



USAID
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USAID/HAITI ECONOMIC GROWTH & AGRICULTURAL DEVELOPMENT

FACT SHEET

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Credit: Tony Marcelli

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 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.

KEY CHALLENGES

Informal Business Sector: Informal micro-, small-, and medium-sized enterprises (MSMEs) generate up to 80 percent of new jobs, but generally, these firms have difficulty 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 of Small Farms on Weak Value Chains: Limited access to capital, environmental degradation, weak public or private agricultural extension services, and poor access to markets limit the potential for farmers to improve production and sales of food and cash crops.

THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) STRATEGY & ACTIVITIES

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.

Improving Food Security: 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.

Creating More Productive Value-Chains for Micro-, Small-, and Medium-sized Enterprises

(MSMEs): Improving and strengthening activities along the value chain is a key USAID priority designed to increase output, incomes, and employment in Haiti. USAID provides vocational training as well as practical skills for the workplace and business management. It also offers additional incentives to financial intermediaries to facilitate easier access to equity money and bank loans to small and medium enterprises (SMEs). USAID supports the creation of full-time, formal-sector employment in key sectors, including agribusiness, apparel, and construction.

Developing Public-Private Partnerships: USAID is leveraging private resources, skills and assets to improve social and economic conditions as well as to deepen the Agency's development impact. In these partnerships, USAID co-creates development solutions with multinational corporations, private foundations and local firms to increase impacts based on common goals, feature consensus-based decision making, and create shared accountability for outcomes and results and synergistic interactions. Already, these partnerships have increased smallholder farmer incomes, raised production yields, strengthened value chains, provided investment in SMEs, reduced literacy gaps, and improved the quality of and access to healthcare services.

KEY ACCOMPLISHMENTS

Increased Agricultural Yields and Incomes: For beneficiary farmers in Haiti, the introduction of appropriate agricultural inputs coupled with modern technologies resulted in yield increases for different crops, including rice, maize, beans, and plantains, despite recurring drought between 2013-2016. Exports of cacao by beneficiary farmers quadrupled between 2013 and 2016. USAID investments under agricultural projects have benefitted more than 84,000 rural households of which 78,000 reported significant increase in income.

Mobilized Haitian Diaspora Investment and Know-How: Recognizing the unique skills that Haitian diaspora could contribute to Haiti's development, USAID works with diaspora organizations across a number of programs focused on economic growth. The Leveraging Effective Application of Direct Investments (LEAD) project attracted investments in Haitian SMEs through a matching grants program. Out of a current portfolio of 47 SMEs, 15 of them are diaspora owned or operated.

Strengthened and Expanded MSMEs: USAID leveraged \$12 million of private sector funds by providing \$7.6 million to 47 SMEs. These funds allowed SME beneficiaries to expand operations and build their workforces, creating employment opportunities for more Haitians. The Local Enterprise and Value Chain Enhancement (LEVE) project provides workers' training and business development services to SMEs, working primarily within three value chains – apparel, agribusiness, and construction – to increase output, income, and employment. Through its programs, USAID has supported the creation of more than 27,000 jobs since 2011.

Loan Guarantees: Through its Development Credit Authority (DCA) program, USAID facilitates increased lending to underserved sectors via partial credit guarantees. DCA guarantees have supported local financial institutions in providing more than 12,350 loans to households and MSMEs, for a total of \$41 million in loans with approximately only \$1.1 million in cost to the U.S. Government.

Leveraged Private Sector Resources: Through Public-Private Partnerships (PPPs) and Global Development Alliances (GDAs), USAID mobilized \$14.9 million in private sector funds, for a total of \$17.5 million in private sector and donor partnership dollars to enhance Haiti's economic and social security. In particular, the Smallholder Alliance for Sorghum in Haiti (SMASH) with the local Heineken subsidiary BRANA trained over 16,000 farmers in new techniques and improved.

