The private sector in Haiti has shown great resilience through natural catastrophes in the past years. Getting back on their feet and going back to business is generating jobs to sustain recovery. Today, foreign investors are knocking on the door while many local businesses are seeking to expand operations to meet increasing demand. However, getting hold of an industrial building or serviced land is a bottleneck that frustrates their investment and Haiti’s economic development.

IFC efforts to attract foreign investors and create industrial land started in September 2009. Results were quickly visible on the ground: IFC’s assessment for the expansion of SONAPI was picked up by another development partner, the Inter-American Development Bank to build the new factory shells.

In November 2009, CTMO-Hope and IFC led a first of a series of targeting missions to South Korea to meet potential investors in the garment sector and persuade them of the benefits of locating production in Haiti.

A total of 12 companies have been reached as a result of this work. Since then, other seven Korean companies have visited Haiti and are completing due diligence work to develop their investment plans. The Korean investment pipeline could amount to $52.3M potential investments with 25,000 new jobs by 2014. IFC continues to support CTMO-Hope in its investment generation efforts for the sector targeting companies in other countries.

The January 12th earthquake showed again the resilience of the manufacturing sector, even the Palm factory, which had collapsed with 500 workers inside, resumed operations within six weeks under tarps to meet production deadlines.

The damage assessment of SONAPI was undertaken four weeks after the earthquake. The planned expansion and reconstruction of SONAPI could generate 2000 jobs within 12-14 months after the earthquake. A risk that the negative news could lead U.S. buyers to move away their production to other countries remained, concluding that Haitian plants would not be able to deliver on their contract obligations.

IFC responded with a strategic, yet opportunistic approach, adapting its existing Investment Generation Strategy to give confidence to U.S. buyers to maintain and expand their sourcing from Haiti. This effort tried to avoid company closures and job losses, as well as sustain the leads on potential investments in the works before the disaster. After ensuring the continuing support of the project’s donors, the Netherlands and Wallonia, IFC produced a strong image-rebuilding campaign to let U.S. garment buyers know that Haiti was back in business and that sourcing from local companies was the best way to help the country recover.

In parallel, IFC worked with U.S. buyers, such as Cintas, The Gap, Choose Haiti and Atlantic S.A. to increase their orders with Haiti’s damaged and cash-strapped companies. The aim was to keep Haitian plants open and producing at maximum capacity to create jobs in the short term including 500 new jobs in the first 8 weeks of activity.

IFC has focused on creating jobs and supporting economic growth in the short term before and after the earthquake. However, bottlenecks remain which prevent the private sector to become the engine for Haiti’s development. Challenges in land availability, and the regulatory framework for companies and Special Economic Zones if not addressed, could frustrate the execution of investment projects or cause delays.

IFC is working with the Ministry of Commerce and Industry to assess the potential of Special Economic Zones all over the Haitian territory. Mapping these opportunities based on private sector demand in key sectors and their expected commercial return will act as a catalyst for reconstruction, decentralization and job creation. In parallel, the IFC will continue to work with the Government to streamline processes for SEZ creation and operation to ensure that new zones can be set up quickly meeting international best practice standards for serviced land.

Finally, IFC is engaging with the Private Sector Economic Forum to support the implementation of the Haiti Vision 2020 national strategy and make sure that the business climate in Haiti becomes an enabler for the private sector-led reconstruction effort. By continuing to support the Government and the private sector in Haiti, IFC hopes to make a concrete contribution to the recovery and growth of the Haitian people.
IFC in Haiti

**IFC SWIFT RESPONSE**

- IFC responded swiftly in the aftermath of the earthquake that struck Haiti last January.
- **Since the earthquake, IFC has made available $49.6 million for nine projects.** Four projects for $14.6 million in the banking, garment, hotel, and mining industries are under implementation, including a major energy project approved prior to the quake.
- IFC also helped bring in the largest foreign direct investment since the earthquake, a $100 million investment by Viettel in Haiti’s Teleco.

**IFC PROJECTS IN HAITI**

- In the past three years, IFC has ramped up its investment and advisory operations in Haiti and opened an office in Port-au-Prince two years ago. As of August 31, 2010, **IFC’s committed portfolio was $31.5 million.**
- Since 2006, **IFC has committed a total of $75.1 million for 10 investments,** including $13 million from syndicating banks. Investments include two loans of $15 million to help establish and expand the mobile telephone operator Digicel, four financial sector projects in the amount of $4.8 million ($0.3+$0.3+$0.2 million loan to Capital Bank, and $4 million equity contribution to Sogebank), and $26 million committed to establish E-Power, a private power plant.
- This year, IFC financed the expansion of an important garment manufacturer, Grupo M that will create 4,000 new jobs by the end of 2011. The investment helps the firm capitalize on new legislation that nearly triples duty-free quotas for Haitian clothing exports to the United States.
- IFC also approved $7.5 million to enable Haitian investors to resume construction of the Oasis hotel complex in Port-au-Prince.
- IFC approved $800,000 to support Canada-based Eurasian Minerals’ gold and copper exploration in Haiti, which supports 800 jobs.
- In April 2010, IFC signed the structuring of the international bidding process for TELECO, Haiti’s national telecommunications company. This brought a $100 million investment by Vietnam’s mobile telephone operator VIETTEL to expand telecommunications services and build Haiti’s first fiber optic cable network. On September 1, VIETTEL acquired the majority of shares, transferring an initial $59 million.
- IFC has intensified advisory services to help companies and government agencies retain and attract investors. This includes **simplifying the regulatory framework** for special economic zones, **improving the country’s ports,** and supporting the Haitian government’s plans to **decentralize zones outside of Port-au-Prince.**
- By supporting the expansion of special economic zones, IFC aims to help attract new garment companies, **bring in foreign investment, and create jobs.**
- IFC also seeks to increase **access to basic services and develop human capital.** IFC is ramping up access-to-finance activities and local small and medium enterprises are using IFC’s Business Edge program to help entrepreneurs develop business skills.

*IFC representative for Haiti and the Dominican Republic, Ary Naim*

For more information, please visit: [www.ifc.org/lac](http://www.ifc.org/lac)