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HAITI INVEST

JULY 2023

USAID's Haiti INVEST activity facilitates investment in small and medium enterprises (SMEs) by unlocking the potential of the private sector to create employment and contribute to inclusive economic growth.

BACKGROUND

Haiti INVEST is a multi-million-dollar USAID/Haiti activity that aims to stimulate private sector investment in Haiti. Using a pay-for-performance compensation model to incentivize financial intermediaries and other actors, the activity seeks to facilitate investment in Small and Medium Enterprises (SMEs) by bridging the gap between companies' needs and the supply of capital.

Haiti INVEST supports SMEs in a variety of economic sectors including manufacturing, consumer products, renewable energy, finance, and more. To be eligible for Haiti INVEST support, SMEs must have been in operation for at least two years, have at least five employees, have annual sales of over \$200,000, and be seeking a minimum financing of \$100,000.

OBJECTIVE

Haiti INVEST focuses on three main objectives aimed at amplifying the flow of capital into Haitian businesses:

- **Objective 1:** Support and guide Transaction Advisors (TAs) and Capital Fundraising Advisors (CFAs) to assist SMEs in securing sources of capital.
- **Objective 2:** Facilitate the flow of capital from local investors, Haitian diaspora investors, and others into Haitian SMEs.
- **Objective 3:** Convene an Advisory Committee made up of various private sector participants to identify market challenges and find innovative solutions.

ACTIVITY DESIGN

Life of Project: September 2018 – July 2023

Lead Implementing Partner: DAI Global, LLC

Local Partners: Centre d'Entrepreneurship et de Leadership en Haïti; Gestion, Études, Comptabilité, Audit; ProFin; ProCroissance; Société Financière Haïtienne de Développement S.A; SIKSE

International Partners: Crossboundary; Delphin Investments

Location(s): Nationwide

Haiti INVEST supports the work of TA partners, who act as intermediaries between the SMEs that seek capital and the sources of that capital, such as banks and private equity investors. TAs work to identify businesses in need of capital, prepare these enterprises for engagement with investors, identify potential sources of capital, and finally help the SMEs close transactions. TAs are given contracts with specific transaction volume targets to complete over a defined period. Haiti INVEST compensates the TAs on a pay-for-performance basis as TAs are rewarded for identifying and closing the financing for their SME clients.

Haiti INVEST also aims to facilitate the flow of capital from the Haitian diaspora and other sources, such as impact investors, who are motivated by social as well as financial return to invest in Haitian SMEs. The activity has organized a series of roadshows in the United States and Canada to engage with diaspora groups to identify potential investors and highlight investment opportunities with Haitian SMEs through the support of the TAs. Through this engagement with the Haitian diaspora, Haiti INVEST has provided technical assistance to form the Caribbean Resilience Fund (CRF), an investment mechanism that pools local capital, diaspora capital investments, and impact funds to facilitate investments in businesses in the Caribbean basin with allocation to Haitian SMEs.

Haiti INVEST also created an Advisory Committee that convenes periodically to discuss innovative ways, such as the Transaction Advisor model, to channel capital to Haitian businesses. The Committee is made up of various members of the Haitian private and public sectors, chambers of commerce, development finance institutions, transaction advisors, and philanthropic organizations.

KEY ACCOMPLISHMENTS

To date, Haiti INVEST's TA partners have mobilized \$26 million in capital investment for 14 Haitian SMEs. Those SMEs support over 900 jobs and will be able to create new jobs with the additional capital. Haiti INVEST also coordinated six diaspora engagement networking events in cities such as Atlanta, New York, Boston, and Montreal. As a result of these engagements, the Caribbean Resilience Fund was created to pool capital and spur investment in Haitian SMEs, and several business relationships were developed between the U.S.-based Haitian diaspora and Haitian entrepreneurs. Paving a way forward for inclusive growth in the Haitian economy, Haiti INVEST's Advisory Committee is providing a platform for key stakeholders to innovate and collaborate on improving the flow of capital to SMEs in the country.

USAID works to build a stable and viable Haiti, and provides life-saving humanitarian assistance to Haiti's most vulnerable and hard-to-reach people. <https://www.usaid.gov/haiti> and follow @USAID/Haiti on X and Facebook.