

Data Sheet

USAID Mission:	Haiti
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	521-001
Status:	Continuing
Planned FY 2005 Obligation:	\$15,558,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$0
Year of Initial Obligation:	1997
Estimated Year of Final Obligation:	2006

Summary: USAID continues to promote economic growth through activities aimed at increasing the productivity and incomes of small agricultural producers, and at broadening the availability of credit and financial services to artisans, small businesses, microentrepreneurs, and, most recently, to the larger productive sector. Recognizing that Haiti's extreme environmental degradation continues to undermine prospects for long-term agricultural development and sustainable economic growth, USAID will develop a new environmental and agricultural activity which will build on the successful income generating activities of the Hillside Agriculture Program and include a major new emphasis on environmental protection.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Agricultural Productivity (\$4,397,000 DA). USAID will fund technical assistance programs for hillside farmers in the areas of sustainable production, post-harvest processing, and market access for targeted crops to increase farmers' incomes. The activity includes a natural resource management component which will focus on agricultural practices that promote soil conservation. Development Alternatives, Inc (DAI) is the principal contractor. USAID will conduct an assessment of the Hillside Agriculture Program, and use the findings and recommendations to develop a follow-on initiative, which will address the catastrophic environmental problems associated with soil erosion, a major constraint to agricultural production for both local consumption and global markets. USAID will continue to support an early warning network for food security with a contractor to be selected.

P.L. 480 Title II assistance is increasing food security for small-holder farm families in food insecure areas. Activities under this program provide technical assistance to farmers to improve agricultural techniques, animal husbandry, and storage practices, as well as microcredit, seed banks, and improved access to markets. Grantees for the Title II program are CARE, Catholic Relief Services, World Vision International, and Save the Children.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$5,006,000 DA). USAID is in the process of designing a new activity which will focus on sustainable land, water, and soil use and which will build the capacity of communities to manage their own natural resources. It will include communication activities aimed at changing human practices regarding appropriate use of alternative energy sources and technologies. Contractors and grantees to be selected.

Increase Private Sector Growth (\$6,155,000 DA). USAID will continue to develop strong and sustainable microfinance institutions to service Haitian microentrepreneurs by funding technical assistance and training to assist these institutions to apply internationally accepted best practices in microfinance lending. USAID will undertake an assessment of the microfinance program and incorporate findings into the design of a new microenterprise activity. USAID will continue to implement the loan guarantee agreements established in FY 2004 under a Development Credit

Authority (DCA) activity. Under these agreements, loan guarantees are provided to a development finance corporation, (SOFIHDES) and a local commercial bank (SOGEBANK) to stimulate increased lending to sectors such as agribusiness, communications, construction, and handicraft production. In addition to the \$5 million increase in lending, USAID will also provide technical assistance to the two lending institutions and borrowers on loan structuring, improving financial and management skills, and increasing market access. Primary contractors and grantees include FINCA, DAI, SOFIHDES, and SOGEBANK. USAID will also continue its programs to generate short-term employment opportunities and income for Haitians. Activities include production and marketing of handicrafts, solid waste management, recycling. Principal grantees include Aid to Artisans, Cooperative Housing Foundation, and the Haitian Environment Foundation.

FY 2006 Program: USAID plans to use \$20,000,000 of Transition Initiatives (TI) funding to improve management of natural resources, improve productivity and incomes of small agricultural producers, and broaden the availability of credit and financial services to artisans, small entrepreneurs, and the larger productive sector as described below.

Increase Agricultural Productivity. USAID plans to initiate a new agricultural and environmental activity to reduce the ongoing degradation of Haiti's natural resource base and maximize agricultural production and export opportunities. The emphasis will be on sustainable reforestation, soil conservation, alternative energy source development, watershed management, and production and marketing of high value crops using a market-driven approach. The activity would involve strong collaboration with the Ministries of Environment and Agriculture for technical assistance, policy formulation, and training. It is anticipated that this will be USAID's most important and significant intervention in the environment. USAID will continue to support an early warning network for food security. Contractors and grantees will be selected.

USAID expects to continue to assist small-holder farm families in food insecure areas through P.L. 480 Title II assistance. Activities under this program provide technical assistance to farmers to improve agricultural techniques, animal husbandry, and storage practices, as well as microcredit, seed banks, and improved access to markets. Grantees for the Title II program will remain the same.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation. USAID is in the process of designing a new activity which will focus on sustainable land, water, and soil use, as well as introducing alternative energy sources and technologies. Contractors and grantees will be selected.

Increase Private Sector Growth. USAID plans to initiate a new microfinance activity that incorporates elements of lending and technical assistance to borrowers and microfinance institutions lending their own capital. USAID expects to continue to fund the guarantee facilities to stimulate lending to the productive sector and provide ongoing technical assistance to both the lending institutions and their borrowers. Contractors and grantees to be selected.

Performance and Results: Despite civil disturbances and two major floods, USAID's agricultural activities continue to have a significant and positive impact on food security and on small farmers' incomes in areas targeted by these projects. Coffee exports reached an all time high in both quantity (323,774 pounds) and value (\$548,727). USAID's efforts to establish and strengthen small farmers' mango cooperatives resulted in a significant increase in mango sales and a marked willingness to invest in new mango trees, reversing a long established pattern of tree cutting. More than 340,000 dozen mangos were sold in 2004, up from 311,000 dozen in 2003. USAID has continued to develop viable, self-sustaining credit systems for microentrepreneurs which are critical to income growth for the poor. Finally, an activity to assist artisans has continued to develop new clients, both in the export sector and in local sales.

By program completion, farmers in targeted rural areas will have increased incomes as a result of improved production, post-harvest processing, and market access. The increased income will enhance overall economic growth and job opportunities in those rural areas. Additionally, selected microfinance institutions will be able to fully service Haitian microentrepreneurs on a self-sustaining basis. Finally, small-holder farm families in food insecure areas will have increased food security.

US Financing in Thousands of Dollars

Haiti

521-001 Economic Growth	DA	DCA	ESF
Through September 30, 2003			
Obligations	10,676	0	91,115
Expenditures	4,016	0	88,630
Unliquidated	6,660	0	2,485
Fiscal Year 2004			
Obligations	5,619	222	1,502
Expenditures	7,026	0	602
Through September 30, 2004			
Obligations	16,295	222	92,617
Expenditures	11,042	0	89,232
Unliquidated	5,253	222	3,385
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2005 NOA			
Obligations	15,558	0	0
Total Planned Fiscal Year 2005			
Obligations	15,558	0	0
Proposed Fiscal Year 2006 NOA			
Obligations	0	0	0
Future Obligations	87,488	0	0
Est. Total Cost	119,341	222	92,617