



DAVID ROCHKIND/USAID

ECONOMIC GROWTH & AGRICULTURAL DEVELOPMENT FACT SHEET

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BACKGROUND

Roughly 2.5 million Haitians live in extreme poverty (below \$1.25 per day), predominantly in rural areas. The economy is largely informal and heavily dependent on subsistence agriculture, which has languished in the face of growing rural population pressures, recurrent natural calamities, adverse climate change, and a lack of access to modern technology in the absence of a functional agricultural extension service. Haiti can also be a difficult place for businesses to thrive, ranking 180 of 189 on the World Bank Ease of Doing Business Index. Despite these challenges, Haiti has had positive economic growth rates since 2011, averaging 3.9 percent through 2015.

KEY CHALLENGES

Informal business sector: Informal micro-, small-, and medium-sized enterprises (MSMEs) generate up to 80 percent of new jobs, but generally have difficulties accessing financing from formal institutions and are often in need of business development services and training.

High unemployment: Unemployment affects a large portion of Haitians; estimates indicate that 40 percent of the Haitian population is unemployed, with 50 percent of women unemployed.

Dependence on subsistence farming: Limited access to capital, environmental degradation, weak public sector capacity in agricultural extension services, and poor access to markets limit the potential for farmers to scale up production.

USAID STRATEGY & ACTIVITIES

Within agriculture, USAID is focused on sustainably increasing farm households' incomes through measures that upgrade farm-level technology, stabilize the hillsides above productive plains, and improve domestic and international market access for staple crops, including corn, rice, bean, plantain, and vegetable value chains as well as cash crops, such as cacao and mangos.

Improving incomes and livelihoods for Haitian households outside of agriculture hinges on strengthening MSMEs, both technically and organizationally, and strengthening the value chains within which those businesses operate. USAID supports the creation of full-time, formal-sector employment in key

industrial sectors, including agribusiness, apparel, and construction.

Improving food security: Through the Feed the Future initiative, USAID boosts agricultural production, sound natural resource management, and modernization of post-harvest marketing to ensure that products make it to market, and has introduced new rice farming techniques and cacao production and marketing methods. USAID has also significantly strengthened farmers' profits by linking farmers associations directly with end buyers, thereby bypassing many layers of middlemen.

Creating more productive value chains for MSMEs: Improving and strengthening activities along the value chain is a key USAID priority designed to increase output, income, and employment in Haiti. USAID provides vocational training as well as practical skills for the workplace and business management.

Mobilizing Haitian diaspora investment and know-how: Recognizing the unique skills that Haitian Americans contribute to Haiti's success, USAID works with diaspora organizations in a number of programs focused on economic growth. For example, the Leveraging Effective Application of Direct Investments (LEAD) project improves access to investment capital for Haitian businesses and strengthens their business skills. The project has attracted investments in Haitian small and medium enterprises through a matching grants program; 35 percent of applicants are from the Haitian diaspora.

Developing public-private partnerships: USAID is using public-private partnerships in Haiti to improve social and economic conditions as well as to deepen the Agency's development impact. For example, USAID works with local Heineken subsidiary BRANA to help up to 18,000 farmers increase yields for sorghum, which is used to make Malta H, a popular non-alcoholic beverage.

Improving access to credit: USAID facilitates guarantees of up to \$57 million in loans to small- and medium-sized enterprises through credit guarantees under its Development Credit Authority (DCA).

KEY ACCOMPLISHMENTS

Increased agricultural yields and incomes: In western Haiti, the introduction of appropriate agricultural inputs coupled with modern technologies resulted in a quadrupling of yields in focus crops, including rice, maize, beans, and plantains, in addition to an increase in mango exports by 250 percent. The average incomes of 60,000 farm households rose by 119 percent.

Access to credit: USAID microcredit programs have reached 57,000 small-scale farmers with an agricultural loan portfolio valued at close to \$32 million.

Constructed critical irrigation system for flood control and farming: The USAID-funded Rivière Grise barrage provides permanent irrigation water to 10,000 farmers in the Cul-de-Sac Plain.

Strengthened and expanded SMEs: Through an innovative business plan competition, the LEAD program provided **matching grants of up to \$200,000 to MSMEs** investing their own capital to expand their businesses. So far, USAID has leveraged over \$10 million of private sector funds by providing \$5.3 million to 31 MSMEs. These funds allowed MSME beneficiaries to expand operations and employ more people.

Loan guarantees: DCA guarantees have supported local financial institutions in providing more than 12,350 loans to households and micro-, small-, and medium-sized businesses, for a total of \$41 million.