

Fast Facts on the
U.S. Government's work in

HAITI

Kimberly Rowan / USAID

ECONOMIC SECURITY

The Challenge

Even before the earthquake, Haiti faced significant challenges to economic security. Its economy is primarily driven by informal micro-, small-, and medium-sized enterprises (MSMEs), which generate up to 80 percent of new jobs. However, informal MSMEs have difficulties accessing financing from formal institutions, thus limiting their ability to grow. The wide-scale damage caused by the earthquake further exacerbated the situation, disrupting businesses and destroying stores and other infrastructure. Estimates indicate that 40 percent of the Haitian population is unemployed.

USG Strategy

Economic security is predicated on people having secure livelihoods. The U.S. Government is helping the Haitian government in its goal of creating jobs, with a corresponding increase in household incomes, savings, and other assets—resulting in increased economic security. To achieve this goal, the U.S. Government is:

- Helping the Government of Haiti to attract foreign direct investment;
- Supporting value chains related to foreign direct investment and U.S. Government investments, such as energy, health, and housing;
- Working with local financial institutions and investment opportunities to increase access to finance; and
- Supporting efforts to increase tax and customs revenue generation. Since 2008, U.S. trade preferences for Haiti have contributed to the creation of 8,000 apparel sector jobs.

Accomplishments

The U.S. Department of Treasury is providing technical assistance to the Ministry of Finance to improve budgeting, tax collection, and debt management in the public sector. The U.S. Agency for International Development (USAID) is carrying out the private-sector U.S. Government strategy by creating jobs in targeted sectors and increasing access to capital from formal sources to stimulate growth and job opportunities. So far, we have:

- Provided support valued at more than \$12 million to more than 30 microfinance institutions to increase lending to underserved populations and MSMEs in several sectors.
- Contributed to more than 15,000 agricultural loans for farmers to improve crop production and agricultural cooperatives to access markets directly. Crops include mango, cocoa, plantain, corn, rice, and beans.
- Partnered with the Bill & Melinda Gates Foundation to launch the first mobile money service in Haiti. After reaching 5 million transactions as of June 2012, the initiative is now focused on facilitating mobile money use by various stakeholders, including the Government of Haiti and the private sector, in order to ensure sustainability.



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- Supported a business plan competition, leveraging private investments and using a grant matching mechanism of up to \$200,000 for each competition winner to enable the small and medium enterprises (SMEs) to scale up their entrepreneurial ideas. Through this competition 22 SMEs received Technical Assistance, of which four were selected to receive matching funds to expand their operations. These businesses will create more than 240 additional jobs.
- Finalized four new Development Credit Authority (DCA) guarantees, which will stimulate up to \$30 million in loans by local commercial banks, microfinance institutions and credit unions. The guarantees will exist over a nine-year period and contribute to rebuilding the private sector by increasing local lending to MSMEs and out-of-reach populations.