

OVERVIEW

IFC, a member of the World Bank Group, has a holistic approach to promoting the competitiveness of Haiti's garment sector—one of the largest employers in the country.¹ Through the Better Work program, an IFC–ILO partnership, IFC helps to improve working conditions in the sector, increase productivity, and move the sector toward gender equality. IFC also provides direct financing to eligible factories in Haiti, enabling them to expand operations, support jobs and development and improve competitiveness.

In 2016, total export revenues from the garment and textile industry accounted for about 90 percent of export earnings and 10 percent of the nation's GDP.² An FCS and an IDA country, Haiti has about 40,000 citizens employed in the sector; between 65 and 70 percent of these workers are women supporting several family members.³



1. BetterWork.org. "Better Work Haiti: 14th Biannual Synthesis Report," accessed June 1, 2017. <http://betterwork.org/blog/portfolio/better-work-haiti-14th-biannual-synthesis-report/> http://www.gbgingonesia.com/en/manufacturing/article/2014/indonesia_s_textile_and_clothing_industry.php
2. Ibid.
3. Ibid.
4. BetterWork.org. "Better Work Haiti," accessed June 1, 2017. <http://betterwork.org/where-we-work/haiti/>
5. International Trade Administration Office of Textiles and Apparel. "Frequently Asked Questions: Trade Preferences for Haitian Textiles and Apparel," accessed June 1, 2017. <http://web.ita.doc.gov/tacgi/eamain.nsf/ff5dd4f75c7795ea8525762500657ba8/3e8949333e3deb3b852578170051486c?OpenDocument>
6. BetterWork.org. "Better Work Haiti: Our Programme," accessed June 1, 2017. <http://betterwork.org/where-we-work/haiti/bwh-our-programme/>
7. Ibid.
8. Ibid.
9. International Trade Administration Office of Textiles and Apparel. "Frequently Asked Questions: Trade Preferences for Haitian Textiles and Apparel," accessed June 1, 2017. <http://web.ita.doc.gov/tacgi/eamain.nsf/ff5dd4f75c7795ea8525762500657ba8/3e8949333e3deb3b852578170051486c?OpenDocument>
10. WorldBank.org. "Haiti Overview: Results," accessed June 1, 2017. <http://www.worldbank.org/en/country/haiti/overview#3>
11. IFC.org. "IFC Project Information Portal," accessed June 6, 2017. <https://disclosures.ifc.org/#/projectDetail/SII/34687>

For further information,
please contact:

Milagros Rivas Saiz

mrivassaiz@ifc.org

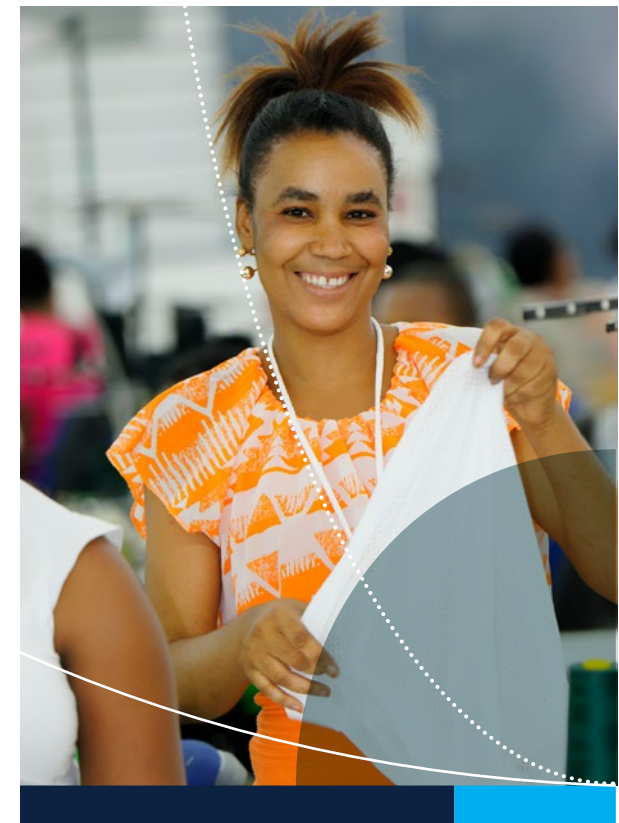
Global Manager, Cross-cutting

Advisory Services, IFC

2121 Pennsylvania Avenue NW

Washington DC 20433

www.ifc.org



IFC's Engagement in the Haitian Apparel Sector

How IFC Supports Haiti's
Position in the Global Apparel
Supply Chain



Better Work Haiti

Better Work Haiti mobilizes factories, buyers, and brands in the apparel industry to boost competitiveness through improved working conditions. In Haiti, 27 factories take part, representing 19 international brands and retailers and assisting 40,000 workers by providing labor assessments, training and advisory services.⁴ Participation in the program is mandated by the 2006 and 2008 U.S. HOPE (Haiti Haitian Hemispheric Opportunity for Partnership Encouragement Act) and HELP (Haitian Economic Lift Program) legislation,⁵ which grant preferential tariff treatment to Haitian garment manufacturers.

Since 2009, Better Work Haiti has actively made improvements to conditions for workers in the garment industry. These improvements include the following:

- **Closing the gender wage and overtime gap:** Women's average hours worked per week have decreased, while their pay as compared with men's has increased.⁶
- **Increasing access to prenatal care for women workers:** Access increased from 6 percent to 26 percent after five years.⁷
- **Higher productivity:** Training line supervisors—and especially preparing women to take on supervisory roles—resulted in a 22 percent increase in productivity.⁸



IFC's Tackling Childcare Partnership

IFC's Tackling Childcare partnership aims to promote better career opportunities for working parents and to accelerate the spread of best practices for employer-supported childcare. In Haiti, IFC has partnered with Codevi-Grupo M, joining 11 companies worldwide participating in the program.

Catalyzing Investment

IFC's role, particularly in FCS and IDA countries, is to promote development by making strategic investments that help to build new markets and fuel economic growth. In deciding where to invest, IFC seeks out markets where there is great potential for growth because of policy frameworks. Such is the case in Haiti, where the HOPE and HELP legislation enacted in the United States in 2006 and 2008 has helped expand the Haitian apparel sector.⁹

In the town of Ouanaminthe, on the border with the Dominican Republic, about 30,000 people are indirectly employed because of the Codevi factory—an IFC investee and a participating enterprise in Better Work Haiti.¹⁰ IFC provided a \$10 million loan to Codevi, which is also the largest employer in the country, in 2015.¹¹ In addition, IFC has provided loans to the following garment factories to promote employment and competitiveness:

- In Port-au-Prince, a \$2 million loan to Hansae Haiti S.A. in 2017
- In Port-au-Prince, a \$4 million loan to Wilbes Haitian S.A. in 2015
- In Ouanaminthe, a \$10 million loan to Codevi-Grupo M S.A. in 2015

By lending to garment and textile manufacturers, IFC expects to catalyze development in Haiti in the following ways:

- Adding a minimum of 7,600 new jobs, most of which will be for women who, without these jobs, would have limited employment opportunities
- Contributing to economic growth by cultivating the textile and apparel sector—one of the industries in which Haiti has a competitive advantage
- Generating a flow of foreign currency into the country, helping it to reduce its trade deficit
- Providing a demonstration effect by showing other investors that despite the challenges, Haiti remains an attractive location for garment and textile manufacturing.