



USAID
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HAITI COUNTRY PROFILE

JANUARY 2020

OVERVIEW

The U. S. Agency for International Development (USAID) works to build a stable and economically viable Haiti. U.S. assistance focuses on improving health and education outcomes, advancing economic and food security, and improving the independence and accountability of government institutions. Further progress depends on good governance in Haiti and a sustained focus by the international community to assist the Government of Haiti with its development priorities.

BACKGROUND

Immense poverty remains a challenge for the Haitian people and government. The International Monetary Fund (IMF) estimated an economic contraction in Haiti of -1.2 percent for FY 2019 and inflation at 20 percent for the past year. While the Haitian government and the IMF had concluded a staff-level agreement in March for an interest-free loan program to support macroeconomic stability and fiscal reforms, Haiti's political impasse precluded the government from completing the final steps needed for approval of the program. The IMF, which is moving forward with technical consultations with Haiti, stands ready to re-engage after political stability is restored on the possibility of negotiations for a new program for Haiti.

Three-quarters of the population lives on approximately \$2.44 per day and the poorest live in extreme poverty with \$1.24 per day. Remittances continue to flow into Haiti at over \$2.5 billion per year, equivalent to nearly one-third of GDP in 2018. In addition, a large percentage of this transfer of funds from the Haitian diaspora back home have largely served for consumption of imported goods and basic household support.

Haiti also faces many impediments to needed investment which limits future growth: investor protections are weak, contract enforcement is uneven, energy costs are high, infrastructure is inadequate, and corruption is rampant. Meanwhile, agriculture is central to the Haitian economy, employing 60 percent of the population in rural areas. However, it only generates less than 25 percent of the national GDP, and only 45 percent of the country's food needs are met by local production, while the deficit is covered by imports. Despite these constraints, Haiti may take advantage of several opportunities to develop the agricultural sector and to catalyze private sector investment (especially by diaspora), with a growing number of investors willing to invest in profitable local market systems and the possibility to increase farm productivity by introducing new technologies and increase investment in farms and off-farm livelihood opportunities. However, Haiti has the highest vulnerability rating in terms of hurricanes among the region's small island states (12.9 on a scale of 13). There is an urgent need to strengthen the ability of the Haitian people, households, communities and systems to mitigate, adapt and recover from shocks and stresses, both natural and man-made.

USAID STRATEGY AND ACTIVITIES LONG-TERM DEVELOPMENT

HEALTH

The USG health program in Haiti is implemented through USAID, the Centers for Disease Control and Prevention (CDC), and the State Department. The most significant component of the portfolio is PEPFAR's work to stem the HIV epidemic through prevention, care, and treatment. HIV prevalence in Haiti has dropped dramatically with the U.S. Government (USG) support from six percent in 1993 to two percent in 2019. As of August 2019, approximately 106,370 individuals in Haiti were receiving antiretroviral treatment with PEPFAR support. Meanwhile, CDC and USAID activities have helped to prevent, detect, and respond to cholera, working alongside the Haitian government and other partners. USAID is also the lead bilateral donor supporting primary health care. The activities supported include participation in the cholera vaccine task force, increasing access to clean water and improved sanitation, and public promotion of safe hygiene practices. As a result of a strong response by the GOH and the international community to the cholera outbreak, cholera cases have dramatically decreased from 2010 to 2019. To date, the last reported Cholera case was diagnosed in January 2019. In addition, USAID's integrated maternal, child, and family health programming spans the entire country, strengthening service provision by and governance of the Ministry of Health. USAID is heavily invested in meeting the immediate health needs of Haitians today, while working with the Haitian government to build long-term solutions to chronic health challenges affecting the nation. USAID supports a network of 164 basic health clinics to improve access to basic health services, reduce maternal mortality rates, and raise child survival rates.

USAID's health portfolio supports treatment and referral for diarrheal diseases and community surveillance through a network of approximately 1,000 community health workers across 164 health clinics.

WATER, SANITATION, AND HYGIENE (WASH)

Poor access to water, sanitation, and hygiene (WASH) undermines Haiti's health and economic potential. WASH programs across the nation serve to increase water supply and sanitation services, expand the practice of key hygiene behaviors in households, community-wide settings, and in schools and health facilities.

Vital to WASH programming is the USAID's drive to embed resilience in all WASH activities. Through capacity building efforts, USAID/Haiti is working to reduce the effects, magnitude and duration of disruptive events by preparing sector actors to prepare for the unexpected. The effectiveness of

Since 2018, USAID has facilitated sustainable access to basic water services to approximately 44,000 people from rehabilitated water points and piped networks and 20,210 more people have gained access to basic sanitation services.

resilient infrastructure and enterprises depends upon service providers' ability to anticipate, adapt to, and rapidly recover from potentially disruptive events and delivering services regardless of disruptions that may occur. The ability to quickly recover is critical for such life sustaining services.

Haiti is designated a Water for the World priority country. USAID's flagship water and sanitation project are enabling the sector to increase the availability and sustainable management of safe water and sanitation for underserved and at-risk communities despite recurrent natural and man-made disruptions. The

program focuses on building self-reliance and resilience in the sector by: improving the capability of local utilities to provide sustainable services by addressing the loss of water revenue; expanding the customer base to unserved areas; and by professionalizing and modernizing operations, billing and collections.

A key aspect of USAID's WASH interventions in Haiti is to engage the private sector, in particular small and medium enterprise purveyors of water supply and sanitation services, to increase market penetration into rapidly expanding ad hoc urban areas too new and difficult to service via large-scale public infrastructure systems. Leveraging finance for the sanitation sector, in particular human waste treatment facilities, will require engaging the private sector to attract innovations and management approaches that serve to scale up treatment and/or value-added re-use as compost or bio-fuel.

GOVERNANCE AND RULE OF LAW

To achieve long-term stability and economic growth, Haiti must establish citizen-responsive and accountable governance institutions, as well as ensure access to justice. USAID's work focuses on strengthening national and local governance; improving access to justice and legal assistance; strengthening civil society organizations; and protecting human rights and vulnerable populations. While the political situation in Haiti faces challenges, there has been some progress in recent years to advance the functioning of national and local government, civic engagement, voter education, access to justice services, and protection of human rights.

With significant support from USAID's Justice Sector Strengthening Program (JSSP), Parliament passed historic legislation on legal assistance and the Ministry of Justice took steps to implement the law by launching the National Committee on Legal Assistance. From October 2016 to September 2019, approximately 8,880 individuals have benefited from legal assistance. In addition, USAID supported the installation of an electronic Case Management Information System in eight jurisdictions. This system allows court users to track cases of detainees and address prolonged pretrial detention for further processing and adjudication. As this program ends in 2021, USAID is already doing assessments for a follow-on agreement.

USAID's is strengthening the independence of the judiciary, increasing accountability of its actors, enacting necessary justice sector reforms to combat corruption, and improve Haitians' access to justice.

Strengthening both national and local governments' ability to effectively govern and provide citizen services is also a key focus for USAID. In December 2019, USAID launched

a new governance program, Support for the Efficient Management of State Resources (GERE), which will work with GOH entities at all levels to increase their ability to manage and mobilize resources and deliver services to citizens. This program will also help promote greater engagement between citizens, civil society, the private sector, and the government in defining and addressing development priorities. It will help improve communication, collaboration and coordination across and between various levels of government as well as with Parliament on policy, budget and service delivery issues. Local mayors demonstrated their keen interest during the December 2019 GERE project launch.

EDUCATION

USAID is committed to improving access and the quality of education for Haitians. A 2014 Early Grade Reading Assessment revealed that roughly 75 percent of children at the end of first grade, and nearly half of students finishing second grade, could not read. To combat this, USAID co-developed first and

USAID designed, published, and distributed more than 468,000 books and workbooks, 23,800 teacher guides, and over 1,400 posters to first- and second-grade students at more than 1,000 primary schools since 2011.

second grade curricula in partnership with the Ministry of Education (MOE) to reinforce evidence-based international standards for the instruction of French and Creole reading by collaborating with Kellogg Foundation and a private corporation. For the current academic year 2019-2020, USAID is supporting 416 schools in several regions. USAID has also boosted the capacity of the Haitian MOE with a focus on facilitating its reading improvement unit to coordinate donor resources and promote national-level implementation of reading activities.

ECONOMIC SECURITY

Haiti is in dire need of investment to complement existing efforts by donor agencies to meet the job creation, broader development and social needs of the country and its citizens. To foster economic stability, USAID supports the creation of formal sector employment by providing workers with training and business development services.

To help businesses in Haiti continue to grow, USAID is expanding access to capital. In 2019, USAID Haiti launched the Haiti INVEST project, which uses a market-led approach to improve the investment landscape through building linkages between businesses and financial institutions. Haiti INVEST focuses support on high-potential small, medium, enterprises (SMEs) that are seeking capital to expand. The activity aims to create a structured platform to facilitate capital raising for investment in critical sectors such as agriculture and housing. In addition to mobilizing debt and equity for SMEs, Haiti INVEST works to bring together stakeholders in Haiti's business sector and the Haitian Diaspora to unlock the potential of private capital. By doing so, USAID hopes to drive inclusive growth in Haiti through investing in SME businesses and projects to spur positive development impacts across Haiti.

From 2011-2019, USAID actively leveraged \$29 million in private sector funds for a total of \$52 million committed by the private sector to increase smallholder farmers' incomes; raise yields; raise capital for micro, small, and medium enterprises (MSMEs); secure loans for affordable housing; reduce literacy gaps; and improve access to healthcare services.

Currently, there are about 800 mortgages in the entire

country. This small number demonstrates a lack of access to capital and affordable housing. USAID is helping to support local financial institutions' ability to increase housing-related financing through USAID's Home Ownership and Mortgage Expansion (HOME) program, which works to unblock the many obstacles to housing finance for the low-to-middle income market. Through June 2018, HOME-supported real estate developers invested \$4.9 million in housing site preparations, and HOME supported financial institutions disbursed over 1,000 housing loans for a total of \$8.5 million.

FOOD SECURITY

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 small family farms. However, agricultural production has languished in the face of growing rural population pressures, recurrent natural disasters, extreme weather events (e.g. droughts), and farmers' limited access to information, modern technology and practices. Haiti's economic climate is also challenging, ranking the country 181 of 190 on the World Bank Ease of Doing Business Index.

Despite these challenges, Haiti has experienced some positive economic growth in recent years. Additionally, agricultural potential for domestic and export markets is promising and an important driver of growth.

In the agricultural sector, USAID's strategy focuses on sustainably increasing farmers' incomes through measures that increase productivity through the introduction of better inputs and improved technology, stabilize the hillsides above productive plains, and strengthen agricultural markets through better access to domestic and international markets. USAID also makes farming more profitable by helping farmers to process staple crops, like corn, rice, bean, plantain, as well as cash crops such as cacao and mango.

USAID's interventions have resulted in concrete improvements in the agriculture sector. With USAID support, 70,000 farmers doubled and quadrupled yields in targeted key crops including rice, beans, maize, and plantain thanks to better commodities, new technologies and direct access to markets.

Additionally, USAID fosters improved agricultural productivity, sound natural resource management, and modernization of post-harvest marketing and processing, ensuring product availability in markets and more income to farms and businesses within those value chains. For example, USAID has introduced new rice farming techniques and new production, processing, and marketing methods for cacao. USAID also significantly strengthened farmers' profits by linking farmers' associations directly with end buyers.

HUMANITARIAN AND DISASTER ASSISTANCE

Haiti is highly vulnerable to a range of hazards, including hurricanes and tropical storms, earthquakes, disease outbreaks, and droughts. USAID not only responds to urgent needs related to humanitarian emergencies, but also funds programs that strengthen communities and increase disaster resilience, while working with the Department of Civil Protection to promote national self-sufficiency in emergency preparedness and management.

In response to heightened food insecurity, USAID Office of Food for Peace (USAID/FFP), in coordination with other humanitarian actors, provides ongoing emergency food assistance to Haiti. In FY19, USAID/FFP provided \$20 million to support emergency food assistance and resilience-building activities to mitigate and recover from shocks. Since FY 2015 FFP has provided approximately \$102

million of emergency food assistance to Haiti. In addition, since FY 2015, USAID/FFP has provided approximately \$77 million to support development food assistance programs through non-governmental organizations in Haiti, including \$7.8 million in FY 2019.

USAID/FFP partners with the UN World Food Program (WFP), World Vision, and Catholic Relief Services, and World Vision to provide in-kind food, cash transfers for food, or food and seed vouchers to food-insecure individuals in North-East, North-West, Artibonite, Centre, and South departments, La Gonave island, and drought-affected areas of the country. Beneficiaries also take part in communal asset-creation/rehabilitation, income-generating or nutrition education activities to improve food security in vulnerable areas.

FFP also supports WFP to lead resilience-building activities in southern Haiti, which improve the ability of vulnerable communities to mitigate, adapt to, and recover from natural disasters or sudden shocks. In addition, with FFP support, WFP maintains stockpile contingency food supplies in Haiti, sufficient to assist approximately 300,000 people for one month in the event of a shock.

In response to heightened humanitarian needs, USAID's Office of U.S. Foreign Disaster Assistance (OFDA) is providing \$1 million to support WFP logistics efforts assisting in continuing humanitarian operations, including supporting air, sea, and road transport to deliver aid to vulnerable Haitians despite insecurity and access restrictions. Support to WFP will also provide storage for humanitarian supplies and humanitarian coordination and information management to improve the efficiency of humanitarian operations. In addition, OFDA continues to support communities in Haiti through disaster risk reduction and preparedness activities to bolster community resilience and mitigate risks posed by potential future disasters. Since FY 2011, OFDA has supported the International Organization for Migration to pre-position emergency relief supplies, as well as to develop Government of Haiti personnel capacity to manage storage facilities and deploy supplies when necessary.

ENERGY AND INFRASTRUCTURE

The electricity sector in Haiti is the most challenged in the region. Around 30 percent of the population is connected to a grid, and it is estimated that the average Haitian consumes two percent of the electricity consumed by the average Dominican. The national power utility, Electricité d'Haiti (EDH), operates one primary grid serving the Port-au-Prince metropolitan area and a small number of isolated regional power grids for the rest of the country. Existing generation and distribution systems are weak and require rehabilitation. Electricity is not reliable even for those with access to it. Lack of access to affordable and reliable power hinders investment, constrains the development of productive businesses, and degrades living standards for residential customers.

In 2018, USAID completed a new road and bridge in Canaan, north of Port au Prince, where roughly 250,000 people have settled since the earthquake. USAID also completed community centers where residents can easily access services for banking, communication, and local government.

In addition, USAID is supporting the GOH's energy sector reforms to allow competition private engagement, necessary for Haiti to be self-reliant. The objective is to establish financially viable, private sector-led electric utilities in other regions of the country that provide dependable, affordable electricity to customers. USAID is providing technical, financial and legal support to this GOH concession granting process. Building upon the lessons from the Northeast, USAID is working with GOH to set up public-private concessions for the operation and expansion of

eight additional regional grids. USAID/Haiti has observer and non-objection rights in the technical evaluation panels to assure fairness and lend credibility to this GOH- led process.

Finally, in cooperation with the U.S. Department of Energy, USAID is working with the National Renewable Energy Laboratory to provide technical expertise to the GOH Energy Cell and to the recently established electricity regulator.

USAID is modernizing operations at the Cap Haitien Port through construction of new facilities to manage freight and customs operations more efficiently and securely. Staff training and a new operations contract will increase government revenues and allow increased exports for goods from the Caracol Industrial Park and all of northern Haiti, promoting investment and job growth.

Infrastructure programs in the health sector rebuilt new National Campus of Health Sciences to house the Faculty of Medicine and Pharmacy, the School of Nursing and the Lab Technician School, as well as building a new pediatric ward at Justinien Hospital in Cap Haitien. USAID is also rehabilitating clinics across the south that are key centers for HIV treatment, and a secure facility for prisoners with multi-drug resistant tuberculosis is under construction in Hinche. USAID also continues support for the reconstruction of the Haitian State University Hospital, which will be the country's leading health facility.