



USAID | I-TRADE
FROM THE AMERICAN PEOPLE

INVESTMENT-TRADE AND ASSOCIATION DEVELOPMENT PROJECT

FINAL REPORT



Contract No. 521-C-00-07-00008-00

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FRONT COVER: Haiti's Minister of Commerce and Industry reviews the newly computerized commercial registry.

ACRONYMS

AGD	<i>Administration Générale des Douanes</i>
APN	<i>Autorité Portuaire Nationale</i>
CFI	Center for Investment Facilitation
CNC	<i>Conseil National de la Compétitivité</i>
CTMO-HOPE	<i>Commission Tripartite de mise en œuvre de la loi HOPE</i>
FIAS	Foreign Investment Advisory Service
GTC	Working Group on Competitiveness
HOPE	Hemispheric Opportunity Partnership Encouragement Act
IF	Integrated Framework
I-TRADE	Investment-Trade and Association Development Project
MCI	Ministry of Commerce and Industry
NPC	new proposed contract
OTF	On the Frontier Group
Primature	Office of the Prime Minister

EXECUTIVE SUMMARY

The Haiti Investment-Trade and Association Development (I-TRADE) project was launched on September 28, 2007. The initial purpose of Haiti I-TRADE was to address the underlying public and private sector enabling environment, which will allow Haitian enterprises to invest and trade efficiently and effectively by:

- Giving the government of Haiti the capacity to negotiate effectively in the competitive global market
- Building public sector institutional and ministerial capacity in areas related to investment and trade policy
- Addressing weaknesses at the level of private sector institutions

Although the project remained true to this original purpose, the areas of focus and interventions used to achieve these results evolved during its two years of implementation.

A contract modification reflecting significant changes to project activities, technical staff, and the performance monitoring plan was signed on August 19, 2009. The previous two technical positions on I-TRADE (private sector specialist and trade policy advisor) were eliminated, and four additional positions were created. The four new positions were: one expatriate (deputy chief of party) and three local staff (legal-advocacy specialist, senior technical advisor, and an investment facilitation advisor).

The reoriented project focused more on improving Haiti's Doing Business indicators, supporting the Hemispheric Opportunities through Partnership Encouragement Act (HOPE) Implementation Commission (*Commission Tripartite de mise en œuvre de la loi HOPE* or CTMO-HOPE), and the Association of Haitian Industries in their effort to capitalize on HOPE II legislation. I-TRADE also planned to support the implementation of a permanent *Conseil National de la Compétitivité* (CNC).

On October 30, 2009, the U.S Agency for International Development notified I-TRADE that it was being terminated for convenience on December 31, 2009.

During its 28-month life, the I-TRADE project had a significant impact on the way Haiti does business, including:

- The time to register a business in Haiti was reduced from a 2008 baseline of 202 days to 75 days, representing a 63-percent reduction from the baseline.
- I-TRADE supported lasting structures to build political will for a competitive Haiti.

Since August 2009, I-TRADE has devoted the majority of its resources to the Doing Business - Starting a Business component, where it has achieved strong results. The credibility in Haiti of these results has been enhanced by participation in the I-TRADE project of an important community of lawyers and notaries.

Within this activity area, I-TRADE wishes to highlight the following:

- An automated the Commercial Registry, accessible to all on the Internet, was inaugurated on September 25, 2009.
- Lawyers and notaries participated in Project S.A.75, a program to reduce the number of days for incorporation of a company to 75 days, which the Ministry of Commerce and Industry (MCI) publicly pledged to fully implement.

The other area major accomplishment related to bolstering the political will in Haiti for private sector development. Here, I-TRADE helped promote a convergence between the three public-private partnerships: CTMO-HOPE, the Center for Investment Facilitation (CFI), and the Working Group on Competitiveness (GTC). The latter is a presidential commission initiated by I-TRADE. The Office of the President became more involved with investment (CFI in particular), and discussions started on the important topic of continuing the GTC with a permanent National Competitiveness Council.

Overall, I-TRADE demonstrated significant progress toward its goal of supporting the public and private sectors' efforts to promote investment by improving the business environment in Haiti. The first year of implementation was predominantly a period of diagnosis; the last year focused more on achieving concrete results.

SECTION I: TECHNICAL IMPLEMENTATION

I-TRADE had a two-step approach to improving Haiti's performance in the "Doing Business" report. The first step was to achieve impact through mapping the processes and identifying reasonably achievable efficiencies through reduction of unnecessary steps via consultative processes with the groups involved. The second was to communicate this impact to the World Bank's Doing Business team by ensuring that stakeholders (many of whom participate in the "Doing Business" report data collection) were kept up-to-date on recent reform activities as participants in I-TRADE activities and through targeted communications interventions.

The World Bank's Foreign Investment Advisory Service (FIAS) published its most recent reform memorandum on Haiti in June 2009. The memorandum served as a platform for coordination between the government of Haiti, FIAS, and I-TRADE on efforts to improve Haiti's business enabling environment.

Result 1: Improving Haiti's Doing Business Performance

I-TRADE began the process of mapping its three key indicators: *Starting a Business*, *Trading across Borders*, and *Dealing with Construction Permits* by mid-July 2009. This took each process sequentially and produced publishable maps of the steps involved for each one. These maps were used to identify quick wins for achieving impact and negotiating them with relevant parties. Then, a report identifying next steps would have been drafted, validated with local partners, and communicated widely to stakeholders. As of October 15, 2009, *Starting a Business* was completed, and I-TRADE was midway through *Trading across Borders*, when it was notified to stop implementing activities.

Experience demonstrates that, although progress in indicators and steps may be made, a critical hurdle remains communicating the progress to FIAS, directly, but more importantly, through its local survey participants and contributors. I-TRADE identified the majority of contributors and has targeted them with articles in major newspapers, invitations to project events, and information sessions. I-TRADE also helped draw the link between an improved business environment and the success of the contributors' businesses. During the last week of September and in preparation for a coming investment mission led by former U.S. President Bill Clinton, I-TRADE had two significant events that were the culmination of several months of work:

- Project S.A. 75, an event demonstrating that relatively simple steps could be taken to reduce the number of days to register a business in Haiti from the 2008 baseline of 202 days to the current 75 days (see Result 3, below)
- The inauguration event for the newly automated Registry of Commerce (Also see Result 3, below)

Both events involved participation of a significant number of senior lawyers; notaries were enthusiastic about the results and the possibility to finally significantly reduce

incorporation delays and improve the reliability of the system. They were the first events in I-TRADE's World Bank Doing Business workshop series.

Reform Structure. Haiti still lacks a permanent reform structure to ensure that quick wins and reforms are properly sequenced, carried out, and communicated. I-TRADE has been involved since late 2007 in discussions about formation of a permanent CNC. I-TRADE's work generating political will for reform contributed to creation of the GTC and to financing On the Frontier Group's (OTF's) Shared Vision and Sector Selection project. A well-operating CNC, together with a rejuvenated Center for Investment Facilitation would go a long way toward ensuring that I-TRADE's successes are carried forward, and that the political will, generated during the project, is maintained, as governments and even the president change.

Throughout the period, though, there were occasional and sporadic efforts by the government of Haiti to achieve some improvements on the Doing Business Index. I-TRADE participated in all of them, generally in an administrative support capacity. The most successful such endeavor was known as the Primature (Office of the Prime Minister) Quick Win Committee in which the GTC, CFI, and senior Primature officers participated. This structure lasted from late March 2009 through June 2009. One result was formal delegation by the prime minister and the president to the minister of commerce and industry of the authority to approve new businesses. By eliminating the need for signatures by the prime minister and the president, the average time to start a business has been reduced by 25 days.

Relationship with the World Bank. During the project, contacts were maintained between I-TRADE and the World Bank via Chemonics' Washington, D.C. office. The two FIAS officers dedicated to Haiti were invited to our September events in Port-au-Prince, but could not attend (other World Bank officers attended). Additionally, although FIAS has not completed any detailed assessment of Trading across Borders in Haiti beyond basic survey work, FIAS expressed interest in adopting I-TRADE's research on Trading across Borders to serve as its baseline.

Result 2: Strengthening Haiti's Private Sector Associations and Chambers

Association strengthening was one of the original foci of I-TRADE. Interventions were designed to develop the capacity of five select associations to manage and increase membership and advocate for improvements to the trade and business environment. After the August 2009 modification, the project focused more on the private sector as a whole and less on specific business associations. One exception was the Haitian Chamber of Commerce and Industry, which, because of its focus on decentralization, remained eligible for direct support from I-TRADE. As stated above, I-TRADE also engaged with the private sector through the OTF Group's Shared Vision Project, which is directly connected to the Working Group for Competitiveness (GTC) and development of a CNC. I-TRADE also generated private sector support in its business modernization endeavors: Project S.A. 75, streamlining customs procedures, developing the Hope Strategic Plan and getting the private sector involved with parliamentary consultations, legal reform agenda

for business, advocacy activities, and commercial treaty negotiations. This preparation was designed to feed into future advocacy efforts to promote the political will for reform.

Developing the Shared Vision and the Sector Strategy. The GTC, the Inter-American Development Bank, and I-TRADE collaborated on the Shared Vision and Sector Selection project for Haiti. This strategy document is now in its validation phase. On July 27, 2009, I-TRADE arranged for presentation of the draft final report to several members of Parliament. The presentation by OTF Group Managing Director Eric Kacou led to extensive discussion about the significance of the report findings. The Shared Vision project's Phase 1 is nearing its end. The main event of its closeout will be official presentation of the final report to President René Préal. This handover will be accompanied by a presentation of Phase 2, a request for his support, and media activities.

Phase 2 will involve development and implementation of strategies in the five selected sectors (fruits and tubers, livestock, tourism, business process outsourcing, and garments). Implementation of these strategies is expected to bolster the economy and create half a million jobs in the first three years of implementation. The formal process of identifying and securing financing for Phase 2 will begin after the closeout of Phase 1.

Result 3: Reducing Administrative Obstacles to Doing Business

With USAID support, the government of Haiti created the Center for Investment Facilitation in 2006. I-TRADE used the CFI and the Ministry of Commerce and Industry as the focal point for its approach to Result 3.

Building Investment Capacity. CFI faced a number of growing pains, its greatest challenge stemming from a mismatch between its resources and its work plan. Minister of Commerce M. J. Garnier indicated an interest in early 2009 in revitalizing the institution. Several measures were taken, including holding CFI board meetings at the Office of the Prime Minister and, more recently, at the National Palace, in the presence of the president (it was decided on October 21 that the board would meet weekly until the end of 2009).

I-TRADE was working with CFI to position it to be able to:

- Raise awareness of the importance of the Doing Business indicators at high levels of the government
- Open CFI offices in three major regional cities, through local chambers of commerce or through a well-represented commercial bank
- Strengthen CFI institutionally and develop a better match between its needs and resources

Automated Commercial Registry. In March 2008, I-TRADE identified the need for streamlining the business registration process through an in-depth study of the past five-year registration period and computerization of the Ministry of Commerce's registry of companies. On July 15, 2009, I-TRADE completed the data-entry portion of the computerization process. To realize this achievement, I-TRADE worked with students at the *Ecole Supérieure d'Infotronique*. The minister of commerce inaugurated the

Commercial Registry research tool on September 25, 2009 at the Karibe Convention Center. The Commercial Registry — 26,000 corporations, commercial names, patents — is today available via the CFI Web site. Among key advantages are: time saved, a significantly higher quality of the information available, and increased transparency of the process. The further technological advances available can lead to an online registration process.

Project S.A.75. Following completion of its mapping of Starting a Business. I-TRADE had three objectives:

1. Disclose, in detail, the process for improving the Doing Business indicator
2. Present a series of activities that, if implemented, would save 127 days of the overall process of 202 days
3. Use this significant result to start its Doing Business seminar series, the communications vehicle for reforms

In performing in collaboration with the Ministry of Commerce) and CFI (including invitations and logistics), I-TRADE has become a valued partner of MCI.

Implementation of Project S.A. 75 eventually took place on November 23 after a memorandum of understanding was signed by MCI, CFI, *Presses Nationales*, and I-TRADE (See Annex B for the newspaper announcement). Implementation involved the following improvements:

- *Presses Nationales* will now invoice before publishing the Articles of Association and the fee will be based on a new standard price schedule.
- A new standard form will be used and signed for accountability by the issuing lawyer.
- A pre- and post-screening process will be used by CFI to ensure quality and consistency.

I-TRADE designed the forms, wrote the notice, paid the printers, and trained the participants on the process.

Result 4: Enacting More Business- and Trade-Friendly Legislation

For Haiti to capitalize on its natural competitive advantages it must adopt a more business- and trade-friendly legislative framework. I-TRADE worked on several laws, including the Customs Code and the Business Anti-Harassment (AT) Law. The project also developed a strong understanding of parliamentary processes and knowledge of key individuals. However, through consultations with USAID, we substantially reduced or eliminated activities in this result area.

Result 5: Strengthening Institutional Capacity to Move Goods

The I-TRADE approach to strengthening the institutional capacity to move goods involved several activity areas including:

- Improvements in the Doing Business - Trading across Borders indicator (mapping and review of process reengineering opportunities), with its ramifications for the *Administration Générale des Douanes* (AGD) and *Autorité Portuaire Nationale* (APN)
- Particular focus on goods movement under the HOPE II program for the garment industry and for the mango export business
- Developing a relationship with AGD, with the possibility of providing input and guidance on reforms
- Revisiting our relationship with APN and the Maritime Security Alliance for Haiti, with the idea of playing a more effective liaison role supporting International Port Security Program-type recommendations from the U.S. Coast Guard

Trading Across Borders. To ensure participation of all key players, the Trading across Borders mapping was conducted in partnership with the Primature. Work started on October 1, 2009. Mapping involved interviews and discussions with all sectors involved in importing and exporting. It was completed during the last week of November 2009.

Movement of goods in the HOPE II program and other key sectors. At the time of closeout notification, I-TRADE was conducting detailed path-tracking for garment and mango exports with CTMO-HOPE and lead producers, respectively. The garment sector report is complete, and a baseline assessment was produced encapsulating this knowledge (for further information, please see success story, Understanding the Garment Industry, in Annex B).

Result 6: Improving the Government's Ability to Conduct Trade Negotiations

I-TRADE had several activities in this area (training sessions and informative workshops for other public and private participants in international trade), fully in-line with its contractual obligations. However, the Office of Coordination of Trade Agreements, Haiti's arm for international commerce, was reluctant to receive direct support from I-TRADE and, as a result, it was decided with USAID that this result would be substantially changed or eliminated as the project continued.

Result 7: Leveraging Other Donor Activities and Pursuing Unexpected Opportunities

I-TRADE worked with a variety of stakeholders to pursue the OTF Group's Shared Vision and Sector Selection exercise. Additionally, I-TRADE provided support to the GTC in the hope of setting the stage for the creation of a formal National Competitive Council.

Taking Advantage of the HOPE II Legislation. On August 4, 2009, I-TRADE delivered and presented a strategic plan to the *Association des Industries d'Haiti*/CTMO-HOPE. This plan is a comprehensive roadmap to sector development, based upon a multi-sector strengths, weaknesses, opportunities, and threats analysis of the Haitian garment industry, a major target of the HOPE II legislation. According to the plan, an

industrial investment of \$1.1 billion would lead the Haitian garment sector to create 175,000 jobs and produce \$1.6 billion in sales/added value annually for the next five to eight years. This would represent:

- Seven times more direct workers in the sector
- 12 times the current sales/added value in the sector

The reaction from *Association des Industries d'Haïti*/CTMO-HOPE executives was favorable, and a letter of thanks (see Annex C) outlining the need for follow-up was received on August 24.

SECTION II: CROSSCUTTING ACTIVITY

Communications

As discussed in the previous section, external communications were critical for improvement of Haiti's standing in the Doing Business index. Relationships between I-TRADE and FIAS were established, and I-TRADE closely and effectively worked with the Ministry of Commerce and Industry to improve Haiti's performance. During the last two weeks of August 2009, the I-TRADE team spent significant resources developing a communications plan with strong and focused messages. The plan was only partially implemented due to lack of funds.

To date, I-TRADE's principal communication tools have been:

- *Nine e-bulletins and six success stories submitted to USAID.* The distribution list for e-bulletins progressively increased in size, reaching 625, with targeted segments gradually added.
- *The local press.* *Le Matin* newspaper in particular systematically provided coverage of all major events organized or sponsored by I-TRADE. However, the September 25 Registry of Commerce and the September 29 Restitution of Project S.A.75 were covered by all newspapers and several TV stations.
- *PartnersNet.* PartnersNet was an innovative and collaborative effort among USAID-funded economic growth projects. For further information, please refer to the success story, Partnering for Efficiency, in Annex B.

Fostering Public-Private Dialogue

The renewal of the relationship with CFI, especially after refocusing I-TRADE's activities, and the presence of an embedded consultant since early October allowed I-TRADE to provide better support to this institution in support of public-private dialogue. I-TRADE partnered with CFI on a number of quick wins. Many are discussed in Section I, but below are some additional achievements worth noting:

- *Automation of Registry of Commerce.* CFI and I-TRADE made the Registry of Commerce available to all by developing an interactive database of corporation, patent, and commercial names. This registry is available on the CFI Web site, speeding up the incorporation process, increasing transparency, and opening the door to further improvements, even online registration.
- *Standard articles of association.* These articles will be available at the Registry of Commerce and online on the CFI Web site (implementation anticipated by January 1, 2010).
- *Tax window at MCI.* The construction/remodeling aspects of the task are completed; there are no longer concerns from the Ministry of Finance as to the desirability of the plan; implementation is expected any time. This will be a small office where two types of transactions can take place: those requiring approval from the main office pre-approved for release the following day, and payments of corporate-related fees,

such as registration and authorization fees (Implementation date expected January 1, 2010).

- *Quitus fiscal*. Industrial enterprises need no longer to renew their *quitus fiscal* quarterly. It is now an annual procedure. Renewal may start 15 days ahead of expiration and the *quitus fiscal* will remain valid for 15 days after expiry. Therefore, all corporations have a 30-day window to accomplish a transaction that lasts two weeks.
- *Permanent secretariat of Commission Interministérielle pour l'Investissement*. Transferring the permanent secretariat from the Ministry of Finance to the CFI was an important objective of CFI/I-TRADE during the past year, as it will professionalize the function and contribute to accelerate the approval of benefits under the Investment Code.

I-TRADE generated a strong momentum that has connected business associations and chambers to their public counterparts at the highest level of decision-making and will ensure that the objective of generating an appropriate business climate is created and results in increased investments.

SECTION III: FINANCIAL PROGRESS REPORT

Expenditures by Line Item

Below is an estimated* summary of I-TRADE expenditures through December 31, 2009.

Contract Ceilings Summary				
	Contract	Actual	Remaining	Percent Used
Direct Costs	3,166,756	2,216,421	950,335	70%
Indirect Costs	1,414,114	873,990	540,124	62%
Fixed Fee	273,471	183,442	90,029	67%
Total	4,854,341	3,273,853	1,580,488	67%
Obligation	3,273,853	3,273,853	0	100%

**The December 2009 financial books for I-TRADE closed on December 31, 2009. Hence there are some residual billing for costs incurred prior to December 31, 2009, which will be invoiced in a subsequent invoice. This table is an estimate of final costs based on actual and projected billings for these costs.*

The overall average monthly burn rate for the length of project is currently \$121,254.

ANNEX A: PROGRESS TOWARD RESULTS

Deliverable/Milestone	Due Date	Progress
Result 1: Improving Haiti's Doing Business and Economic Freedom Performance and Ranking		
Analysis of Economic Freedom rankings for all categories	March 2008	Done
Baseline and updates on progress in selected Economic Freedom categories	March 2008	Done
Analysis of Doing Business rankings for all categories	8 weeks after FIAS work starts	FIAS team trip materialized 1 st week of April. Deliverable postponed to September under new proposed contract (NPC).
Baseline and updates on progress in selected Doing Business categories	8 weeks after FIAS work starts	Done
Result 2: Strengthening Haiti's Private Sector Associations and Chambers		
Assessment of business associations and women's associations; selection and justification of beneficiary associations	March 2008	Done
Policy agenda outlined arising from public/private seminars	June 2008	Done
Baselines and updates on new business activities related to other USAID programs on investment and trade	Quarterly/starting Sept. 2008	Done
Reports on women-focused activities developed and disseminated	Quarterly	Done
Agreements signed with relevant USAID partners and NGOs on at-risk youth and jobs	Feb. 2008	Done
Baselines and updates on collaboration with USAID at-risk youth and job-creation programs	Quarterly	Done
Agreements developed with other USAID partners for private sector involvement and support for "hot spot" programs (JOBS)	Feb. 2008	Done
Agreements developed with NGOs for collaboration between businesses and NGO programs targeting at-risk youth (IDEJEN)	March 2008	Done
Organizations prioritized for assistance, nature of assistance determined	April 2008	Done
Public information campaign strategy defined	May 2008	Done
Two policy items selected from public/private seminars for ongoing advocacy	June 2008	Done

Deliverable/Milestone	Due Date	Progress
Seminar on importance of trade conducted for at-risk youth	Dec. 2008	Done
NGOs representing at-risk youth identify and advocate at least one trade/investment-related issue (after participating in trade forums)	March 2009	Done (May 31, 2009)
HCCM operationalized (defined, accepted, structured, inaugurated)	Sept. 2009	President Préval decreed the Working Group for Competitiveness in January 2009, the first phase of HCCM.
Result 3: Reducing Administrative Obstacles to Doing Business		
Tracking system for improvements in rankings developed	16 weeks after FIAS work starts (CM 6/23/08)	FIAS team trip eventually materialized 1 st week of April. This deliverable postponed to September under new proposed contract (NPC)
Inventory developed of registered businesses and new investors	June 2008	Done
Survey of private sector developed and carried out annually	Annually/Sept. 2008	Done for 2008
A minimum of two broad colloquiums held under the auspices of the CFI on investment in Haiti	Biannually	Done for 2009
CFI policies and procedures manual development	Sept. 2008	In request FO 013a, submitted Jan. 19, 2009, we requested this be re-scheduled for June 30, 2009 to allow for strategic work planning to take place for CFI to clarify CFI's mandate and resources. Rescheduled to Sept. 30 under NPC.
"Investor's roadmap" completed	Aug. 2008	Investment Code Procedures Manual – Scheduled Dec. 31, 2009
A series of "how tos" related to investment procedures developed	1 st due by Sept. 2008	1 st one done; 2 nd one ready for printing
CFI Web site developed	Jan. 2009	Inter-American Development Bank is working with CFI on further developing its Web site; COTR to suspend this milestone.
Study tour or teleconference held	Sept. 2009	Replaced by roundtables
Result 4: Legislation More Conducive to Modern Business Practices and International Trade		
Prioritized list of key legal issues affecting the economy	June 2008	Done
Work plan developed for moving legislative agenda forward, including hearings	June 2008	Done, being revised
A prioritized list prepared of the key legal issues that should be addressed to allow Haiti to become more competitive in world markets and grow its economy	June 2008	Done

Deliverable/Milestone	Due Date	Progress
Working group established	Sept. 2008	Done
Copy of law(s) with analysis	Dec. 2009	Too early at this stage to determine which law (AT law, electronic proof, credit bureau, or Customs Code)
Trade seminar with Parliament	June 2009	Done
Result 5: Strengthening Institutional Capacity to Move Goods		
Port security work plan developed	June 2008	Done
Work plan developed for Customs assistance	June 2008	Done
Work plan developed and agreed to by institutional stakeholders	June 2008	Done
Work plan developed and agreed to by AGD in cooperation with the U.S. Customs and Border Protection Agency	June 2008	Done
Assessments of no more than two non-compliant ports (taken from government priority list) undertaken	No later than March 2009	Suspended pending guidance from Coast Guard on APN needs
Customs harmonization measure(s) reported on	Quarterly/starting June 2008 (CM	Submitted updates quarterly
Copy of annual security review	Annually/Sept. 2008	Suspended pending Coast Guard assessment
Trade and investment environment training delivered	Annually/Sept. 2008	Done
Completion of review by certified firm	Annually/Sept. 2008	Suspended pending Coast Guard assessment
Result 6: Improving the Government's Ability to Conduct Trade Negotiations		
Training plan developed with progress reports	June 2008	Done
Analysis and recommendations prepared on Haiti's priority needs for negotiations	June 2008	Done
If Integrated Framework (IF) is pursued: work plan developed with donor coordination	June 2008	Suspended by World Bank
Progress report on trade agreements	Quarterly/starting June 2008 (CM 6/23/08)	Submitted updates quarterly
General training events held that relate to improving the trade and investment environment	Annually	Done

Deliverable/Milestone	Due Date	Progress
Technical training program developed and conducted on trade-related technical issues important/most relevant to Haiti. Issues may include market access, trade in services, standards, sanitary and phyto-sanitary measures, TRIPs, etc.	June 2008	Done
In collaboration with the government and other donors, design a work plan for taking Haiti through each step of the IF process (if government pursues IF process)	June 2008	Suspended by World Bank
Trade and investment environment training program starts	Sept. 2008	Done
Negotiation strategy document prepared that adequately reflects awareness of trade technical issues and stakeholder input	Sept. 2008	Done
Identification of opportunities for trade agreements	Sept. 2008	Done
Inception of diagnostic trade integration study process (if government pursues IF process)	Dec. 2009	Suspended by World Bank
Completion of diagnostic trade integration study (if government pursues IF process)	Sept. 2010	Shared Vision and Sector Selection exercise took the place of the diagnostic trade integration study.
Result 7: Leveraging Other Donor Activities and Pursuing Unexpected Opportunities		
Functioning and sustained tracking system for trade-related functions in Ministry of Commerce developed	June 2008	Researched commercial statistics at request of stakeholders; in discussions with the MCI on automation of its registry system.
Work plan for support to related USAID projects	March 2008	Done
Letter of intent sent to CTMO-HOPE to outline areas of collaboration	March 2008	Done
An international-standard system for visas, rule-of-origin, and other trade-related functions is in place at the MCI	June 2008	ELVIS
Training event held on HOPE	June 2008	Done
Establish process for ongoing monitoring of opportunities for collaboration with ministries on USAID projects and stakeholders	June 2008	Done
Working meetings with Kata chief of party	Start by July 2008	Done
Working meetings with <i>MarChe</i> chief of party	Start by July 2008	Done
HOPE: Strategic planning process completed (for adoption by CTMO-HOPE)	Dec. 2008	Done

ANNEX B: SUCCESSES

During its 28-month implementation, I-TRADE produced a number of successes. This annex contains seven of those stories, which were developed according to USAID guidelines.

- Launching of USAID New Project: I-TRADE
- HOPE Inspired Public-Private Dialogue
- Formalizing the Business of Haiti
- Understanding the Garment Industry
- Working for a Competitive Haiti
- Partnering for Efficiency
- Modernizing Haiti's Business Registry



USAID | HAITI

SUCCESS STORY

Launching of USAID new project: Investment-Trade & Association Development, I-TRADE

How to establish a favorable investment climate in Haiti?



Partial view of the assistance at the I-TRADE launching including Minister of Commerce, Minister of Finance as well as private sector representatives.

Event Photo Credit

From its very start, I-TRADE establishes the basis for future cooperation amongst different sectors ...

U.S. Agency for International Development
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On February 25th, 2008, USAID launched a new project to establish a favorable investment climate in Haiti: Investment-Trade & Association Development, I-TRADE that will lead to securing new investment, hence economic growth and increased employment, all required to achieving stability and better living conditions for Haitians.

I-TRADE is a facilitation program implemented to strengthen business associations, contribute to the modernization of the legal business environment and collaborate with other donor activities, through support and encouragement of dialogue between the public and private sectors.

After three months of intensive preparation, building the team, finding adequate office space and making contacts with all relevant stakeholders in the administration and the private sector, I-TRADE was ready to formally launch the project on February 25th, 2008. 150 guest, including the Prime Minister, the Minister of Finance, the Minister of Commerce, representatives of Haitian Parliament, senior members from the private sector as well as the civil society and media, the US Ambassador, and a large representation from the international community, share the same hopes with respect to the positive impact of I-TRADE.

"We, from the public sector, are receptive to and welcome any attempt to reinforce the partnership and cooperation links with actors and organizations in the private sector....Help us raise the perception of Haiti in face of the rest of the World. Bon travail et bon succès à I-TRADE" –Prime Minister J.E. Alexis

A success of its own, this launch ceremony represents a highly positive step toward the actions and dialogue required to fulfill the project's objectives. From its very start, I-TRADE has established the basis for future cooperation amongst various sectors.



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SUCCESS STORY

Launching of USAID new project: Investment-Trade & Association Development, I-TRADE

How to establish a favorable investment climate in Haiti?



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I-TRADE is a facilitation program implemented to strengthen business associations, contribute to the modernization of the legal business environment and collaborate with other donor activities, through support and encouragement of dialogue between the public and private sectors.

After three months of intensive preparation, building the team, finding adequate office space and making contacts with all relevant stakeholders in the administration and the private sector, I-TRADE was ready to formally launch the project on February 25th, 2008. 150 guest, including the Prime Minister, the Minister of Finance, the Minister of Commerce, representatives of Haitian Parliament, senior members from the private sector as well as the civil society and media, the US Ambassador, and a large representation from the international community, share the same hopes with respect to the positive impact of I-TRADE.

"We, from the public sector, are receptive to and welcome any attempt to reinforce the partnership and cooperation links with actors and organizations in the private sector....Help us raise the perception of Haiti in face of the rest of the World. Bon travail et bon succès à I-TRADE" –Prime Minister J.E. Alexis

A success of its own, this launch ceremony represents a highly positive step toward the actions and dialogue required to fulfill the project's objectives. From its very start, I-TRADE has established the basis for future cooperation amongst various sectors.



CASE STUDY

Formalizing the Business of Haiti

Eliminating unnecessary steps in starting a business makes it easier for entrepreneurs to enter the formal sector.



Prime Minister Michèle Pierre-Louis addressing the USAID-supported Working Group on Competition.

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CHALLENGE Haiti has a very large informal business sector given the size of its economy. When a business is not registered, the state cannot properly account for the amount and types of activities going on in its private sector. This means that the employees and owners of the businesses lose out on government programs that support the formal business sector, and the state loses out on tax revenue and the ability to set standards for products sold within its borders. Helping businesses to formally register can benefit all participants in the economy and ensure standards for public safety. In 2007, USAID launched the Investment-Trade and Association Development project to make it easier for businesses in Haiti to participate in the formal business sector.

INITIATIVE The World Bank in its 2008 *Doing Business* report found that in Haiti it took 202 days to start a business. Haiti was ranked 170 out of the 178 countries in the survey. USAID has been working with the Government of Haiti to streamline this process and add transparency. Part of this process is identifying unnecessary steps and eliminating them. USAID identified that one unnecessary step was a requirement that the offices of the Haitian president and prime minister review each application. The Ministry of Commerce and Industry was already conducting a thorough evaluation of the applicant businesses, making these steps redundant. In May 2009, the president and prime minister agreed to delegate their authority to review applications for new companies to the Ministry of Commerce, thereby eliminating this step.

RESULTS This action has shaved approximately 21 days off of the time it takes to register a business. By reducing the amount of time it takes entrepreneurs to register their businesses, USAID and the Government of Haiti are also reducing the costs of doing business. In turn, this will allow more businesses to participate in the formal sector and have access to the rights and duties of being an official business.



CASE STUDY

Understanding the Garment Industry

The USAID-funded foundational study of the Haitian garment industry provides a base of knowledge for stronger public policy.



The garment industry pays on a per-unit basis meaning productive workers can earn well above the minimum wage.

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CHALLENGE The garment industry was the conduit of assistance from the United States after Haiti was severely impacted by hurricanes in 2006-2007. Through the Hemispheric Opportunity for Partnership Encouragement (HOPE) act, Haiti was provided with trade-based assistance to help its people and economy recover. However, the industry was not able to mobilize within the time horizon of the legislation to take advantage of the greater market-access it was provided. This led to a reformulated HOPE II that created a larger window of time for the garment industry to react. One of the major challenges to targeting this sector has been that there is no clear knowledge of the state of this industry.

INITIATIVE The USAID-funded Investment-Trade and Association Development (I-TRADE) project set out to build a foundational assessment of the Haitian garment industry to increase the impact of HOPE II and to provide the Government of Haiti with important information about the sector to guide its public policy decisions. This report was undertaken in April 2009. Additionally, the I-TRADE project undertook development of a sector strategy to help Haiti plan out how it would like to see this industry grow over time.

RESULTS The baseline-assessment report was finalized in June 2009 and the garment industry is now the most highly-studied industry in Haiti. The report's publication coincided with the eruption of a conflict in Haiti over a proposed increase to the minimum wage in Haiti. The government needed information on how the policy alternatives would affect worker productivity and this analysis of the garment industry proved critical to the Haitian public debate on the minimum wage. Having detailed data about this industry allowed public officials to understand the real effects that different increases might have on the economy, and this helped the country to arrive at a compromise that takes into account the needs of the Haitian workers as well as the Haitian business owners.



SUCCESS STORY

Working for a Competitive Haiti.

The first step to a stronger Haiti is getting the political and business leaders working toward a common vision.



Arrival of Haitian Prime Minister Michèle Pierre-Louis shakes hands with members of the Working Group on Competition at their inaugural meeting.

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Years of conflict in Haiti have undermined many of the key elements that allow Haiti to compete in the world economy. Unsuccessful reform efforts resulted in reform fatigue and generated cynicism. Real economic development would only be possible if the right stakeholders from both the public and private sectors be brought together. However, Haiti was lacking a safe and open space for dialogue relating to issues or constraints faced by businesses. USAID recognized this as an opportunity and promoted the idea of a cross-sectoral working group on competition.

In March 2008 in collaboration with the InterAmerican Development Bank, USAID began to engage stakeholders in national councils on competition in order to have a formal avenue for coordinating a vision for Haiti's economic future. While engaging the private sector in this manner, USAID also participated actively in the sector roundtables coordinated through the Haitian Ministry of Commerce and Industry.

As a result of this work, on January 5, 2009, the Haitian president officially formed the Working Group on Competition, a public-private consortium with a mandate to develop a unified strategy for economic development in Haiti. The USAID-funded Investment-Trade and Association Development project was selected to act as the secretariat for this new group, helping to bring representatives of all sectors to the table.

In its first six months, the Working Group on competition has already produced a number of successes through its Quick Wins Committee. It has managed to generate a strategy for developing the garment industry in Haiti and has begun streamlining the process for starting a new business. The working group is now providing an official basis for bringing the public and private sectors together to work for a more competitive Haiti.



USAID
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PROGRAM SUB-BRAND
ASK YOUR MISSION FOR GUIDANCE

PHOTO & CAPTION

Partnering for Efficiency



Monthly meeting of chiefs of party from the USAID-funded projects helping to reform public policy in Haiti.

USAID is partnering with the Government of Haiti on bilateral initiatives to help Haiti progress on a number of fronts. In order to maximize the impacts of these projects it is critical that there be a high level of coordination and information sharing. Without such coordination, each project risks duplicating the efforts of other projects. Also, projects would not be able to leverage each other's resources.

In order to ensure that American assistance to Haiti is effective and efficient, PartnersNet was created. PartnersNet is a monthly round-table discussion during which the chiefs of party of the various USAID/Haiti projects meet to discuss their activities and find ways to collaborate and share resources. Today, PartnersNet is now in its second year.

According to Chief of Party Thierry Bungener: "Working with PartnersNet saved us hours and hours of work. Through Sunny Hart (Parliament Reform Project), we were able to obtain access to the Parliament we could not have had on our own."

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BEFORE & AFTER Modernizing Haiti's Business Registry

In business, time is of the essence.

USAID worked with the Haitian Ministry of Commerce and Industry (MCI) to computerize Haiti's commercial business registry. This process will improve the capacity of MCI to manage information, particularly with respect to name searches, and reduce registration costs for new businesses. The computerized registry will allow for easy generation of commercial statistics, which was effectively impossible previously. This will help to increase transparency in the registration process and is the first step to allowing remote access and decentralizing the registration process to other business centers in Haiti. Currently, business registration is only available in Port-au-Prince. The improvement to business registration is part of a larger effort by the MCI to improve the time required and the cost of starting a business in Haiti.



BEFORE The Haitian Commercial Registry used to be handwritten meaning that verifying business names was an excessively time-intensive process.



AFTER Through USAID's assistance, Haiti's commercial registry is now automated, allowing for immediate verification of available commercial and corporate names with greater certainty.

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ANNEX C: LETTER OF THANKS AND NEWSPAPER ANNOUNCEMENT

ASSOCIATION DES INDUSTRIES D'HAÏTI
Reconnue d'Utilité Publique

Pétion-Ville, le 24 août 2009

Monsieur Thierry Bungener
Directeur de Projet
I-Trade
En ses bureaux.-

**Objet : Processus de Plan Stratégique
Demande de continuation de son rôle de facilitateur par I-TRADE**

Cher Monsieur Bungener,

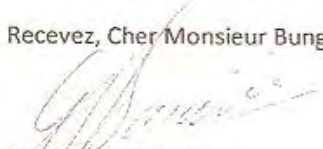
Je me dois de vous remercier ainsi que l'équipe d'I-TRADE et son consultant Mr. H. Tippenhauer pour la facilitation d'un Plan Stratégique pour HOPE II, réalisé à la suite de notre demande de décembre dernier, et reçu avec beaucoup d'intérêt de notre groupe de travail réuni en vos bureaux le 5 août dernier.

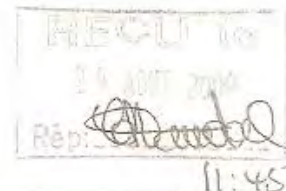
Sur la base de ses conclusions et de la manière participative dont il a été construit, c'est un travail très important qui va nous permettre de progresser immédiatement. Il faut maintenant pouvoir utiliser la matrice *Stratégie / sous-stratégies / activités / responsabilités / dates* pour remonter auprès des participant aux différents workshops, tout en ciblant d'autres qui peuvent maintenant être intégrés dans le processus. L'idée est d'arriver auprès de ces intervenants qui sont déjà intéressés et de continuer le *buy in* avec eux de manière à les amener progressivement à prendre des engagements dans leurs domaines respectifs.

Lorsqu'un premier workshop de cette nature sera réalisé et que nous disposerons d'un document suffisamment étoffé d'engagements, nous entrevoyons la possibilité d'une plus grande manifestation dans le cadre de laquelle seraient présentés le Rapport Carana, le Plan Stratégique I-TRADE et peut-être le rapport sur lequel nous travaillons aujourd'hui avec Nathan, autant d'études qui se renforcent tout en ayant un rôle différent. Entre temps, des présentations plus sélectives pourront être données à de petits groupes comme la Presse, certains parlementaires, etc.

Nous serions reconnaissants à I-TRADE de bien vouloir procéder avec ces phases d'ouverture / restitution, première étape requise pour la mise en application du plan.

Recevez, Cher Monsieur Bungener, l'expression de nos meilleurs sentiments.


Georges B. Sassine
Président





A V I S

La Direction Générale du Ministère du Commerce et de l'Industrie avise le Public en général, les Entrepreneurs, les Avocats et Notaires en particulier que, suite à un protocole d'accord conclu le 27 octobre 2009 entre le Ministère du Commerce et de l'Industrie, le Centre de Facilitation des Investissements, les Presses Nationales d'Haïti et USAID/I-TRADE, dans le cadre du projet «S.A.75» visant la réduction des délais de formation des Sociétés Anonymes, il a été décidé qu'à compter du 23 novembre 2009, les formalités suivantes entreront en vigueur:

1 DÉPÔT DES DEMANDES D'ENREGISTREMENT DE LA SOCIÉTÉ AU CFI

Le dépôt des demandes d'enregistrement de sociétés en trois (3) exemplaires se fera au comptoir de service à la clientèle du Centre de Facilitation des Investissements (CFI) sis au #8 de la rue Légitime, Port-au-Prince, au local du Ministère du Commerce et de l'Industrie.

2 STANDARDISATION DES DEMANDES D'ENREGISTREMENT

Toute demande d'enregistrement de société et de nom commercial se fera en soumettant le «Formulaire Officiel d'Enregistrement de Sociétés» dûment rempli et devra être accompagnée d'un «Rapport de Recherche de Nom» généré par l'Outil de Recherche du Registre du Commerce (ORRC). Le Formulaire Officiel d'Enregistrement de Sociétés et le Rapport de Recherche de Nom peuvent être imprimés à partir de l'adresse Internet suivante: www.cfihaiti.net, ou sont disponibles au comptoir de service à la clientèle du CFI.

3 PAIEMENT PRÉALABLE DES FRAIS.

Toute demande d'enregistrement de: a) Société anonyme doit être accompagnée du paiement des frais de publication par chèque certifié ou de direction émis à l'ordre des PRESSES NATIONALES ou de la preuve du dépôt/virement bancaire au compte de la dite institution selon le tarif en vigueur pour les sociétés soient:

- 1 à 9 pages: 5,000 Gdes
- 10 à 25 pages: 20,000 Gdes
- 26 pages et plus: 35,000 Gdes

(Pour un traitement express: cette tarification double)b) Nom commercial doit être accompagnée d'un chèque certifié de Cent Soixante Trois gourdes (Gds163.00) émis à l'ordre de la DIRECTION GENERALE DES IMPOTS. Pour plus de renseignements sur ces nouvelles mesures adoptées prière de visiter le site www.cfihaiti.net ou de contacter un agent du comptoir de service à la clientèle du CFI. La Direction Générale du Ministère du Commerce et de l'Industrie, compte sur l'étroite et entière collaboration des intéressés afin de respecter ces mesures visant à réduire le délai d'enregistrement des sociétés.

La Direction Générale