Attachment 1 - Questions for Response

Background

In 2016, Haiti was ranked 163 out of 168 countries on UNDP's Human Development Index. Agriculture is central to the Haitian economy, employing 60% of the population in rural areas. However, it only generates less than 25% of the national GDP, and only 45% of the country's food needs are met by local production, while the deficit is covered by imports. The agriculture sector in Haiti faces many challenges that include: decreasing investments in agricultural research and technology, insufficient public policies, lack of enforceable property rights, scarcity of credit, uncontrolled urbanization, decreasing size of Haitian farms, recurrent weather related chocks and poor or non-existent rural infrastructure, all of which have constrained the efficient use of agricultural production areas.

Haiti ranks as one of the countries with the highest exposure to multiple hazards, according to the World Bank's Natural Disaster Hotspot study. With 96% of its population living at risk, Haiti has the highest vulnerability rating in terms of hurricanes among the region's small island states (12.9 on a scale of 13). There is an urgent need to strengthen the ability of the Haitian people, households, communities and systems to mitigate, adapt and recover from shocks and stresses.

Many farmers are smallholders that own an average of less than one hectare. They have limited access to markets, very limited assets, including financial assets, and they are the most vulnerable to shocks. They generally allocate 70% of their income to food and often use negative coping strategies when stresses and shocks occur.

However, despite these constraints, Haiti may take advantage of several opportunities to develop the agricultural sector, including the existence of a large urban market, a growing number of investors willing to invest in profitable local market systems and the possibility to increase farm productivity by introducing new technologies and better organizing the sector.

USAID/Haiti has had great success through its Feed the Future programs in supporting farmers' well-being and resilience with broad-based extension services to integrate new technologies and techniques; the restoration of watersheds; and increased access to market through private investments in key value chains. The Mission is interested in exploring new, innovative, market-driven and cost-effective solutions to help increase the income of vulnerable households and communities in targeted regions of Haiti, through the enhancement of selected, high value chains, the creation or strengthening of selected market systems that will improve the households' performance and inclusiveness and foster inclusive, resilient growth and improved nutrition outcomes.

Using a market system approach, the new Food Security and Resilience activity will connect smallholder farmers to markets and focus on strengthening selected market systems, building on existing opportunities to an inclusive and resilient rural development. Efforts may include crop productivity and diversification, livestock production including poultry and ruminants, postharvest technologies, marketing and off-farm employment opportunities. This activity will also support a national research and extension system that provides science-based information and assistance needed to develop the selected market systems.

The theory of change underlying this effort is:
IF the capacity to manage risk is improved,
AND productive, profitable and inclusive agricultural systems are strengthened,
AND employment opportunities, especially for youth, are increased,
THEN, food security and resilience will improve.

<u>Questions for Response</u>

USAID seeks feedback in particular on the following questions:

1. What are the most promising and climate-resilient value chains in Haiti if we want to support the following objectives: create inclusive economic growth, support private sector investment, respond to market demand in urban areas, build resilience of the most vulnerable groups - particularly women and youth - and improve nutrition outcomes?
2. What are the most promising market opportunities that decision makers can take advantage of to promote resilient market systems involving farmers, the private sector, universities and other stakeholders?
3. How can we build on lessons learned from value chain approaches promoted in the last two decades to successfully take advantage of these opportunities and support inclusive and sustainable rural development?
4. Can you present one to three agribusinesses that successfully grew in Haiti in the last 15 years, using a business model including a partnership with farmers? Why were they successful despite the difficult business environment in Haiti?
5. What are the private entities (firms, associations, cooperatives, etc.) currently involved in the marketing of the following locally produced commodities in the formal and informal Haitian markets: vegetables, fruits, peanut butter, jelly, cereals, beans, chicken meat, eggs, goat meat, beef, milk and dairy in general?
6. To what extent those investments made by private sector entities in value chains mentioned in question 5 have the potential to provide employment to vulnerable populations, including those living in marginal agricultural lands? How do those private entities work with producers to increase productivity and create a reliable supply chain? How can we build on their experience to support resilient market systems that create inclusive growth and improve nutrition outcomes in rural areas? What are the opportunities to scale up?

7. What can USAID do through its development program to better support the Government of Haiti’s investments and policies targeting disaster prevention and risk mitigation measures in disaster prone areas? How could USAID ensure that contingency plans are integrated into its program, making it flexible enough to respond to shocks and stresses?
8. How can donors help the Government of Haiti design and implement policies aimed at improving emergency management? How can donors help the Haitian government strengthen its early warning system and also its legal/ regulatory framework for the development of market-based instruments for agricultural risk management?
9. How can USAID strengthen the research and extension system to successfully support the different components of profitable and resilient market systems (from production to marketing and consumption)?

[END OF ATTACHMENT 1]