2024 Investment Climate Statements: Haiti

EXECUTIVE SUMMARY

Located in the western third of the island of Hispaniola, Haiti stands as one of the most urbanized nations in Latin America and the Caribbean region. The World Bank estimated over 6.8 million Haitians live in rural areas. While its investment landscape presents promising prospects, it also presents significant hurdles for U.S. investors to navigate. Despite the potential offered by abundant arable land and a youthful demographic, these advantages are offset by pervasive corruption, inadequate infrastructure, political instability, elevated levels of gang orchestrated violence, soaring inflation rates, and the ongoing emigration of tens of thousands of skilled Haitian professionals creating a brain drain.

The escalation in violence has prompted an increase in internal displacement of people. The United Nations International Organization for Migration (IOM) estimated From April 2022 to March 2024 more than 362,000 people – 50 percent of whom are children – had been displaced across Haiti by organized criminal group-related violence. From December 2023 to March 3, 2024, the total number of internally displaced persons (IDPs) increased by 15 percent reflecting the pervasive insecurity in the country.

Despite efforts by the Haitian government to achieve some level of economic stability and a sustainable private sector-led and market-based economic growth, Haiti faces a challenging macroeconomic outlook amidst a severe humanitarian crisis. The nation is reeling from the economic repercussions of repetitive gang-driven port blockades which impact Haiti's supply chain, that has led to a surge in food prices. About 5.5 million Haitians are in need of urgent humanitarian aid. This supply chain disruption is further exacerbated by the volatile secu

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As a free market system, the Haitian economy traditionally relies on the agriculture, construction, and commercial sectors, as well as the export-oriented apparel assembly industry in the north. However, the challenging business climate and reduced production in various job-providing sectors have led to increased job losses and diminished the economy's ability to create new jobs following business closures or temporary shutdowns. The proliferation of gangs in the metropolitan area of Port-au-Prince and persistent roadblocks put in place by the gangs along the main north and south access routes to the capital create major challenges for goods to freely circulate in the country. Haitians and expatriates perceived to have access to wealth have been the targets of kidnapping for ransom, with some Haitian gangs showing increased sophistication in conducting complex kidnappings that overcome traditional mitigation methods such as the use of armored cars.

Following a surge of gang violence that began on February 29, Prime Minister Ariel Henry announced on March 12 that he would resign pending the installation of a Transitional Presidential Council (TPC). Henry officially resigned on April 25, paving the way for the TPC—composed of seven voting members and two non-voting observers—to take power on the same day. The spike in violence grounded commercial flights at Port-au-Prince's Toussaint Louverture International Airport from early March to the end of May and negatively affected operations at the capital's ports. A new prime minister, Garry Conille, and a Council of Ministers was sworn-in to form the new government on June 12 and the first elements of the Kenyan-led Multinational Security Support (MSS) mission are scheduled to arrive before the end of June.

The Government of Haiti s'(GoH) Post-COVID Economic Recovery Plan (PREPOC 2020-2023) included the textile sector as one of the most important means for achieving economic transformation and diversification in the country. However, due to supply chain issues, fuel problems, and gang related problems, the textile industry's workforce shrank by over 45 percent from September 2023 to March 2024, reducing to 32,000 employees. Many companies have had to reduce staffing while a small number have closed operations entirely.

According to the World Investment Report 2023 United Nations Conference on Trade and Development (UNCTAD), the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) reported that Foreign Direct Investment (FDI) inflows to Haiti decreased to underscored by the enactment of institutional and structural reforms that can improve Haiti's business and political environment. The Haitian economy showed a negative GDP growth of 1.9 percent in 2023, (1.7 percent in 2022; 1.8 percent in 2021, and 3.3 percent in 2020) and is expected to contract again in 2024.

According to the United Nations' human development index (HDI), Haiti was measured at 0.552 points in 2022, placing it 158th out of 193 countries.

Table 1: Key Metrics and Rankings

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2023	172 of 180	https://www.transparency.org/en/cpi/2023

1. Openness To, and Restrictions Upon, Foreign Investment

POLICIES TOWARDS FOREIGN DIRECT INVESTMENT

Haiti's legislation encourages foreign direct investment (FDI). Import and export policies are non-discriminatory and are not based on nationality. Haitian and foreign investors have the same rights, privileges, and protections under the 1987 investment code. Investors in Haiti can create the following types of businesses: sole proprietorship, limited or general partnership, joint-stock company, public company (corporation), subsidiary of a foreign company, and co-operative society. The most common business structure in Haiti is a corporation.
The Government of Haiti made some progress in recent years to improve the legal framework, create and strengthen core public institutions, and enhance economic governance. The Haitian

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such as LLCs, remains pending parliamentary approval when parliament is restored. Following the conclusion of their mandated terms in December 2022, the remaining representatives of the Haitian Parliament vacated their positions. Consequently, there is no elected officials currently the Haitian government. The Transitional Provisional Council (TPC) and Prime Minister Conille are working on the organization of presidential elections and parliamentary elections. However, LLCs could be created abroad and later registered in Haiti.

In June of 2022, the IMF executive board approved a Staff Monitored Program (SMP), an arrangement between Haiti's authorities and the IMF to monitor the implementation of the government's economic program. After the successful completion of the second SMP review, management of IMF approved on June 29, 2023, a new Staff-Monitored Program with Haiti covering the period through March 2024. Building on progress achieved under the previous SMP, the new 9-month SMP should contribute to macroeconomic stability by helping Haiti sustain recent policy reforms designed to enhance economic resilience and governance. An extension was approved and the SMP will now cover the period through September 30, 2024.

While not discriminatory towards international investment specifically, the Government of Haiti's economic policies fall short of providing a sound enabling environment for foreign direct investment. However, Haiti's legislation encourages foreign direct investment. The central government's efforts to improve its financing capacity combined with a greater flow of cash through the formal foreign exchange market due to measures taken by the Central Bank have resulted in a relative stability of the exchange rate. As of May 30, 2024, the exchange rate was 133 HTG for $1.
In 2023 the interim Haitian government published and executed by decree an AML/CFT law in accordance with the global AML/CFT standards. This decree aims to prevent and suppress money laundering, the financing of terrorism and the proliferation of weapons of mass destruction in Haiti by repealing all contrary laws and decrees that did not adhere to FATF best practices. Additionally, on August 16, 2023, the Central Bank instituted both a money transfer policy and a policy for currency exchange institutions to standardize AML/CFT regulations.

According to Haitian legislation, electronic signatures and electronic transactions are legally binding. Other pieces of legislation that may improve Haiti's investment climate remain pending, Commerce, was established to promote domestic and international investment opportunities. In concept, the CFI could streamline the investment process by working with other government agencies to simplify procedures relative to trade and investment; providing updated economic and commercial information to local and foreign investors; making proposals on investor incentives; and promoting investment in priority sectors. The CFI aims to offer tailored services to large international investors.

In practice, the CFI has made limited progress to incentivize job creation and boost national production in agriculture, apparel assembly, and tourism. Prior to the COVID-19 pandemic, Haiti's Tourism Association reported a 60 percent loss of jobs in the sector in 2019, a situation that has gotten worse since 2021 especially after the degradation of the security situation with new gang roadblocks on the northern access of Port-au-Prince. Many businesses reported difficult and slow customs clearance processes, resulting in long waits for imported products to become available.

The most common concerns expressed by foreign investors include political instability, arbitrary decisions, insecurity, crime and gang violence, road blockages, and fuel shortages. U.S. Embassy Port-au-Prince's Economic Section assessed the rapid loss of human and financial capital is in part due to increasing security challenges. Companies are relocating to neighboring countries, or their top-level management lives outside of Haiti, flying into the country intermittently.

The apparel sector, the largest formal private sector provider of jobs, has encountered operating difficulties due to insecurity and gang violence, recurring fuel shortages and temporary border closure with adverse effect on contracts and employment. Haiti has experienced fuel shortages since the price of petroleum soared in the international market 2022. However, recent shortages are tied to challenges within the Government's fuel policy, contributing to instability, pressure at the pumps, and the growing fuel black market, but also to the inability of fuel tankers to leave the terminal due to gang activities nearby. Fuel Tankers are often seized by gang members and drivers must pay exorbitant gang-imposed tolls. Moreover, there is a growing need to decentralize fuel infrastructure and build fuel terminals in Cap Haitian and Les Cayes, which are the 2nd and 3rd largest cities after Port-au-Prince, reducing national dependence on the

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LIMITS ON FOREIGN CONTROL AND RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

The Haitian government does not impose discriminatory requirements on foreign investors. Foreign investors are permitted to own 100 percent of a company or subsidiary. As a Haitian entity, such companies enjoy all rights and privileges provided under the law. Additionally, foreign investors are permitted to operate businesses without equity-to-debt ratio requirements. Accounting law allows foreigners to capitalize using tangible and intangible assets in lieu of cash investments. Both Haitian and foreign investors enjoy the same rights and privileges. However, foreign investors residing in Haiti must obtain a residence permit and are expected to pay duties and taxes, in accordance with the scales and regulations applicable. Foreign investors are free to own real estate for the needs of their businesses and enjoy the same rights and prerogatives as Haitian investors. The reimbursement of debts contracted abroad for investments made in Haiti are not subject to any constraint or taxation.

Haitian laws related to residency status and employment are reciprocal. Foreigners who are legal residents in Haiti and wish to engage in trade have, within the framework of laws and regulations, the same rights granted to Haitian citizens. However, Article 5 of the Decree on the Profession of Merchants reserves the function of manufacturer's agent for Haitian nationals.

Foreign firms are encouraged to participate in government-financed development projects. Performance requirements are not imposed on foreign firms as a condition for establishing or expanding an investment, unless indicated in a signed contract.

Foreign investors are free to enter joint ventures with Haitian citizens. The distribution of shares is a private matter between the two parties. However, the government regulates the sale and purchase of company shares. Investment in certain sectors, such as health and agriculture, requires special Haitian government authorization. Investment in "sensitive" sectors such as electricity, water, telecommunications, and mining require a Haitian government concession as well as authorization from the appropriate governmental agency.

In general, natural resources are the property of the state, and the exploitation of mineral and energy resources requires concessions and permits from the Ministry of Public Works' Bureau of Mining and Energy. Mining, prospecting, and operating permits may only be granted to

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and to organize production and marketing activities in accordance with local laws.

OTHER INVESTMENT POLICY REVIEWS

The World Trade Organization's (WTO) 2015 Trade Policy Review stated that Haiti's Investment Code and Law on Free Trade Zones is fully compliant with the Agreement on Trade-Related Investment Measures. The full report can be viewed at: https://www.wto.org/english/tratop_e/tpr_e/tp427_e.htm

BUSINESS FACILITATION

The Center for Facilitation of Investments (CFI) in Haiti was created by presidential decree in 2006 under the auspices of the Ministry of Commerce and Industry. It is the national investment promotion agency that works to attract investments that contribute to the development of the country, diversify the economy, strengthen supply chains, and generate jobs. The CFI´s main mandate is to promote investments and help potential investors find and take advantage of opportunities in Haiti. The Department of Facilitation of CFI aims, through an Investor Pack that is updated periodically, to support investors through their investment decision-making process by providing them technical and administrative assistance.

In the handbook investors find:

- Information about Haiti's current "investment climate."
- Help to ensure smooth entry and establishment of an investment project, including providing information and assistance with acquiring permits and licenses, as well as with business registration processes.
- Assistance with identifying suitable sites for a proposed investment project and support with legal and regulatory frameworks and processes.
- General information to benefit from Haiti's fiscal incentives regime
CFI collects no fees for the services provided to investors. CFI representatives may be

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While the Haitian government has made efforts to facilitate the launching and operating of businesses, the average time to start a business in Haiti is 189 days, according to the now-discontinued World Bank's 2020 Ease of Doing Business Report. At present, it takes between 90 and 120 days to complete registration with the Commercial Registry at the Ministry of Commerce and obtain the authorization of operations (Droit de fonctionnement). The CFI offers a service providing pre-registered and fully authorized companies in manufacturing, agribusiness, and real estate the opportunity to reduce their registration time. Once the Inter-Ministerial Investment Commission validates these established companies, the shares are transferred to the new owners. In February 2024, Haiti formally accepted WTO's agreement on fisheries subsidies and deposited its instrument of acceptance of the agreement. As of April 2024, the government of Haiti has not signed the WTO investment Facilitation for Development Agreement.

Both foreign and domestic businesses can register at Haiti's CFI: **https://www.cfihaiti.com/index.php/en/** . All businesses must register with the Ministry of Commerce, the Haitian tax office, the state-owned Banque Nationale de Crédit, the social security office, and the retirement insurance office.

The Ministry of Commerce and Industry validates companies that want to do business in Haiti and provides them with information on the ways to register their companies and how to submit their applications and supporting documents. In October 2020, CFI launched Spotlight, an initiative with the aim of promoting visibility of companies already established in Haiti and registered in the CFI database.

There are several options available to investors in Haiti, both local and international, who would like to set up a business in Haiti:

- Sole Proprietorship
- Registered Partnership
- Limited Liability Company
- Corporation
- Subsidiary of a Foreign Company

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Haiti's outward investment is limited to a few enterprises with small investments. These investors are generally businesspersons with dual citizenship and others of Haitian origin who presently reside in the country in which their firms operate. Most of these firms are service providers and not investment firms. There is no current program or incentive in place to encourage Haitian entrepreneurs to invest abroad. The inability of the government to guarantee the free circulation of goods in the country places a major logistic challenge to entrepreneurs wanting to invest abroad.

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2. Bilateral Investment and Taxation Treaties

Haiti has a signed bilateral investment treaty (BIT) in place with the United States. The United States is Haiti's most important trade partner with approximately 80 percent of its manufactured merchandise exported to the United States. Haiti also has a BIT in force with the United Kingdom, France, and Germany. Haiti has signed the CARIFORUM-EU Economic Partnership Agreement, which included 14 other Caribbean countries in December 2009, but Haiti has yet to ratify the agreement. There is no double taxation agreement between Haiti and other countries.

Haiti is a beneficiary country of the U.S. Caribbean Basin Trade Partnership Act (CBTPA), a trade preference program enacted by Congress in October 2000. In 2020, the U.S. Congress renewed CBTPA legislation to extend preferences through 2030. The CBTPA provides duty-free treatment to apparel wholly assembled, knit or knit-to-shape in certain beneficiary countries in the Caribbean, if the apparel uses U.S. fabrics and yarns.

In December 2006, Congress enacted the Haitian Hemispheric Opportunity for Partnership Encouragement Act of 2006, commonly referred to as HOPE. HOPE amended the Caribbean Basin Economic Recovery Act (CBERA) and authorized the President to extend additional trade preferences to Haitian-manufactured apparels. HOPE preference programs are separate programs added as part of CBERA and do not replace those provided by the CBTPA.

In June 2008, Congress enacted the Food, Conservation, and Energy Act of 2008 (Public Law 110-246). Title XV, Subtitle D, Part I of the Act contains amendments to the established special rules for imports of apparel and other textile articles from Haiti, which can be found in 19 U.S.C.

apparel. HOPE II enables the Haitian textile industry to benefit from tariff advantages with the condition that the Haitian government and eligible producers comply with internationally recognized labor standards. HOPE II allows for duty-free entry into the United States of a limited number of garments imported from Haiti, if 50 percent of the value when imported originates in Haiti, the United States, or another country that has a free trade agreement with the United States.

The Haiti Economic Lift Program (HELP), an act passed by the U.S. Congress in 2010 in response to the apparel industry's needs following the devastation of the January 2010 earthquake, extends HOPE II tariff advantages through 2025. These trade preferences have been instrumental to the development of Haiti's apparel sector. The HOPE and HELP Acts are critical in continuing Haiti's recovery and sustained growth for Haiti's economy.

During the last 40 years, the apparel industry has played a central role in Haiti's overall economy, accounting for 80 to 90 percent of the country's total exports which helped raise $1.01 billion in revenue in 2020. The HOPE and HELP Acts' trade preferences are cornerstones of the textile sector and are due to expire in 2025 if not extended. Given that the textile industry and Haiti's economy rely heavily on trade preferences with the United States, the textile companies and some government officials are very concerned of a potential expiration of the HOPE and HELP trade preferences. Due to continuous fuel problems as well as gang-related problems causing supply train reduction, apparel exports have greatly reduced, many companies in the industry have had to reduce staffing with a few having closed operations entirely. The textile industry's job decreased by 45% and the sector now boasts roughly 32,000 jobs.

The legislation introduced in Congress in December 2023 to reauthorize the HOPE and HELP Acts would ensure the bill to benefit both programs are maintained until 2035. As of June 2024, Congress has not yet voted for the renewal of HOPE and HELP.

Haiti does not have a U.S. Income Tax Treaties:
http://www.irs.gov/Businesses/International-Businesses/United-States-Income-Tax-Treaties—A-to-Z

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TRANSPARENCY OF THE REGULATORY SYSTEM

Haitian laws are written to allow for transparency to be applied universally however corruption is endemic. Haitian officials do not uniformly enforce these laws, and the bureaucratic "red tape" in the Haitian legal system is often excessive. Tax, labor, health, and safety laws and policies are loosely enforced. The private sector often provides services, such as healthcare, to employees that are not entitled to coverage under Haitian government agencies or institutions. All regulatory processes are managed exclusively by the government and do not involve the private sector and non-governmental organizations.

Draft bills, decree or regulations are published through "*Le Moniteur*," the official journal of the Haitian government. A government issued decree, regulation or a public notice is official only after its publication in Le Moniteur. Information is sometimes made available online by other news website. *Le Moniteur* contains public agency rules, decrees, and public notices that *Les Presses Nationales d'Haiti* published. However, finding already published information online can reveal itself challenging as Le "Moniteur" has no known website.

According to the World Bank, Haitian ministries and regulatory agencies do not develop forward regulatory plans, nor do they publish proposed regulations prior to their adoption. Haitian law does not require a timeframe for public comment or review of proposed regulations. The government is currently conducting public consultations around the draft of a new General Tax Code and the Book of Tax Procedures in a single document before its scheduled implementation in October 2024. More information can be found at **http://rulemaking.worldbank.org/**

INTERNATIONAL REGULATORY CONSIDERATIONS

Haiti is a member of the Caribbean Community (CARICOM), an organization of 15 states and dependencies established to promote regional economic integration. The CARICOM Single Market and Economy (CSME), created in 1989, aims to advance the region's integration into the global economy by facilitating free trade in goods and services, and the free movement of labor and capital. CSME became operational in January 2006 in 12 of the 15 member states. CARICOM Secretary-General ambassador Irwin LaRocque expressed his desire to have Haiti increase its standards.

Haiti is an original member of the WTO. As such, it has made several commitments to the WTO regarding the financial services sector. These commitments include allowing foreign investment in financial services, such as retail, commercial, investment banking, and consulting. One foreign bank, Citibank, operates in Haiti, and primarily offers corporate banking services. Haiti has committed to notifying the WTO Committee on Technical Barriers to Trade of all draft technical regulations. However, Haiti is not party to the Trade Facilitation Agreement.

LEGAL SYSTEM AND JUDICIAL INDEPENDENCE

Judicial power is exercised by the Superior Magistrate Council. Eight new Supreme Court judges were appointed by government decree February 2023, bringing the Supreme Court number to 11 out of 12 judges. The Supreme Court (Cour de Cassation) is the highest court and Haiti's Superior Magistrate Council, followed in descending order by the Court of Appeals, and the Court of First Instance.

Haiti's commercial code dates to 1826 and needs revision. There are a few commercial laws in place and no commercial courts. Injunctive relief is based upon penal sanctions rather than securing desirable civil action. Similarly, contracts to comply with certain obligations, such as commodities futures contracts, are not enforced. Haitian judges do not have specializations, and their knowledge of commercial law is limited. Utilizing Haitian courts to settle disputes is a lengthy process, and cases can remain unresolved for years. Bonds to release assets frozen through litigation are unavailable. Business litigations are most often pursued through out-of-court settlements.

Haiti's legal system often presents challenges for U.S. citizens seeking to resolve legal disputes. In Haiti, judges are appointed for a set number of years. Public prosecutors are direct employees of the Ministry of Justice and can be transferred or suspended by the executive branch at any time. There are numerous allegations of undue political interference. Additionally, there are persistent claims that some Haitian officials use their public office to influence commercial dispute outcomes for personal gain. The Haitian government receives international assistance to

LAWS AND REGULATIONS ON FOREIGN DIRECT INVESTMENT

Haiti's Investment Code established an Inter-Ministerial Investment Commission (CII) to examine investor eligibility for license exemptions as well as customs and tariff advantages. The Center for Facilitation of Investments (CFI) is the Technical Secretariat of the CII. The Prime Minister, or his delegate, chairs the CII, which is composed of representatives of the Ministries of Economy and Finance, Commerce, and Tourism, as well as those ministries that oversee specific areas of investment. The CII must authorize all business sales, transfers, mergers, partnerships, and fiscal exemptions within the scope of the code. The CII also manages the process of fining and sanctioning enterprises that disregard the code.

The following areas are often noted by businesses as challenging aspects of Haitian law: operation of the judicial system; publication of laws, regulations, and official notices; establishment of companies; land tenure and real property law and procedures; bank and credit operations; insurance and pension regulation; accounting standards; civil status documentation; customs law and administration; international trade and investment promotion; foreign investment regulations; and regulation of market concentration and competition. Although these deficiencies hinder business activities, they are not specifically aimed at foreign firms; rather, they appear to affect both foreign and local companies.

COMPETITION AND ANTITRUST LAWS

There is currently no law to regulate competition. Haiti is one of the most open economies in the region. Anti-corruption legislation criminalizes nepotism and the dissemination of inside information on public procurement processes but is seldom enforced. Haiti does not, however, have anti-trust legislation.

EXPROPRIATION AND COMPENSATION

The 1987 Constitution allows expropriation or dispossession only for reasons of public interest or land reform and is subject to prior payment of fair compensation as determined by an expert. If purposes or reasons.

Title deeds are vague and often insecure. The Haitian government established the National Institute of Agrarian Reform to implement expropriations of private agricultural properties with appropriate compensation. The agrarian reform project, initiated under the Preval administration (1996-2001), was controversial among both Haitian and U.S. property owners. There have been complaints of non-compensation for the expropriation of property. Moreover, a revision of the land tenure code, intended to address issues related to the lack of access to land records, surveys, and property titles in Haiti, has been pending in parliament since 2014. A partnership between the private sector, Haitian government, and international organizations resulted in a guide on security land rights in Haiti, which was translated in 2016 and can be found here: **https://www.land-links.org/wp-content/uploads/2019/09/Haiti-Land-Manual-2.pdf** .

DISPUTE SETTLEMENT

ICSID Convention and New York Convention

In 2009, Haiti ratified the 1965 International Convention on the Settlement of Investment Disputes between states and nationals of other states (ICSID). Under the convention, foreign investors can call for ICSID arbitration for disputes with the state, but weak enforcement mechanisms and a lack of updated laws to handle modern commercial disputes severely compromises the protections and guarantees that Haitian law extends to investors. Haiti is not a signatory to the Inter-American-U.S. Convention on International Commercial Arbitration of 1975 (Panama Convention).

Investor-State Dispute Settlement

Haiti is a signatory to the 1958 United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, which provides for the enforcement of an agreement to arbitrate present and future investment disputes. Under the convention, Haitian courts can enforce such an agreement by referring the parties to arbitration. Disputes between foreign investors and the on the procedures a court should follow to enforce foreign arbitral awards issues.

While there is no consistent history of extrajudicial action against foreign investors, several investment dispute cases have been reported by U.S. companies over the past 10 years. Most disputes were related to disagreements between business owners and Haitian tax and licensing authorities. Lack of clarity as to land ownership and other disputed property claims, and disputes over the enforcement of government contracts and concessions were also reported. Although some businesses were able to resolve disputes through the court system or settled with the Haitian government, most business owners appear to have accepted their losses and abandoned other legal remedies. The most recent expropriation claims by the Haitian government occurred in 2013. That specific expropriation later stalled and has yet to be completed to the full extent that the government anticipated.

International Commercial Arbitration and Foreign Courts

International arbitration is strongly encouraged as a means of avoiding lengthy domestic court procedures. In principle, foreign judgments are enforceable under local courts. In 2005, the Haitian Chamber of Commerce and Industry and the Inter-American Development Bank jointly developed the Haitian Arbitration and Conciliation Chamber, which provides mechanisms for conciliation and arbitration in private commercial disputes. This approach offers many benefits that allows the parties to find their own solution to their disputes.

BANKRUPTCY REGULATIONS

Haiti's bankruptcy law was enacted in 1826 and modified in 1944. There are three phases of bankruptcy under Haitian law. In the first stage, payments cease to be made and bankruptcy is declared. In the second stage, a judgment of bankruptcy is rendered, which transfers the rights to administer assets from the debtor to the Directorate of the Haitian Tax Authority (Direction Génerale des Impots). In this phase, assets are sealed, and the debtor is confined to debtor's prison. In the last stage, the debtor's assets are liquidated, and the debtor's verified debts are the parties.

The practice of mob looting remains a means for some to express their frustration with the country's social inequities. Many companies have gone bankrupt after being attacked by violent protesters. Lack of insurance coverage and the complexity of compensation proceedings make it difficult for many to restart their businesses. The state does not have a court assessing the losses of businesses for state financial compensation for bodily or patrimonial damages. While the provisions of Article 356 of the Haitian Penal Code states perpetrators should be punished in hard labor in perpetuity, many of these crimes remained unsolved.

Although the concepts of real property mortgages and chattel mortgages – based on collateral of movable property, such as machinery, furniture, automobiles, or livestock to secure a mortgage – exist, real estate mortgages involve antiquated procedures and may fail to be recorded against the debtor or other creditors. Property is seldom purchased through a mortgage and secured debt is difficult to arrange or collect. Liens are virtually impossible to impose and using the judicial process for foreclosure is time consuming and often futile. Banks frequently require that loans be secured in U.S. dollars.

4. Industrial Policies

INVESTMENT INCENTIVES

Despite the significant risks foreign investors face due to instability, weak rule of law, endemic corruption, poor infrastructure and chronic instability, Haiti offers incentive packages for investors as outlined in the Haitian Investment Code of 2002 and in the Free Zone Law of 2002. The Center for Facilitation of Investments (CFI) is the Governmental body awarding competitive incentives.
General privileges granted by the Haitian Investment code of 2002 has been modified and is now as followed: a

Accelerated depreciation of properties, equipment, hardware, software, and some expenses

Exemption from local taxes, except for the License to Operate (Patente) which should not exceed 15 years

Each eligible sector is also allocated specific incentives.

Deduction of values invested in a free zone, but prohibition on selling the title for five (5) years from the date of investment

In order to attract investment in Haiti, the Investment Code privileges eligible firms with customs, tax, and other advantages. Investments that provide added value of at least 35 percent in the processing of local or imported raw materials are eligible for preferential status.

Eligibility conditions:

A company interested in doing business in Haiti must issue a request to CFI's General Director along with the following documents:

Feasibility study.

Business plan (over a five-year period).

Form outlining the incentives applicable to the related sector (form available at CFI).

Detailed list of equipment, material, and commodities to be imported.

Ministry of Commerce and Industry's authorization and copy of official publication "Le Moniteur", in which the company's bylaws are published.

Copy of newspaper publication of the legal notices of registration for limited partnerships and partnerships.

If company is a sole proprietorship: a copy of business name certificate issued by the Ministry of Commerce and Industry.

Tax identification card.

Fiscal Clearance (Quitus Fiscal).

Opening balance sheet.

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FOREIGN TRADE ZONES/FREE PORTS/TRADE FACILITATION

To date, Haiti has issued free trade zone licenses for the following areas:

FTZ de Trou du Nord, the first agricultural free trade zone, in North-East department.

FTZ CODEVI in the northeastern city of Ouanaminthe, North-East department, where a Dominican company, Grupo M, manufactures clothing for a variety of U.S. companies and rents factory space to several American and foreign companies.

FTZ Lafito: in Douillard, Cabaret, West Department. Lafito is the home of the Haiti’s only Panamax port. Port Lafito is located 12 miles north of Port au Prince and includes port facility business services that cater to bulk and loose cargo imports, as well as terminal services to worldwide container service shipping lines FTZ Hispaniola in the Route 9 Cité Soleil area of Port-au-Prince.

FTZ SIDSA in the Tabarre area of Port-au-Prince.

FTZ de Digneron : in the Croix-des-Bouquets area of Port-au-Prince (partially looted and vandalized in March 2024) is currently closed.

FTZ Santo Dujour located in the Croix-des-Bouquets area of Port-au-Prince.

FTZ HEH Les Palmiers in the Carrefour area of Port-au-Prince.

FTZ Balan in Ganthier, West Department.

FTZ Savane-Diane, an agro-industrial free trade zone in Artibonite Department.

FTZ Agritrans: An inter-ministerial commission, called the Free Zones National Council (CNZF), comprised of representatives from both the public and private sector, is responsible for:

Receiving applications for approval as a free zone.

Approving applications for admission to the free zone regime.

Ensuring that projects approved are carried out in accordance with relevant regulations.

Authorizing the operation of free zones.

Approving its own rules and procedures.

The Free Zones Directorate, an entity within the Ministry of Finance, acts as the CNZF's Technical Secretariat. It implements and ensures implementation of decisions taken by the CNZF; receives investors and potential investors; sends quarterly reports on the establishment and operation of free trade zones to the CNZF for approval; examines applications for approval of free trade zone; participates in all negotiations likely to lead to agreements or conventions on free trade zones at the national and international level; monitors the operation of all free trade zones in Haiti; and ensures regular monitoring of the free trade zones.

The law provides the following incentives for enterprises located in free zones:

Full exemption from income tax for a maximum 15-year period, to be followed by a period of partial exemption that gradually decreases;

Customs and fiscal exemption (including registration taxes) for the import of capital goods and equipment needed to develop the area, with the exclusion of tourism vehicles;

Exemption from all communal taxes (with the exception of the fixed occupation tax) for a period not exceeding 15 years;

Registration and transposition of the balance due for all deeds relating to purchase, mortgages, and collateral.

Goods and services sold from free trade zones on the Haitian market are considered to have entered through Haitian customs and are subject to relevant duties and taxes. The volume of free trade zone goods allowed for sale in Haitian markets may not exceed 30 percent of the total production of an enterprise in the free zone.

It is important to note that a new law that will affect the FTZ's is currently being drafted with some of the existing incentives decreasing. The new law is scheduled to be in application starting October 2024.

PERFORMANCE AND DATA LOCALIZATION REQUIREMENTS

laws, foreign investors operate their businesses and use their assets to organize production freely. Although companies are given incentives to invest in the country, they are not forced to localize or to use local raw materials to produce goods. Foreign information technology providers are not required to turn over source code or keys for encryption to any public agencies.

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5. Protection of Property Rights

REAL PROPERTY

Foreign investors have noted that real property interests are affected by the absence of a comprehensive civil registry (cadastre). Lease agreement regulations are the same for locals and foreign investors. Many companies report that legitimate property titles are often non-existent and, if they do exist, they often conflict with other titles for the same property. Verification of property titles can take several months, and often much longer. Mortgage loans are rare but do exist now in Haiti unlike before, but real estate mortgages are expensive and involve allegedly cumbersome procedures. Mortgages are not always properly recorded under the debtor or creditor's name. Banks are also risk-averse to issue loans or mortgages. Outside of the slums, squatting is not a common practice. However, following recent waves of violence causing thousands to be internally displaced, some squatting has been recorded in other areas.

INTELLECTUAL PROPERTY RIGHTS

Copyright protection measures date back to a 2005 decree of the original 1968 law on copyright for literary, scientific, and artistic works. Haitian law protects copyrights, patents, and inventions, as well as industrial designs and models, special manufacturers' marks, trademarks, and business names. The law penalizes individuals or enterprises involved in infringement, fraud, or unfair competition; however, enforcement is weak. Some report weak enforcement mechanisms, inefficient courts, and judges' inadequate knowledge of commercial law impeding the effectiveness of statutory protections.

IN THIS SECTION /
12. U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC), AND OTHER INVESTMENT INSURANCE OR DEVELOPMENT FINANCE PROGRAMS

Convention of 1910, the Patent Law Treaty, and the Beijing Treaty on Audiovisual Performances.

Haiti is not mentioned in the United States Trade Representative (USTR) 2024 Special 301 Report or the 2023 Notorious Markets List.

For additional information about the national laws and points of contact at local IP offices, please see WIPO's country profiles at **http://www.wipo.int/directory/en/** .

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6. Financial Sector

CAPITAL MARKETS AND PORTFOLIO INVESTMENT

The scale of financial services remains modest in Haiti. In principle, there are no limitations to foreigners' access to the Haitian credit market, but limited credit is available through commercial banks. The free and efficient flow of capital is further hindered by Haitian accounting practices, which are below international standards. While there are no restrictions on foreign investment through mergers or acquisitions, there is no Haitian stock market, so there is no way for investors to purchase shares in a company outside of direct transactions.

Furthermore, the standards that govern the Haitian legal, regulatory, and accounting systems do not comply with international norms. Haiti's central bank is planning to transition to the International Financial Reporting Standards (IFRS) and turn that into a requirement in the banking sector as soon as the necessary modifications are done in the legislation within the upcoming years. Accountants use basic accounting standards set by the Organization of Certified Professional Accountants in Haiti (OCPAH), Haitian laws do not require external audits of domestic companies. Local firms calculate taxes, obtain credit or insurance, prepare for regulatory review, and assess real profit and loss.

Administrative oversight in the banking sector is superior to oversight in other sectors. Under Haitian law, banks are not required to comply with internationally recognized accounting standards, and they are often not audited by internationally recognized accounting firms. Haiti's private banks follow international accounting norms and use consolidated reporting principles. The Central Bank is generally viewed as one of the best-functioning Haitian government institutions.

While there are companies that issue shares and corporate bonds through financial intermediaries, these activities are often done in informal settings and through small groups in the primary market, which is any place where the bond is issued for the first time. The Central Bank is looking to expand the financial market in Haiti by creating two sub-committees for the development of financial markets and for the implementation of financial market infrastructure. Such platforms are expected to promote the mobilization and allocation of capital, long-term growth, and a solid legal, regulatory, and institutional framework.

MONEY AND BANKING SYSTEM

As of FY 23-24, Haiti's banking system is composed of 7 local and 1 foreign Bank accounting for a total of $4.8 billion (635.6 billion gourdes) in assets. Although the only foreign bank currently operating in Haiti is Citibank, foreign banks are free to establish operations in Haiti. Three major banking institutions Unibank, Sogebank, and Banque Nationale de Credit (BNC) hold 81.4 percent of the total assets, 77.8 percent of the country's total loan portfolio as well as 81.9 percent of the system's total deposits. The banking sector has concentrated on credit for trade financing and in the expansion of bank branches to capture deposits and remittances. Haiti is currently on the FATF gray list but has not lost any correspondent banking relationship in the past three years.' Online banking has expanded access to banking services for Haitians. Unibank became Haiti's largest banking company, with assets totaling $1.76 billion.

The concentration of holdings, limited number of borrowers as well as the risk of companies defaulting due to acts of violence, increases the Haitian banking system's vulnerability to systemic credit risk and restricts the availability of capital. Despite the current security and economic condition in Haiti, as of January 2024, the banking sector remained stable and even accused a growth according to Minister of Finance Patrick Boisvert. Per the Haitian Central Bank, the ratio of nonperforming loans over total loans was 8.77 percent in December 2023, the Central Bank conducts regular inspections to ensure that financial institutions remain in compliance with each bank totaling more than $75,000.

According to the latest data released by the Haitian Institute of Information and Statistics (IHSI), the annual inflation rate from April 2023 to April 2024 stands at 27.3 percent. Notable economists assert that unlike the situation two years ago, the current inflationary trend is predominantly domestically driven, stemming from various factors. These factors include the closure of the border with the Dominican Republic, a significant source of approximately one-third of imported goods. Moreover, the expansion of criminal gangs into regions with fertile land has led to a decline in national production and impeded the smooth flow of commodities. The frequent disruptions in the availability of fuel in the market further exacerbate the prevailing economic challenges.

There are no legal limitations on foreigners' access to the domestic credit market. However, banks demand collateral of real property to grant loans. Given the lack of effective cadastral and civil registries, loan applicants face numerous challenges in obtaining credit. The banking sector is extremely conservative in its lending practices. Banks typically lend exclusively to their most trusted and credit-worthy clients. The foundation for the FinScope 2021 Survey was established in 2021 when MEDA and the Central Bank of Haiti signed a memorandum of understanding to collaborate on research initiatives. Based on a 2018 study by FinScope Haiti, 51 percent of the adult population did not know how to save, 50 percent did not know how to invest, 46 percent felt excluded financially. one percent has access to a bank loan; and 46 percent of the population does not have access to financial services.

To provide greater access to financial services for individuals and prospective investors, the Haitian government's banking laws recognize tangible movable property (such as portable machinery, furniture, and tangible personal property) as collateral for loans. These laws allow individuals to buy condominiums, and banks to accept personal property, such as cars, bank accounts, etc., as collateral for loans.

FOREIGN EXCHANGE AND REMITTANCES

publishes a daily reference rate, which is a weighted average of exchange rates offered in the formal and informal exchange markets the prior day. The difference between buying and selling rates is generally between three and five percent. Funds can be freely converted into specific currencies including the U.S. dollar, Canadian dollar, the Euro, the Dominican Republic peso, and the Panamanian balboa. The U.S. dollar is usually the most widely available foreign currency and may be available at times when conversion into another currency is not an option. In Port-au-Prince as in provincial towns, foreign currency can be exchanged at commercial banks and currency exchange offices. Forex traders in street corners are common, but they charge higher exchange rates and transactions are risky and jeopardize safety.

Remittance Policies

The Haitian government does not currently impose any limitations or regulatory constraints on international payments or other fund transfers. While there are limitations on the withdrawal amount per transaction, there are no constraints on the quantity of foreign currency that residents can maintain in their bank accounts, nor is there a cap on the amount that residents can transfer overseas.

For several decades, remittances without counterpart, currently estimated at around 20% of Haiti's Gross Domestic Product (GDP), have been a significant economic contribution to Haiti. Members of the diaspora, particularly those from Chile and Brazil, have recently contributed to bolstering the significance of this source of foreign exchange. Between October 2023 and January 2024, Haiti received $1.23 billion in transfers without counterparts. During FY 22-23 Haiti received $3.28 billion in transfers without counterpart a 3.8 percent decrease from the $3.41 billion received during FY 21-22.

The Central Bank of Haiti published in August 2022 circular 114-3 regulating transfer houses and remittances. International transfers must be paid in foreign currency if the beneficiary receives the funds in their U.S. dollar-denominated bank account, while transfers must be paid in gourdes if the beneficiary requests payment at any point of service (branch, agency, office, and kiosk) on credited at the rate practiced by the financial institution for transfer payments. 30 percent to the authorized agent (banks and transfer houses).

The total amount of money the end user is allowed to receive is $1,000 deposited directly into a bank account and the remaining fund is released in gourdes. The central bank reserves the right to move its position from zero percent and take up to 25 percent of the dollar counterpart of remittances from local money transfer houses or commercial banks when deemed necessary. The current regulations establish a new dynamic among the formal actors involved in the transfer and exchange sectors. The currencies received through transfers are redistributed among these various actors. This mechanism enables the Central Bank to monitor compliance with the prevailing exchange standards in the market by the relevant parties. This also boosted the Net International Reserve of the Central Bank estimated at $472 million as of September 30, 2023.

SOVEREIGN WEALTH FUNDS:

To date Haiti does not have a Sovereign Wealth Fund.

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7. State-Owned Enterprises

The Haitian government owns and operates, either wholly or in part, several State-Owned Enterprises (SOE), and the Haitian commercial code governs the operations of these SOEs. The sectors include food processing and packaging (a flour mill), construction and heavy equipment (a cement factory); information and communications (a telecommunications company); energy (the state electricity company, EDH); finance (two commercial banks, the Banque Nationale de Crédit and the Banque Populaire Haïtienne); the National Port Authority and the Airport Authority. Current records indicate that no SOEs compete in the international market or invested in the United States.

The law defines SOEs as autonomous enterprises that are legally authorized to be involved in commercial, financial, and industrial activities. All SOEs operate under the supervision of their commercial enterprises. The Haitian parliament, when in function, has full authority to liquidate state enterprises that are underperforming. The majority of SOEs are financially sound. However, EDH receives substantial annual subsidies from the government to stay in business.

PRIVATIZATION PROGRAM

In response to the economic difficulties of the late 1990s and mismanagement of the SOEs, the government liberalized the market to allow foreign firms to invest in the management and/or ownership of some Haitian state-owned enterprises. To accompany the initiative, the government established the Commission for the Modernization of Public Enterprises in 1996 to facilitate the privatization process.

In 1998, two U.S. companies, Seaboard, and Continental Grain, purchased shares of the state-owned flourmill. Each partner currently owns a third of the company, known today as Les Moulins d'Haiti. In 1999, a consortium of Colombian, Swiss, and Haitian investors purchased a majority stake in the national cement factory. In 2010, a state-owned Vietnamese corporation, Viettel, officially acquired 60 percent of the state telecommunications company Teleco (now operating as Natcom), with the Haitian government retaining 40 percent ownership. The government has allowed limited private sector investment in selected ports. Competition is generally not distorted in favor of state-owned enterprises to the detriment of private companies.

The Haitian government in March 2023, called for private sector investment in electricity generation to compensate for Electricité d'Haïti's (EDH) inability to generate sufficient power, though it has had contractual disputes with multiple independent power producers. Only one independent power producer, partially U.S.-owned E-Power, currently generates electricity for EDH in Port-au-Prince since 2021.

In 2019, the Haitian energy sector regulatory authority, ANARSE, issued a series of prequalification rounds for concessionaires to take over and expand electricity production, transmission, and distribution for several of the country's regional grids, including the grid serving the Caracol Industrial Park. ANARSE launched a call for proposals for its "Improvement of

The Government of Haiti created the National Commission for Public Procurement (CNMP) to ensure that government contracts are awarded through competitive bidding and to establish effective procurement controls in public administration. The CNMP publishes lists of awarded government of Haiti contracts. The procurement law of 2009 requires contracts to be routed through CNMP. In 2012, however, a presidential decree substantially raised the threshold at which public procurements must be managed by the CNMP, resulting in what companies have identified as a decrease in transparency for many smaller government contracts. Moreover, the government frequently enters no-bid contracts, sometimes issued using "emergency" authority derived from natural disasters, even when there is no apparent connection between the alleged emergency and the government contract, according to foreign investors.

8. Responsible Business Conduct

Awareness of responsible business conduct among producers and consumers is limited but growing, including corporate social responsibility (CSR) activities. Irish-owned telecommunications company Digicel, for example, sponsors an Entrepreneur of the Year program and has built 120 schools in Haiti. Natcom provides free internet service to several public schools throughout the country. Les Moulins d'Haiti, partially owned by U.S. firm Seaboard Marine, provides some services, including electrical power, to surrounding communities. Sogeplast S.A. an international plastic processing company which sells plastic toys to U.S. industry leaders such as Disney and Walmart also have a recycling program where they match the quantity of recycled school desks bought from them and donate these desks to local schools in need. In the aftermath of the 2010 earthquake, many firms provided logistical or financial support to humanitarian initiatives, and many continue to contribute to support reconstruction efforts throughout the state. Haiti's various chambers of commerce have also become more supportive of business ethics and social responsibility programs. During the COVID-19 pandemic, many Haitian, U.S., and other foreign-owned firms donated to prevention and treatment measures. In a broad term, these actions also contribute to investors and business sectors sending out positive messages that can contribute to the betterment of a nation in need.

No significant progress was made in investigating the July 2021 assassination of President Moïse. The first four investigative judges assigned to the case faced administrative and security challenges and were not able to make any meaningful progress before the end of their mandates. The fifth judge has spent one year on the case, but the United States has charged more suspects in the case than Haiti. A few arrests were made in Haiti and at least two of those arrested escaped from the state penitentiary during a prison breach in March 2024. Many members of civil society organizations and the government continued to believe the judiciary did not have the capacity to handle such a complex, sensitive, and politicized crime. The government and judiciary made minimal progress on a growing list of emblematic killings. While authorities stated they continued to investigate large-scale attacks in the Port-au-Prince neighborhoods of Grande Ravine (2017), Bel Air (2018), La Saline (2018), and Cité Soleil (2020), each of which left dozens of dead, the government had yet to bring any perpetrators to justice.

Significant media reports of human rights issues included credible reports of: unlawful or arbitrary killings; torture or cruel, inhuman, or degrading treatment or punishment by government agents; harsh and life-threatening prison conditions; arbitrary arrest and detention; serious problems with the independence of the judiciary; serious abuses in a conflict, including widespread civilian deaths or harm, enforced disappearances or abductions, torture, and physical abuse; inability of citizens to change their government peacefully through free and fair elections; serious government corruption; lack of investigation of and accountability for gender-based violence; substantial barriers to accessing sexual and reproductive health services; trafficking in persons; crimes involving violence and threats of violence targeting handicap, woman, lesbian, gay, bisexual, transgender, queer, or intersex persons; and existence of some of the worst forms of child labor.

The government has taken minimal steps to identify, prosecute, and punish government and law enforcement officials who committed abuses or engaged in corruption, and civil society groups alleged widespread impunity regarding these acts. The IGPNH has taken some steps and opened investigations into various cases after the incidents and interviewed witnesses, but with no concrete end results. Gang violence continued at high rates in the Port-au-Prince metropolitan area. Some gangs allegedly received support from political and economic elites. Kidnappings for of homes and property.

From January to March 2024, the Human Rights Service (HRS) of the United Nations Integrated Office in Haiti (BINUH) recorded 2,505 victims of killings and injuries. By the end of February, gangs had launched large-scale, coordinated attacks on key public institutions and infrastructure in the capital. Over 4,600 inmates escaped from the city's two main prisons, and at least 22 police stations, sub-police stations, and other police buildings were looted or set on fire, resulting in 19 police officers being killed or injured. Gangs also continued to employ sexual violence against residents in "rival" neighborhoods and recruited children to commit criminal activities.

ADDITIONAL RESOURCES

Department of State

- **Country Reports on Human Rights Practices**;
- **Trafficking in Persons Report**;
- **Guidance on Implementing the "UN Guiding Principles" for Transactions Linked to Foreign Government End-Users for Products or Services with Surveillance Capabilities**;
- **U.S. National Contact Point for the OECD Guidelines for Multinational Enterprises**; and
- **Xinjiang Supply Chain Business Advisory**

Department of the Treasury

- **OFAC Recent Actions**

Department of Labor

- **Findings on the Worst Forms of Child Labor Report** ;
- **List of Goods Produced by Child Labor or Forced Labor** ;
- **Sweat & Toil: Child Labor, Forced Labor, and Human Trafficking Around the World** and

CLIMATE ISSUES

Haiti, located in the Caribbean basin, is exposed to many phenomena related to climate. Variations in rainfall regime, temperature, and frequency of tropical storms, and earthquakes are among many climate disruptions seen across the country. The climatic movement scenarios established for Haiti show an increase in temperature between now and 2030 (from 0.80C to 10C), a decrease in annual rainfall of 6-20 percent, a shift in the seasonality of rainfall, and an increase in mean sea level. In 2014, Haiti was ranked fourth in the world for vulnerability to the effects of climate change. Over the past ten years, the country has often been the victim of climate disturbances which are manifested above all by a change in the water regime of the watersheds, the increase in periods of drought, and loss of human life due to flooding caused by tropical storms. The cumulative costs of the impacts of climate change without taking preventive measures are estimated at $1.8 billion and $77 million by taking adaptation measures by 2025.

The country's priorities in terms of adaptation to climate change are:

- Integrated management of water resources and watersheds.
- Integrated coastal zone management and infrastructure rehabilitation.
- The preservation and strengthening of food security.
- Information, education, and awareness.

Haiti's undertaking and achievement efforts at 100 percent by 2030 to:

- Integrate into sectoral development strategies the effects of climatic changes.
- Develop the 15 strategic watersheds most vulnerable to events extreme climatic conditions according to the land use plan.
- Protect coastal areas from the impacts of climate change.
- Developing the bioeconomy, climate-smart, and organic agriculture.

An existing institutional framework for the implementation of actions in the field of climate change rests essentially on the Ministry of the Environment through its direction in the fight

Change (CNCC), a committee of representatives of sectoral ministries, local authorities, civil society, and the private sector responsible for steering, monitoring, and reporting Haiti engagement activities.

Global Energy Innovation Index

ClimateScope

Green Future Index

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9. Corruption

RESOURCES TO REPORT CORRUPTION

Corruption and bribery raise the costs and risks of doing business in Haiti. U.S. firms have complained that corruption is a major obstacle to effective business operation in Haiti. With a score of 17, Haiti ranked 172/180 according to the 2023 Corruption Perceptions Index reported by Transparency International – the lowest in the Western Hemisphere after Venezuela. Although Haiti received a high score of 22 in 2002, it is consistently in the bottom 10 percent. According to a 2021 survey of Haitians by *Ensemble Contre la Corruption* or Together against Corruption (ECC), the most corrupt sectors, in order, are the legislature, the judiciary, political parties, the executive, the media, and the private sector.

According to Lucien Georges, a columnist for the Haitian daily, *Le National*, the squandering of public funds has not only deprived Haiti of the infrastructure necessary for its development but also destroyed the future for young people and state institutions in general. The appropriation of public resources includes but is not limited to bribery, embezzlement, illicit enrichment, illegal procurement, over-billing, insider trading, influence peddling, and nepotism. According to Haitian economist Don Waty Bathelmy, “if the correlations observed between the level of corruption and the level of development are often evoked to justify anti-corruption actions, this

Haitian law, applicable to individuals and financial institutions, criminalizes corruption and money laundering. Bribes or attempted bribes toward a public official are a criminal act and are punishable by the criminal code (Article 173) for one to three years of imprisonment. The law also contains provisions for the forfeiture and seizure of assets. In practice, however, the law is unevenly and rarely applied.

Transparency International's Corruption Perception Index for 2022 ranked Haiti in the second lowest spot in the Americas region and 172 out of 180 countries worldwide, with a score of 17 out of 100 in perceived levels of public corruption.

The Haitian government has made some progress in enforcing public accountability and transparency, but substantive institutional reforms are still needed. In 2004, the Government of Haiti established the Anti-Corruption Commission (ULCC), but the organization lacks the necessary resources and political independence to be effective. In 2008, parliament approved the law on disclosure of assets by civil servants and high public officials prepared by ULCC, but to date, compliance has been almost nonexistent.

In February 2022, the ULCC announced the launch of the anti-Corruption circuit at the Court of Cassation. Made up of magistrates from the Courts of First Instance and Courts of Appeal of Haiti, the anti-corruption circuit aims to strengthen judicial efficiency and put an end to impunity in relation to corruption cases.

Haiti's Superior Court of Auditors and Administrative Disputes (CSCCA) is currently one of Haiti's few independent government institutions, responsible for reviewing draft government contracts; conducting audits of government expenditures; and clearing all government officials, including those at the political level, to manage public funds. In November 2020, however, the Haitian government published a decree limiting the authority of the Audit Court. The CSCCA issued three reports in January 2019, May 2019, and August 2020 citing improper management practices by the Haitian government and the alleged wastage of nearly $2 billion of the Petrocaribe funds. Public anger over the Petrocaribe scandal has since burgeoned into a grassroots movement against widespread corruption in Haiti.

The CSCCA publicly calls on Haitian authorities to take measures to influence public expenditure by implementing monitoring and evaluation and consolidating investment expenditure to better

respond to the pressures exerted on public spending.
Haiti is not a party to the OECD Anti-Bribery Convention.

RESOURCES TO REPORT CORRUPTION

Any corruption-related activity can be reported to the Haitian Anti-Corruption Unit, responsible for combatting corruption:
Hans Jacques Ludwig Joseph General Director Unité de Lutte Contre la Corruption 13, rue Capotille, Pacot, Port-au-Prince, Haiti Telephone : (509) 2811-0661 / (509) 2816-7071 Email : info@ulcc.gouv.ht
Marilyn B. Allien President Fondation Heritage pour Haiti Petion-Ville, Haiti Telephone : (509) 3452-1570 Email : admlfhh@yahoo.com / **heritagehaiti@yahoo.com**

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10. Political and Security Environment

The U.S. government continues to partner with Haiti in its efforts to strengthen the rule of law and enhance public security. Haiti needs support in pursuing economic growth through increased domestic resource mobilization for private investment and police training; strengthening good governance, and anti-corruption. Since the assassination of President Jovenel Moise on July 7, 2022, elections have not been held, while allegations of widespread corruption, weak rule of law, and a deteriorating economy have hindered both reconstruction efforts and the passage of important legislation. The escalation of gang violence in Port-au-Prince has exacerbated political instability and stalled progress in the fight against corruption, resulting in a lack of viable economic options Political and civil disorder, triggered by fuel shortage, double digit inflation and worsening insecurity often interrupt normal business operations.

Gang violence continues to plague urban centers. Kidnapping, murders, and sexual and gender-based violence by gangs in their struggle to expand their territorial control have a detrimental impact on the population. The Haitian National Police is seeking to improve the effectiveness of its anti-gang operations, take a more balanced approach between prevention and repression, be active.

On February 29, while then-prime minister Ariel Henry was out of the country on official travel, gang coalition Viv Ansanm significantly ramped up its perpetration of violence throughout the city, attacking critical infrastructure points and bringing the capital to a standstill. In the following days and weeks, Viv Ansanm attacked Toussaint Louverture International Airport in Port-au-Prince, various seaports serving the city, the National Palace, and a number of other GoH buildings. Commercial air companies halted service to Port-au-Prince, and Henry was prevented from returning. On March 12, he announced that he would resign following the installation of a Transitional Presidential Council (TPC). That Council was inaugurated on April 25 with a mandate to name a government, set up a Provisional Electoral Council, and lead the country toward long-overdue elections. On June 12, Prime Minister Garry Conille and his Council of Ministers was sworn in as the transitional government.

Damage to businesses and other installations frequently occurs because of political and civil disorder. Over the past 10 years, multiple incidents of property damage to offices, stores, hotels, hospitals, fuel stations, and car rental companies and dealerships have been reported in the media and to the U.S. Embassy in Port-au-Prince. Property destruction and vandalism ranges from broken windows to arson and looting. Employees and tourists have also been victims of violence. Kidnapping for ransom is a frequent occurrence in Port-au-Prince. While improvements in the Haitian National Police's technical and operational capabilities have maintained some semblance of order, violent crime, including looting of businesses, remains a serious problem, along with criminal gang control of several Port-au-Prince's marginalized areas.

More information is available at:

https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Haiti.html

https://www.state.gov/u-s-relations-with-haiti/

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11. Labor Policies and Practices

totaling 40-hour workweeks. Under special circumstances, employees may work an additional 8 hours per week if their contracts require additional hours to complete their work week, like police officers.

In September 2017, the Haitian government passed a labor law to permit three eight-hour shifts in a working day with one hour for paid lunch, although this has not been fully implemented for all sectors in Haiti. Due to security risks, employers do not ask workers to arrive or leave factories in the dark. As a result, manufacturers schedule employees for eight-hour day shifts and regularly require overtime to meet customer deadlines. According to Better Work Haiti and labor union representatives, companies circumvent the paid lunch requirement by extending work to nine-hour days but only paying for eight hours, meaning employees are either not being paid for an hour of work or for their lunch hour. Companies have complained the 3×8 law is “outdated and confusing” and MAST representatives at the labor mission said they were working with the Prime Minister and Haiti’s Manufacturing Association (ADIH) to update the text of the law. On March 7, 2023, the President of CODEVI Fernando Capellan sent a letter to Prime Minister Henry requesting that he ask MAST to respond to Better Work Haiti with clarification regarding the 3×8 law, or request that Better Work Haiti not issue noncompliance ratings for violation under the 3×8 law until it can be clarified.

Prior to 2017, the Haitian Labor Code required that aspects of working hours be negotiated between employers and labor unions. As a result, employers and unions had agreed to one eight-hour shift daily, which included the provision of transportation and food, and in the case of the northern factory CODEVI, training for employees and daycare for their children. After 2017, these labor union agreements remained in place alongside the entry into force of the new 3×8 law. Companies found the two to be in conflict. Between 2018 and 2021 Better Work Haiti noted in its quarterly compliance reports that the 3×8 law was “nonapplicable,” as manufacturers and the Government of Haiti negotiated the law’s implementation.

Despite positive reports on labor relations in Haiti’s textile sector recently released by the United Nations International Labor Organization’s (ILO) implementing partner Better Work Haiti, and the office of the U.S. International Trade Commission, companies remain noncompliant to Haiti’s 2017 3×8 law requiring employers to schedule work around three eight-hour shifts with one hour noncompliant in the previous two Better Work Haiti reports. These noncompliance ratings started a two-year clock for potential remediation until June 2024, after which companies not complying with the 3×8 law will be stripped of trade preferences under the U.S. Haitian Hemispheric Opportunity through Partnership Encouragement Act II (HOPE II) and the Haiti Economic Lift Program (HELP) Act programs. However, the garment companies, labor unions, and the government of Haiti may be able to work out a compromise solution before June 2024, this would be in their common interest. HOPE and HELP act trade preferences are the cornerstone of Haiti's textile sector and are also due to expire in 2025. If these benefits end due to non-compliance or if the legislation isn't renewed before 2025, textile companies have made clear they will close their factories in Haiti.

Workers' social protection and benefits include annual leave, sick leave, health insurance, maternity insurance, insurance in case of accident at work, and other benefits for unfair dismissal. In February 2023, Better Work, a program of the ILO and the International Finance Corporation (IFC) which brings together all levels of the garment industry to improve working conditions, the respect for workers' labor rights, and the competitiveness of apparel businesses. Better Work Haiti program manager Claudine François lauded Haiti's textile sector for having no reports of forced or child labor, with more than 90% of all factories implementing the national union collective bargaining agreement. François told unions, companies, and government officials the areas in which the textile sector requires improvement include implementation of Haiti's shift work or "3×8" law, the payment and accounting of health and social security benefits to ONA and OFATMA, and better support from MAST. Wages vary depending on the economic sector. As of February 2022, the minimum wage for the garment sector was 685 gourdes for eight hours of work or (approximately $6.27) in the export-oriented apparel industry. With an inflation rate that is nearing 28 percent in April2024, textile companies insist the paid lunch requirement must be included in minimum wage discussions because of reduced international orders and additional expenses due to the deterioration of Haiti's security environment.

The path forward will require balancing the need for a fair wage rate with the rising cost of doing business in Haiti given continued insecurity and reduced orders. Currently, the textile sector constitutes most of the employment and exports, it is likely this posturing will result in the government and labor unions agreeing to reduce the benefits companies must provide to

12. U.S. International Development Finance Corporation (DFC), and Other Investment Insurance or Development Finance Programs

The U.S. International Development Finance Corporation (DFC) offers innovative financial solutions to support private investors through debt financing, political risk insurance, equity investment, and supporting private equity investment funds. The DFC prioritizes low-income and lower middle-income countries, where its services will have the greatest impact. By mobilizing private capital to help solve critical development challenges, the DFC advances U.S. foreign policy, and catalyzes revenues, jobs, and growth opportunities both at home and abroad. The DFC offers several products including debt financing, political risk insurance, and support for investment funds.

The Country Representatives in Haiti for both the World Bank (WB) and the Inter-American Development Bank (IDB) said in late March 2023 that deteriorating security in Port-au-Prince is increasingly restricting their operations. The WB and IMF evacuated their staff and suspended their programs in March 2024 with the closure of the international airport and spike in gang violence. Staff are expected to return over the summer following the swearing in of PM Conille's government.

The IDB will support an ongoing project to purchase security equipment for the Port-au-Prince airport, to include baggage scanners and magnetometers. The IDB has obligated the funds, and the next step is to open the tender for bidders or possibly doing a contract modification allowing their existing contractor (French company Vinci) to fulfill the contract. Vinci is contracted to improve the airport's security perimeter. The IDB has also looked for bidders for their solar project at the Caracol Industrial Park. The IDB will continue working on its solid waste and water projects in the north of Haiti. The organization is also considering increased support for Customs and expanding support to education and social safety nets.

Active DFC projects in Haiti include activities in the finance and insurance, construction, and tourism sectors. An investment incentive agreement exists between the Governments of Haiti

IN THIS SECTION /
12. U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC), AND OTHER INVESTMENT INSURANCE OR DEVELOPMENT FINANCE PROGRAMS

13. Foreign Direct Investment Statistics

			statistical source		IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Haiti Gross Domestic Product (GDP) ($B USD)	N/A	*N/A*	2022	$20.25	https://tradingeconomics.com/hait
Foreign Direct Investment	Central Bank of Haiti		USG or international statistical source		USG or international Source of data IMF; Eurostat; UNCTAD, Other
Total FDI in partner country ($M USD, stock positions)	FY2023 21	N/A	2023 0		https://unctad.org/fr/news/2020-vc linvestissement-direct-etranger-chu de-45-en-amerique-latineen.pdf
Host country's FDI in the United States ($M USD, stock positions)	N/A	N/A	N/A	N/A	BEA data available at https://www.bea.gov/international/ ct-investment-and-multinational-enterprises-comprehensive-data
Total inbound stock of FDI as % host GDP	N/A	N/A	2022	0	UNCTAD data available at https://stats.unctad.org/handbook/ EconomicTrends/Fdi.html

14. Contact for More Information

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IN THIS SECTION /
12. U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC), AND OTHER INVESTMENT INSURANCE OR DEVELOPMENT FINANCE PROGRAMS