



Enabling the rural poor to overcome poverty in **Haiti**

Rural poverty in Haiti

Food insecurity and hunger are chronic issues in Haiti, which is the poorest country in the Western Hemisphere and the second most densely populated. Rapid population growth and periods of economic decline linked mainly to political and social turmoil are only some of the factors that have led to dramatic poverty for most of Haiti's people. The socio-economic indicators of the UN Human Development Index for 2007/2008 ranked Haiti 146th among 177 countries. Some of the world's highest levels of poverty are found in Haiti.

Although agriculture is an important sector in the overall economy, Haiti does not produce enough food crops and livestock to feed its people. The country has to import 60 per cent of the food it needs, including as much as 80 per cent of the rice it consumes.

There is a dramatically large gap between rich and poor, and inequality is likely to increase as the income gap widens even further. The poorest 40 per cent of the population have access to less than 6 per cent of the country's income, and the richest 2 per cent of Haiti's people control 26 per cent of national wealth. The main



sources of income for Haiti's poorest people are self-employment and remittances. Poor people who are relatively better off depend for their income mainly on wage earnings, as well as remittances. Remittances are crucial for the survival of broad sectors of the population.

The overall incidence of poverty in the country is 77 per cent. But in rural areas, which are home to 60 per cent of Haiti's population, 88 per cent of people are poor and 67 per cent are extremely poor. Rural people have a per capita income that is about one third of the income of people living in urban areas.

The principal activities in rural areas are agriculture and commerce, which together employ more than 85 per cent of the economically active rural population. Farmers generally rely on multiple activities as sources of income.

Only one in every five farmers depends for a livelihood solely on raising crops and/or livestock on his or her own farm. Other income-generating activities include wage labour, extraction (of sand, chalk or charcoal), crafts and small-scale trade. For rural people in general, remittances account for an average of 15 per cent of income, off-farm work accounts for 5 per cent, wage labour for about 5 per cent and other activities for about 17 per cent.

Because of the country's vulnerability to hurricanes, flooding and other climate-related disasters, the issue of climate change presents crucial challenges for Haiti's development.

The poorest groups of rural people in Haiti are:

- women who are heads of households
- rural workers who depend exclusively on wage labour
- landless people

The incidence of poverty and extreme poverty is particularly high in rural areas, particularly in the North-East, Artibonite, North-West and Centre departments. Almost one quarter of the country's poor people live in the Western department, where Port-au-Prince is located.

Haitians living in rural areas have suffered as a result of increasing pressure on available resources. The weakness of government institutions in providing basic services and infrastructures has made the situation more acute and, to a large extent, has also contributed to a lack of confidence in government structures. There is a clear link between poverty and vulnerability in Haiti, because households have a limited capacity for response to recurrent natural crises and to the effects of political instability.

The pressure on land for agriculture, exacerbated by urban encroachment on arable flatlands and irrigated land, means that the agricultural sector consists mainly of small-scale subsistence farms. Average land holdings are less than 1 ha in size. A context of unclear property rights, a vicious circle of environmental degradation, little available technology and credit, and weak market infrastructure make the development of sustainable agricultural income difficult. At present 80 per cent of farms fail to produce enough to feed household members, who resort to non-farm activities for complementary income.

IFAD works with rural communities that are characterized by:

- geographical isolation and weak communication links
- dependence on subsistence agriculture and limited insertion into an essentially informal local economy
- lack of support from public sector institutions
- limited presence of private operators in all sectors

Rural communities that face deterioration of their living conditions have developed two main coping mechanisms:

- survival through subsistence farming
- seasonal or permanent migration to cities, to the neighbouring Dominican Republic or, in households that have the opportunity, to North America or Europe.

Eradicating rural poverty in Haiti

Under the democratically elected government that has been in office since May 2006, Haiti reached the decision point in November 2006 under the Heavily Indebted Poor Countries (HIPC) Debt Initiative, becoming eligible for debt relief for investments in pro-poor programmes.

The country presented its strategy for poverty reduction to the World Bank and the International Monetary Fund in late 2007. Haiti's National Growth and Poverty Reduction Strategy Paper (DSNCRP), endorsed in 2008, considers agriculture a pillar of pro-poor growth. The document outlines two stages of action. During the first stage, from 2007 to 2009, the strategy calls for a modest growth in GDP of about 4 per cent while the government maintains its budgetary and monetary policy for correcting internal and external imbalances and stabilizing inflation, which is projected at 7 per cent for 2008/2009. During the second stage, from 2009 to 2011, it is expected that the rate of growth would accelerate to about 7.5 per cent.

Using a participatory approach, the government has determined three strategic policy aims for the period from 2007 to 2011:

- promoting four vectors of growth (agriculture and rural development, tourism, infrastructure modernization, science and technology)
- strengthening basic social services
- improving democratic governance

In agriculture, the government gives priority to development of the private sector, which is comprised mainly of small-scale farmers.

The country faced a particularly severe crisis early in 2008 as a result of the adverse effects of the 2007 hurricane season on agricultural production and the sharp rise in international food prices. The situation in Haiti rapidly became unsustainable, leading to a burst of social and political unrest. It is foreseen that the difficult situation will continue as a result of the climatic events of the 2008 hurricane season and its effects on agricultural production.

IFAD's strategy in Haiti

IFAD began operations in Haiti in 1978. Since then the organization has approved loans totalling US\$84.4 million for eight programmes and projects with a total cost of US\$153.1 million. Through a participatory, community-based approach, IFAD invests in building the capacities of communities, promoting production initiatives and providing poor rural people with access to financial services.

Throughout the history of IFAD's operations in Haiti, the organization has supported the government in improving small-scale irrigation. The recently launched Small-scale Irrigation Development Project builds on lessons learned in the past and in particular from the recently completed Small-scale Irrigation Schemes Rehabilitation Project. The new project will strengthen the capacities of the government for the management of water resources. With a grant of US\$745,000, effective in 2007, IFAD supports a technical assistance programme that works with water users' associations and the Ministry of Agriculture to coordinate approaches and methods.

Projects: 7

Total cost: US\$153.2 million

IFAD loan: US\$84.3 million

Directly benefiting: 155,065 households

There are two other ongoing projects. The Food Crops Intensification Project (Phase II) includes a focus on empowering community-based organizations, such as women's groups, by the direct transfer of resources. The Productive Initiatives Support Programme in Rural Areas provides a model for development of community-based financial services.

IFAD has contributed US\$80,000 to a grant totalling US\$340,000 to Fonkoze, Haiti's leading microfinance institution. The aim is to develop remittances services between Haitian Home Town Associations in the United States of America and community development projects in Haiti. The grant was made under the IFAD-Inter American Development Bank Remittances and Rural Development Programme.

Since 1978, throughout years of political turbulence and transition, IFAD has maintained its presence in Haiti, helping poor rural people cope with the effects of poverty. The organization supports the government's efforts to reduce poverty in collaboration with other donors and partners. IFAD has actively supported policy development and has been involved in international donor activities organized by the transition government and the Préval government, elected in 2006. The organization also contributes to debt alleviation for Haiti in the HIPC process. In 2008 IFAD opened a country presence unit in Port-au-Prince to contribute to better and quicker supervision of its country programme and also to improved dialogue and coordination with the government and other donors.

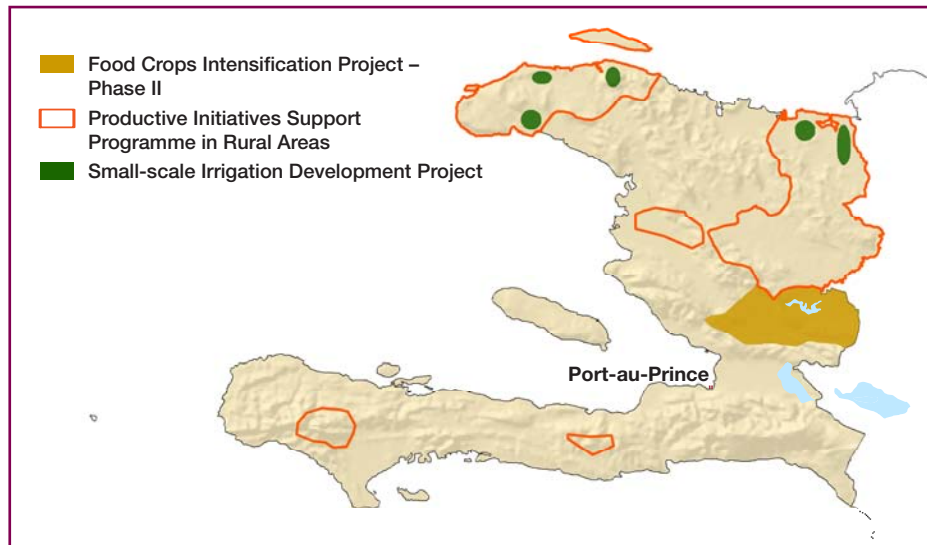
In 2008, IFAD and the Government of Haiti reprogrammed funds from the on-going programme to support Haitian small holders faced with the challenges of the global food crisis and the disastrous effects of the hurricane season on the agricultural sector. With a total of US\$10.2 million, IFAD is helping boost agricultural production by providing agricultural input (seeds and tools) to over 240,000 farmers across the country over three planting seasons in 2008 and 2009. This support is being implemented in collaboration with IFAD's sister-agency FAO.

Aligning its strategy with that of the Government of Haiti, IFAD invests in activities that contribute to:

- promoting sustainable agriculture, particularly through improved land use management
- revitalizing agricultural production by facilitating access to production factors for small-scale producers
- modernizing rural infrastructure, particularly irrigation infrastructure
- revitalizing agro-processing by supporting rural microenterprises
- establishing a new marketing strategy
- strengthening production support structures by strengthening rural organizations
- financing agricultural development by supporting the creation of rural financial services

Projects have harmonized approaches to making decentralized rural financial services available to poor people, and they regularly organize and co-finance joint activities and learning and sharing events.

Ongoing operations



Small-scale Irrigation Development Project

The North-East and North-West departments are among the country's poorest areas, and the target group includes some of the poorest people living in those areas. The most vulnerable rural people survive on a subsistence level, and they have little or no access to public and private services. Severe land degradation is the result of strong pressure on natural resources and recurrent natural disasters.

This project builds on the experiences of the Small-scale Irrigation Schemes Rehabilitation Project, which was completed in 2006. The current project's overall goal is to reduce rural poverty by improving the livelihoods and incomes of poor rural households in a sustainable manner. A specific goal is to bring about key policy and institutional changes, including a national water management programme.

The project's objectives are to:

- intensify and increase agricultural production in a sustainable manner through efficient water management and consolidation of irrigated agriculture on both a collective and an individual basis
- develop agricultural production systems and other productive and income-generating activities
- strengthen community planning, organization and management capacities to facilitate market linkages and access to financial services

The project focuses on areas where people have some access to productive resources, and particularly on people living within existing or new irrigation schemes. It offers technologies to support individual irrigation systems and off-farm income-generating activities. The people who will benefit directly from the project will have a participatory role in the assessment of priority needs and in all stages of activities.

Activities will include:

- developing irrigation systems, with a focus on constructing and rehabilitating individual and collective systems, establishing a national water management programme and an emergency fund, strengthening the capacity of public institutions and water users' associations, improving land tenure security, and promoting the use of innovative irrigation technologies
- supporting productive activities through microprojects in the sectors of crops, livestock, income generation and research and development
- strengthening the capacity of grass-roots organizations to plan and manage their development, with support for marketing and microfinance institutions

Total cost: US\$26.9 million

IFAD loan: US\$ 13.0 million

Co-financing: OPEC Fund for International Development (OFID) (US\$8.0 million)

Duration: 7 years

Geographical area: North-East and North-West departments

Directly benefiting: 15,000 households

Productive Initiatives Support Programme in Rural Areas

The programme has national scope in terms of policy and institutional dialogue with the government, but the financing of community initiatives focuses on selected remote rural areas in the country's poorest departments. The aim is to reduce rural poverty by empowering poor rural people to increase their household incomes and improve food security. The target group comprises the most disadvantaged poor people, including landless or almost landless agricultural workers, women and young people, as well as microentrepreneurs.

The specific objectives of the programme are to:

- strengthen capacity at the local and national level for grass-roots planning and for social and economic development management, including rural finance
- support communities' productive initiatives, as well as activities that add value to them, such as reducing transportation costs, improving access to market information and developing rural micro-enterprises
- facilitate sustainable access to rural financial services, especially for women, landless people and young people

Food Crops Intensification Project – Phase II

The project focuses on an area where 95 per cent of the people depend on agriculture as their main source of livelihood and where one third of the population is involved in seasonal migration to the capital city of Port-au-Prince and to the Dominican Republic. Farm families have six members on average, and 90 per cent of the farms consist of less than 4 ha. Food production per capita is inadequate.

There is a potential and also a demand for irrigation in the project area, where existing irrigation schemes, which were developed mainly by the farmers, are poorly designed and managed. One of two exceptions is a scheme that was rehabilitated by the first phase of the project.

Widespread poverty is a characteristic of the project area. Poor rural people lack access to clean water, adequate nutrition, health services and basic education, and to ways of generating income through production. Road infrastructure is inadequate, people lack access to credit. Farm decapitalization and environmental deterioration contribute to poverty.

Women are particularly disadvantaged. They work on the land, process food, collect wood and water and engage in trading, but they live at the margin of rural society, with no voice in decisions affecting their lives. Many are illiterate.

The overall goal of the project is to make sustainable improvements in rural people's incomes and welfare and foster their participation in development. The aims are to:

- strengthen the capacity of grass-roots organizations
- provide financial support to community initiatives
- improve the access of poor rural people to decentralized financial services on a sustainable basis

As part of its efforts to strengthen grass-roots organizations, the project includes intensive literacy and training programmes.

Total cost: US\$28.1 million

IFAD loan: US\$21.6 million

Duration: 2002-2012

Geographical area: selected rural areas in the North-East, North-West departments and the Haut Plateau Central

Directly benefiting: 80,000 households

Total cost: US\$20.1 million

IFAD loan: US\$15.3 million

Duration: 2001-2009

Geographical area: 5 municipalities in the Bas Plateau Central

Directly benefiting: 33,000 households



Completed operations

Small-scale Irrigation Schemes Rehabilitation Project

Total cost: US\$22.3 million

IFAD loan: US\$10.5 million

Co-financing: French Development Agency (AFD) (US\$5.5 million), OPEC Fund for International Development (OFID) (US\$3.2 million)

Duration: 1996-2005

Geographical area: Port-de-Paix, Saint Marc, Petit-Goave, Coteaux districts

Directly benefiting: 3,145 households

Northern Region Rural Development Project

Total cost: US\$29.1 million

IFAD loan: US\$5.0 million

Co-financing: World Bank - International Development Agency (IDA) (US\$19.1 million), German Agency for Technical Cooperation (GTZ) (US\$2.2 million), French Development Agency (FAC) (US\$1.2 million)

Duration: 1984-1989

Geographical area: North and North-East departments

Directly benefiting: 3,145 households

Food Crops Intensification Project

Total cost: US\$18.5 million

IFAD loan: US\$13.7 million

IFAD grant: US\$1.4 million

Co-financing: World Food Programme (US\$610,000)

Duration: 1983-1997

Geographical area: selected zones in the Port-de-Paix and Belladère districts in the North-West and Centre-East

Cul de Sac Irrigation and Agricultural Development Project

Total cost: US\$8.0 million

IFAD loan: US\$3.5 million

Co-financing: International Development Bank (IDB) (US\$3.5 million)

Duration: 1979-1989

Geographical area: the River Blanche zone in the west-central part of the Cul-de-Sac Plain

Directly benefiting: 3,670 households

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For further information on rural poverty
in Haiti, visit the Rural Poverty Portal:
<http://www.ruralpovertyportal.org>



Building a poverty free world

In 2008, IFAD marks 30 years of fighting rural poverty and hunger. IFAD was created in response to the droughts and famines that killed many millions of people in Africa and Asia in the early 1970s. World leaders at the 1974 World Food Conference decided to form a global alliance to fight rural poverty, an underlying cause of hunger and malnutrition. Their vision was a new and unique partnership between the members of the Organisation for Economic Co-operation and Development (OECD) and the Organization of the Petroleum Exporting Countries (OPEC) and other developing countries dedicated to agriculture and rural development.

IFAD is an international financial institution and a specialized United Nations agency. Since 1978, IFAD's member countries have together invested more than US\$10 billion in loans and grants, helping over 300 million poor rural women and men to grow more food, improve their land, learn new skills, start businesses, build strong organizations and communities, and gain a voice in the decisions that affect their lives. But hunger and poverty remain widespread in many countries, and poor rural people face new and daunting challenges, such as climate change. Now on the 30th anniversary of IFAD's founding, we honour our founders' vision and renew our commitment to enabling poor rural people to overcome poverty.



Enabling poor rural people
to overcome poverty

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