Report Underlines Value of Private Investment in Securing Haiti's Growth

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- Haiti can achieve sustainable growth with the support of the international private sector
- Businesses should consider investment opportunities in Haiti
- World Economic Forum launches new report: *Private Sector Development in Haiti: Opportunities for Investment, Job Creation and Growth.* Full report available here: www.weforum.org/HaitiReport2011
- More information on Haiti at the World Economic Forum Annual Meeting 2011: http://www.weforum.org/haiti

Davos-Klosters, Switzerland, 28 January 2011 – Haiti can achieve GDP growth of 6-8% over the next decade, if the right public policies are put in place, the national and international private sector become increasingly engaged, and support from the international community is sustained. This is the finding of the World Economic Forum's report, *Private Sector Development in Haiti: Opportunities for Investment, Job Creation and Growth*, launched today in partnership with the World Bank, the Inter-American Development Bank (IDB) and the International Finance Corporation (IFC). The full report is available here: www.weforum.org/HaitiReport2011

"Despite the challenges, Haiti possesses the economic fundamentals to experience sustained growth. However, it cannot achieve it alone. The private sector played an important and innovative role in supporting humanitarian assistance to Haiti right after the earthquake and now it has an equally important role to play in helping Haiti achieve an accelerated economic trajectory," says Robert Greenhill, Managing Director and Chief Business Officer, World Economic Forum. "The World Economic Forum hopes this joint report will lead more companies to consider the investment opportunities presented in Haiti."

The report outlines opportunities for businesses in Haiti and measures taken to encourage private sector engagement such as the development of Special Economic Zones (SEZs). SEZS are areas identified by the government as fast-track zones for commercial development to be equipped with the infrastructure and regulatory framework to attract business. The World Bank and IFC are actively engaged with the Haitian government to improve its investment climate.

"The World Bank Group remains committed to helping Haiti catalyse private investment and improve the business environment. We are convinced that the private sector is essential for Haiti's long-term development, to create jobs and help the country break its dependence on aid," said IFC's Chief Executive Officer and Executive Vice-President Lars Thunell. "This joint report highlights the opportunities and challenges in improving Haiti's investment climate, in particular business regulation, access to basic infrastructure, logistic and financial services, and access to skills. Multilateral banks, donors, the Government of Haiti and the private sector should develop the framework that will address these challenges."

The report outlines specific areas where the private sector can become involved, highlighting opportunities in construction and infrastructure development, agriculture, manufacturing, finance, tourism and energy. A specific example from the manufacturing sector is the IDB's recent announcement of its support along with the US government of a US$ 250 million deal to develop an industrial park in the north that is expected to generate as many as 65,000 jobs.

"Haiti has countless needs, but what it desperately requires to climb out of poverty is more jobs," said IDB President Luis Alberto Moreno. "Our goal is to persuade several companies from diverse industrial sectors to set up shop in the north, not only to boost employment and economic activity

outside of Port-au-Prince but also to change common risk perceptions about Haiti, so that many more investors may follow them."

Finally, the report highlights examples of how international businesses are actively engaged in mutually beneficial partnerships designed to help grow Haiti's economy. Under a public-private partnership structured by the IFC, Haiti's government and central bank (Banque de la République d'Haiti – BRH) signed an agreement with Vietnam's largest mobile telephone operator Viettel for US$ 99 million. The agreement has led Viettel to commit significant investments, including the construction of Haiti's first nationwide fibre optic backbone.

Case studies include:

- Haiti Hope: The Coca-Cola Company's Haiti Hope project which is taking a holistic approach to realizing the full potential of mangos in Haiti's recovery. Launched in September 2010, the project aims to double the income of 25,000 Haitian mango farmers over five years. It is a partnership between The Coca-Cola Company, the IDB's Multilateral Investment Fund (MIF), USAID and TechnoServe, with the support of the Clinton Bush Haiti Fund and other international and local actors.

- Mobile Money: Mobile phone operators Voila and Digicel each have launched mobile banking services that maximize NGO resources, bolster reconstruction efforts and provide Haiti's "unbanked" population access to financial services. Though 85% of Haitian households have access to a cell phone, there are only two banks for every 100,000 people in the country. Mobile Money products will enable Haitians to transfer money domestically and internationally, and complete commercial transactions wirelessly, including using their cell phone to purchase food and non-food items from a network of affiliated merchants throughout the country. Voila, Haiti-based Unibank, and the international aid agency Mercy Corps have joined together to launch a mobile banking service called T-Cash that offers beneficiaries of Mercy Corps's cash programme the opportunity to receive and make payments using their Voila phones. Digicel and Canada's Scotiabank have partnered to create Tcho Tcho Mobile, which offers mobile banking services that enable users to perform cash withdrawals, deposits and transfers through their mobile phone.

- Catastrophic Micro-insurance: The millions of small-scale traders who make up the informal sector in Haiti are particularly vulnerable to natural disasters. To address this challenge, Swiss Re, one of the world's largest reinsurers, has formed a partnership with Caribbean Risk Managers Limited, Guy Carpenter Micro Risk Solutions and Haiti's largest microfinance institution, Fonkoze, to design a micro-insurance scheme for catastrophes in Haiti. The project will allow highly vulnerable Haitians to protect themselves from natural disasters at reasonable cost.

- YY Haiti: YY Haiti – an initiative of the Grameen Creative Lab, the Yunus Centre and SAP AG – intends to create the infrastructure and provide the skills needed for social businesses in Haiti. YY Haiti is a fund investing in social businesses in Haiti and also providing appropriate business training. YY Haiti functions as a self-sustainable social business that is financed through the management fees earned from the social businesses in which it invests. Once the social businesses have returned their initial investment, the fund reinvests this money into new social businesses. Initial social business investments include a cocoa processing plant and an eco-hotel in Cap Haitien. Another 14 social businesses are currently in the due diligence process.

The report concludes by calling upon the international private sector to realize its potential to improve the situation by investing in Haiti stressing that despite clear challenges profitable investment opportunities exist today in Haiti and increased private sector engagement will create further investment opportunities in the future.

This report has benefited from a broad multistakeholder steering committee that features representatives from the Haitian and international private sector, international organizations, NGOs and multiple governments demonstrating extensive support for Haiti's potential for a prosperous future.

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