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Invest in Haiti Forum II

Opening Remarks by Inter-American Development President,

Mr. Luis Alberto Moreno

Port-au-Prince, Haiti.

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Bonjour! Buenos días! Good morning!

I want to thank President Martelly and his government's officials, President Clinton and his team at the Clinton Foundation.

If you had doubt that Haiti is open for business, this is a loud and clear testament to that effect.

I also want to recognize our distinguished panelists and the local and international businesspeople that join us today, especially those who traveled from all over the world to attend this Forum. There is enough economic clout in this room to make a difference to millions of Haitians.

Over two years ago we gathered here with President Clinton and President Préval to hold the first Invest in Haiti Forum. You could sense hope in the air. We all left with a feeling that Haiti was finally turning a corner and attracting the attention of foreign investors.

A few months later, Haiti suffered one of the worst natural disasters in its history. For a country that was no stranger to hardship, the earthquake was a devastating setback. But the worst of times often bring out the best in people. As I witnessed five days after the earthquake and on the many following trips I have made to Haiti, its people refuse to give into despair.

This Forum takes place at a very special time. As the emergency phase ends, we must turn this tragedy into a window of opportunity, as the President Martelly has rightly pointed out. Today we have with us more than a thousand participants, coming from 29 countries.

To help Haiti achieve this goal, the international community has made firm commitments to provide the country substantial support to tackle some of its biggest economic, social and environmental problems.

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This will be a long and difficult journey. Like any other state struggling after a major crisis, Haiti faces a complex set of inter-linked challenges that must be addressed simultaneously.

One of its biggest challenges is boosting economic growth and generating jobs. To do this, Haiti needs to do several things: Among them, Haiti must rebuild and upgrade its infrastructure. It has to create the right incentives to foster private sector investment. And it needs to promote public-private partnerships.

That is exactly why we are here today:

This forum will highlight business opportunities arising in four specific sectors: apparel, tourism, agribusiness and infrastructure. Tomorrow we will discuss how we can innovate to create more employment in these sectors.

As we know, Haiti is only two hours away by airplane from the world's largest consumer market, the United States, which has granted this country uniquely favorable trade preference for apparel exports.

Haiti is one of the largest suppliers of knit T-shirts and tank tops to the U.S. market. Last year it was its fastest growing exporter of garments. And this year, exports are on pace to increase over 50%.

Foreign direct investment and international assistance are pouring into this sector. Major projects are underway. Just yesterday we attended a ground breaking ceremony for the construction of the Caracol Industrial Park, a \$200 million project the IDB is sponsoring with the governments of Haiti and the United States. This industrial park will be the lynchpin of a regional development plan for northern Haiti.

Joining us today are representatives of Sae-A, the Korean company that has agreed to be Caracol's anchor tenant, committing to invest over \$70 million and create 20,000 jobs. We thank you for your support. Sae-A, which attended the first forum back in 2009, took the time and effort to investigate this market thoroughly.

Tourism is another sector where Haiti offers remarkable opportunities. It has 1,700 kilometers of coastline and many beautiful natural attractions. In addition, Haiti has spectacular historical monuments of great cultural value, including the Citadelle, a UNESCO World Heritage Site.

As my dear friend Frank Rainieri – who is joining us today – proved in Punta Cana in the Dominican Republic, there is enormous potential for development in this industry. Why not start promoting tourism for the Hispaniola Island?

Our friends from Marriott International, here with us today, recognized Haiti's potential. Just yesterday they announced their plan to open a hotel in Port-au-Prince. Others will

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surely follow, as experts estimate that demand for quality accommodations will exceed supply by at least 50 percent over the next two years.

Another singular attraction Haiti offers is its art. As you'll see in the exhibition generously arranged by our good friends Donna Karan, Magalie Dresse, James Russel and the Dugall company .

Agribusiness is another sector where Haiti can stand out. If you haven't already done so, please try the coffee being served today. Try the products available in the wonderful exhibition put together by local producers. Try the mangoes. Try the cacao. You will see that Haiti offers premium products with potential to meet both organic and fair trade standards, and that could be sold all around the world.

Indeed, joining us today is my friend Juan Esteban Orduz of the Colombian Coffee Federation, one of the world's premier coffee growers associations. The Federation is working with the IDB's Multilateral Investment Fund in a project to help Haitian coffee growers improve the quality of their product and strengthen their own organizations. We are also pleased to have NESTLE with us here today.

This Forum will highlight opportunities in the infrastructure sector. With total reconstruction costs around \$11.5 billion, the scale of investment needed in Haiti is enormous. This should lead to endless opportunities to combine traditional public funding with private investment.

Haiti needs to replace or expand its roads network, its water supply and sewerage systems, its ports, airports, power grids, and telecommunication networks. It also needs to rebuild government buildings, private homes, schools, hospitals and courthouses.

Proof of the opportunities in the infrastructure sector is the participation in this forum of major companies such as LS Cable from Korea, which has announced to President Martelly its intention to set up a cable manufacturing plant here in Haiti.

To capitalize such opportunities, investors need guidance from those who know the country best: the Haitian Government, Haitian financial institutions and Haitian businesspeople. International finance institutions such as the IDB are also needed to act as honest brokers.

That is why this forum will feature matchmaking sessions. Investors will be able to meet government officials from all the agencies dedicated to fostering investment and job creation; they will be able to meet with representatives from the multilateral donors offering technical and financial assistance; they will be able to meet local bankers; and they will be able to meet with Haitian companies interested in setting up supply chains.

Let me speak briefly about what the IDB is doing in Haiti. After the earthquake we scaled up our involvement to match the magnitude of the challenge. The IDB made a

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public pledge to support Haiti's recovery and long-term development over the next decade.

In doing this, the IDB became Haiti's leading multilateral donor. This was possible because our member countries, represented here by our executive directors, generously provided the resources needed to fund these grants. Latin American and Caribbean countries own half of the shares of the Bank and have been supportive of Haiti.

Our strategy is in line with the priorities of the Haitian Government's plan: "Shaping Haiti's Future Today." We are focusing on specific sectors. We are contributing to strengthen the state's institutional capacity, as well as supporting economic growth in various regions of the country.

The IDB is working in sectors where we believe we can truly make a difference: private sector development; transport; energy; water and sanitation; agriculture; and education.

Regarding private sector development, besides the Caracol Industrial Park, the IDB is helping Haiti expand access to credit and business development services for small and medium-size enterprises. We are also assisting the government in key reforms to improve the country's business climate, such as reducing the delays for issuing construction permits or registering new businesses, as well as promoting the formalization of new and existing SME's.

The ultimate goal of our support for private sector development is to help generate jobs, achieve medium-term sustainable growth and reduce long term poverty.

In transport we are focusing on the rehabilitation and improvement of Haiti's road network and improving the ports and airports that connect it to other countries.

In energy, we are working with the Haitian government and other donors to improve the state electricity company's performance and to upgrade its power generation, transmission and distribution systems.

In water and sanitation, we are investing in the expansion of services in Port-au-Prince, five mid-size cities and dozens of rural communities. Another goal is to improve the final solid waste disposal in Port-au-Prince.

In agriculture, we are supporting the government in its efforts to improve farming productivity. We are financing projects involving everything from irrigation to land titling, technology transfers, and watershed management.

In education, we are supporting Haiti's ambitious goal of providing free education for all

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its children. We have pledged to provide \$250 million in grants and to raise \$250 million from other sources. We have already approved \$100 million, which are being used to build public schools in areas where no education is available, to cover tuition costs and to improve teacher qualifications and training.

President Clinton was always a true believer of my country Colombia, even when it was perceived by some as a failing state. Today Colombia is one of the most attractive places for foreign investors in Latin America.

The major difference is public leadership, a leadership that unites us and does not divide us, to build a better tomorrow, and building dreams for future generations.

Thank you,