



Helping job creation
in Haiti.

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- 1. Business climate*
- 2. Credit and technical assistance*
- 3. Value chain, Incubator*
- 4. Productive infrastructure*
- 5. Public Private Partnership*



→ 01.

Improve the Business Environment to Encourage Investments

COUNTRY	2010 Doing Business Rank	2010 Rank: Starting a Business	2010 Rank: Construction Permits
Costa Rica	121	127	128
Indonesia	122	161	61
Nepal	123	87	131
Paraguay	124	100	106
Nigeria	125	108	162
Bhutan	126	80	126
...
Liberia	149	57	135
Uzbekistan	150	92	142
HAITI	151	180	126
Tajikistan	152	143	177
Iraq	153	175	96
Sudan	154	118	139

QUICK WINS

[01]

Simplify Business Registration

1,100 days → 10 days

[02]

Streamline Construction Permit Process

180 days → 60 days

OTHER CHALLENGES

- ▶ Property rights
- ▶ Credit information
- ▶ Collateral



→ 02.

Address market failures impeding the development of SMEs and critical business linkages among value chains

The IDB is proposing the following approach to address market failures:

PURPOSE		IDB'S PROPOSED INTERVENTIONS
Strengthen SMEs	→	A. PRODUCTIVE HAITI
Strengthen value chains by fixing broken linkages or creating missing links	→	B. TARGETED VALUE CHAIN SUPPORT
Establish new SME in new geographies	→	C. BUSINESS INCUBATOR/ACCELERATOR

→ 03.

Address Decentralization of Economic Development Outside Port-au-Prince

OPPORTUNITIES FOR SME DEVELOPMENT	Enabling Sectorial Investments (US\$495M)	Addressing Market Failures (US\$125M)	Providing Basic Infrastructure (US\$490M)
AGRICULTURE	<ul style="list-style-type: none">▶ Irrigation▶ Transport network▶ Land titling	<ul style="list-style-type: none">▶ Business Climate▶ Productive Haiti▶ Targeted value chain support▶ Business Incubator and Accelerator	<ul style="list-style-type: none">▶ Power generation and supply▶ Water supply▶ Road Infrastructure
GARMENT MANUFACTURING	<ul style="list-style-type: none">▶ Construction of Industrial Park▶ Support to Investment and Export Promotion		
TOURISM	<ul style="list-style-type: none">▶ Restoration of heritage sites▶ Destination Management Organization		
PUBLIC INVESTMENTS	Significant public investments in the Northern pole (education, health, etc.)		

The IDB and other donors are supporting the Government to develop the Northern Economic Pole by providing around US\$1.1 bn for investments.





INTERAMERICAN DEVELOPMENT BANK

www.iadb.org

The Private Sector in Haiti:

COMPARATIVE DATA

	HAITI	NICARAGUA
Population (in millions 2009)	9.8	5.8
Unemployment rate (% of labor force)	60% (2008)	9.5% (2010)
Informality	95%	58%
GDP per capita in PPP (US\$ 2010)	1,164	3,045
Doing Business Ranking 2011	162/183	117/183
BANKING SECTOR		
Loans (US\$ millions)	US\$814	US\$2,068
Loan/deposits	26%	64%
Loans/GDP	12%	32%
MICROFINANCE		
Loan Portfolio	US\$103M	US\$232M

SOURCE: WEO April 2010 // CELAC 2010, WDI 2010, IFC 2005, WB Database



A. PRODUCTIVE HAITI: SME DEVELOPMENT

Improve Access to Investment Loans →

PARTIAL CREDIT GUARANTEE FUND

Reducing banks' credit risk for existing clients

SOCIAL INVESTMENT FUND (SIF)

Collaboration with private sector lenders to increase access to finance through lower rates

Develop Management Skills →

BUSINESS DEVELOPMENT SERVICES

Provision of technical assistance to ensure eligibility for SIF finance

Improve Skills of Labor Force →

PROFESSIONAL TRAINING

Demand driven funding to support for professional training

Improve Access to Equity →

QUASI EQUITY FACILITY

Multi-layered equity facility providing 'Seed grants' and equity funds to enable SME start-ups



B. TARGETED VALUE CHAIN SUPPORT

BROKEN OR MISSING LINK

- ▶ Low productivity and low level of association among producers
- ▶ More than 60% of production lost for inappropriate handling and shipping practices
- ▶ Lack of alternatives for fruit that does not meet export criteria.
- ▶ High intermediation and export costs

FIXING LINKAGES

- ▶ Integrate mango producers into profitable **Producer Business Groups ("PBGs")**
- ▶ Support mango producers to set up **Market Service Centers**
- ▶ Foster competitive **local processing businesses**
- ▶ Facilitate a supportive enabling environment

PARTNERS

- ▶ The Coca Cola Company
- ▶ USAID
- ▶ Clinton Bush Haiti Fund
- ▶ Soros Economic Development Fund
- ▶ Technoserve



Expected results by 2015

- ▶ Double the mango income of **25,000 farmers** in Haiti.
- ▶ Creation of **500 additional** formal jobs along the value chain
- ▶ Increase of **women** representation in farmer groups by **at least 20%**



C. BUSINESS INCUBATOR AND ACCELERATOR

Drive development and growth of new SMEs targeting in the North

SUPPORT INSTRUMENTS

INVITATION OF PROPOSALS

Productive Haiti



Identification of Best Proposals

Established SMEs

Start-ups

Business Incubator



Strengthening of Business Plans

Business Accelerator



Support to Accelerate Growth of Businesses

Ongoing support to the creation and expansion of SMEs in the North

