



Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) II Legislation

BACKGROUND: The United States Congress enacted the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act of 2006, which was implemented on March 19, 2007. HOPE provided duty-free entry to the United State garments manufactured in Haiti. This legislation was aimed at progress toward a market-based economy, increasing employment, enhancing the rule of law, eliminating barriers to U.S. trade, combating corruption, and protecting internationally recognized human and worker rights.

In May, 2008, the U.S. Congress passed the Food, Conservation, and Energy Act of 2008 (P.L. 110-246/“Farm Bill”), which included an extended HOPE bill -- HOPE II. HOPE II includes:

- an extension of duty-free access to the U.S. market for the next 10 years, effective October 2008;
- an extension of eligible woven products from three years to 10 years;
- an increase in the Tariff Preference Level (TPL) for woven and knit products from 50,000,000 to 70,000,000 square meter equivalent;
- co-production with and direct shipment from the Dominican Republic; and
- the inclusion of luggage, headgear, and sleepwear.

The new bill also requires social and administrative provisions for labor reform aligned with International Labor Organization (ILO) standards. After 16 months, Haiti must have established an Office of Labor Relations (Technical Assistance Improvement and Compliance Needs Assessment and Remediation program - TAICNAR), and must have appointed a Labor Ombudsman. TAICNAR will benefit from USD 10 million over five years to establish a labor program to ensure that Haiti meets the five core ILO standards.

The HOPE legislation has created approximately 11,000 jobs to date. HOPE II is expected to create more employment and offer additional assurances to potential investors due to the 10-year extension. HOPE II offers additional assurances to potential investors due to the 10-year extension, and it is expected to create more employment.

USAID assistance for implementation of HOPE II and the apparel sector:

- Through its implementer CHF/KATA, USAID is providing a consultant to the sector to help it adapt to HOPE II opportunities by improving the industry’s sourcing, production and marketing.
- The CHF/KATA program will also provide financial and technical assistance for an apparel industry training center in Port-au-Prince, in collaboration with the GoH and the textile industry.
- CHF/KATA also provides technical assistance for seminars and workshops on international trends in the apparel sector.
- CHF/KATA will rehabilitate sections of roads leading to two industrial park areas (Ounaminthe and Carrefour).

Additional USAID support to the export sector consists of:

- Funding an Executive Director for CTMO-HOPE;

- Providing technical assistance for the development of a garment sector strategic plan to enable firms to take advantage of trade preferences; and
- Supporting to the Investment Facilitation Center (CFI);

The HOPE Commission, which is made up of public sector, private sector and labor union representatives, will pursue in 2009:

- Implementation of the electronic visa system (ELVIS) at the Ministry of Commerce and Industry to regulate and better track HOPE export visas.
- Establishment of an industrial park for future garment sector facilities.
- Implementation of the Enhancing Workers' Access to Labor Rights and Decent Employment in Haiti project (or TAICNAR, a requirement of HOPE II legislation) in coordination with the International Labor Organization; and
- Establishment of the rules and procedures for co-production with the Dominican Republic (an additional benefit of HOPE II).