

# SOUTH HAITI

Business Development Initiative >>>



Photographer: Drew Hood

A woman draws an embroidery pattern on fabric, as part of a Jacmel, Haiti-based association of female entrepreneurs that produces handicrafts for sale to tourists.

Initiative Profile

Sector priority  
**Economic  
Empowerment**

Year-one investment\*

\$100,000  
£48,280  
€68,224

Duration  
**3 years**

Lives to be impacted  
**3,585**

\* Minimum investment is \$100,000.  
Conversions to non-U.S. currencies are based on rates in effect on Aug. 20, 2007. Actual purchase amounts will be determined by conversion rates in effect at the time of purchase.

Poverty has tightened its grip on Haiti in the last 20 years. As the country's population booms, many of its rural poor struggle to survive on exhausted croplands. Eighty percent of Haiti's economy, the Western Hemisphere's poorest, is driven by female microentrepreneurs, often peddling goods in local markets.

Elections in 2006 signaled an end to decades of economic and political turmoil. But for female entrepreneurs, the key obstacles to building family prosperity remain:

- Lack of production training and technology, resulting in low quality and small quantities of goods for sale
- Limited access to credit, hobbling business growth
- Inadequate business know-how
- Little or no connection with potential customers nationwide and abroad

This Initiative works to lower those barriers in the southeastern coastal district of Jacmel, bringing together experienced partners such as:

- The Inter-American Development Bank of Washington, D.C., which is helping fund and design the Initiative
- Femmes en Démocratie (Women in Democracy), a Haitian organization with a national track record of training and supporting female entrepreneurs

This investment will measurably improve the lives of 3,585 people.

# Strategy

This Initiative adopts the "One Village, One Product" regional development strategy pioneered in Japan in 1979 and replicated elsewhere in Asia and in Africa. This proven approach focuses on a single product or a small number of products well-suited for local production, and concentrates on establishing these regional specialties as exports to national or global markets.

In Jacmel, this Initiative has singled out three products to be made locally: handcrafted basketry, embroidered fabric goods and castor oil.

The handicrafts can be sold to tourist markets in other Caribbean markets or to U.S. retailers, while castor oil is used in making perfumes and cosmetics. The Initiative will work with associations of female entrepreneurs in three towns, totaling about 1,200 members. The groups and their members will:

- Gain skills in financial management and marketing
- Develop ties with microfinance institutions for growth capital
- Improve product design, quality and access to raw materials
- Identify and sell to buyers across Haiti and beyond

Lessons learned through detailed monitoring of this Initiative can help spread its successes to other regions of Haiti.

# Impact

More than 20 years ago, the three towns targeted by this Initiative were home to thriving cottage industries, making handicrafts for sale in Jacmel's popular travel destinations. But political upheaval drove off the tourist trade, leaving these rural entrepreneurs struggling to find new markets. Their production suffered in quality, quantity and profitability.

Entrepreneurs survived by diversifying their products, by forming cooperatives to buy raw materials more cheaply or to fill the occasional large order and through sheer determination. Despite their long tradition of industry and their drive to earn a decent living, these rural women are still among those hardest hit by Haiti's pervasive poverty.

This Initiative provides skills and resources that will help entrepreneurs and their associations trade nationally and internationally. These efforts are designed to increase family income and standards of living for thousands of people, and to jump-start their communities' recovery from poverty.

## Haiti

Population  
**8.5 million**

Average annual population growth rate:  
**1.3% (vs. 0.2% in the U.K. and 0.8% in the U.S.)**

Gross national income per capita:  
**\$450 (vs. \$37,740 in the U.K. and \$43,560 in the U.S.)**

U.N. Human Development Index rank  
**146 of 177 countries**

Sources: World Bank, unless otherwise noted.  
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## Changing lives

Marie France of Marigot, Haiti, travels to several markets to sell soap, lotion, spaghetti, tomato paste, canned milk and other groceries. Her business has been growing, because an implementer funded through Geneva Global gave her loans at rates less than a tenth of those charged by local informal lenders. France and four friends took a group loan. Acting as guarantors for one another, the women got credit without collateral or a salaried co-signer, traditional requirements for formal credit. The women have made payments on schedule, and are now paying off their third group loan. France has been able to improve the way she runs her business, thanks to the implementer's class in business skills. "Anything I can do to make my business better is important for me," she says. "Before the class, I never really knew whether I was making money or losing it. I was a little bit lost. Now I have a notebook for expenses and another for sales. I have a separate notebook where I write down any sales I make on credit. That way, I have a clear record of everything my clients owe me. Thanks to the class, I feel like I am in control."