

TRINITY COLLEGE HAITI PROGRAM

Economic Development in Haiti
Investment, International Assistance
and Governance

Symposium Report
April, 2002

On March 1, 2002, the Trinity College Haiti Program and the National Organization for the Advancement of Haitians (NOAH) co-sponsored a symposium entitled: *Economic Development in Haiti*. The symposium's objectives were to identify issues related to the topic and to disseminate information linked to investment and economic development in Haiti, with a view in mind of making a contribution toward problem resolution. The symposium consisted of four panels. Panelists included Haitian-American and other investors and businessmen, U.S. government officials, and representatives of international organizations and of the Government of Haiti. Approximately 80 individuals representing government agencies, international organizations, policy institutes, businesses, and a diverse array of professional organizations attended throughout the day. Prominent in their participation were Haitian-Americans. Attached to this report is the program along with biographies of the panelists. What follows is a narrative summary of the day's presentations and discussions.

Panel One: Haitian-American Investment in Haiti: Prospects, Needs, Obstacles

Dumas Siméus, Siméus Food International, Dallas, Texas

A key investment consideration is Potential Return on Investment. This investment requirement cannot be compromised no matter the degree to which one is patriotic and attached to one's country. As is often said, Haiti is where our umbilical chords are buried; therefore we as Haitian-Americans are attached. This is not enough. Sometimes it seems as if the prevailing principle in Haiti is application of the Doctrine of OPM – Other People's Money. An economic environment conducive to investment is necessary. Haitian-Americans understand there are risks, but the environment must allow a minimum ability to get a return on investment. Specifically, there are three essential components for facilitating Haitian-American investment:

1. Sense of Urgency and Purpose Among Haitian Officials: Every office or administrative entity must take investor files/dossiers seriously. Haitian-Americans must have a sense that their case is being dealt with expeditiously. Speed is of the essence. Haitian-Americans can mobilize large sums of money through OPIC or otherwise, but there must be a sense of urgency on the part of Haitian officials.
2. Infrastructure: Investment requires a minimal infrastructure. Here's a short checklist of those needs:
 - a) Electricity must be available for 24 hours.
 - b) Water availability must be dependable and continuous, particularly if the business is a food processing operation.

These are the basics. For years, there has been talk about investing in Haiti. It's now time for Haiti to start "Walking the Talk." As investors, Haitian-Americans are willing to take risks and are willing to ask their financial partners to take those risks with them. Yet, those partners always ask "Why Haiti" when countries such as Taiwan, Mexico, and Jamaica can offer a better environment for investing. In general an investor might want a score of nine out of ten to invest in a country. As Haitian-

Americans, we'd be willing to invest even if it's a seven or eight. We would make up for the gap with our souls. However, if a country registers only a four or a five, we have serious second thoughts.

3. Incentives: Haiti must create incentives to attract investors. Incentives are not "gifts." They are used to attract investments, which then have multiplier effects on the rest of the economy. Injecting investment capital leads to the creation of revenue through taxation, which can be used by the government to finance projects.

To conclude, while Haitian-Americans are prepared to invest in Haiti, the country must give them at least a 50-50 chance of succeeding.

Edwige Armand, Tropical Salt Corporation (TSC), New York

Land in Haiti inherited from grandparents that contained large salt deposits provoked exploration of the possibilities to develop a significant enterprise in salt farming. The business was established in 1992, following a period of research. Immediately, it employed about 40 people with an objective of producing large quantities of salt for export. Salt is a precious commodity, consumed all over the world for various purposes in a multitude of industries, including pharmaceutical. Over 400,000 tons of salt are consumed worldwide annually.

A major business constraint has been the extreme difficulty of obtaining required licenses. The bureaucratic red tape is a large obstacle. Exacerbating this frustration is the fact that TSC is paying taxes on the land although there are no papers recognizing the business.

Our experience underlines the need for the government to improve its ability to work with investors to give them a fair chance of getting a return on investment. TSC also recognizes the importance of minimal infrastructure. If it is not there, there is no minimum assurance of a return.

Regretfully, our experience thus far indicates that the Government of Haiti does not appreciate the value of TSC's potential and the revenue it can earn from it.

Michael Gay, Gay Construction Corporation, Florida

Gay Construction Corporation was established in Haiti after 27 years of experience in construction enterprises in the United States, Taiwan, Mexico and Canada. Although the investment climate back home is not conducive to business and the risks are huge, under current circumstances, only by taking our skills and experiences to Haiti can Haitian-Americans contribute to change there.

Closer inspection of the construction industry in Haiti revealed the lack of modernization of the sector. In particular, Haiti was still mixing concrete the same way it was mixed 50 years ago. Hence, a clear business opportunity – to contribute toward modernizing the concrete production and delivery sector – was offered for the Gay Construction Corporation.

For the past one and a half years, the company has been operating a concrete mixing plant in Tabarre, a Port-au-Prince suburb in close proximity to the airport. Our plant is a modern facility with very high production standards and modern equipment, meeting all technical requirements for plants of its kind. It can easily be compared to the best in the world.

Despite some success, the company has encountered a variety of basic problems. One is in the area of electricity supply. Electricity is needed, yet Haiti's public electric company (EDH) cannot provide it. Since the plant runs at all times day and night, we have had to develop full independence from EDH by building the capacity to generate electricity 24 hours a day. The country's customs service is problematic, sometimes beyond description. It's impossible to overstate how much of an obstacle Haitian customs can pose to a company. It's possible to wait three months to get delivery of parts and equipment simply because it's held up at customs. Receiving materials and equipment should be made easy.

Finally, labor can be a problem at times. Haitian people are very good, hard workers. Worker discipline can be a problem, however. Our experience suggests that the worker discipline issue can be resolved by establishing and executing clear rules and regulations.

Questions and Issues Discussed

In responding to questions and comments, panelists made the following additional points:

- The cost of transferring money to/from Haiti is no higher than elsewhere.
- It is critically important for investors to have a trustworthy partner based in Haiti. More than a Haitian-American investor, this partner knows the business culture, customs and simply how to get things done.
- Business incorporation can take anywhere from many months to a year.
- The *Cuitus* is a new regulation, requiring businesses to get fiscal clearance from Haiti's tax collection agency, the DGI, in order to operate. The time-consuming renewal process must be done every three months.
- Lobbying in Haiti to advocate for a better business climate is a worthwhile investment. There are businesses doing well in Haiti. They and others wishing to join their rank have an interest in joining together for better service from the government. One example is to push for improved reception at the international airport. Improvements in the area of customs services are also essential.
- Although the Tropical Salt Corporation is currently producing salt, it has not yet had any international sales. Meeting Food and Drug Administration (FDA) requirements for export to the U.S. is a major challenge that will require about \$1 million in

investments to secure the necessary equipment as well as other quality-control mechanisms to be able to start exporting. Investors are thus far wary about this due to the deficient business climate and the presence of other risks, including security.

- A presidential decree assigning clear responsibilities to ministerial employees, as well as creating a clear mechanism for evaluating performance, would improve the investment climate.
- Marc Bazin, Minister of Planning and Foreign Cooperation, joining the discussion, addressed several issues regarding the difficult investment climate in Haiti. Confirming that the obstacles discussed - customs, electricity, water, and *cuitus* requirements - do, indeed, exist, the minister expressed support for the notion of privatizing operations that the public sector is ill-equipped to operate, particularly regarding electricity. The state does not have a comparative advantage in this area. Exacerbating investment obstacles is the fact that the civil service is insecure about foreign investment, without any sense of how to create a business-friendly environment. Having discussions of this sort in Haiti on a regular basis since it would benefit Haitian officials as well as Haitian civil servants. Civil servants would hear first-hand the issues that are being raised and respond directly to the investors attempting to do business in Haiti.

Panel Two: Investment Programs and Strategies: Views from Haiti

Ann B. Hauge, Le Port International, St. Louis du Sud

To facilitate successful investment in Haiti the country desperately and urgently needs “functional infrastructure.” With a view in mind of Haiti’s approaching 200th Anniversary of Independence in 2004, what can be done over the next 22 months to get Haiti properly positioned for business is very important. It won’t suffice to simply give the Haitian government a wish list of projects to be undertaken. Private investors must make pre-investment investments in areas outside of the capital city of Port-au-Prince to accomplish goals.

Le Port International St. Louis du Sud is working to create the infrastructure for a new international port in Haiti’s south, particularly to lessen the dependence on Port-au-Prince. There are now 2.5 million people living in the southern peninsula of Haiti. A key aim of this project is to tackle the problems and challenges of decentralization as it relates to the port, airport and electricity infrastructure. The goal is to have an industrial port in the South by 2005.

The port project took off following a feasibility study financed by the World Bank. To date, \$1 million has been invested from an array of Haitian investors. Construction will start in 9 months. The rationale behind the project is twofold. First, we believe that the envisaged Free Trade Area of the Americas (FTAA) will not benefit people in the South without a port. Second, our port will facilitate the transportation of fuel in Haiti’s southern region, which is essential for the greater generation of electricity. Hence, the port will serve as a catalyst for other investments.

The infrastructure work for the port, which will be done in stages, can be supported by parallel public sector investments. We fear, however, that given how the current political situation is evolving, these investments will not be forthcoming. The last thing we want is to see a symposium similar to this one held in 3-5 years, with the same issues discussed once again.

Gilbert Léger, Cabinet Léger, Port-au-Prince

The geographic department of the West, specifically the Port-au-Prince Metropolitan Area constitutes a priority for investment. That part of the country is essential in order for the rest of the country to operate smoothly. Every aspect of public administration, public works, development, infrastructure, communications are concentrated in that part of the country, primarily a legacy of the Duvaliers, who deliberately sought to concentrate everything around Port-au-Prince. Regardless, any short-term investment plan must consider Port-au-Prince as key.

Sectors of priority for investment are tourism, industry, agro-industry and agriculture. In tourism, the Cotes des Arcadin beach resort area offers natural beauty, which has not yet been damaged by human interference. Investment can be attracted through the availability of low-interest financing and by heavy promotion of Haiti. There should be customs and fiscal incentives to prospective investors, also. Attractions for industrial investment include an available labor force and a ready-to-function industrial park with minimal infrastructure. Industrial investment offers the added attraction of creating numerous jobs. Integration of investments between the Haitian private sector and foreign companies is preferred, since at this stage, it's difficult to ask Haitian entrepreneurs to invest substantially without having any control of the foreign market, where the goods will be sold. Ideally, the formula should have Haitian investors providing the raw materials that are processed locally and then exported. The capital investment, machinery and technical assistance, however, will emanate from external partners.

Agro-industry investment can center on the areas of Leogane and La Plaine du Cul de Sac, traditionally important areas in the production of sugar cane. With the right investment, these can be revitalized as dynamic areas for agro-industry, particularly given the solid knowledge base in all aspects of sugar cane production. The priority in agricultural investment should be given to the production of essential oils, which can be obtained from many crops already produced in Haiti.

To achieve progress in these sectors, it is essential that there be discussion among all actors – and eventual agreement – regarding what's obviously not working, with the identification of steps toward finding solutions. If that's done, results will follow. To improve the investment climate many of the issues mentioned earlier (security, electricity, water, roads, and communications), must be addressed. The system should change so that Haiti has a strong government, which reinforces the concept of public service. It's the only way Haiti can attract investment and have some level of viability.

John Walker, Matraco Colorado Holding, Ltd.

It makes very strong economic sense to do business in Haiti: it's the Pearl of the Antilles. Haiti has many things going for it, including hard working people, important natural resources, proximity to dynamic markets and full CARICOM membership on its way. Haiti's a beautiful country with an image problem, including a false perception that it's a small over-crowded country. In fact, Haiti more than twice the size of Jamaica and three times that of Puerto Rico. It's the third largest country in the Caribbean. Among Haiti's many important natural resources is it's high-grade limestone. Matraco Colorado's goal is to work in developing Haiti's limestone for export. Matraco Colorado is a Haitian-American joint venture, composed of businessmen and women who are non-political and serious about succeeding. Among them are engineers and geologists, many with experience in lesser-developed countries and backgrounds in mining, the U.S. Special Forces and environmental studies.

Matraco has chosen limestone as its focus because it is a very important natural resource and Haiti has been blessed with plenty of it. Everyone consumes limestone, a basic commodity used in industry, agriculture and medicine. The average person in the United States consumes about nine tons of limestone per year. Demand in the U.S. is likely to rise. Limestone is important for infrastructure development. The U.S. now imports limestone from Mexico, Canada, and the Dominican Republic. Regional demand in the Caribbean and Latin America is growing. As the smaller Caribbean islands deplete their natural resources, those who need the resource will look to Haiti as a major supplier. Haiti can be in a position to dominate the industry. With state-of-the-art methods and equipment, Haiti will be able to deliver.

Haiti doesn't have strong basic or export-based industry. However, Matraco can change that by using first-class methods and equipment to make Haiti a major exporter of high-grade limestone. Further, once well established, Matraco intends to expand to such other extractive industries as marble quarries, energy minerals, lignite and high value-added manufacturing. Matraco will not engage in low-wage assembly employment; low-value merchandising; tourism or hazardous waste dumping. The investment's work force will consist principally of high-skilled and high-wage workers. The economic impact will transfer to support for extended families, immediate secondary impacts to local communities, tertiary impacts through follow-on economic development and company-supported programs, and envisaged annual expansion.

To achieve these results, Matraco is working to achieve investment goals both in the United States and in Haiti. On the U.S. side, Matraco has attracted the interest of the government's Overseas Private Investment Corporation (OPIC). OPIC's support, however, hinges on attaining goals of 30 –40% private investment, or \$3-4 million. On the Haitian side, Matraco has developed excellent relationships with the government's bureaus of mines and energy, and the Ministry of Commerce and Industry. To date, the permit process has been straightforward, without any sense of corruption.

The investment is currently on a fast track, seeking additional investors and attainment of OPIC's threshold to facilitate its provision of investment insurance. It is

our intention to receive OPIC clearance within a month, begin delivery of equipment within two months, and break ground shortly thereafter.

Questions and Issues Discussed

Questions and comments following the presentations related exclusively to the presentation of John Walker.

- The only envisaged negative environmental impact from limestone mining is the creation of dust, but Matraco will implement strategies to suppress it.
- After start-up, Matraco will train Haitians to take over the management of the operations.
- The Haitian Government will receive a royalty payment for every ton of limestone shipped out of Haiti. In addition, the company will pay 10% of net revenue to a community equity fund for education. Matraco wants to be a good corporate citizen.

Panel Three: International Investment and Assistance

Ramón Martínez Aponte, Hispaniola Investment Fund, Dominican Republic:

The principal objectives of the Hispaniola Investment Fund (HIF) are to contribute to Haiti's economic recovery, stimulate development in the Dominican Republic, enhance the development of the private sector in Haiti, foster trade and investment relations between the two countries, and contribute to the creation of productive employment in the US/Haiti/D.R. via increased investment and trade flows. Operationally, the HIF advocates the conversion of the official debt of Haiti and the Dominican Republic with the U.S. into an investment fund to finance development projects in Haiti and the border region between the two countries in order to achieve these objectives.

The HIF has been evolving toward fruition over more than five years. The initial conceptualization of a Hispaniola Investment Fund occurred in 1995, during the annual "Dominican Week in the U.S." activities. Subsequently, in October 2000, Peter Romero, Assistant Secretary of Western Hemisphere Affairs of the U.S. State Department, stated that the U.S. Government "sees with sympathy the conversion of the debt of the D.R. and Haiti." Next, on January 13, 2001, Dominican and Haitian entrepreneurs met in Port-au-Prince to jointly review the idea of the Fund. Then, in March 2001, Presidents Aristide and Mejia were presented with the HIF proposal. Both presidents now expect a working plan from their respective Ministries of Foreign Affairs. Finally, a Commission was created in April 2001 by the Government of the D.R., headed by the Minister of Foreign Affairs, to further pursue the idea of the debt conversion.

During this evolutionary process, a number of key principles to guide the operation of the fund emerged. Priorities for project funding will be established by both Governments. The fund will be administered by a private, non-governmental entity. Budgetary and fiscal support may be required from both the public and private sectors.

Salient among project ideas emerging for the actual allocation of resources are micro-enterprise finance, physical and electric infrastructure construction, tourism and free trade zone infrastructure development, road development, and reforestation, health and education programs. Benefits from the investments, particularly as they are located in border areas, will accrue in both countries through improved trade and investment flows, enhanced private sector participation, increased economic cooperation, and the creation of a framework to facilitate the economic recovery of Haiti.

Critical among the next steps toward the creation of the fund is the realization of a detailed project study that will determine actions needed to establish the fund, set criteria for qualifying project finance; establish priorities for the use of the funds, determine methodology for cost recovery, put in place the governing body, and set up the operational structure and guidelines for the technical secretariat charged with the day-to-day activities of the Fund.

Carlo Dade, Inter-American Foundation, Virginia:

External assistance to support development projects in the Caribbean region, including Haiti, is declining and will continue to decline. This is the case as much for the World Bank and the IDB as it is for other funding institutions. There is increased competition for assistance due to a rise in demand for fewer assistance dollars. Often times, the rationale for where to fund is not based upon the degree of poverty. Poverty will keep donors engaged, but political factors also have a significant impact on where funds will be allocated.

One response to greater competition for fewer development dollars has been a noticeable increase in the creativity of the groups looking for funding. Creativity and entrepreneurship are essential to attracting funds from development agencies. The Hispaniola Investment Fund is a good example of an initiative that is entrepreneurial, involves the private sector, and demonstrates a regional approach. The involvement of private sector players can have a powerful impact on development projects and on the mobilization of resources. Private sector involvement that demonstrates a commitment to social responsibility can be a crucial factor that determines the extent to which it can attract development aid and achieve equitable development goals.

Haiti's Diaspora population in the United States can play an important role in leveraging development resources for Haiti. The Diaspora sends home about \$800 million in remittances annually, making it one of the most important sectors for the Haitian economy. In addition to sending home money, the role of the Diaspora can expand to include more activities, such as advocacy work and making in-kind contributions of equipment, time, and knowledge – all of which are strong development assistance leveraging tools.

Increasingly, development agencies, looking to be less prescriptive in the allocation of their funds, are responding to development programs they deem worthwhile within their organizational framework. In Haiti, the Inter-American Foundation (IAF) responded to a program of an organization called FIDEB – the Foundation of Grassroots

Community Development Organizations – that mobilizes public, private and civil society sector resources for community development activities. IAF funding of FIDEB requires community groups to mobilize about two thirds of the initial money for community projects, with FIDEB providing the remaining amount through its management of the grant funds. In the past three years, FIDEB has financed more than 80 small-scale, community development projects.

David Adams, U.S. Agency for International Development (USAID):

Because of limitations on direct assistance to the Government of Haiti (GOH), USAID development aid is currently administered through private companies and non-governmental organizations (NGOs). Nonetheless, assistance to Haiti remains considerable. A brief overview of USAID's current program in Haiti and its private-public partnership in foreign assistance shows that aid allocations for Haiti were \$70 million in fiscal year 2001 and \$53 million this year, with \$23 million of that amount dedicated to food aid and \$30 million to project funding.

As these figures suggest, USAID's Food Program is salient within its current portfolio. Through Title II Development funding, wheat has been imported and sold on local markets, with the proceeds of a portion of the sale going to fund development projects. Until recently, food aid was used solely for a school lunch program called "cantine scolaire." There is now a shift in emphasis with higher levels of support going to activities that seek to decrease infant mortality and malnutrition. The Food Program is implemented through such groups as Catholic Relief Service, World Vision, CARE and Save the Children. The Title III Program, which had funded many infrastructure improvements, is not currently active.

A new food aid program, called *Food for Progress* and funded through a grant to the America's Development Foundation (ADF), supports agricultural activities and micro-enterprise development. A principal goal of the program is to promote agricultural export, particularly of mangoes and coffee. The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) has assigned a specialist to Haiti in an effort to improve export standards for mangoes. Yam production for export is also assisted, with a view in mind of supplying Haitian Diaspora markets in such cities as New York, Boston and Miami.

The food aid program will continue into the foreseeable future. USAID, however, does not wish to create dependency on food imports. During the economic sanctions of the early 1990s, food aid provided a necessary safety net. Subsequently, the desire has been to promote a shift from food assistance toward helping Haiti improve its economy so that U.S. agricultural products, particularly wheat, can be purchased on the open market.

USAID's health program is carried out by way of a Public-Private Partnership that includes the participation of community level Ministry of Health resources. The partnership offers a realistic model of cooperation, particularly in view of current limitations. Programs that help Haiti combat its HIV/AIDS problem are a very high

priority for USAID. Even as the budgets for other programs are decreasing, there has been an increase from \$1 million to \$4 million in the amount set aside to support programs related to HIV/AIDS. Also, an additional \$1 million has been allocated to programs related to combating tuberculosis.

Direct assistance to the GOH will not resume anytime soon, particularly in view of limitations that exist not only because of the current political crisis, but also due to certain program performance requirements. In light of such limitations, it behooves all to look for other ways to assist Haiti. Haiti is a humanitarian priority for the Bush administration. As such, there is cautious optimism for increased aid to Haiti.

Questions and Issues Discussed

The discussion period opened with a short intervention by a World Bank official that outlined the Bank's current activities in Haiti. That presentation was followed by a response by Minister Bazin. Subsequent discussion focused on remarks made by all three panelists.

- World Bank Projects in Haiti: Currently, there are no active projects in Haiti. Three health-related projects active last year are now closed. The Bank's last loan to Haiti was made in December 1996. The World Bank is looking at new mechanisms for funding NGO programs in view of the fact that direct government had to be suspended last year due to arrears in loan repayments.
- Minister Bazin's response on Haiti's Arrears Payments: The government's decision to suspend arrears payments parallels decisions made by international agencies to suspend the release of additional funds to Haiti. Haiti is fully capable of paying the \$18 million in arrears. As of 31 December 2001, the Haitian Central Bank had \$180 million in reserves. It does not make sense for the GOH to pay, however, since Haiti's ongoing political crisis appears to preclude prospects for the release of additional funds. The GOH will resume arrears payments when there are improved prospects that funds currently on hold will be released.

In response to questions and comments following these two interventions, panelists made the following additional points:

- There will always be an important role for the government to play in national development. At the local level, however, it can be more effective to work with NGOs, particularly since many are developing working relationships with the local governments and governmental agencies.
- The Hispaniola Investment Fund can be financed by tapping into the estimated \$1.5 billion owed in loans and the amount allocated annually to service that debt. This amount is approximately \$80-90 million. The U.S. Congress would have to agree to write off the debt in order for the HIF to really go forward. There is not currently a full-fledged lobbying effort underway to encourage the Congress to write off the debt, but a multi-front approach to press the issue at every opportunity is emerging. Both

the Departments of Commerce and State have spoken positively about the HIF, and it appears that the basic concept is accepted by the new administration. Given shifting priorities in Washington, however, lobbying efforts are required. A Dominican-Haitian Commission in support of the HIF was created after President Aristide met with President Mejia earlier this year.

- While remittances can be a development catalyst, there is no single formula of how this can happen. Development agencies are relying on the Diaspora and groups within it to present ideas and proposals.
- Relations between Haiti and the Dominican Republic are not as bad as generally perceived, and this fact has strong positive implications for the ultimate success of the HIF. With some one million illegal Haitians in the D.R., however, it would be naïve to think there are no problems between the two countries. Seventy percent of workers in the construction industry in the D.R. are Haitian. This abundance of Haitian workers reduces labor costs, but it also creates pressure on social services. In conclusion, we need to find a way to achieve economic recovery in Haiti. Both countries will benefit from this. It stands to reason, then, that most of the investments of the proposed HIF will be made in Haiti, particularly in the border areas.

Panel Four: Stimulating Investment: Public Policies and Programs

Stanley Théard, Minister of Commerce and Industry, Government of Haiti:

Haiti's stagnant economy is characterized by recent contraction of the GDP by 1.2 percent and a current per capita GNP of \$290. Operational problems in the public sector, combined with poverty, low levels of education, and a lack of continuity in macro-economic policy present enormous challenges for investing in Haiti. Compounding these problems are the schisms of Haitian politics. Yet, the current situation also presents some very good opportunities. Haiti is a virgin country that everyone can fall in love with and it has a population that wants nothing more than to work. Thus many investment opportunities exist.

The GOH, however, must do its utmost to attract investment, making it top policy priority, since this is so crucial for stimulating real economic development. The nation's political situation weighs too heavily against its economy. The only way to create durable wealth in the country is to achieve equilibrium between the political and economic spheres.

The government is undertaking a number of measures to encourage investment. It is encouraging the private sector to create new, viable enterprises to decrease unemployment and offer the country stable institutions. It is creating legal incentives to invest. It is making regulations clear, simple and efficient, and has introduced a bill written in collaboration with the private sector as well as members of civil society to revamp the investment code. The bill has been presented to the Senate and is now awaiting ratification by the Lower House. The GOH has created a "Facilitation Investment Office" to streamline the bureaucracy. This office, which will act as a "One

Stop Center” for all services with regard to investments, will shorten the time required to make investments in the country.

Government officials are traveling throughout the country to discuss policy with the private sector. The GOH is impressed with the population’s desire to create enterprises and move the country forward. A Free Trade Zone Project has been developed with hopes of establishing fourteen, incentive-laden free trade zones throughout the country. Finally, the government is reaching out to investors in the Dominican Republic who have expressed strong interest in investing in Haiti, especially in its north region.

The GOH has also made wealth creation a priority, with a major focus on job creation. Specifically, the government has concentrated on the manufacturing, service and micro-enterprise sectors. The GOH is encouraging the development of micro-enterprises because it believes in the sector’s viability as a way to propel the economy. This strategy will enable the very poorest both to work and to generate wealth.

The GOH has also pursued other strategies to stimulate investment. It views its memberships in the World Trade Organization, CARICOM, Cariforum, and the Association of Caribbean States in that regard.

The stakes are very high for Haiti. The country must succeed in integrating itself with the rest of the world. For that to happen, the help of every Haitian is needed. All Haitians must find common ground, putting aside personal differences so that the country can benefit. Like all human beings, Haitians deserve a decent life. All Haitians must put their efforts together to fight poverty.

Marc L. Bazin, Minister of Planning and Foreign Cooperation, Government of Haiti:

Haiti needs to stimulate investment because it needs to create jobs. The country’s population is increasing at a much faster rate than its economic growth. In Haiti, investment constitutes only 11 percent of GDP, which is very low when compared with the overall rate for Latin America (23%) and Africa (17%). Of that 11 percent, only 5 percent emanates from the Haitian private sector. While it’s true that Haitians in the Diaspora send a tremendous amount of money to Haiti, almost all of it goes toward consumption. Very little supports new investment. We must identify and support incentives for the allocation of some of this money toward investment rather than its use exclusively for consumption

Various factors will create a better environment for investment. Resolution of the current political crisis, facilitated by the OAS, is particularly important. Arrears with various development agencies must be settled. The GOH must improve performance, specifically in the way it collects and distributes public resources. Of all the factors listed, this is the only one over which the GOH has complete control. Inflation and public deficit must be reduced in order to give the private sector confidence.

Finally, Haiti must privatize. All the small problems stated in the first panel with regard to management point to the fact that the government is engaged in activities in

which it does not have a comparative advantage. Running the electric and telephone companies should be the business of the private sector, not the government. The private sector is much better suited to run such enterprises.

Questions and Issues Discussed:

In the discussion that followed, panelists made the following additional point:

- Everything is in place to start the operation of the Investment Facilitation Office. Advanced technology will play a major role in its operation. Three government functionaries have already studied at the International Center for Trade in this regard. Twelve additional government employees will soon undertake this training.

In a concluding period of general discussion stimulated by the remarks of the final panel, the following points were underscored as being of particular interest to Haitian-Americans:

- There is a widespread perception of discrimination against Haitian investors, particularly when it comes to privatization. There should be no double standard when it comes to foreign investors being invited to submit bids for the privatization of state enterprises. Rather than being discriminated against, Haitian-American investors should get preferential treatment.
- There is a plethora of ideas in circulation regarding actions to stimulate more investment from the Diaspora in Haiti. Among them are:
 - Haitian-Americans should have representation in the Haitian Parliament;
 - Haitian-Americans should create a national investment fund that they manage;
 - A certain percentage of the taxes paid by Haitian-Americans to the United States government should be allocated for investment in Haiti.
- Issues linked to dual citizenship prevent at least some Haitian-Americans from investing in Haiti. Potential Haitian-American investors might stay away because of perceptions that their opportunities are limited, or that they are resented. The lack of dual citizenship status might make it more difficult for Haitian-American investors to gain access to property and land, and to incorporate a business.

Closure

Upon the completion of the fourth panel, the symposium organizers thanked all panelists for their valuable contributions, thanked all present for their participation, and invited everyone to a closing reception. During the reception, one idea that merited particular reflection was that made during the first panel, namely, that this symposium be replicated in Haiti in order to repeat and expand this constructive exchange, with the greater participation of mid-level Haitian government officials.

APPENDIX A:
Symposium Agenda

ECONOMIC DEVELOPMENT in HAITI
Investment, International Assistance and
Governance

FRIDAY, MARCH 1, 2002

Trinity College Haiti Program, Washington, DC
The National Organization for the Advancement of Haitians (NOAH)

8:30 ***Registration & Coffee***

9:00 – 9:15 ***Welcome: Joseph Baptiste, President, NOAH***
Introduction: Bob Maguire, Director, Trinity College Haiti
Program

Morning Program

9:15 – 10:30 **Haitian-American Investment in Haiti: Prospects, Needs,**
Obstacles

Moderator: Robert Nicolas, NOAH

Speakers:

- **Dumas Siméus**, Siméus Food International, Texas
- **Edwidge Armand**, Tropical Salt Corporation, New York
- **Michael Gay**, Gay Construction Corporation, Florida

10:45 – noon **Investment Programs and Strategies: Views from Haiti**

Moderator: Bob Maguire, Trinity College Haiti Program

Speakers:

- **Ann B. Hauge**, Le Port International, St. Louis du Sud
- **Gilbert Léger**, Cabinet Léger, Port-au-Prince
- **John Walker**, Matraco-Colorado Holding, Ltd.

12:15 – 1:30 **Buffet Lunch**

Featured Speaker:

- **Congresswoman Corrine Brown** (D-FL), United States House of Representatives

Afternoon Program

1:45 – 3:15 International Investment and Assistance

Moderator: Jim Morrell, Center for International Policy

Speakers:

- Ramon Martinez Aponte, Hispaniola Investment Fund, Dominican Republic
- Carlo Dade, Inter-American Foundation, Virginia
- David Adams, U.S. Agency for International Development, Port-au-Prince, Haiti

3:30 – 5:00 Stimulating Investment: Public Policies and Programs

Moderator: Robert Fatton, University of Virginia

Speakers:

- Stanley Théard, Minister of Commerce, Government of Haiti
- Marc Louis Bazin, Minister of External Cooperation, Government of Haiti

5:00 **Concluding Comments and Adjournment:** Bob Maguire and Joseph E. Baptiste

5:15 – 6:30 Reception

APPENDIX B:
Speaker Biographies

David Adams, U.S. Agency for International Development, Port-au-Prince, Haiti

David Adams is a Foreign Service Officer with 25 years of international affairs experience, including 21 years as a Foreign Service Officer. He presently directs the USAID Program in Haiti, which, with a budget of \$50 million this year, is one of USAID's largest in the LAC region, and the largest in the Caribbean. The wide-ranging portfolio of activities promotes democracy and governance, economic growth and agriculture, health (including HIV/AIDS prevention), environmental protection, and primary education.

Mr. Adams has substantial Washington and overseas experience with USAID and other organizations, including the State Department, the House Appropriations Subcommittee on Foreign Operations, and the United Nations Food and Agriculture Organization. Prior to being assigned as director in Haiti he served in USAID's Bureau for Europe and Eurasia as deputy director for European Country Affairs, where he undertook special assignments as Coordinator for the Agency's Kosovo Working Group (KWG). Mr. Adams also served in USAID field missions in Guatemala and Haiti earlier in his career. (This is his second time serving in Haiti.) He has a B.A. from the College of William and Mary, an M.A. from George Washington University, and a certificate for advanced graduate studies from the Georgetown University School of Foreign Service.

Mr. Edwidge Armand, Tropical Salt Corporation, New York.

Mr. Armand has over 10 years experience of producing salt from ponds owned by family members in Haiti. He is responsible for overseeing contract negotiations with prospective suppliers developed by Salt Consultant and Engineering (SC&E). His duties include scouting for new salt inventory locations as well as formulating a plan for Tropical to build its own solar evaporation salt crystallization facility. In addition, Mr. Armand will provide direction in conjunction with Tropical's President, Executive Vice President of operations, and Treasurer concerning the management and overall operations of the business. In the last five years Mr. Armand has been studying and researching ways to develop solar evaporation salt crystallization facilities in Haiti with SC&E.

Carlo Dade, Inter-American Foundation, Virginia

Carlo Dade is the Inter-American Foundation's (IAF) Representative for the Dominican Republic and Haiti. He has a BA from the University of Virginia and MA in Arab Studies from Georgetown University. He worked in the World Bank's Latin American and the Caribbean Region Technical Department from 1990-1995 and subsequently in 1995 for Dade Communications, a web development and Internet consulting company. From 1996-1999 he was employed at the Enterprise Research Institute and Foundation and has been with the IAF from 1999 to the present. He has published works on business-NGO relations in Chile, business and education in Latin America, business and social responsibility in Latin America, and the Internet and procurement for small- and medium-sized industries in Latin America.

Most recently he organized and led an IAF, ECLAC, and World Bank conference on using remittances for development held this past May in Washington, DC. Mr. Dade has worked on remittance issues in Haiti and the Dominican Republic.

Michael Gay, Gay Construction Corporation, Florida.

Mr. Gay worked for Kiewit, one of the major US construction companies for 27 years. He started as a civil engineer after graduating from college and ended as an Area manager responsible for major transit and heavy construction across the United States, Canada and the Caribbean. During that period he worked on, managed or oversaw the construction of subway work in New York City, Washington, San Juan, Boston and Chicago. He also had the privilege of overseeing the engineering aspects of the construction of the Eisenhower Tunnel in Colorado.

Following an early retirement from Kiewit in 1998, he formed his own company in the US and subsequently in Haiti. His current activities consist mainly in managing the first commercial ready mix concrete plant and concrete pumping services in Port-au-Prince. These services are provided through a local subsidiary named GDG Beton et Construction, S.A.

Ms. Ann Hauge, Le Port International, St. Louis du Sud.

Ann B. Hauge, born in New York, came to Haiti in 1983 after completing Harvard Law School to work for USAID and learn about development. She left USAID in June 1984 to join AGRI-SUPPLY CO. S.A., a Haitian corporation, as Vice President. AGRI-SUPPLY became the country's largest fertilizer importer and distributor until the Haitian Government replaced commercial imports of fertilizer in 1995 by a Japanese aid program in 1995. AGRI-SUPPLY is now the country's leading producer and exporter of Haitian vetiver oil, an essential oil used in perfumes. Since 1995, Ms. Hauge has worked on the organization of efforts to build a new International Port and a new International Airport in Southern Haiti.

Mr. Gilbert Léger, Cabinet Léger, Port-au-Prince

Mr. Léger has been a senior partner in the law firm Cabinet Léger since 1999. He was junior partner at the same firm from 1983-99. He graduated from the Faculté de Droit et des Sciences Économiques d'Haiti in Port-au-Prince in 1979 and specialized in Corporate and International Law in Washington, D.C. His special fields of practice and interest are corporate law, insurance law and estates and he is member of and legal counsel for Mouvement Chrétien pour le Renouveau National (MOCHRENA) and the Convergence Démocratique.

Ramon Martinez Aponte, Hispaniola Investment Fund, Dominican Republic

Mr. Martinez Aponte is currently President of Martinez Aponte & Asociados, a consulting company he runs from the Dominican Republic. Prior to that he was General

Manager and CEO of the power generation company EGE Haina, a recently privatized company with revenues of US\$215M and assets of US\$360M. From 1992-99 Mr. Martinez Aponte was Vice President of Sales & Customer service, Vice President of marketing and Vice President of Corporate Planning at CODETEL in Santo Domingo. He worked for GTE from 1984—1992. He has held two positions in the Dominican government, first as Minister of Planning from 1978-81 and then a Minister of Finance from 1981-82. He was Alternate Executive Director of the World Bank from 1976-78 and Head of the Central America and Caribbean Section at the International Trade Center at the United Nations from 1970-76.

He has taught courses on Economic Theory, Macroeconomics, History of Economic Analysis and International Trade in Latin America at Ohio State University, at the University of Santo Domingo and at Georgetown University. He holds a BA in Economics from University of Santo Domingo, an MA in economics from Ohio State University and an MBA in Finance from Columbia University.

Mr. Dumas Siméus, Siméus Food International, Texas.

Dumas M. Siméus is the chairman, CEO and owner of Siméus Foods International, Inc. (SFI), a privately owned manufacturer of frozen food products for the restaurant industry with revenues approaching \$200 million. Prior to purchasing Siméus Foods in 1996, Mr. Siméus served as president and COO of TLC Beatrice International Foods. Mr. Siméus was named Entrepreneur of the Year in a competition sponsored by Ernst & Young, LLP. He also was a finalist for the Horatio Alger Award.

In addition to his business activities, he is president of the Dumas M. Siméus Foundation, a 501(c)3, nonprofit organization dedicated to providing medical care, food and clothing to the less fortunate. He has also acted as special advisor to congressional representatives and to the president of Haiti. He earned a degree in electrical engineering from Howard University and a master's degree in business administration, graduating with honors, from the University of Chicago.

John Walker, Matraco-Colorado Holding, Ltd.

John Walker is an economic and environmental geologist. He has worked for the U.S. Environmental Protection Agency (EPA) on natural resource development issues. Mr. Walker became interested in Caribbean Basin geology as a student at Indiana University. After graduating, he qualified as a combat engineer and parachute instructor with the U.S. Army Special Forces ("Green Berets"). He has served on peacekeeping missions in several lesser developed countries. In Haiti, Mr. Walker has studied the geology and development needs of the nation, recognizing that high-quality natural resources give Haiti an opportunity to develop sound basic industry through application of modern environmentally friendly production methods. With help from strong Haitian partners, John formed the Matraco-Colorado company to pursue these plans.