



**USAID | HAITI**  
FROM THE AMERICAN PEOPLE

# ECONOMIC GROWTH & AGRICULTURAL DEVELOPMENT FACT SHEET

March 2017



## 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, agriculture 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 can also be a difficult place for businesses to thrive, ranking 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.

## 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:** Through the Feed the Future initiative, 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 has also significantly strengthened farmers' profits by linking farmers' associations directly with end buyers.

**Creating more productive value-chains for 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. Additionally, USAID 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 partnerships with the private sector in Haiti to improve social and economic conditions as well as to deepen the Agency's development impact. These public-private partnerships projects include: a health project called REPARE that partners with St. Boniface Haiti foundation, Kellogg Foundation, and the GE Foundation to repair biomedical equipment; and an agricultural project with a local Heineken subsidiary BRANA that helps about 18,000 farmers increase yields for sorghum.

## 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 Feed the Future beneficiary farmers quadrupled between 2013 and 2016.

**Built a critical irrigation system for flood control and farming:** The USAID-supported Rivière Grise water diversion structure continues to provide regular irrigation water for up to 10,000 farmers in the Cul-de-Sac Plain. Although temporarily damaged by Hurricane Matthew, it was credited by communities downstream with saving homes and lives during the October 2016 disaster and was repaired by December 2016.

**Mobilized Haitian diaspora investment and know-how:** Recognizing the unique skills that Haitian diaspora could contribute to Haiti's success, 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:** Through a business plan competition, the LEAD program provided matching grants of up to \$200,000 to SMEs investing their own capital to expand their businesses. 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 our programs, USAID has supported the creation of over 14,500 SME jobs.

**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 micro-, small-, and medium-sized businesses, for a total of \$41 million in loans with approximately only \$1.1 million in cost to the U.S. government.