

Multi-Sector Market Environment Analysis HAITI

TO WHAT EXTENT CAN MARKETS MEET THE BASIC NEEDS OF
THE POPULATION AFFECTED BY HURRICANE MATTHEW?

Summary

Economy already in crisis Page 5

Before Hurricane Matthew struck Haiti on October 4th, **households in Haiti were struggling to recover from:**

- several years of drought, exacerbated by the El Niño phenomenon in 2015
- the consequences of the 2010 earthquake,
- the continued cholera outbreak that followed the 2010 earthquake,

The high inflation, the price of staple foods rose increased by 16% between July 2015 and 2015, limited Government support and continued erosion of livelihood opportunities already made Haiti one of the most difficult countries in the world to access basic needs. Even before the hurricane, almost 60% of the population lived under the national poverty line of US\$ 2.42 per day.

Damage to roads and lack of purchasing power Page 7 to 10

One of the most alarming fallouts of the category 4 storm is the impact on household assets, roads and market infrastructure in the departments most affected, which results in immediate shortages of basic needs. While there is currently **limited information on the consequences of the hurricane on the functionality of markets**, initial assumptions on its impact can be made:

The 200,000 buildings estimated to be damaged includes **critical market infrastructure** such as shops, storage facilities, and roads. The economy in Haiti is characterized by a high dependence on **food imports and remittances**. In addition, the departments most affected by the hurricane are highly dependent on other parts of the country for access to cash and basic food needs. This essential movement of money and goods is already known to be severely constrained, with some departments cut off from the capital due to flooding, landslides, and debris. **This has already resulted in localised shortages of basic items and further price increases that will continue until access is restored.**

Due to the widespread damage to subsistence production, households will have to turn to markets to buy food and recovery materials. However, as a result of the reported increase in prices coupled with the destruction of income sources, many poor households will be **unable to afford basic needs**. Without support, the most vulnerable households will be unable to replace or repair productive assets, leading to a longer term **increase in poverty rates**.

Price increases Page 9

Food prices had been severely strained by the effects of the drought, but seemed to have entered into a period of stability just before the hurricane caused destruction of harvests. **Prices of consumer goods** need to be monitored closely post-hurricane. Any price rises will affect the population outside of areas directly affected by the hurricane in addition to those directly impacted.

Support to market recovery Page 11

Markets have shown to bounce back relatively quickly after sudden-onset events in Haiti (including the 2010 earthquake). Market-based responses, including cash based programming, to restore and support market functionality have proven to be a feasible option to consider over in-kind assistance. Those areas where road access is slow to be restored and shortages of goods are reported require different types of intervention, including support to traders and possibly in-kind relief.

Critical information gaps Page 3

There is currently insufficient information available in the public domain to inform decisions on the most appropriate interventions beyond the immediate response phase. **Rapid assessments**, for instance through phone based surveys with traders, on the **functionality of markets, availability of goods and price data is required, followed by more in-depth market assessments**. The market of NFIs and labour requires attention as presently limited knowledge is available. On a community level, information should be made available on the impact on livelihoods and current and possible future access constraints.

Information gaps and recommendations

INFORMATION LIMITATIONS

The available information (see Annex C for full list of reports reviewed) has several limitations:

- Available baseline data is often incomplete or outdated. In the 2010 earthquake the already outdated census data were destroyed or rendered inaccessible.
- The National Coordination Office of Food Security (CNSA) of Haiti in collaboration with FEWS Net provide regular forecasts regarding food security. Most other data collection exercises are ad-hoc, making comparisons across time and locations difficult.
- The large informal labour market makes it difficult to analyse labour-market trends.
- Relevant information is often available in either French or English so comparison and integrated analysis becomes more difficult.

RECOMMENDATIONS FOR IMMEDIATE DATA COLLECTION

To inform modality choice and create a better understanding of the underlying causes of current humanitarian needs, data collection on below topics is required as soon as it is feasible. To capture the fluid situation, data collection systems should be set-up to allow for frequent updates. Once the situation has stabilised, more in-depth market assessments are required to inform the longer term response.

Priority information need	Research question	Suggestions immediate data collection
DEMAND Purchasing power	Which groups in which areas have seen most impact on their sources of income?	Key informant interviews with community leaders
Access to markets	What are the main constraints in accessing markets in affected areas? (e.g. distances, time taken, cost, damage to infrastructure) Are there areas where people are unable to access the markets?	Key informant interviews with community leaders Accessibility mapping (e.g. remote imagery of status of feeder roads and bridges)
SUPPLY Availability of key items	In which areas are basic items, including those required for recovery, not available and what are the main reasons for this?	Update existing baseline market maps (e.g. Beans, Rice) Adapt impact on market chains through key informant interviews with traders
Market functionality	In which areas are shops not or only partly functioning? What are the main reasons for this?	Direct observation and key informant interviews with traders.
PRICES Prices non-food items	What has been the impact of the hurricane on prices for basic food and non-food items?	Direct observation and key informant interviews with community leaders
LESSONS LEARNED Response modalities	What have we learned from previous relief interventions in Haiti regarding the most appropriate response modalities?	Rapid survey among organisations present in Haiti Sharing (documented or verbally) of unpublished lessons learned

Document background

Relief interventions in Haiti, including those to the 2010 earthquake, have been criticised for their (potential) harmful effect on the national market systems (ALNAP 2011 Humanitarian Coalition 2012). This multi-sector report intends to strengthen the understanding of the market environment in the aftermath of Hurricane Matthew. More specifically, the objective of this review is to:

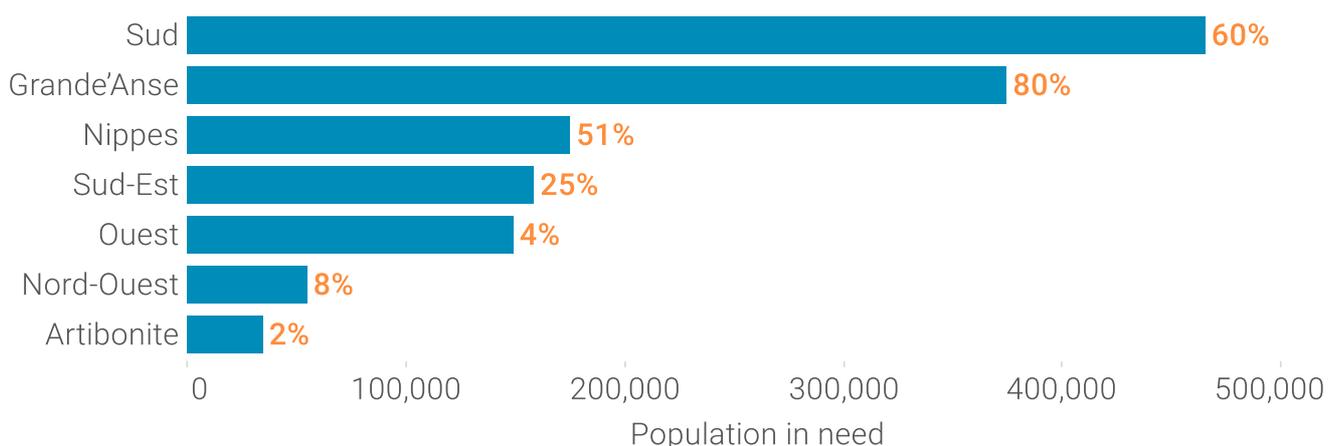
- Provide a consolidated overview of what is known about the overarching market environment in Haiti at the time of Hurricane Matthew and make this information accessible to all interested stakeholders to inform initial planning decisions on how to respond and on what information is required to better inform an evidence basis for decisions.
- Identify underlying causes of humanitarian needs in Haiti that currently relate and/or are likely to relate in future, to the functioning of the markets.
- Inform strategic level decision-making on the most appropriate response options and transfer mechanisms based on an understanding of the market environment (considering both cash and in-kind options).
- Identify pressing information gaps and provide recommendations to address these.

This analysis of the market environment in Haiti is based on a review of secondary data ACAPS has been able to locate since Hurricane Matthew made landfall on 4 October 2016.

Disaster Overview

The Category 4 hurricane Matthew made landfall at the southwest coast of Haiti on 4 October and continued its trajectory across the northwest of the country. Wind speeds of 230km/h were recorded, and caused widespread damage, flooding, and the displacement and evacuation of at least 175,500 people. Over 2 million people, or more than 10% of Haiti's population, is reported to have been affected. Sud, Grand'Anse and Nippes departments are most affected (OCHA 09/10/2016). Widespread destruction has been observed and roads have been damaged including, the main road connecting the southern part of Haiti to the rest of the country has been compromised (WFP 06/10/2016). A Flash Appeal was launched on 10 October, appealing for USD 120 million to provide support to 750,000 people severely affected by the hurricane (OCHA 10/10/2016).

Estimated **population in need** and as a **proportion of the total population** in the department

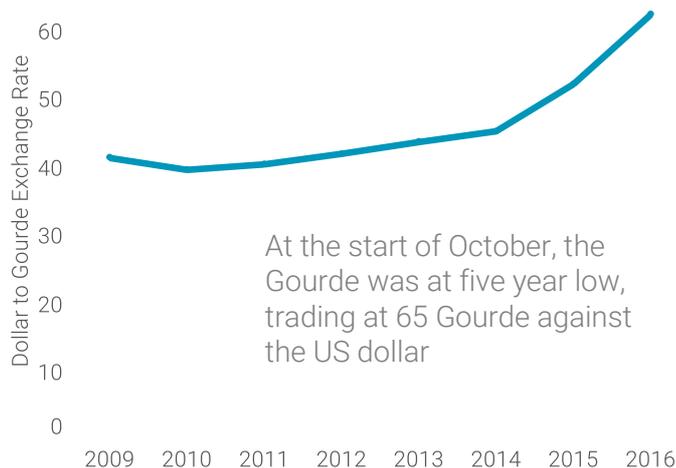
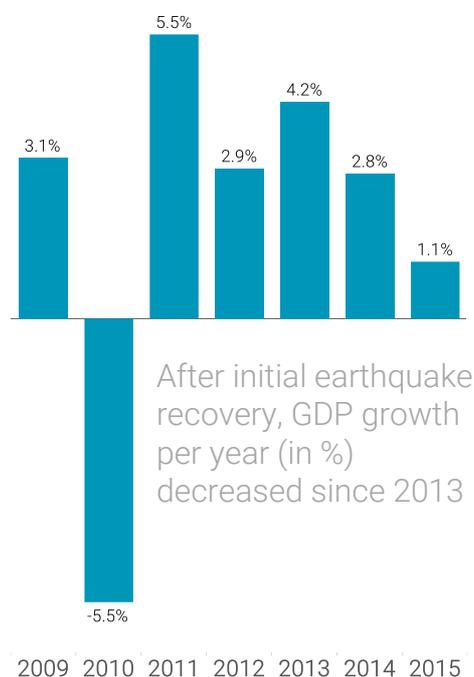


Source: Government 10/10/2016

Macro Market Environment

THE STATE OF THE HAITIAN ECONOMY AT THE TIME OF THE HURRICANE

- ECONOMIC GROWTH RATES:** The ongoing uncertain political situation in Haiti, the related unfavourable investment climate, and the only modest recovery of the agricultural sector after a severe drought have caused decelerating economic growth in the country (WB 16/09/2016). Economic growth was 2.8% in fiscal year 2014, dropping to 1.5% in 2015, and was expected to be below 2% in 2016 prior to the hurricane (Tradingeconomics 2016).
- INFLATION:** The depreciation of the country's currency, the Gourde (HTG), and the impact of the drought, with the prices of many agricultural products rising by up to 40%, have translated into higher domestic prices (WB 16/09/2016). By April 2016, the rate of inflation had reached as high as 15%. However, falling international prices of rice, cooking oil, petroleum and other products have helped to mitigate the impact of inflation and by July inflation reduced to 12% (ECOSOC 07/2016).
- TRADE DEFICIT and INCREASING GOVERNMENT DEBT:** Haiti is highly dependent on imports for its main staple foods, with the majority of rice and black beans imported from the Dominican Republic and the United States. The export market is insufficient to pay for these required imports. As a result, Haiti consistently runs large trade deficits which in turn resulted in large foreign debts. A large part of this debt was cancelled following the 2010 earthquake. However, since 2011 the country's level of debt has been increasing again and reached over 26% of the country's Gross Domestic Product in 2015 (Tradingeconomics 2016, IMF 21/07/2010).
- LACK OF FOREIGN INVESTMENT:** Haiti experiences a lack of investment due to political instability, poor governance and corruption. The country has been without an elected president since February. Several rounds of elections have been postponed due to claims of fraud and concerns over the potential for violence (LA Times 07/10/2016) and the most recent round, which was scheduled for the weekend after the hurricane, have also been postponed. The government relies on formal international economic assistance for fiscal sustainability, with over half of its annual budget coming from outside sources. The political instability has stalled an International Monetary Fund (IMF) agreement, which could provide funds necessary to stabilize the economy and exchange rate. Furthermore, support from the European Union and other donors is contingent upon the IMF agreement (Alertnet 25/03/2016).
- REMITTANCES:** The Haitian diaspora plays a vital role in the Haitian economy (ECOSOC 07/2016). Remittances remain the largest source of external funding, despite high transaction costs, (CSIS 24/06/2011) and constitute an estimated 25% of the overall GDP (WB 2016).
- LIMITED MARKET REGULATION:** The market in Haiti operates under a very weak institutional framework with few regulatory mechanisms. The majority of the population works in the informal economic sector. The formal sector is small and highly regulated in some areas, for example in taxes and tariffs, and not regulated at all in other areas, such as wages and working conditions (BTI 2016).
- DEPRECIATION:** The Gourde has significantly depreciated against the currencies of major trade partners since 2014. This increases the cost of imports (WFP 12/2016).



WHAT TO LOOK OUT FOR IN THE NEXT 6 MONTHS?

- **UPCOMING PRESIDENTIAL ELECTIONS:** Haitian authorities have postponed presidential and legislative elections originally set for 9 October 2016 because of Hurricane Matthew. A new date for elections is yet to be announced. The country has a history of unrest and violence in response to political developments.
- **AMERICAN PRESIDENTIAL ELECTIONS:** The outcome of presidential elections in the United States, Haiti's main trading partner and one of the main donors, in early November could have an impact on trade relations between the two countries, influencing imports and exports.
- **FINANCIAL AND IN-KIND ASSISTANCE FOLLOWING HURRICANE MATTHEW:** The hurricane has caused devastation of agricultural crops and significant damage and destruction to houses and other buildings. The international aid community as well as the Haitian diaspora are likely to provide substantial assistance to aid recovery.
- **FURTHER DEVELOPMENT OF THE HURRICANE SEASON:** The hurricane season in the Atlantic Ocean continues through to the end of December so there remains the possibility that more hurricanes affect the country with different degrees of damage to infrastructure and livelihoods including hampering the recovery effort.
- **INCREASE GLOBAL COMMODITY PRICES:** Until now, low international prices for rice have somewhat offsetting the impact of the strong depreciation of the Gourde. However, any increase in international rice and bean prices will have an immediate impact on household's access to food.

Main information gaps

- Economic policy anticipated by a new president
- Aid and investment influx post-Matthew

Demand: Households and markets

WHAT ARE THE MAIN SOURCES OF INCOME FOR A HOUSEHOLD IN HAITI?

- **SOURCES OF INCOME IN RURAL AREAS:** In rural Haiti, men traditionally cultivate the land and work gardens, while women trade agricultural production in the marketplace (Wageningen University 2013). An emergency food security assessment conducted by WFP and the Haitian National Coordination Office for Food Security (CNSA) showed that before the drought in 2015, the primary source of income for male-headed households was agricultural production (50%). Agricultural production was strained as a result of the drought, consequently, the proportion of male headed households with agriculture as the primary source of income fell by 30%. Income activities related to business, 'petit trade' and charcoal production increased as households attempted to find alternative sources of income. According to the study, business and petit trade remained the main source of income for female-headed households (WFP 02/2016).
- **SOURCES OF INCOME IN URBAN AREAS:** An Urban Food Security Assessment¹ conducted by WFP in June 2016 showed that most households in the urban areas covered by the survey relied on small commerce and businesses (32% of households), unskilled and skilled daily wage labour (23% of households) and salaried jobs (21% of households). The survey also showed that, overall, 43% of households had one income source, 45% reported two sources, and 13% reported three sources (WFP 08/2016).
- **REMITTANCES:** Supplemental household income is also received in the form of diaspora remittances and local money transfers. Remittances were the main income source for 11% of households in urban areas in June 2016 (WFP 08/2016) and constituted an estimated 25% of GDP (WB 2016). Increased remittances and donations from the Haitian diaspora following the hurricane is likely.
- **SOCIAL BENEFITS AND PENSIONS:** Government social safety nets are practically non-existent. Only 8% of the Haitian population received non-contributory social assistance benefits in 2012, such as scholarships, food aid, and other transfers. (WB 2012) The state provides a very basic health and pension insurance scheme to the small part of the population that is formally employed.
- **INCREASE IN UNEMPLOYMENT:** Unemployment affects a large portion of Haitians and thus their income and purchasing power. Estimates indicate that 40% of the Haitian population is unemployed, with 50% of women of working age unemployed (USAID 01/2016). An additional challenge to the job market is posed by the return of Haitians from the Dominican Republic, looking to establish a livelihood in Haiti. Between June 2015 and May 2016, following the expiration of a national regularization plan aimed at foreigners who had migrated to the Dominican Republic, 30,000 people of Haitian descent, many born in the Dominican Republic, were deported from the Dominican Republic to Haiti. Another 87,000 people returned spontaneously (OCHA 15/09/2016).
- **HURRICANE IMPACT:** Very limited information is currently available on the impact Hurricane Matthew has had on sources of income. However, with the reports of widespread damage to road infrastructure and houses, (ECHO 09/10/2016) it can be assumed that sources of income are severely disrupted. Initial estimates by WFP state that there has been significant damage to agriculture and fishery assets in the most affected departments of Grand'Anse, Nippes, western part of Sud, parts of Ouest and Artibonite. (Flash Appeal 10/10/2016) In some areas up to 100% of the agriculture yields, the bean harvest season just ended, are reported to have been lost. Unskilled and skilled daily wage labourers are likely to be particularly affected and there may be limited work opportunities for them in the short term.

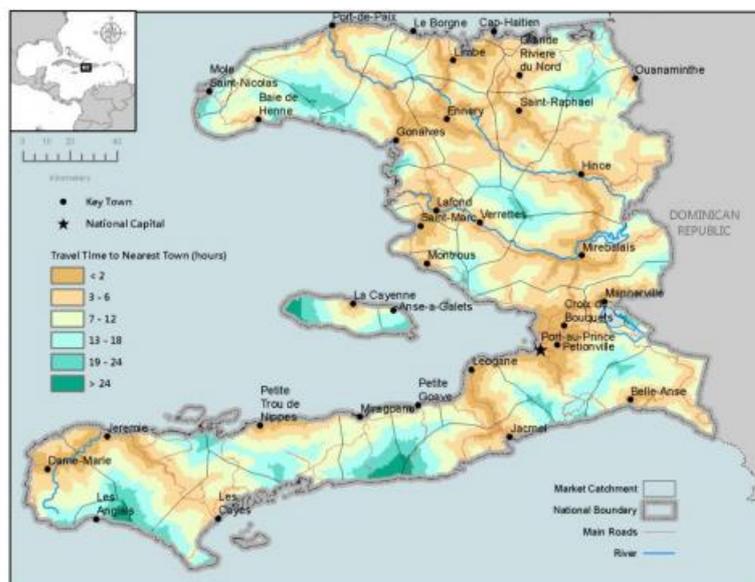
Agricultural production is the main livelihood in rural areas, with men cultivating the land and women mostly involved in trade of produce. In urban areas, trade and unskilled daily wage labour are the primary sources of income.

¹ The household survey sample of 4,490 households was designed to give representative estimates for each of the six Communes that make up the Metropolitan Area of Port-au-Prince, and each of the other nine cities that are a 'Chef Lieu' (Departmental capital cities).

WHAT KIND OF CONSTRAINTS DO HOUSEHOLDS FACE IN ACCESSING THE MARKET?

- WIDESPREAD POVERTY AFFECTING PURCHASING POWER:** Haiti remains the poorest country in the Americas and one of the poorest in the world with a GDP per capita of around US\$ 750 in 2015 (Tradingeconomics 2016), compared to US\$ 6,500 in neighbouring Dominican Republic (Tradingeconomics 2015). More than 6 million out of the population of 10.4 million Haitians (59%) live under the national poverty line of US\$ 2.42 per day and over 2.5 million (24%) live under the national extreme poverty line of US\$1.23 per day (WB 16/09/2016). The impact of the hurricane is likely to further increase poverty rates because of the predicted loss of livelihoods, access constraints and price rises of food and basic goods.
- FURTHER DECREASE IN PURCHASING POWER DUE TO DROUGHT:** As a result of the drought induced reduction in agricultural production households were forced to rely more on the purchase of food than on their own production, making them highly susceptible to price changes that resulted as a consequence of the decrease in food production. Although the most recent harvest enjoyed average rainfall, it is estimated that this has only led to a slow process of recovery from the drought as the majority of farmers had not prepared the season adequately due to lack of financial resources (FAO 04/10/2016, WFP 04/2016).
- DISADVANTAGED RURAL POPULATION** Rural Haiti is home to 52% of the country's population, of which 67% is categorised as 'extremely poor'. Rural people have a per capita income that is about one third of the income of people living in urban areas, making it more difficult to afford basic needs. (Wageningen University 2013)
- PHYSICAL ACCESS:** As can be seen on the map, several areas within Haiti were already extremely remote, even without the impact of the hurricane on roads and bridges (WFP 04/2016). According to the Ministry of Interior, 60% of the roads in the southern peninsula have been damaged (AFP 10/10/2016). Although road clearing is currently on-going, access to a large number of areas remains blocked.

Distance to closest market pre- hurricane
(WFP 04/2016)



WHAT TO LOOK OUT FOR IN THE NEXT 6 MONTHS?

- RURAL – URBAN MIGRATION:** Rural–urban migration caused by land degradation, drought, floods and other events undermining livelihoods is the predominant internal movement in Haiti. Such migration can potentially be expected after Hurricane Matthew due to further depleted livelihoods in the rural areas. (IOM 16/06/2016). This puts pressure on services in urban areas which are already inadequate.
- INTEGRATION OF HAITIANS RETURNING FROM THE DOMINICAN REPUBLIC:** The integration of people returning from the Dominican Republic creates additional competition on the informal job market.

Main information gaps

- The impact of the hurricane on household income and expenditure
- Effect of Hurricane Matthew and humanitarian aid on market systems in terms of product supply
- Number of people who have returned from the Dominican Republic
- Impact of Hurricane Matthew on seasonal agriculture
- Information on the change in remittances after the 2010 earthquake
- Information on household food security in relation to a nutritious food basket

Prices and trends

WHAT ARE THE TRENDS IN PRICES FOR BASIC GOODS?

- **INFLATION** In July 2016, prices were 13% higher than in July 2015. This significant inflation is primarily driven by food inflation, with a year-on-year food inflation of more than 16%. Half of the Haitian households spent over 65% of their expenditure on food and such increase in the price of basic food items significantly impacts access to food. (WFP 04/2016) In one of the poorest parts of the country, even a slight deterioration of the situation can have a large impact on households' access to basic needs. The cost of food items had already been increasing due to the depreciation of the HTG and in the wake of the persistent drought. The drought has resulted in the loss of more than 50% of the 2015 spring harvest compared to a normal year. The considerable crop losses and reduced availability of local food in the markets elevated the prices of local products. (OCHA 01/2016)
- **COST OF STAPLE FOOD ITEMS:** Half of the Haitian households spent over 65% of their expenditure on food. (WFP 04/2016) Rice is the main component of the Haitian diet, accounting for 23% of the average total calories consumed each day. Black beans, maize, and cooking oil are additional important staple foods for poor and middle income households in Haiti. (WFP 12/2015, FEWS NET 02/2016) There is no information on how much households usually spent on education, healthcare or other basic needs.

COMMODITY	PRICE FLUCTIATIONS	PRICE RANGES August 2016
RICE	Most of the rice (80% of national needs) is imported . The price is primarily determined by rice prices in the United States and Dominican Republic, with limited seasonal variations. Prices are lowest in Port-au-Prince (where imports arrive) and become higher further away from the capital.	125 HTG Port-Au-Prince to 175 HTG Cap Hatien
DRY BEANS (BLACK)	Half of the beans is domestically produced, while the remainder is imported. Haitian beans are considered superior in quality and taste to imported beans, so imports rise and fall in inverse relation to the supply of domestic beans. Prices are lowest during the two harvest seasons (Jan to March and July to October)	200 HTG Port-au-Prince to 300 HTG Jacmel
MAIZE	Almost all of the maize consumed is domestically produced . Prices are lowest in and around key producing areas in the Centre. Prices traditionally drop during the harvest from June to September -	90 HTG Jacmel 120 HTG Hinche, Cap Hatien

Sources: FEWSNET 09/2016, EMMA Beans Market 02/2010, WFP 23/05/2016

- **PRE-HURRICANE STABILISATION OF PRICES:** GIEWS notes that September 2016 prices for rice, remained unchanged or slightly declined, reflecting ample supplies from imports and low quotations in the international market. Maize meal prices were unchanged or declined in the main markets in September too, as product from the main season crop began to supply the markets and indicating what appeared to be a gradual agricultural recovery from the drought years. Bean prices were also stable or declining in September, with the beginning of the second harvest, and were sharply below their level in the same month last year (FAO GIEWS 04/10/2016).

Main information gaps

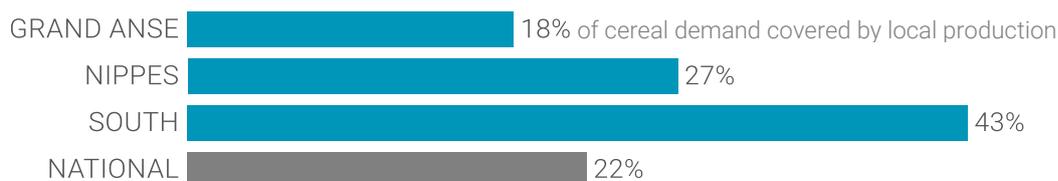
- Impact, if any, of Matthew on the second harvest and on stocks in the markets (i.e. were stocks ruined, damaged).
- Current price monitoring only consists of food items, an understanding of the prices, markets, supply chain and availability of key non-food items is required in the post hurricane environment and should be established.

Market System

- **MARKET CHAINS AND ACTORS:** There are two main market chains relevant to the affected areas; those primarily reliant on imports and those for locally produced products. For example for rice the two main networks are:
 - Imported rice chain, mainly coming from the United States, filtering down through wholesalers, and distributors.
 - The networks that organised the processing and delivery of locally produced rice from the Vallée de l'Artibonite to markets in urban areas (EMMA 2010, CNSA 2013).

A unique actor in the market system in Haiti is the Madame Sara, an intermediary rural woman who buys agricultural products directly from rural producers and sells them to resellers and small market vendors at urban markets. Madame Saras thereby specialise in the commodities seasonally available in their activity zone. An estimated 700,000 small farms depend on the service of these female intermediaries (Wageningen University 2013).
- **DAMAGE TO SUPPLY ROUTES:** All affected departments rely on supplies from other departments, or imports, to meet the overall demand for food needs. In Grand'Anse for instance, only 18% of cereal demand is covered by local production. The areas are therefore heavily dependent on adequate road conditions. However, according to the Ministry of Interior, 60% of the roads in the southern peninsula have been damaged as a result of the hurricane (AFP 10/10/2016). All intercommunal roads have been damaged in Grand'Anse department (Haiti Government 7/10/2016).

Local production only meets part of the food needs in the most affected departments



Source: WFP 12/2015

WHAT ARE THE MAIN OBSTACLES TO MARKET FUNCTIONALITY?

- **LIMITED ADEQUATE STORAGE AND TREATMENT CAPACITY:** The supply of products to markets is hampered by unreliable production due to floods, drought, environmental degradation and inefficient farming and fishing practices. There is little capacity for processing and preservation of sensitive products, including some crops and also fish species that require special care in order to be viable beyond local markets (UNU 2012, CIESIN 09/2012). Most food products available in the market are seasonal and reliant on swift transport from grower to market in order to remain fresh and retain value. Depending on damages and destruction of production infrastructure and road conditions certain supply chains might be interrupted for some time, producers not able to sell their products in a timely manner and thus loose income.
- **LACK OF ROAD INFRASTRUCTURE:** The lack of infrastructure and poor road conditions are considered a main limitation to trade activities across the country, this is particularly the case in areas still recovering from the 2010 earthquake and the southern peninsula (WFP 12/2015). Smallholder farmers are very reliant on intermediaries to move products beyond local markets. (UNU 2012, CIESIN 09/2012). Some roads and paths were impassable after Hurricane Sandy in October 2012, as a result, market intermediaries such as the Madame Saras could not carry out their business resulting in losses of produce (Wageningen University 2013). Similar effects can be expected in the current circumstances.
- **LACK OF ACCESS TO CREDIT:** A study in Decemer 2015 showed that small scale traders have limited access to credit, which hampers their ability to increase trade (WFP 12/2015) and to utilise credit to bounce back from short term shocks.

Main information gaps

- Accurate knowledge of where markets are and are not functioning
- Main obstacles to market functioning in areas most affected by the hurricane.
- Mapping of routes to markets and their status post hurricane.
- Recent information on access to credit for traders.

Lessons Learned

Lessons learned from the implementation of market based programming following the 2010 earthquake should inform design of the response to Hurricane Matthew:

- **FOOD AID:** Despite the massive destruction, local markets began functioning again shortly after the earthquake in 2010, prompting the government to stop direct food distributions within three months (HPN 05/2012). An EMMA conducted in Haiti following the 2010 earthquake investigated, among other items, beans and showed that continued free bean distributions were likely to lead to decreased demand for the crop. The study recommended increasing the demand on the market for beans through cash transfers (EMMA 02/2010). In general, the EMMA highlighted the need for continued and diversified but time limited food distributions to increase food intake, to complement livelihoods grants, and to allow markets to recover (EMMA 01/2012). An evaluation of ACF's Fresh Food Voucher programme for emergency response and early recovery in Haiti concluded that food aid should be considered only if programs to restore the market chain failed. When designing food aid programs, local and regional purchase should be considered (ACF 02/2012).
- **SUPPORT TO TRADERS:** In the aftermath of the earthquake, small actors within the market chain were found to require support to restore their operational capacities. This was primarily to recover capital, storage capacity, and improve access to capital (EMMA 02/2012).
- **COMMODITY VOUCHERS:** Experiences by Oxfam with distributing commodity vouchers after the 2010 earthquake to purchase sanitation items from pre-selected shops showed that although cash would have allowed beneficiaries more flexibility, it would require shops to stock a greater variety and volume of products. Overall, commodity vouchers were considered by Oxfam to be more appropriate and less risky for small traders where a programme is introducing new commodities to the market and traders are unsure how these will sell (OXFAM GB, 2011).
- **CASH VOUCHERS:** Cash vouchers did work for a number of organisations that used them. Fraud was an issue, and the production and use of vouchers with a unique serial numbers and crosschecking with photo IDs when cashing in the vouchers was recommended (UNDP 18/03/2011).
- **CASH BASED RESPONSES:** The uptake in the use of cash transfers in humanitarian response in Haiti has been rapid and in part been enabled by the quick spread of branchless banking and electronic payments technologies. Some experiences with various cash programmes implemented in Haiti have been documented:
 - **HOUSEHOLD PREFERENCES:** According to a December 2015 assessment, over 75% of the assessed households preferred cash over in-kind distribution as a food assistance modality (WFP 12/2015).
 - **USE OF IN-COUNTRY DISTRIBUTION MECHANISMS:** Options using existing financial systems in-country, such as the established remittance channels, can have benefits in terms of speed of set-up, familiarity, and lack of stigmatisation (CaLP 24/01/2012). Working through local partners with existing contacts and relationships was also observed to speed up the delivery of cash transfers. Using the existing remittance system, mainly through the Fonkoze Microfinance Institution, avoided delays and allowed beneficiaries to access funds through a familiar system (HPN 05/2012).
 - **MOBILE MONEY:** Over 70% of Haitians have a mobile phone subscription (CIA 07/2015). Several pilots with mobile banking took place in the aftermath of the 2010 earthquake. A CaLP review of experiences in Haiti with Mobile Money showed that the Haiti Mobile Money Initiative (HMMI), an incentive based approach to initiate start-up and scaling-up of mobile money services was operationalised in December 2010. By the end of July 2011, it had reached 300,000 subscribers and completed nearly 1,000,000 transactions (CaLP 24/01/2012). The process of using mobile money consists of loading the NGO's disbursement account with e-money through a bank transfer from the NGOs national bank account. Then, instead of sending beneficiaries' names and payment instructions to the finance department or transfer agent, programme managers access an online platform and send the payment notification to beneficiaries' mobile phones. Beneficiaries then went to a nearby agent to collect their cash (HPN 05/2012).

- **BENEFICIARY SELECTION:** The selection of beneficiaries in various cash programmes in Haiti took various forms and in most cases included an ID registration, although some potential beneficiaries had no form of photo ID. Spot checks in verification of beneficiary lists proved essential (UNDP 18/03/2011).
- **COMMUNICATION:** Good communication with beneficiaries regarding cash transfers proved to be key and included information regarding beneficiary selection criteria and processes, communication prior to receiving cash (i.e. communication regarding eligibility for cash transfers, amount of transfers, what documentation was needed, and timelines) but also during the cash disbursement process (UNDP 18/03/2011).

Main information gaps

- Household preferences for a certain transfer mechanism
- Comparative study on the appropriateness of certain interventions and their sustainable outcomes
- Information on other market support interventions (if any) and lessons learned.
- Mapping of financial providers and agents (urban and rural)
- Clear documentation of Know Your Customer (KYC) and other setps involved in setting up a system for electronic cash transfers via the HMMI
- Information on the government safety nets (even if this covers only a very small proportion of the population) in order to see how a more expanded system could be considered.
- Information on the remittences systems used by the majority of households.
- Information from the Fonkoze Microfinance Institution about the anticipated time it could take to re-establish functional remittance systems and the support required to do this.

Annex A – Seasonal Calendar

SEASONAL CALENDAR												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Rains												
Road Access				Limited				Limited				
Cyclones												
Hunger Period												
Beans Planting		Highland					Highlands			Lowlands		
Beans Harvest												
Rice Planting												
Rice Harvest												
Remittances												
Holidays	Kings day	Carnival		Easter			School holidays					Christmas Marriage season

Source: EMMA 2010

Annex B – Key Macro Economic Indicators

Indicator	2013	2015
Population (in million)	10,431,250	10,7110,00
Rural Population in % of total population	43.8%	41%
Life expectancy at birth	62.4	
GDP per capita (in USD)	810.327	828.812
Unemployment (% of active population)		
Inflation (CPI)	5.853	9.017
Current account balance (% of GDP)	-6.355	-2.637
International reserves (months of imports)	6.8	5.3
External debt (% of GNI)	18.337	

Source: WB 2016

