Feed the Future Enabling Environment for Food Security Project

Policy Data Snapshot: Haiti

The World Bank’s Enabling the Business of Agriculture Index (EBA) is a unique tool for measuring the ease of doing agribusiness. EBA data, coupled with contextual analysis and consultations with key stakeholders, can inform priority reforms and allow for transparent result tracking over time and across countries. The index scores, on a scale of 0-100*, the strength of the legal and institutional environment for agribusinesses across eight topics: seed, fertilizer, machinery, finance, markets, transport, water, and ICT. Scores and detailed topical data can be used to inform design and monitoring of Feed the Future’s (FTF) agricultural reform efforts. As seen in the graphic, Haiti underperforms in all topic areas with the exception of enabling access to agricultural machinery. Especially low scores are evident in enabling access to seed, fertilizer, transport services, and water management. On the whole, scores highlight significant gaps in Haiti’s legal framework, including weak or absent registration and licensing systems, as well as few quality control measures. The following sections take a deeper look at selected EBA data relevant to USAID/Haiti.

**Finance**

Haiti’s weak performance in fostering access to financial services reveal gaps in the legal framework supporting moveable collateral and non-bank lending. Moveable collateral limitations impede the ability of agribusinesses to borrow for their capital investment and cash flow needs. Warehouse receipts do not have any legal grounding for their use in secured transactions, and moveable assets have only limited legal grounding in Haiti. With respect to non-bank lending, financial cooperatives have a sound legal framework, but a law does not exist that allows the creation and governance of microfinance institutions. There is a law governing electronic money transactions, but it does not contain any best practices. These scores are in stark comparison with Colombia, who has adopted 33 out of 36 finance best practices, compared to Haiti’s 11.

**Water**

Haiti does a poor job of managing and protecting its water resources. There is no regulatory framework specific to water management, only an institution legally designated to manage groundwater with a vague mandate to promote water conservation and efficiency. Best practices are absent, such as requiring the establishment of basin/aquifer plans and corresponding institutions to serve as forums for basin/aquifer stakeholders to meet, debate, and reach a consensus. Haiti does have a water abstraction and use permit system in place for irrigation use with associated fees per amount abstracted, but permits do not require public notice or compliance with national or basin/aquifer management plans. Haiti could look to best practices adopted by Colombia and Nicaragua to improve its water management scores.

*The distance to frontier score compares a country’s performance to the highest performing country (“frontier”). The higher the score, the more of a top performer the country is in a particular area.
There are few barriers to importing fertilizer into Haiti. Private companies, non-governmental organizations, and farmer organizations can freely import and distribute fertilizer without having to register as or obtain a permit. However, once in country, there is no regulation for registration of new fertilizer products or measures to ensure fertilizer quality. By contrast, other countries in Latin America have a much stronger regulatory regime for fertilizer, aside from also having onerous import procedures. For example, Colombia adheres to 6 of 7 best practices in new product registration; and Guatemala and Nicaragua have perfect scores for quality control. Addressing gaps in Haiti’s fertilizer framework such as registering and cataloging new fertilizer products and legally requiring labeling of fertilizer bags with specific guidelines can go a long way toward improving consumer confidence and adoption of these yield-boosting technologies.

This topic evaluates the regulatory framework for tractors as a proxy for all agricultural machinery. Sub-indicators measure access through import, registration requirements, and quality and safety standards. Streamlined import procedures facilitate easy import into Haiti. Once in the country, registration is administered in an inefficient (5 days) and costly (41% income per capita) manner. Operational safety, performance, and longevity of machinery is not legally safeguarded in Haiti. The country has adopted neither national nor international tractor standards, vendors are not required to provide ongoing maintenance service, and type approval requiring certain testing is not required of tractors before they enter the market. On the whole, Haiti has a comprehensive framework governing machinery imports and registration relative to other countries in the region; however, there is still much room for improvement.

The Feed the Future Enabling Environment for Food Security program is a global support mechanism for Feed the Future focused and aligned Missions to address policies, as well as legal, institutional, and regulatory factors that affect food security. To learn more, please contact Lourdes Martinez Romero (COR) at lmartinezzromero@usaid.gov or Nate Kline (Chief of Party) at nkline@fintrac.com.