

PD - AAZ - 948

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A Private Sector Trade and Investment
Promotion Program
for
Haiti

submitted by

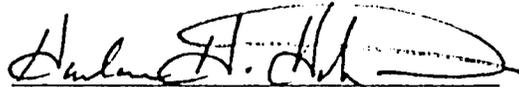
Haitian American Chamber of Commerce and Industry (HAMCHAM)
82, Delmas (Building Scotia Bank)
P.O. Box 13486
Port-au-Prince, Haiti

March 18, 1983

PROJECT AUTHORIZATION

Name of Grantee : Haitian-American Chamber of Commerce
Name of Project : Private Sector Investment Promotion
Number of Project : 521-0169(5)

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, and Chapter VI of the Supplemental Appropriations Act of 1982 (P.L. 97-257), I hereby authorize a grant to the Haitian-American Chamber of Commerce (Grantee) Project entitled "Private Sector Investment Promotion", involving planned obligations of not to exceed \$75,000 in Grant funds, to help in financing the two-year life-of-project foreign exchange and local currency costs of the Project.
2. The project will develop the ability of the Haitian business community to disseminate resources and gain access to resources to promote investment in Haiti.
3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with AID regulations and Delegations of Authority, shall be subject to such terms and conditions as AID may deem appropriate.


Harlan H. Hobgood, Director
USAID/Haiti

3/29/83
Date

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Clearances:

DRE, WSRhodes WSR
CONT, FRyder FR
PVD, MKBaldwin 10/29/83
OPED, AWilliams 11/16/83
A/CSO, FHayden F

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I. Introduction

The CBI represents an opportunity for USAID to assist the local business community in developing appropriate mechanisms in response to the CBI's proposed trade and investment programs. Based on discussions with representatives of the Haitian private sector, members of international donor agencies, foreign businessmen operating in Haiti, bankers and others during the course of HAMCHAM's collaboration on various development projects in the past year, we have concluded that a comprehensive private sector investment promotion project would be a critical tool in Haiti's attempt to attract new U.S. investment and to open up new U.S. markets for Haitian entrepreneurs. The proposed project is based on the following assumptions:

- Significant new employment opportunities will be primarily found in the so called re-export industries.
- New investment in re-export industries will require foreign participation (capital, technology, know-how, etc.).
- The expansion of existing firms will also contribute to the creation of new employment opportunities.
- Active promotion of foreign investment will be required to sustain and expand the current level of activity (and employment generation) in Haiti's industrial sector.

- Effective and credible efforts to promote foreign investment require the active participation and leadership of the private sector, and a competent, reliable local facility to assist prospective investors.

- The most effective way to stimulate domestic investment and develop local entrepreneurial and management capabilities is to facilitate collaborative ventures with foreign companies.

In order to facilitate the participation of the Haitian business community in the CBI and to promote U.S. investment in Haiti, technical assistance is required to develop a comprehensive program to identify new investors and to assure that they receive the required assistance in-country. We are requesting that AID provide \$75,000 to assist the private sector's effort to develop a two-year program that will be tailored to maximize the CBI's impact in Haiti. The proposed project will entail the use of U.S. based organizations with expertise in investment promotion. These organizations will work in tandem with Haitian business associations to develop a well defined, extensive and vertically integrated promotional effort.

A significant number of jobs can be created by strengthening the private sector's capability to promote foreign investment in Haiti's re-export oriented industries. The choice of focusing on the promotion of investment in assembly industries (for export) as a key factor in Haiti's development is amply justified both by the past performance of this sector as well as by the perceived potential of the market. Although the primary emphasis of the proposed promotion program would be on re-export industries (as the most significant target

of opportunity), this would not be done to the exclusion of other industries. To the extent that other industries, such as agro-industrial ventures, show interest in Haiti, appropriate efforts would be made to insure that the investment takes place.

II. Strategy

USAID/Haiti will provide a grant to HANCIAM to:

A. cover the costs of a six-month program development effort in cooperation with other local business associations and appropriate private and public trade and investment promotion organizations in Haiti and the United States;

B. assist HANCIAM to take the lead role in organizing a task force representing a broad spectrum of interests in the local business community which would serve as the core working group for this program development effort; and

C. provide funds for one full-time technical advisor and various short-term special consultants to provide the necessary technical assistance.

III. Program Elements

Given the current momentum generated by the CBI, the primary focus of the recommended strategy is to effectively develop the ability to disseminate information and access resources to promote investment in Haiti. This will involve:

A. A Survey and Assessment of Potential Resources

1. Maximizing the Impact of the CBI:

Establish and develop a plan for maintaining a comprehensive file of information, resources, special concessions, and opportunities afforded by the CBI.

Contact and assess the key private and public organizations involved in the CBI, and develop a plan for building and maintaining a mutually beneficial network of organizations to support trade and investment promotion for Haiti, especially with the U.S. Department of Commerce, the U.S. Chamber of Commerce, and AACCLA.

2. Other Organizations and Special Programs:

Prepare a systematic survey and assessment of resources available from a wide range of public and private organizations and special programs. Develop a plan for selecting and integrating the appropriate resources into a coordinated trade and investment promotion program. Particular attention should be given to the resources of the Florida-Haiti Program and the recent offer of assistance from FOMENTO in Puerto Rico.

3. Coordination with Local Private and Public Organizations:

A key element of this program will be the development of mechanisms and plans for the ongoing collaboration of the local business associations in the trade and investment promotion effort, and the coordination of this effort with appropriate public organizations in Haiti.

B. Trade and Investment Promotion Services

1. Establishment of Promotional Office(s) in the United States:

Prepare an assessment of the pros and cons of establishing a permanent promotional office in the U.S. as part of an ongoing private sector trade and investment promotion program. This assessment should include an analysis of various organizational options, locations, staffing patterns, etc. for such a facility as well as a recommended implementation plan.

2. Investment Promotion and Marketing Plan:

Prepare a detailed 12-month program and implementation plan for at least six (6) investment promotion seminar/workshops and four (4) trade/marketing missions to major cities in the U.S., including clearly defined targets, program formats, proposed participants and collaborating host organizations, as well as appropriate procedures and logistical arrangements.

3. Promotion and Reception in Haiti:

An integral component of the program's external promotion efforts will be the establishment of a promotion and reception office in Haiti. Recommendations for establishing and operating such a facility will be developed, including mutually agreed upon procedures for coordinating this private sector effort with the ongoing programs of public organizations in Haiti.

C. Investment Information Services

1. Data Bank/Business Information Library:

Establish and develop a plan for maintaining a range of information that will be easily accessible to both local and potential foreign investors. This service will act as a repository of data, as well as provide guidance concerning where relevant information can be obtained.

2. Technical Assistance Resources Clearinghouse:

Establish an on-going resource file on local and foreign firms and institutions which could provide management consulting, technical assistance, and manpower training services. Information will be made available on the various services, the costs, operating mechanisms, etc.

3. Information Workshops:

Develop a series of 12 monthly workshops to promote and facilitate maximum participation in the trade and investment promotion program by a broad spectrum of representatives from the Haitian business community, both domestic and foreign.

4. Short Seminar(s) on Small Business Growth:

An intensive, high impact effort is needed at the outset of the trade and investment promotion program to develop an awareness by Haitian businessmen of the major implications of anticipated business expansion. The

immediate goal of such an effort would be to sensitize future participants in new ventures generated by the trade and investment promotion program to the major business policy decisions that they will be called upon to make as they begin to expand. In order to meet the need of sensitizing Haitian entrepreneurs to the implications of the business expansion opportunities afforded by the proposed trade and investment promotion program, FEMCHAM should explore with INCAE the development of a short (2-day) seminar, which has been proposed to USAID/Haiti.

D. Communications Services

1. Communications Strategy:

Develop a comprehensive program and implementation plan to elicit participation and support from the broadest possible cross section of the Haitian business community in the proposed trade and investment promotion program, to inform a wide range of potential U.S. investors about Haiti's attractive trade and investment opportunities, and to counter prevailing ignorance or misperceptions about the country.

2. Publications and Other Media:

Develop an implementation plan for the production of various printed materials such as annual investment guides,

regularly published newsletters for U.S. and local investors, and other audio-visual promotional materials.

E. Staff Development and Related Training

Identify the training needs for the key staff of the various private and public organizations that will be involved in implementing the proposed trade and investment promotion program, and develop a coordinated training program to provide the necessary technical background and skills to support effective program implementation.

F. Comprehensive, Integrated Implementation Plan

Prepare a comprehensive two-year implementation plan which integrates the end-products outlined in A-E, above, and presents the following options:

1. A trade and investment promotion program that HEMCIEM and the other private and public collaborating organizations would implement without any supplemental funding from USAID, and;
2. An expanded version of this basic program which anticipates USAID funding.

In addition, establish benchmarks and procedures for an evaluation of the program at the end of year-one to provide the basis for appropriate modifications and improvements in the program and plans for year-two.

IV. Management Proposal

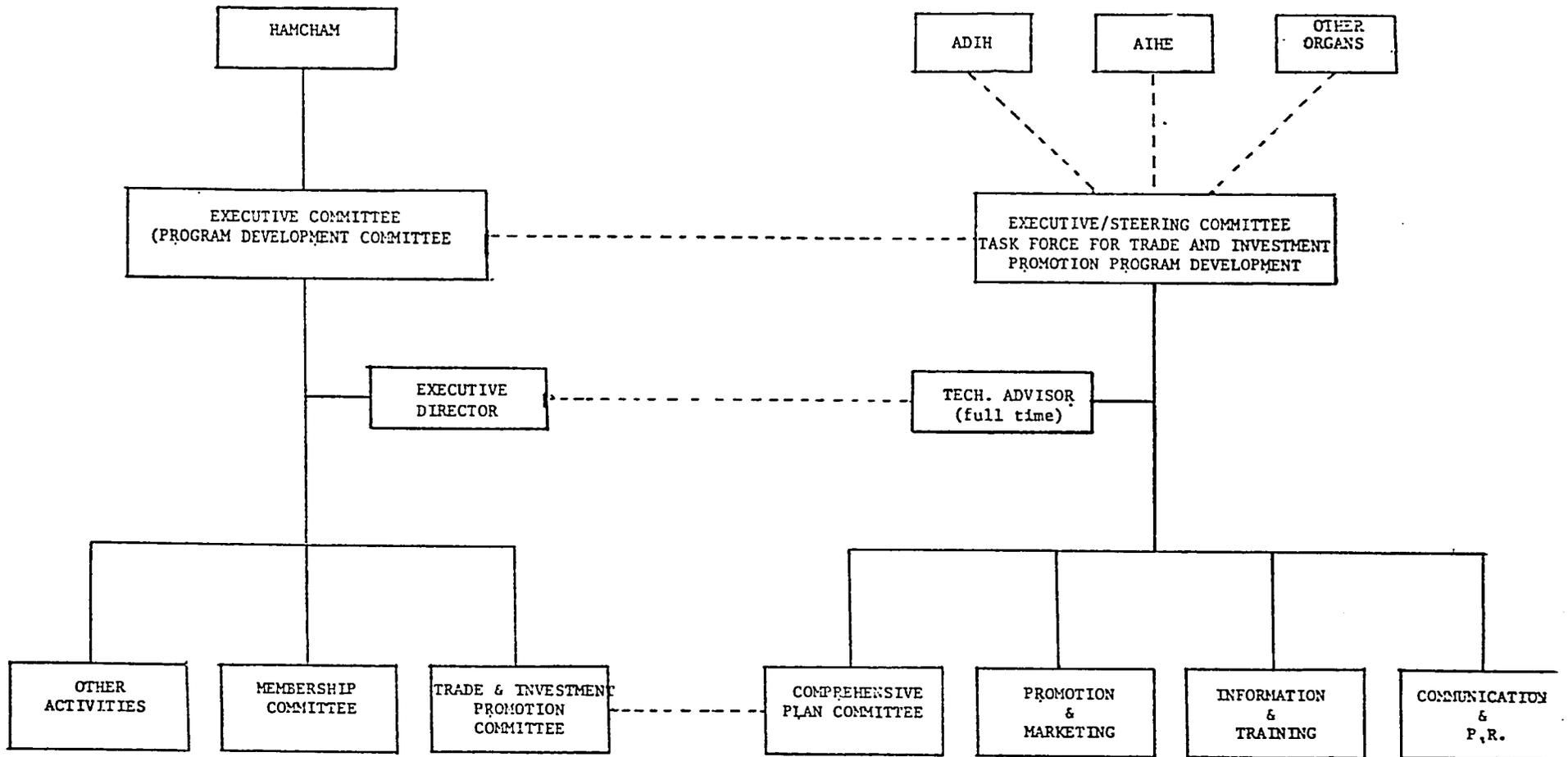
During the past year AID has worked with a number of local private sector organizations on various projects to promote investment in Haiti. These organizations have also initiated numerous activities on their own, independent of AID.

Recently there has been a movement on the part of several of these organizations to collaborate in their efforts to promote Haiti's investment potential and to strengthen the private sector's capacity to be an effective tool in Haiti's economic development. AID is being asked to provide a grant that would support and strengthen this collaborative movement among the private sector organizations.

The attached letters from the Association of Haitian Industries (ADIH) and the Association of Inter-American Businessmen (AIHE) states each organization's interest in collaborating with HAMCHAM in the implementation of a private sector trade and investment promotion program. While the following chart clearly reflects the involvement of ADIH and AIHE in this program, other private sector organizations will also be encouraged to participate. An outreach component has been included in the proposed project specifically to attract other appropriate and interested groups.

The chart on the following page describes the organization and management structure that will be established to implement the proposed project (right half of chart), and the relationship to HAMCHAM (left half of chart) which will assume the lead role in project implementation.

ORGANIZATION AND MANAGEMENT STRUCTURE



Representatives from each of the participating private sector organizations will be recruited to serve on a Task Force which will develop the trade and investment promotion program with the assistance of a professional staff and various technical advisors. The Steering Committee for the project will include the President of HAMCHAM, who will be Chairman of the Committee, the President of ADIH, the President of AIHE, and the President of any other participating private sector organization. The Executive Director of both ADIH and HAMCHAM, as well as the full-time Technical Advisor (shown on chart) will serve as ex-officio members of this committee. As a group they will be responsible for overall program development and review. It will be the responsibility of this committee to review all the efforts of the working committees and to present recommendations for implementation to AID.

The four working committees will be responsible for all program development. Members from HAMCHAM's Trade and Investment Promotion Committee will serve as Chairman of each of the following committees: 1) promotion and marketing; 2) information and training; and 3) communication and public relations. All of these HAMCHAM representatives will also serve on the Comprehensive Plan Committee, which will be chaired by the Chairman of HAMCHAM's Trade and Investment Promotion Committee. The Comprehensive Plan Committee will be responsible for coordinating the activities of the other three working committees, and for integrating the various end-products developed by these committees into a recommended comprehensive plan.

V. Workplan for Project Implementation

Presented below is an outline of the twenty-two (22) specific end products that will be developed in relation to the five major program elements previously discussed. This chart also indicates which of the four Task Force working committees will be responsible for developing each end product.

A summary of the projected timetable for project implementation is then presented on the following page.

<u>PROGRAM ELEMENTS</u>	<u>END PRODUCTS</u>	<u>RESPONSIBLE COMMITTEE</u>
A. Survey and Assessment of Potential Resources		
1) Maximizing the impact of the CBI:	a) A comprehensive file of information, resources, special concessions and opportunities afforded by the CBI.	Info & Training
	b) A plan for continuous updating and maintenance of the CBI file.	Info & Training
	c) A plan for building and maintaining a mutually beneficial network of CBI related organizations to support trade and investment promotion for Haiti.	Promo & Marketing
2) Other Organizations and Special Programs:	a) Resource file on the organizations and special programs available to assist and support trade and investment promotion efforts in Haiti.	Info & Training
	b) A plan for selecting and integrating the appropriate available resources into a coordinated trade and investment promotion program.	Promo & Marketing
3) Coordination with Local Private and Public Organizations:	a) A plan for involving all	Promo & Marketing

<u>PROGRAM ELEMENTS</u>	<u>END PRODUCTS</u>	<u>RESPONSIBLE COMMITTEE</u>
	relevant, interested private and public organizations in a collaborative program development process.	
	b) An organization structure and appropriate agreements to guide the collaborative efforts of these various organizations.	Promo & Marketing
B. Trade and Investment Promotion Services:		
1) Establishment of Promotional Office(s) in the United States:	a) An assessment of the pros and cons of various options and a recommended implementation plan.	Promo & Marketing
2) Investment Promotion and Marketing Plan:	a) A first-year program and implementation plan.	Promo & Marketing
3) Promotion and Reception in Haiti:	a) A plan for establishing and operating a reception facility and program.	Promo & Marketing
C. Investment Promotion Services.		
1) Data Bank/Business Information Library:	a) A data Bank and Basic business information library with a referral service to key information sources.	Info & Training
	b) A plan for updating and maintaining this facility and referral service.	Info & Training
2) Technical Assistance Resource Clearinghouse:	a) A resource file on local and foreign firms and institutions offering consulting, technical assistance and training services.	Info & Training
	b) A plan for updating and maintaining this file.	Info & Training

<u>PROGRAM ELEMENTS</u>	<u>END PRODUCTS</u>	<u>RESPONSIBLE COMMITTEE</u>
3) Information Workshops:	a) Program formats and an implementation plan for 12 monthly workshops.	Info & Training
4) Short Seminar(s) on Small Business Growth:	a) Program format(s) and an implementation plan for appropriate seminar(s).	Info & Training
D. Communications Services.		
1) Communications Strategy:	a) Comprehensive program and implementation plan for an appropriate communications strategy.	Comm & P.R.
2) Publications and Other Media:	a) Designs, formats, etc., and an implementation plan for the production of various printed and audio-visual materials	Comm & P.R.
E. Staff Development and Related Training:		
	a) A training program and implementation plan.	Info & Training
F. Comprehensive, Integrated Implementation Plan:		
	a) A basic plan.	Comp. Plan
	b) An expanded plan which anticipates supplemental funding from USAID.	Comp. Plan
	c) A plan for program evaluation/modification at the end of year one.	Comp. Plan

Project Implementation Timetable

4/1 - 4/15	Organize for project implementation: (1) Engage full-time technical advisor and executive secretary (2) Establish and brief committees (3) Contract short-term technical advisors (4) Set up office logistics, etc.
4/16 - 6/3	Intensive survey, analysis, technical assistance: (1) Develop initial findings and recommendations for end-products (2) Prepare detailed workplan for balance of project
6/4 - 6/17	Prepare first draft comprehensive plan
6/18 - 6/30	Review, revise and final approval by Task Force Steering Committee
7/1	Submission of "PID" to AID/Haiti
7/2 - 7/14	AID/Haiti review and preparation of final (revised?) "PID"
7/15	Submission of final "PID" to AID/Wash.
7/16 - 7/28	AID/Wash. review of "PID" and initiate preparation of "PP" (project paper)
7/29	AID/Wash. response to "PID"

8/1 - 8/15	Prepare first draft PP
8/16 - 8/17	Review and approval by Task Force Steering Committee
8/20	Submission of "PP" to AID/Haiti
8/21 - 8/31	AID/Haiti review and preparation of final (revised?) "PP"
9/1	Submission of "PP" to AID/Wash.
9/2 - 9/14	AID/Wash. review
9/15	AID/Wash. response
9/16 - 9/30	Preparation of final detailed program implementation plan. (Either option "A" or option "B")

VI. BUDGET SUMMARY

A. TECHNICAL ASSISTANCE

One (1) Full-Time Technical Advisor

20 days/mo. x 6 mos. @ \$220/day	=	\$26,400	
Housing Allowance: 6 mos. @ \$1,000/mo	=	6,000	
Vehicle Allowance: 6 mos. @ \$500/mo	=	3,000	
Travel:		<u>1,275</u>	
Total			\$36,275

T.A. for Trade & Investment

12 days @ \$220/day	=	2,640	
12 days @ \$75/per diem	=	900	
Travel	=	<u>460</u>	
Total			\$ 4,000

T.A. for Investment Information

15 days @ \$220/day	=	<u>3,300</u>	
Total			\$ 3,300

T.A. for Communications

10 days @ \$220/day	=	2,200	
10 days @ \$75/per diem	=	750	
Travel	=	<u>850</u>	
Total			\$ 3,800

T.A. for Training

10 days @ \$220/day	=	2,200	
10 days @ \$75/per diem	=	750	
Travel	=	<u>425</u>	
Total			\$ 3,375

B. ADMINISTRATIVE STAFF

One (1) Executive Director

6 mos. @ \$500/mo. (Salary Supplement)			\$ 3,000
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One (1) Full-time Executive Secretary

6 mos. @ \$500/mo			\$ 3,000
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C. OTHER EXPENSES

Travel and Per Diem		\$ 8,870	
Telephone, Telex and Postage		\$ 3,000	
Word Processor		\$ 3,500	
Miscellaneous		<u>\$ 2,880</u>	

TOTAL USAID Grant \$75,000