adapt their plans constantly to fit various bureaucratic requirements; at the same time, reliance on donor funding has actually decreased the likelihood of getting bank loans, as banks become uncertain that a business reliant on donor funding or subsidized has the capacity to pay back a commercial or bank loan.

The final consideration from the workshop had to do with the wariness that local businesses or entrepreneurs have about accepting foreign loans, in that they are widely perceived as yet another form of wealth extraction and of external control over the economic affairs of the country. Haiti's long history of independence stands in stark contrast with decades of foreign interference and meddling. Economic levers, especially foreign aid, have been used for political aims that have led to broad skepticism of all outside economic support. There is a clear distrust in Haiti of the motivations of foreign investors, and an understanding that commercial investors would use their leverage to extract even more resources from the country, rather than creating local wealth. A consensus exists that capital would be most helpful if it created a cycle of wealth within the country, yet entrepreneurs have not found capital lenders flexible enough to do that so far. There is a clear lack in general of well-known examples of successful financing interventions (even those that might have happened generally get buried in favor of more shocking stories of abuse and inefficiency). The authentic trust building element of any financial support effort in Haiti is crucial – and this is something that an outside institution cannot build overnight, or even in a few years.

After the workshop, and after several meetings and informal conversations with both funders and funding seekers, we realized that one of the biggest and most common issues in the relationship between funders and their grantees was that they were misaligned, in that they each had fundamental differences in their objectives and requirements. As mentioned above, funders were working towards pre-set indicators that didn't match that of their grantees, and they had elaborate reporting structures that proved to be very resource consuming for their grantees. This, along with historical

distrust, eventually led to strained and inefficient communication where funders became more and more persistent to acquire the information they needed, and the grantees, in turn, became more resistant to providing the information. The grantees bemoaned the process of complying with funder requirements, especially as it pertains to their beneficiaries' perceptions of them.

The day after the workshop we visited a cacao cooperative in the North of the island where we met with the cooperative's leadership. We were accompanied by an American impact investor and a Haitian partner who managed an international impact investment fund, Root Capital, that specifically works with farmer cooperatives. Root Capital employs a triangular investment model that incorporates the fund, the cooperative, and the buyer. When a cooperative presents a purchase order or contract with a buyer it serves as a sort of collateral for Root Capital to finance the production. Root Capital then disburses the allotted amount to the cooperative who uses it to fulfill the order (ie. buying raw cacao from growers, processing, and shipping). Once the production is complete, the cooperative ships the order to the buyer and the buyer pays Root Capital who takes its principle and interest and disburses the remaining balance to the cooperative. Additionally, Root Capital has developed training modules specifically for farmers that focus on financial management and production techniques.

The objective of this visit was to understand the cooperative's existing structure and determine what type of assistance or capital could benefit them. Root Capital was interested in the cooperative but they could not invest because in its existing capacity the cooperative was not profitable enough. When we asked the cooperative members what type of assistance they were really looking for they asked for more trainings for the

community so they could recruit more members. While I found no fault with this conclusion from Root Capital, I found it interesting that one of the cooperative's measures of success was not its profitability but the number of members it acquired.

The American investor who was with us explained that her fund prioritizes community co-ownership in the investments they make and recalled how they passed on an investment in Haiti because the owners wouldn't incorporate a stronger community co-ownership component. While I don't know the financial details of that deal, I do know that the ownership structures the investor was looking for would never work, at least not right away, in Haiti. She gave an example of such a model that was implemented in Guatemala where a young woman built a cacao company with a local cooperative and gave the cooperative 51% ownership of the company. I can appreciate the value and significance of such a model, but again, it would not work in Haiti. As discussed above, the power dynamics between business owners, or the "bourgeoisie," and rural cooperatives is too prominent and as Marie stated in our interview, the power shift needed to accomplish this level of collaboration and partnership is just not something people are ready for.

### 6.3 Theme 3 – Process vs System

The international development field is very broad and highly multi-disciplinary where almost any profession can have a development or social impact specialization. As the UN SDGs demonstrate, many principles and practices are influenced, at times determined, by large multi or bi-lateral institutions. With the proliferation of development as a global phenomenon there came a need to

homogenize or standardize the field. This standardization comes with specific practices and policies, and uniform definitions for terms that often do not apply to all of the contexts in which these institutions operate.

Within the realm of formal development at the multi and bi-lateral level, decision-making mechanisms are reliant on baseline data that is often outdated or incorrect, or is guided by common misconceptions about a country or community. In Haiti for instance, for at least three decades, it has been systematically reported that Haiti has only 2% green cover. In every report, article, or citing of this 2% figure there is not one single reference to the original data. My colleagues who work in environmental conservation find it laughable that it's even cited because according to them it's "based on whimsy." Furthermore, the global poverty line is USD2.00 per day and in many countries and communities this is also inappropriate. In Haiti, a rural farmer making USD2.00 per day is not necessarily poor because he grows most of what he consumes, and, what's more, USD2.00 can cover tuition for one child for a month.

This is a great example of how the processes of defining the deficiencies of the developing world ignore the global and local systems that lead to, or contribute to, the state of these countries and communities. Let us consider this USD2.00 a day poverty line, which amounts to USD60.00 per month. In a rural setting, it is not uncommon for a peasant to have over one hectare of land, which is about 10,000 square meters. On this land he will have what is called a *jadin Kreyol*, or creole garden, which means that one plot will have multiple cultures; part of which he consumes with his family, and the rest he sells in local markets. Often, this is the household's sole source of income with which they can make between USD10.00 and USD50.00 per month, even more if they have

fruit trees such as mangoes. In addition to this, he will have an assortment of livestock like chickens, cows, pigs, or goats that are slaughtered on special occasions, the meat is also split between the family and the rest sold. The animals also act as a “rainy day” fund and are sold when they need cash flow. The Haitian household is purely functional so that most of the time spent at home is spent outside. The house is usually just one room with a few surfaces (eg. tables) and has space to sleep. Separate from the main house there will be a latrine or designated bathroom area, and a space for cooking. A farmer with 5 children who are all enrolled in school for about USD1.50 each per month is seen as well off in the community.

If a foreigner, or outsider, comes into this farmer’s house and sees all of this and still classifies the farmer as poor based on this pre-determined, standard definition of poverty as living with USD2.00 per day, they have denigrated the established norms and perceptions and introduced a problem where none previously existed. I am not dismissing true hardships and other factors like limited access to healthcare, my intention is to demonstrate the power dynamics at play when someone comes to your house and exclaims that you are deficient according to a norm defined by information that itself uses a definition of “normal,” or “developed” based on a standard of living defined by people in privileged situations. If the goal of development is to help communities, it cannot exclude what these communities consider as helpful.

If the methods or processes intended to help should include the people directly affected, then so too should the processes for evaluating and measuring success. Success within development is essentially determining if an intervention has actually



helped its targeted beneficiaries, but as with the design of the intervention, beneficiary communities are hardly consulted on what actually constitutes success.

For example, while working with EGI I secured a capacity building grant from a USAID program geared towards business development and social businesses. The mission of EGI was to create small businesses and we did this by working with young entrepreneurs and providing them with business trainings, access to professional services, and networking opportunities. With the USAID grant we had to produce an impact report detailing number of hours of services we provided. To do this, we calculated the total number of hours of training and consulting that the participants received. Our training program was led by 2 trainers over the course of 6 weeks and we had 15 participants in the program. The trainings were 2 hours per day, 4 days a week. That means that we provided 48 hours of training. However, for the purposes of USAID we were given the following formula for calculating our output:

$$\# \text{ of trainers} \times \# \text{ of hours} \times \# \text{ of participants} \times \# \text{ of days}$$

With this formula, we reported 1,440 hours of training provided. For us the success of this program was not determined by our “outputs” and in our efforts to comply with our donor we found ourselves violating all of our principles, including letting ourselves be influenced by donors. We were in the process of implementing a monitoring and evaluation phase where we would have to survey our entrepreneurs to determine if their activities had resulted in the creation of any “indirect jobs,” defined as labor supporting the business, for instance manioc farmers working with a cassava producer. He did not directly employ them but his business “supported” their activities. Our indicator of success was primarily the number of businesses created through the

program, not the number of jobs. I eventually suspended all activities with this funder until they revised our contract to exclude job creation indicators.

Another issue is with the acquisition of data. Beyond the considerations of power as a systemic issue, there is a pervasive call for the uniformity and standardization of data. This argument is often led by comparisons to private and public sector standard as each sector has a series of regulations, benchmarks, and performance standards that provide parameters within which all actors can perform, and this is complemented by the systematic collection of objective data on the institutions that inform these parameters. In the private sector, it makes the most sense to standardize because the entire sector has the common objective of being profitable and there is significantly more accountability. In the development, nonprofit or nongovernmental, sector the objectives are highly subjective. Some standardization is possible in reporting for watchdog groups and accountability agencies such as the IRS, whose purposes are to collect information such as fundraising practices and budget allocations, compliance with state and federal agencies, and ethics. Impact is such a fluid concept and is so specific to each intervention, organization, and community. Some impact is not quantifiable, such as buy-in of a community, but there are ways to illustrate impressions and opinions of people that can serve as indicators of change. Internal to development agencies, standard forms like surveys or evaluations should always be adapted to the contexts they will be used. In addition to the format of the questions or the language, there should be specific considerations for how the communities will be approached and how the evaluators will interact with them.

Most recently, I was writing a project proposal with an organization that is spinoff of a large, global impact investing fund that invests in agricultural co-ops in developing countries. Before they turned into a local organization (operating under the umbrella of the impact investment fund), they had been in Haiti as an investor for over five years and the new entity is still using some of the procedures of the fund, including using old questionnaires and other such forms. When we started writing a proposal for a project that would essentially structure a new value chain in the country, we explored what information we wanted to collect and one of my colleagues who had been with the fund previously suggested a livelihood study. When I asked to see the forms and questionnaires they use to do this I was quite literally flabbergasted. The questionnaire listed a series of items considered poster items in households and included everything from vegetables, meat, pasta, cereal, eggs, and milk. They asked people what the price of each item was and they based their analysis off of that information. I stared at my colleague in disbelief and he confirmed that this was the standard form that they had always used. I told him how inappropriate the form was because it was not adapted to a rural Haitian context.

First, every vegetable known to Haitians was listed on the form; subsistence gardening is a standard practice in Haitian communities. Rural Haitians are peasants, in the real sense, in that they grow for their own consumption and sell the surplus, they are not commercial producers. This also applies to meat, most people will have livestock that, once slaughtered, they take for themselves and sell the rest. Secondly, while pasta is a very common food item in all Haitian households (we are known to eat it for breakfast with a creole sauce), cereal, milk and eggs are luxury items. Cereal does not

satisfy hunger, nor does it help in suppressing the appetite as sugar does, which is why Haitians eat very sweet things, it curbs hunger.

My colleagues asked how I would conduct a livelihood study and I simply explained that I would get the price of everything then I would go to the marketplace, observe what people buy and speak to the vendors to confirm the most commonly purchased items. They were a bit too impressed with an idea that I thought to be logical (not to say commonsensical), and I was evermore convinced that anthropology could significantly contribute to the development of the country.

#### 6.4 Theme 4 – Call for Specialized Skills

Nolan (2001) argues that anthropology offers an opportunity to develop holistic considerations around development. In my research, one of the biggest deficiencies of development that I observed is its aspiration to uniformity. Large development organizations are essentially data miners that harvest information through their funded activities, and, as discussed above, the organizations that receive this funding are often forced to bend to the administrative pressures of their funders. This inevitably results in the internal structures of the funding recipients being modified to look more like that of the funding organization. As seen with the standardization of impact metric tools, this attempt to standardize development practices is disconcerting as it undermines the complex cultural systems of communities and countries, and it often causes more harm than good.

Outside of general practices within development institutions, over the course of this project I also observed many instances of deficiencies on the part of people who

were collecting, interpreting, and using information for determining impact or project success. I conducted participant-observation with the Pelican Group, a knowledge and experience sharing forum for monitoring and evaluation professionals; the Group is also a good job posting platform as much of the community are consultants. I joined the Pelican Group in September 2016 and in the first few weeks I was very diligent about reading all the daily discussions and the countless job offers and Terms of Reference. It quickly occurred to me that the monitoring and evaluation field was lacking additional training; many of the methodologies and tools discussed were derived from social sciences; some applied ethnographic approaches while claiming innovation. In general, I don't imagine that any anthropologist would object to ethnographic methods being used in other fields. My concern with these "evaluators" and their use of ethnographic methodologies and principles is that without the proper considerations for the contexts their application of the tools are often misguided or inappropriate.

One such example is Human Centered Design (HCD), a tool developed by an engineering firm, and is described as:

A process that starts with the people you're designing for and ends with new solutions that are tailor made to suit their needs. Human-centered design is all about building a deep empathy with the people you're designing for; generating tons of ideas; building a bunch of prototypes; sharing what you've made with the people you're designing for; and eventually putting your innovative new solution out in the world. (DesignKit)

The process for HCD is to get groups of end users to interact with the designers of a tool to demonstrate how they would use the tool you are designing and how it can be adapted to their application of the tool. In the context of international development HCD is also used for designing interventions. Basically, HCD uses focus groups that

allows targeted populations (or end users) to participate in the design of something intended for them.

Another example is the approach of “adaptive management,” defined as:

an approach to tackling international development challenges that are complex. The starting point is an assumption of uncertainty about what will work to address the challenge. It is then characterized by a flexible approach involving testing, monitoring, getting feedback and – crucially – making course-corrections if necessary. (O’Donnel 2015:3)

In one of my interviews I brought up adaptive management and the subject actually laughed and said:

Adaptive management is basically going with the flow. Did it need to be elaborated into a whole methodology? Probably not. (Raina, international development consultant)

One of the consulting firms I worked with was led by a gentleman who had previously been the country director of one of the largest international impact investment organizations. As such, he had extensive field experience, mostly around business development and training of business principles with rural farmers. When we were writing a proposal for our client, we explored several potential outcomes of the project. Moringa, as a high turnover plant that can have up to six harvests per year, is capable of being a significant alternative income for a rural farmer. As such, the traditional assumption of development is that if people receive more money, their standard of living also rises. In a traditional baseline study, we would have to conduct a livelihood study before and after the production of the plant.

When the question of a livelihood study came up I was reluctant but my colleague mentioned that they have a standard survey questionnaire for this purpose. The survey listed a very wide variety of food and household items and the surveyors

would ask individuals in the community the price of each item and from this they calculated an approximate living wage for the community. I immediately dismissed the survey as woefully inappropriate and misguided because it assumed that people were even buying some of the items, many of which are locally identified as luxury items, for instance, milk. I argued that if we were to conduct a livelihood study, a more locally appropriate method would be to observe a market place and speak to the “*madan sara*,” or the merchant women, to determine what people buy most, how much the items cost, and how frequently they buy them. I made a case against the livelihood study based on the fact that rural communities, specifically in Haiti, do not live within their means. That is to say that since, as discussed above, rural communities produce most of what they consume, their cost of living is not as high as generally believed. As a result, additional income or supplemental income is not necessarily allocated to generally accepted life improving objects or services. This is a phenomenon that I observed in a previous project with an environmental organization conducting a Payments or Ecosystem Services program in which landowners are remunerated for conserving the biodiversity on their land. This means that if a landowner has an endangered bird nesting in trees on their land, the program essentially compensates them for not compromising the trees. This program is designed to be both a conservation project and an alternative livelihood project. Its indicators of success were conservation levels on participant lands as well as total “earned income.” Out of curiosity the project director opted to have regular meetings with the wives of participants of the project. Of the 20 or so women present, only two were direct landowners because they were widows. When we asked them what their husbands, fathers, or brothers do with the additional income the women

made it very clear that the extra income did not go towards the betterment of the family but towards the three vices of Haitian men: *ti menaj*, *klerin*, and *bolèt*, or women, alcohol, and gambling.

In contexts such as this one it would be useful to explore considerations outside of wealth. If we assign more value to wellbeing and dismiss the assumption that wellbeing is directly linked to wealth, community development projects would take on a completely different form.

When looking at poverty, it is a standard of living defined by those furthest away from the issue. In a country like Haiti, for instance, poverty is relative to where you are in the country. People may understand themselves to be less wealthy than others, but in a rural setting a farmer with land, a house, and kids in school does not identify as a poor man and so it is unproductive and oppressive to label him as such.

In a recent Stanford Social Review article, authors Kate Ruff and Sara Olsen argue that social impact data needs more specialized analysts that can extract the most valuable information as it applies to specific contexts. These analysts, they argue, must have the requisite skills to make best judgment decisions about not only what data to collect and why, but also the best way to use the data. The field, as they say, is nascent, but the expertise exists and of the many fields that can contribute to such a field I think that there is an incredible opportunity for anthropology to contribute to its development. For such non-standard, non-predictable, and highly varied work, it's important to have skill sets that allow you adapt or acclimate. What's more, it doesn't suffice to have methodologies and tools, it's more important to know which of these to



use when and how, and this is precisely where anthropology would contribute significantly to the field.

## CHAPTER 7

### DISCUSSION

My first encounter with the issues highlighted in this thesis came when I was 17 and living in Haiti during one of the most violent periods in the country's history. I was attending an American high school in the country that was originally founded to serve Protestant missionaries living in Haiti. My senior year I volunteered to help a Texas church's youth group mission. The church's mission house was in a rural town North of the capital, Port-au-Prince, and had a roof access that overlooked the whole village. When we arrived we were given a tour of the house and taken up to the roof where the proprietors showed us the church they had built, and the orphanage. They explained how they had converted the area to Methodism and had been there for over 20 years. As I surveyed the town I was very confused about what they meant by "converted." When I asked my friend about it she explained that it meant that people rescinded their previous practices and accepted to be baptized. I understood that the baptism was really more of a symbolic act and understood immediately how naïve these missionaries really were. When I, as the only Haitian in the group, looked around the village I could point out several instances where *wanga*, or Voodoo curses, had been performed, and I could identify the Voodoo priest's house. It was clear to me that the missionaries did not understand Voodoo and so they couldn't possibly understand the community, let alone effect any real "sustainable" changes.

Similarly, when I was working with the environmental group I constantly witnessed instances where donors were unable, or unwilling, to understand community behavior. On one particular site visit, I went to a planting site where multiple farmers

had their plots one next to the other, each plot measuring about 10 square meters. The plots were on an incline and our work in the area was largely to build dry walls that helped with soil retention and water penetration into the ground. This was done with explicit permission and participation of the plot owners whose soil became significantly richer and fuller after the walls were built because the soil was not carried away by the rains. An important component to erosion prevention, with or without the dry walls, was to prepare the plots so that they were parallel to the slope. One peculiar thing I observed was that while there would be dozens of well prepared plots, each about 1 to 2 feet apart, there would also be these random outlier plots that were prepared perpendicular to the slope. This format further aggravates the effects of erosion on the entire hillside, and actually has very poor soil and thus very poor yields. However, upon inquiring about this behavior I learned that the farmers with the perpendicular plots did it that way because that is how their father before them did it. This mentality, this way of doing things, is a fundamental consideration of all the projects of the organization, but they had not found the most effective way to address it, nor had they identified any mechanisms of support to try to understand it better. Though they were acutely aware of this challenge, they were even more aware that this kind of information is not what donors want to hear, and would likely deter funding. This example demonstrates the issue with making decisions based on preconceived ideas about problems and their solutions as determined by information that is designed to highlight deficiencies.

All development interventions are reliant on the same thing: people. People making the decisions for how to carry out an intervention, people doing the work on the ground, and the people directly affected by the interventions. The cycle of development

begins at the top: institutions identify targets and indicators based on an idea of what they want to do and what story they want to tell; from this, the people on the ground collect data within the pre-set parameters of the institution's indicators and propose an intervention. The intervention is carried out and the ground team collects more data to report back to the institution to continue affecting decisions for funding allocations. As discussed above in Chapter 6, organizations that are solely focused on outputs and measurable impact end up as data miners whose entire system is driven and determined by the data they acquire and their limited analyses of the data to produce superficial information that barely scratches the surface.

One of my biggest concerns about development today is that its basic principle of helping has created a hero complex that permeates contemporary thought so that everyone wonders what they can do to “help make the world a better place.” These initiatives can take the shape of full scale development initiatives or social businesses, or they can be individual shopping practices. Ananya Roy (2013) discusses shopping to end poverty and highlights campaigns like the RED campaign; an AIDS campaign that received endorsements from global brands like Gap where consumers could buy the RED apparel and contribute to the global AIDS battle. Another way to “shop to end poverty” is to buy “responsibly sourced” products like organic foods that boast production models that benefit Global South communities or that don't harm the environment.

In Haiti, as in many other countries, this hero complex is best seen in the now cliché image of the American traveler who comes into a community and is so impacted by what they see they chose to stay and “help” through some form of social

development initiative. Often times this takes the form of a school or orphanage, other times it's a social business. I once met two young women who started a social enterprise after the earthquake because they had volunteered for disaster response and "fell in love with the country" and wanted to help. When I visited their business they explained that their focus was on women so all of the workers were women for whom this was their first job with which they could take care of their families. Words like "empowerment" and "independence" were tossed about and I was meant to be very moved by the whole initiative. As I have no accent when I speak English the women workers heard me speaking to the owners and assumed I was a foreigner and were very sweet and shy. However, when I spoke to them in Creole and they realized I was Haitian their attitude turned instantly cold and somewhat menacing as evidenced by the side glances and the *tchuijs*, which is a sound made by sucking the teeth that is generally a dismissive or otherwise rude gesture. The owners went on to explain some of the challenges they were having with the women who, despite their new income, constantly came to them to ask them for help to buy school supplies, or medicine, or pay for transportation. They related one story where they organized a community clean-up campaign where everyone, including the white owners, would go out and pick up trash in the community. One woman refused to participate, saying that she was not the trash pickup service, followed by the inevitable *tchuij*. When the girls asked me what they should do, without hesitating I said "Start firing people." They were so shocked at this. How could I be so mean, they wondered. I clarified for them that first, if this job was in fact these women's first job it was not for lack of options or opportunity. Second, in no company in the world would an employer accept that an employee speak to them so

rudely and so it shouldn't be any different because they were in a "poor" community. They were clearly being taken advantage of, a fact that was corroborated by several mutual friends and colleagues, but they were indulgent and naïve because they were convinced that without them the women's lives would be so much harder.

As I have related, there are a lot of concerns in the anthropological community about working within development contexts but I don't think that these concerns apply in the same way anymore. Anthropological methodologies and principles are being replicated across a lot of disciplines and sectors with the occasional passing, and not emphatic, mention of the social sciences. We see this with the applications of adaptive management in large organizations, human-centered design with engineering, and of course within the monitoring and evaluation sector. Today, development agencies are more and more required to include community engagement or consultation in the design phases of their programs, and as a result they are more willing to look to local knowledge resources rather than using outside experts and consultants. Who better to act as a cultural broker than an anthropologist?

For example, a development practitioner could come into a community pre-identified as poor and observe that birth rates are high, as are teen pregnancy rates. This is problematic and requires a solution so the organization implements a program that teaches women about their menstrual cycles and their fertility in hopes that these women will be better aware and cautious throughout their sexual encounters. Indicators for this program would be the number of women who participate in the workshops and the number of condoms distributed. To determine impact, an evaluator will use baseline data about birth rates at the start of the intervention and continuously track birth rates

over a certain period of time. Surveys or interviews will be conducted to determine the average age of people when they become sexually active, and the average number of sexual encounters per person. This information will be compared to the number of condoms distributed, as well as the number of recipients of the educational material provided. An evaluator could go so far as to quiz past participants over time to determine their retention; this is quantifiable if each person is given a score that can determine a retention percentage. At the end of the defined period, birth rate is determined again and if any variation exists, it is compared to the collected data about number of sexual encounters, level of retention of the information shared, and number of condoms distributed. The indicators and targets of this program are easily quantifiable but do they determine if the intervention was successful?

In contrast, an anthropologist in this community could identify this same issue with high birth rates, but rather than launching into problem solving she would ask what is the cause of this issue. What if the leading cause of high birth rates in a particular community is boredom? People have nothing to do, so sex is a pastime. In this instance is reproductive health awareness and distribution of condoms the best way to address high birth rates? That's not to say that it isn't valuable, but will it deliver the desired results? What if this program gave every family unit a radio, or a cell phone with a radio app, or a solar powered TV? All this to say that there is no one way to effect change in development but tailoring interventions as well as their evaluations has to be done through an anthropological lens whereby the local context is prioritized in all considerations for decision making.

We live in a global community where cultural boundaries are obscured more and more by communication (ie. media, TV, internet), and even beyond the development sector the world needs cultural brokers who can facilitate more constructive exchanges and interactions within increasingly diverse communities. Today anthropology could contribute to development considerations in a way that raises the voices of communities so that they can reclaim their discourse, so to say. If the narrative that donors cling to continues to be rooted in catastrophe, then countries like Haiti will always be problematized and feed the world's growing hero complexes. In Haiti, we are not masters of our own discourse. Our narrative is not told by us so we have little to no influence over the interventions designed to help us improve or progress. I intend to use anthropology to redefine my country through the input of Haitians. My training as an anthropologist has given me the unique skill set needed to adapt to environments, identify social processes and protocols, and translate local knowledge into applicable information.

The rhetoric of development is centered around poverty eradication and imagining a world without poverty. As we have explored, poverty is a subjective concept that focuses on a deficiency defined by a group in a position of power. If I have a lot of money and you do not, then you are deficient. The word *less* is inherently inferior to *more* so those with less are inherently inferior to those with more. This dynamic will always exist and so poverty will never be eradicated, it will simply be redefined. I believe that anthropology can significantly contribute to the conversation by helping inform more effective decision making.



## CHAPTER 8

### RECOMMENDATIONS

#### 8.1 Integrating Considerations of Power into Conversations with Decision Makers

Transform Finance convenes a community of investment practitioners such as family offices, investment funds, foundations and other asset owners. This community is essentially one made up of decision makers. As impact investors, they set their impact sectors or objectives like climate change, social justice, or education. The advantage of working with this community is that they already know that something is wrong with global development and the whole point of the community is to explore different ways of doing things. One guiding principle of Transform Finance is to raise up community voices into the conversation with asset owners, or decision makers.

Considerations around power structures can be instrumental in the design and evaluation of development interventions because an evaluator or development professional working in a community with an understanding and consciousness of power can be a catalyst to systemic change rather than persisting with the prescription of Band-Aid like solutions to gaping wound like problems. These considerations should be applied to every aspect of an intervention down to the way an organization plans on interacting with a community.

Such considerations would facilitate interactions between funding institutions and their funding recipients in that the funders would have the opportunity to make better informed decisions by applying the knowledge of their recipients into their processes. This would also be reflected positively in the outcomes of interventions as they will be

more specific to the various contexts. To do this, decision makers could do the following:

1. Move away from prioritizing deficiencies and incorporate methodologies like Assets Based Community Development (ABCD) in the preliminary considerations for investments.
2. Make it a requirement that any intervention design process on the ground incorporate community input. In this instance, standards for what constitutes community input can be determined as seen with Free, Prior and Informed Consent, or it can be a target such as “at least 10 hours of community consultation.”

## 8.2 Incorporate More Social Science Methodology

Though I consider it a positive sign that so many social science methodologies and considerations are being applied to so many fields, I have highlighted some concerns about misapplication of these tools. As impact evaluation and analysis becomes more and more important to the global development community conforming to the UN SDG objectives, there is an emerging call for a specialized skill set for the field. Anthropology, as a developing professional field, can take the lead in these discussions. If funders really want to determine their real contributions they need to make a real investment. For this to happen, I recommend the following:

1. Funders need to be more realistic about their budget allocations for research and for the development of these skill sets. This can take the form of grants to academic institutions for the creation of new programs. Or it can be internal

processes where they recruit social scientists to work with them and their respective communities to define more appropriate targets and metrics for each community.

2. Professional anthropological associations should begin to engage the development sector more deliberately to assume a leadership position in this multi-disciplinary discussion around defining the skill sets needed to spur global transformative change as well as how to develop these skills (ie. curriculum design)

APPENDIX A  
RECRUITMENT LETTER

Dear Pelicaners,

I joined this group a few months ago and quite frankly it's the only mailing list I'm part of that I actually follow. The topics of discussion are incredibly enlightening and I very much appreciate the openness of everyone to provide constructive reactions and endless resources!

I work in Haiti (where I am also from) and am currently completing a second MA in Applied Anthropology. My research right now is focusing on considerations around what constitutes impact in development and how organizations come to decisions regarding their specific targets/indicators. Haiti has served as a great example of what not to do in development across every imaginable sector and now, allegedly, after decades of ineffective programming and billions of dollars, most development institutions are reframing their approaches. For example, some multilaterals are working to do direct to project financing rather than financing through government agencies. Generally, projects that are financed by multilaterals have to be done through government agencies such as the Ministries. In normal circumstances this might be the right way to meet local capacity building targets and such but in Haiti (as in many places) this is the best way to enrich government officials (I've seen this multiple times. They call it a "tax").

Additionally, development institutions consistently underestimate communities' abilities to know what they need for themselves so interventions are often inappropriate but the metrics of the funding institution look great. For example, I once received USAID funding from one of their job creation projects for an entrepreneurship program I ran. Our mission was to create businesses and we provided a 6-week training program that

was 2 hrs per day, 4 times a week. The training was conducted by 2 MBAs and we had about 15 participants. In total, we provided 48 hrs of training but for our USAID report we reported almost 1500 hours because their formula was number of hours of training provided (48), multiplied by number of trainers (2), multiplied by number of participants (15).

My research intends to showcase the processes through which funding institutions develop their impact targets and measurements, how well those align with their funding recipients, and also determine the level of involvement of affected communities in defining the impact of interventions. I am working with some local and international partners who want to use the final report to educate funders and partners and to provide a strategy for developing more appropriate interventions (ie. with community participation).

I want to provide more specific examples but I'm afraid this message is already quite lengthy so I will spare you all. I am, however, looking to conduct interviews around this and would very much appreciate your help. If you have any insights on this and are willing to speak to me about this please contact me directly at [iclerie@gmail.com](mailto:iclerie@gmail.com). Interviews would be between 30-60 minutes and would be done via Skype or Zoom.

Thank you all for the knowledge you share and I very much look forward to continue learning from you!

Sincerely,

Isabelle Clérié

APPENDIX B

DELIVERABLE 1: HAITI WORKSHOP BOOKLET

**transform  
finance**

**Finance for  
Social Change  
Workshop - Haiti**

**July 27<sup>th</sup>, 2016**



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# WELCOME FROM OUR ORGANIZERS

Though a relatively new field, impact investing is a new paradigm of finance whereby an investment can be made that focuses on activities with a social or environmental impact that are also capable of generating a financial return. It sits between traditional finance and philanthropy – and as such, it could take the good, or the bad, from both. We have all seen what happens when funding is misused and I am certain that we all have more negative things to say about development than positive ones. Yet, despite this propensity for negativity, we are all here today to talk about how capital can play a meaningful role in making Haiti better – from the standpoint of Haitians. Whether through the support of local artisans, or through reforestation initiatives, we all want something better for Haiti, but it is too often a very daunting task that has proven financially unattractive for investors, or unsustainable for philanthropists.

So, we know the potential for the work that we do – yet we can't seem to find the capital that will help us get there. From working with small entrepreneurs, to established businesses and experienced co-ops, the availability of funds on reasonable terms are a constraint. This keeps us from meaningful opportunities to revitalize our economy: we won't get there without capital that matches well our realities on the ground.

The rhetoric of development in Haiti circles around job creation via support of local SMEs and job creation. We are told that there needs to be more investment in agriculture, kick-start capital for start ups, and larger investments in capacity building all around. But where is that money?



Today we want to talk about finance as a force for social change. We want to talk about what impact really means and how we can be better at it – all in the spirit of seeing how funding can flow that truly matches our own aspirations for development, regardless of the many challenges. I want to welcome you to be open about your experiences and honest about your needs. As we say in Haiti, "*men anpil chay pa lou*" (many hands lighten the load), so let's work together to transform our communities.

Isabelle Clérié

# WHY IMPACT INVESTING IN HAITI

*“There are few things that can transform a person’s relationship with this world as falling deeply in love with imagining it anew.”*

THERE ARE MOMENTS – decades, even, where envisioning the world anew is extremely difficult. Yet it becomes all the more necessary, in the face of sustained adversity, of multiple failed interventions imposed from the outside, where imagining new possibilities becomes a radical act. A radical act grounded in reconceiving what is possible. It is in this spirit – imagining new roles for the dynamics of old – that we bring you this training, and hopefully a much longer collaboration.

Too much of social change work involves making ends meet in a world that does not always give worth to our values and efforts, often funded through philanthropy—the meager contributions of a global economy that has abandoned many of the world’s peoples – or through foreign aid – a perpetuation of colonial approaches that have failed to take into account the needs and aspirations of those it is supposed to help.

Transform Finance came about to help ensure that in the midst of all the excitement about new ways of deploying capital, the right voices are heard, that money flows in ways that truly care about how our communities are being transformed. We are building a bridge between impact investment and social change because we want people like you to have access to finance for your amazing projects, and to find your seat at the table to hold the owners of capital accountable as they claim to be changing their ways.

One definition of poverty is lacking choice, or autonomy, in how to live your life. There are many types of autonomy in this world—political, social, environmental, cultural, corporal. It’s hard to access any of these without economic autonomy. And after centuries of systematic resource extraction and extinction in global communities, it’s hard to catch up without some kind of



# WHY IMPACT INVESTING IN HAITI



resource infusion. Women walk over 50% of this planet but own 2% of its land. A tiny fraction of the money devoted to Haiti after the earthquake has reached and empowered Haitians. Global flows of capital, however well intentioned, still too often seem just destined at perpetuating themselves, rather than really serving those they mean to reach.

We can play a role in how this reality gets shaped and WE CAN FIX THIS! A lot of capital is already lined up, yet it fails to find ways of having transformative impact. It is now our job to move beyond the critique of what has not worked and move this capital toward the type of change that your communities want. Our interactions with capital can be flipped on their head. Or at least, we can try...

Now, we don't have all the answers. In fact, we know too little about the context in which you operate. Generally that would have given us pause: will we be another outsider claiming to have a potential solution? Yet as we continued this journey of exploration, with the help of our partners in Haiti, and in particular Isabelle Clérié, we were made aware that there is a

positive supporting role we can play. We are here merely to present some opportunities to you – and also make you aware of some dangers.

With so much appreciation of your time, energy and spirit in being here, we welcome you to this day of training around impact investing. It won't do justice to the work you have been painstakingly doing within your communities. But it may present you with some glimmers, with some ideas or inspirations for how finance does not have to be a bad extractive force but can be redesigned to serve your own needs.

You may not walk out with a pristine business plan or MBA, but perhaps with something different, and something more: a window into a different future. A view to how finance, that big scary beast, should and can and will be turned into a tool for real transformative social change, with your voices at its core. Come away with new ideas for change, a new community, and a renewed faith in our ability to build the world anew. If nothing else, we will be grateful for the opportunity to learn from you and to share with you some of what we have learned with other communities that have more in common with Haiti than one may think at first.

In deep solidarity,

Andrea Armeni and Morgan Simon, co-founders, Transform Finance



# ABOUT THIS WORKSHOP

This event will shed light on the emerging field of impact investing and its potential application to the specific social change needs in Haiti. Despite the suspicion that has accompanied microfinance in Haiti, there is an emerging sense that, if done well, impact investing could hold some promise for equitable growth for the country. Capital is sorely needed to foster enterprise growth and job creation – and its positive impact will be advanced if the communities are adequately engaged.

A fundamental tenet of a transition toward more just economic growth is the active participation of communities, which requires that they be supported in their early engagements with capital, whether in terms of social enterprise efforts or in playing a meaningful role in overseeing the way capital flows locally.

As part of its mandate to support communities that are seeking to drive capital for social change and develop new tools and value-aligned investable opportunities, Transform Finance is also supporting local-driven efforts in Haiti that include the possibility of a micro-investment fund devoted to the growth of local enterprises in Haiti.



# ABOUT TRANSFORM FINANCE

## WHAT WE DO

Transform Finance builds a just world by making capital a force for real transformative change. We do this by building a bridge between the worlds of finance and social justice, leveraging their collective power to realize the true promise of impact investment.

**We support community-led models of investment** through the exploration and implementation of the Transformative Finance principles, putting communities at the center of the design and ownership of the projects that affect them.

**We aim to grow the entire impact investing ecosystem** in a way that gives a central voice to and benefits communities and their social justice needs. To do so, we engage with all relevant actors, from investment funds and foundations to entrepreneurs and social justice leaders.

**We advise funds** on how to align their impact investment strategies with community empowerment values. We provide trainings and consulting services to social entrepreneurs, social justice leaders, and communities on how to tap into impact investments as a positive funding source for their projects.



## TRANSFORMATIVE INVESTMENTS

- Are primarily designed, governed, and, where feasible, owned by communities.
- Add more value than they extract.
- Fairly balance risk and return between investors, entrepreneurs, and communities.

# SCHEDULE AT A GLANCE

**8:00 AM** Coffee/Tea meet and greet

**8:30 AM** Session 1: Introduction - What do your enterprises need and who is (not) providing that?

**9:45 AM** Coffee break

**10:00 AM** Session 2: What is impact investing?

**11:00 AM** Session 3: What does an impact investment look like?

**12:00 PM** Lunch Break

**12:30 PM** Session 4: Investors explain [panel]

**1:30 PM** Session 5: What is your impact?

**2:30 PM** Session 6: Finance as a force for social good: the promise and peril of impact

**3:00 PM** Session 7: What does this mean for you?

**3:30 PM** Questions and discussion

# THE SESSIONS

## **8:30-9:45 - Session 1: Introduction - What do your enterprises need and who is (not) providing that?**

Small enterprises can create meaningful job and wealth creation opportunities through their growth. In the absence of significant earnings that can be reinvested, these enterprises need to look to the outside for growth capital, which is not always easily accessible.

Where are the main gaps in funding and what other options are available in the Haitian SME context?

Discussion: Participants will be asked to share the various types of funding they have received and how they have fallen short in meeting their needs and the types of funding they are looking for.

Takeaway:

- Identification of needs and gaps in financing; beginning exploration of alternative options

## **10:00-11:00 - Session 2: What is impact investing?**

While traditional investors may be skittish to provide capital to Haitian SMEs, there is an opportunity for impact investors to step into that gap. Because they seek a social return alongside a financial return, their determinations are different, especially in terms of the risk they can accept. However, impact is context specific. Here we look at what impact means within the Haitian context.

Takeaway:

- Understanding of the impact investor space
- Discussion: Review of the impact space in Haiti, from multilateral institutions to philanthropic funds; identification of opportunities for the Haitian community to interest impact investors

## **11:00-12:00 - Session 3: What does an impact investment look like?**

We start with a broad overview of the different types of impact investments, looking at the "anatomy" of deal structures that differ and may be better suited than traditional investment. Based on shared examples we will consider how impact investing deal structures could be applied to the work being done by participants.

Takeaway:

- Working knowledge of the technical side of impact investing
- Understanding of the different deal structures within impact investing
- Alternatives to seeking investor capital (savings pools, etc.)

## **12:30-1:30 - Session 4: Investors explain [panel]**

Investors will highlight what they look for when screening a proposal for an investment. They will provide some insights as to how these decisions are made, and how community leaders can best position themselves and their proposals to secure an investment. This session will provide community leaders and investors an opportunity to discuss some of the challenges around making an investment and how to build long-term partnerships.



# THE SESSIONS

## Takeaway:

- Understanding of what impact investors are looking for and how to position yourself for an investment (and where you currently stand)
- Knowledge of local actors as well as international players interested in such financial tools

## **1:30-2:30 – Session 5: What is your impact?**

The definition of one's impact thesis is at the core of the ability to raise aligned outside capital. While in many contexts the impact thesis hinges on particular social change; the situation of Haiti seems to suggest that almost any SME growth could be considered to have impact simply by creating job and wealth building opportunities.

This can be a good interim measure in an economy that is trying to rebuild. However, this would not differentiate the enterprises in this room from any other Haitian growing enterprise. How can you know if you are having an impact? Here we take a deeper look at how the communities are being affected by your work and how to involve them in planning and implementation to ensure maximum impact to go beyond basic impact.

*Discussion:* What is your desired impact? Who really benefits?

## Takeaway:

- Understanding of how impact is identified and deepened
- Understanding of significance of beneficiary communities in impact considerations

## **2:30-3:00 – Session 6: Finance as a force for social good: the promise and peril of impact**

Investments can also have negative effects that extract value from communities and perpetuate the cycle of poverty. In Haiti we have seen million dollar projects go to waste and we have seen projects designed to improve people's lives have completely opposite results. Transform Finance has developed a series of guiding principles to help mitigate the harm and maximize the benefits that communities and organizations can experience from impact investments.

## Takeaway:

- Understanding of the transformative finance principles and the promise and perils of impact investing
- Understanding how to maximize benefits to communities that go beyond job creation.

## **3:00-3:30 – Session 7: What does this mean for you?**

Now it's time to make sense of all the information that we have learned by putting it in the context of our day-to-day work. During this session we will reflect on the various presentations and discussions and determine how applicable these concepts and information are to the work that we are leading in our communities. What are the ripe opportunities in which impact investing can be leveraged to deepen and sustain our community work for the long haul?

## Takeaway:

- Application of information to real world efforts
- Identifying real opportunities

*Small group exercise:* the social business model

# TRANSFORM FINANCE TEAM



**Andrea Armeni** is Executive Director of Transform Finance, a non-profit organization envisioning capital as a tool for transformative social change. Transform Finance supports investors and change agents with thought leadership, trainings, and concrete tools to reconceive the role of capital in the world from a social justice approach. Andrea heads the Institute for Social Justice Leaders and is the lead implementing partner for the IDEX Buen Vivir fund.

**Morgan Simon** is the co-founder and Chair of Transform Finance, as well as the managing partner of Pi Investments. She has over twelve years of experience in the impact investing space and brings a deep activist and social justice approach to her work in finance. She is a frequent lecturer and workshop leader on impact investing. Her book *Real Impact* will be published by the Nation Press in 2017.



# HAITI TEAM



**Isabelle Clérié** was born and raised in Haiti. She holds a Master's degree in nonprofit management and was the director of EGI, an organization that provides young Haitian entrepreneurs capacity building, training, and technical assistance. She is currently completing a Master's in Applied Anthropology, focusing on microfinance, and is the lead developer for the first Haiti-based impact investment fund, which aims to provide seed capital to overlooked and unknown initiatives doing some of the best work in Haiti.

**Patrick Dessources**, a native of Port-au-Prince, returned to Haiti after the devastating earthquake in 2010, he returned to Haiti to support Small and Medium Enterprises (SMEs) and Small Growing Businesses (SGBs) to spur economic development in the country. He helped to spearhead the implementation of the **Zafén** program in Haiti as a Senior Business Analyst and works as Country Financial Advisory Services Coordinator for Root Capital.



## OUR SUPPORTERS



## FOR MORE INFORMATION

ANDREA ARMENI  
Executive Director,  
Transform Finance  
657 Mission Street, Suite 600  
San Francisco, CA 94105  
(415) 265-0035  
[andrea@transformfinance.org](mailto:andrea@transformfinance.org)  
[www.transformfinance.org](http://www.transformfinance.org)

\*Find Transform Finance on  
Twitter [@TransformFin](https://twitter.com/TransformFin)

ISABELLE CLÉRIÉ  
Haiti Coordinator  
Port-au-Prince, HAITI  
(509) 3411-1052  
[iclerie@gmail.com](mailto:iclerie@gmail.com)  
Skype: [iclerie](https://www.skype.com/people/iclerie)

\*Find Isabelle on Twitter [@iclerie](https://twitter.com/iclerie)

APPENDIX C  
PARTICIPANT FEEDBACK FORM



## FEEDBACK AND EVALUATION FORM

**FINANCE FOR SOCIAL CHANGE HAITI, JULY 27, 2016**

Thank you for your participation! We would love to learn about your experience in this workshop and see how we can continue to be helpful to you.

Name \_\_\_\_\_ Title

\_\_\_\_\_

Organization \_\_\_\_\_ E-mail Address

\_\_\_\_\_

1. What did you enjoy most about our workshop? Why did this aspect stand out?
2. What was your least favorite part and how would you suggest we improve on it?
3. Were there any concepts and/or terms you would have liked we explore more? Less?
4. Based on what you experienced at the workshop, what would be a useful next step for

you? How can Transform Finance further assist you in your work?

5. What groups and how many people does your organization serve and/or represent?

6. What can the Haiti team do to help you with the follow up?

Yes I would like to stay in touch – please add me to the mailing list



APPENDIX D  
DELIVERABLE 2: REPORT



# Transform Finance Report and Next Steps

September 2016



## Introduction

Haiti has been battered by too many natural and human-made disasters, many of which have provoked a strong international response of support. However, most of these interventions, whether by philanthropy or foreign aid, have not achieved meaningful results.

Much like elsewhere, impact investing and social finance seem poised to make a positive contribution to the country's reeling economy. Yet Haitians are justly wary of one more external intervention, even when it might hold some promise. Culture and historical accident make Haiti a particularly tricky context in which to operate.

It was with all this in mind that we welcomed an invitation by a group of Haitian activists and entrepreneurs to bring the work of Transform Finance to them. We overcame our general reluctance to engage in contexts that we don't know well based on the strong support and tireless preparatory work of our Haitian collaborators, Isabelle Clérié, who ran a social business incubator in the country, and Patrick Dessources, who for years has led Root Capital's efforts in the country.

After two years of conversations, and many postponed attempts due to political instability, we traveled to Haiti this past July for a powerful series of events. The purpose of this trip was to first conduct a mini Social Justice Institute for Haitian social businesses and organizations to introduce them to impact investing. Second, we would sit with various financial organizations and local partners to determine the potential for creating an impact investment fund in Haiti. Lastly, we would explore potential investable projects and entities to determine whether direct impact investments could be beneficial – and if so, on what terms and under what principles of social justice.

This brief report aims to document our experience and hopefully catalyze more opportunities for the impact investing community to support the Haitian people on their own terms.



Andrea Armeni

Executive Director

Transform Finance



Isabelle Clérié

Haiti Impact Group

## The Institute

Transform Finance has been very active in providing training and educational opportunities for communities seeking new ways to engage with capital. These range from trainings for activists on investor accountability to sessions with social entrepreneurs on how to bake their mission into the structure of an enterprise.



The Haitian reality provided an interesting challenge for the usual Transform Finance approach. In a context with so much need for economic growth and job creation, does every type of enterprise count as impact? And does it make sense to push the hard edge of transformative, non-extractive, community co-designed models when even just being an entrepreneur is as challenging as it's needed?

We refined our curriculum to be more agnostic as to the enterprise itself, focusing instead on how impact investors could be a welcome source of needed capital, what that would look like, and how to ensure that the capital actually achieves the planned impact and does not do more harm than good.

Our local partners recruited potential participants through significant outreach to ensure that different sectors of Haitian society were represented. We aimed for a mix of for profit businesses and nonprofits with revenue generating activities. Given our language limitations and the strong divide between Port-au-Prince and the rural parts of the country, we largely focused on entities based in or around Port-au-Prince, yet we were happy to have attendees from other parts of the country as well. Attendance was expected to be about 15 people but in total we had closer to 25. Attendees were predominantly social businesses, along with a few nonprofit community organizations, including two that work with rural farmer associations. Our understanding was that in these types of settings people are generally not very open and willing to share information about their businesses and their challenges. However, that was not the case for our workshop – the day was full of passionate and open discussions about the real challenges that businesses and nonprofits alike were facing with raising capital from donors and investors.

Despite all the rhetoric about organizations and entrepreneurs becoming dependent on charitable handouts, we witnessed much more interest in actually receiving investments, on terms that were fair and adequate for the local situation. Grant support conversations centered on capacity building for entrepreneurs, with a recognition that a lot of work is to be done to get to U.S. investor levels, for example, of investment readiness.



In the context of discussing the need to redefine the power dynamics with investors, there was great interest in what one needs to know to structure an investment on terms that work for the enterprise, rather than just for the capital provider. We emphasized quasi-equity models, such as revenue-based loans and demand dividends, which seemed especially apt for many of the enterprises present. Most of them have not received any equity investment and are having a hard time raising debt financing domestically.

“Impact investing is a very new concept to me but it fits exactly with my work. I find the ideas of impact investing as presented at the Institute very liberating.”



*Bobby Duval, Participant  
Founder of Fondation l’Athlétique  
d’Haiti*



“It was refreshing to hear such a thoughtful approach to how external capital could intersect with local needs and aspirations, truly lifting up the voices of Haitians ”

*Patrick Dessources  
Root Capital Haiti*

## An Impact Fund for Haiti?

During our preliminary conversations we had heard mounting interest in the establishment of an impact fund that, while bringing in foreign capital, would be managed or controlled by Haitians for Haitians.

The need for a domestic fund emerged clearly from three considerations.

### 1. The lack of available growth capital even for financially sustainable businesses

In less than a year, Haitian commercial banks have increased interest rates for clients at least 5-6%. Banks have actively discouraged clients from making new investments and a good loan in this climate averages between 17-24%.

Microfinance institutions are largely involved in small commerce; very few finance agriculture, and none finance start-ups.

There is no flexible capital, and investment periods of usually 12 months are just too short for most enterprises.

Institutions funding small and medium enterprises employ a definition of SME that covers a tiny percentage of the business sector, with the result that most funding, from PADF to the IDB and Yunus Social Business, chases the same few enterprises, leaving all others behind.

### 2. The disconnect between what projects need and what funders (both philanthropic and investors) are generally willing to pay for

As a result, social businesses turn to aid dollars to increase their capacity and are then subject to exorbitant reporting requirements, restrictions on use of funds, and crippling delays in disbursements. Based on local dynamics, entrepreneurs have suffered from the frequent requirements to place funder logos on their goods: the visibility requirements of aid organizations convey to their workers and suppliers that they are



getting “free money”, which has led to decreased productivity, higher prices from suppliers, and lower willingness to pay from consumers.

Social businesses also get trapped in a donor-centered business model where they have to adapt their plans constantly to fit the requirements du jour. They also have to comply with parameters that suit the funder more than the business: multilateral institutions, for example, allow their investments to cover equipment but they provide a list of approved brands. Reliance on donor funding has also decreased the likelihood of getting bank loans, as the banks come to mistrust the capacity to absorb the loan, let alone pay it back.

### **3. The wariness around yet another form of wealth extraction and of external control over the economic affairs of the country**

Haiti’s long history of independence stands in stark contrast with decades of foreign interference and meddling. Economic levers, especially foreign aid, have been used for political aims that led to broad skepticism of all outside economic support. There is a clear understanding that commercial investors would use their leverage to extract even more resources from the country, rather than creating local wealth. A consensus exists that capital would be most helpful if it created a cycle of wealth within the country, yet entrepreneurs have not found such capital so far.

There is a clear lack in general of well-known examples of successful financing interventions (even those that might have happened generally get buried in favor of more shocking stories of abuse and inefficiency). The authentic trust building element of any financial support effort in Haiti is crucial – and this is something that no outside institution can build overnight, or even in a few years.

## **The Opportunity Within the Challenge**

These considerations, while daunting, also create a clear opportunity to support Haiti in a different way. Throughout all our meetings, the Transform Finance principles of community engagement, non-extractiveness, and fair allocation of risk and rewards were met with enthusiasm as a potentially solid approach for a different type of investment fund.

Our discussions emphasized the need for Haitian leadership so as to ensure true community participation, dispel mistrust, and create over time local capacity to manage investment funds.

An investment fund that could reinvest domestically, rather than leaking the value outside the country, would be met enthusiastically. So would one where the type of capital provided is sensitive to the local needs and timelines. All this would come most easily from the deep engagement of all stakeholders, including the very entities that the fund would capitalize.

Based on the interest in these principles, we presented the broad outline of the Buen Vivir Fund being launched by IDEX/Thousand Currents, of which Transform Finance is the implementation partner. The Fund lends to grassroots enterprises in the Global South to advance grassroots-led economic innovations that build wealth, community power and well-being. The Fund promotes financial models and practices that support communities' holistic well-being, as opposed to focusing solely on maximizing individuals' capital accumulation. Rather than imposing terms and models designed by investors, the Buen Vivir Fund flips the traditional approach by identifying effective lending practices developed by grassroots groups themselves and applying these practices to the level of a global investment fund. In its pilot phase, the Buen Vivir Fund is bringing together a \$1 million "founding circle" of 8 investors and 10 grassroots groups to co-design the terms of the investments and address real funding needs.

A co-designed fund rooted in social justice principles could be a tremendous resource for Haiti. Besides providing much needed capital on terms that make sense locally, it would go a long way toward restoring a sense of trust in the possibility that investors may after all have the country's best interest at heart.

We expect to continue supporting the local leadership that is currently seeking to design such a fund for Haiti.

## **Understanding the Need**



A constant refrain we heard is that “Haiti needs everything” – which is true enough, and can have a crippling effect on deciding where to start.

Basics like reliable electricity are not a given, and many businesses rely on expensive generators. Road infrastructure has its limits, especially in rural areas. These challenges to economic growth could clearly benefit from meaningful investments.

Other limiting factors to economic growth are more structural. Haiti ranks 182nd in the World Bank’s Ease of Doing Business scale and 179th for access to credit. A container can easily be stuck in customs from 1 to 12 months. Very few companies keep clear accounting books or are even properly incorporated – unsurprisingly, as it takes about 100 days to register a business, and it costs a staggering 80 times, by proportion of income, what it costs in an OECD country.

Many of these challenges require the type of large scale intervention that is beyond the purview of private impact investment. Coupled with the currently feeble political situation and lack of clear leadership, we decided to focus on the more actionable area of enterprise capital.

## **The Greatest Addressable Need: Enterprise Capital and Capacity**

We honed in on the most recurring themes for capital needs across the board:

- **Seed Capital** – Currently there are no institutions providing equity seed funding for new businesses and no external private (angel) capital is available for startups. Much like in other places, “friends and family” capital is limited to those who already come from privileged backgrounds and, if not sought carefully, it may place the risk of enterprise failure on those least able to bear it.
  
- **Growth Capital** – Established businesses that are ready for growth are not finding willing investors to provide mezzanine or growth capital. There is very limited M&A activity (and no public equities market) that would incentivize the provision of growth equity capital. Banks are extremely risk averse and the interest rates charged make bank loans largely unattainable, even against collateral.
  
- **Patient/Flexible/Concessionary Capital** – The capital currently available to social businesses is predominantly in grant form, which is limited and inconsistent. There are a few reduced rate loan products, such as the 8% loans provided by Yunus Social Business. Available loans are often secured against the assets of the individual, not the business. In either case, the investment period is rarely more than 12 months.
  
- **Ecosystem Investments** – Challenges such as management capacity and even basic support for incorporation have hindered enterprise launch and growth. The Ministry of Commerce and Industry has pushed for SME development with technical assistance and business plan development programs. There have even been a few financing mechanisms for SMEs. Access to these services, however, was uniformly described as “a total nightmare”. As such, there is an opportunity, beyond direct investments into enterprises, to invest more generally in the economic support ecosystem. Funding for collective impact initiatives, such as a co-working space with administrative services, could have a large impact on multiple

projects at once.

- **Agriculture Financing** – Agriculture makes up over 20% of Haiti’s GDP and accounts for almost 40% of employment, and yet the financing entities working in the sector are doing so very timidly. Private banks don’t fund the agricultural sector, at least not unless the activity is being directed by a major player (often with foreign interests attached). Development institutions that work in agriculture do so through intermediaries, and the handful of microfinance institutions that work in agriculture, including Root Capital do not do direct to farmer financing.

## Next Steps

We continue to work with our local partners in Haiti as we feel that we can make a meaningful contribution. For all the challenges that exist, it seems clear that even small interventions, if done properly, could have a meaningful catalytic effect, and ideally serve as a model for others who wish to follow.

We intend to support the continued learning around impact investing by the participants in the mini-Institute. Many of them requested some one on one time with our partners on the ground to talk about their individual projects – both in order to access capital and to improve their understanding of how they can deepen their impact.

We are actively considering supporting the creation of a locally-led impact investing fund. We are in conversation with a few other entities that are contemplating impact investing efforts for Haiti. Our intention going forward is to support these various initiatives by providing them access to the Transform Finance framework and guidance based on our experiences thus far that may be applicable to Haiti.



Please contact us to learn more, to share your views on this work, or if you are considering getting involved with impact investing efforts in Haiti.

## Appendix 1: Sample Investable Enterprises

We highlight the following businesses, which we visited or with which we had extended conversations, merely as examples of the variety of entities that could do remarkably well with an injection of capital on the right terms. We are not endorsing these businesses.

## Environmental Cleaning Solutions S.A. (Port au Prince)

ECSSA is a plastic collection company that buys plastic by the pound from informal collectors throughout Haiti. The plastic is cleaned and shredded for recycled use. Though Haiti does not have a legal structure for franchises, ECSSA employs a franchise model whereby collectors who want to have collection sites across the country receive from ECSSA a free starter kit of an industrial scale and collection bags for the gathering. ECSSA picks up the bags around the country and pays the collector entity on the spot (the retail collectors have been paid upon delivery to the recycling center). In its six years of operation the company has made it possible for over 9,000 people to make minimum wage from garbage collection and has collected over 60 million tons of plastic.

Currently, ECSSA ships its recycled shredded plastic to international buyers who use the material to make t-shirts or other plastic materials; it does not use the plastic in added-value products. As such, ECSSA's model is entirely dependent on petroleum prices; lower petroleum prices reduce the market value of recycled plastic, which at times has made recycling less viable in Haiti. The company is currently exploring a new model not relying on the sale of the collected plastic, focusing instead on production of value-added recycled goods, such as recycled plastic bricks. This would increase the company's capacity to buy plastic, directly increasing its impact on the environment and increase its effects as an alternative source of income for the collectors.

We explored with ECSSA some parameters around the value that is being generated for the collectors as compared to the country's minimum wage. Currently, minimum wage averages at about 250 Haitian Gourdes per day, or about US\$4. Individual collectors selling to ECSSA can make approximately 270 Haitian Gourdes per day, which is closer to US\$5. Depending on the economics of the value-added production, there should be room for the income paid to the collectors to increase dramatically and provide a sustainable livelihood to out of work Haitians.

## Partenariat pour le Développement Locale

PDL is a community organization working to strengthen peasant associations in rural Haiti. PDL provides capacity building and technical assistance to these organizations and has long-standing relationships with farmer communities, having been around for almost 30 years. In

the early 1990s PDL helped organize the farmers into member associations. PDL has supported over 24,000 people to organize into over 1,540 *gwoupman*, or solidarity groups of 10-15 people, across over 235 villages. They are organized into 17 inter-village peasant associations for locally led development. Each person contributes an equal amount at the start into a mutual loan fund. After a few loans, the members would invite new members to either put money into the fund or borrow from the fund. Such structures are entirely based on a system of reputation collateral and uses social influences to monitor the borrowers. The individual fund capacity averages about USD2,000, even though the need for the loans is much bigger. Members can request an average of USD50.00 to USD100.00 for a loan period of 6 months at 2.5% interest per month. PDL's experience has been very positive, especially with women, who make up more than half of the microcredit clients and who have a 90%, or higher, rate of repayment.

For over a year PDL has been seeking financing to further develop the microcredit programs of the member associations. While it is important to PDL that the funds come directly from the community's savings and be a capacity and agency building endeavor for and by the community, there are opportunities to support the availability of capital for the farmer groups through, for example, matching loans that would recirculate within the local system.

PDL's unrelenting focus on community-driven processes and the support of the economic development on the farmers' own terms is particularly aligned with the Transform Finance principles.



## FECCANO (Cap Haitian)

FECCANO is a federation of cacao cooperatives based in Cap Haitian with over one thousand members working across seven member co-ops. FECCANO executes contracts from international buyers on behalf of the members, who deposit the cacao and process it for shipment. FECCANO negotiates fair trade prices that include a “prim flo” allocated to social projects across the cooperatives through democratic decision making. Some of the more experienced co-ops have developed an internal credit system where the members have access to micro credit at favorable interest rates.

Given the demand for quality cacao and the local potential for cacao production, FECCANO can expand to include more members, even though it has a significant need for technical assistance to get the new member farmers trained up to FECCANO standards. One of the biggest challenges is accessing working capital to pay producers up front for their product. The administrative team is committed to giving cacao more value and improving the supply chain so that local producers could live off of it. Over the years FECCANO's work has raised the bar for surrounding cacao co-ops and revalued cacao farming for many discouraged growers who could not find a good market for their cacao.

## Fondation l'Athlétique d'Haiti (Cité Soleil)

FAH started out as a soccer program and evolved over 20 years to become a broader community-centered organization. FAH runs two schools with about 500 students and six sports centers around the country that work with over 1,000 children. The sports centers serve as after school programs for children that would otherwise have few places to go. Its primary activities are centered around the town of Cité Soleil,



one of Haiti's most dangerous neighborhoods with the highest propensity for gang violence. FAH's activities have demonstrated the potential to keep children from becoming gang members. Over the years FAH has been able to facilitate professional soccer contracts for many players, and they are very proud to say that most of the players in the Haitian national soccer team played with FAH as children.

The organization is testing an earned income model through a trash sorting project, which hires local youths, sells plastics, iron, and cardboard to local recyclers and composts the organic material for local sale. The demand is proven and, based on the interest by the local youths, FAH is seeking to expand this project. A move toward earned income would also allow FAH to grow its staff for the schools, which are currently under-resourced.

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