

“Haiti First” Policy

Spending the Development Dollar Twice

Not Enough Aid Money Enters the Local Economy

- Previous research on the local economic impact of international aid missions shows that only a small portion of the aid money pledged and spent in the aftermath of a disaster or conflict will actually be channeled through the host government and local economy.
- This small amount of money has a significant local impact. It generates taxable revenues for the host government, builds the private sector through new business opportunities, and restores livelihoods by creating jobs.
- Yet despite these positive, tangible results, there is no policy currently supporting a buy local approach in Haiti.

What is a “Haiti First” Policy?

- A “Haiti First” policy encourages aid agencies to buy goods and services from Haitian suppliers whenever possible.
- Evidence shows that local purchasing dramatically boosts Gross Domestic Product (GDP), stimulating economic growth and job creation and supporting peace and stability.
- In Afghanistan, donors have endorsed an “Afghan First” policy which helps ensure that aid money spent *on* Afghanistan is spent *in* Afghanistan by using capable local suppliers wherever possible to carry out project work. *This precedent can be adopted by donors in Haiti.*

Why Adopt a “Haiti First” Policy?

- A “Haiti First” approach can help turn a tragedy into an opportunity by driving millions if not billions of new investment into the Haitian economy – simultaneously building capacity and ownership over the development and reconstruction process.
- It presents an opportunity to *spend the development dollar twice*. For example, a donor can spend \$1m to build a hospital with imported goods and services and leave a hospital behind. Or they can use local suppliers to build a hospital and double their impact by also restoring livelihoods, generating tax revenue and revitalizing the local marketplace.
- Billions of dollars will soon be spent on Haiti, but aid levels will drop off. Adopting a “Haiti First” policy can help ensure that the international community’s spending has the greatest possible impact on the ground.
- It is often faster, more efficient, and has greater value than other aid mechanisms for private sector development;
- Research has also shown that increased local spending only distorts the local economy in isolated ways, and that the economic benefits far outweigh the pitfalls.
- This approach of buying locally has already been endorsed in other mission areas by the United Nations, United States State Department and Department of Defense, the British Department for International Development and Ministry of Defense, and is in the spirit of the Paris Declaration on Aid Effectiveness.

Why Now and not Later?

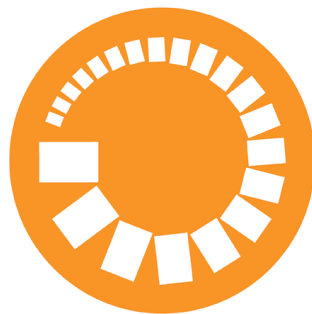
- Systems, policies and general approach vis-à-vis reconstruction in Haiti will be set in the first six months, which will establish the ways and means that the international community will operate in Haiti for many years to come.
- Consequently, “Haiti First” is necessary now, not later, so as to seize this opportunity to support economic recovery at the earliest stages of the development process. Washington Post 14 Jan 2010 Op-Ed by Bill Clinton: “As we clear the rubble, we will create better tomorrows by building Haiti back better: with stronger buildings, better schools and health care; with more manufacturing and less deforestation; with more sustainable agriculture and clean energy.”

Conclusions

- The New York Summit on Haiti in March should include a discussion on local spending;
- Donors should endorse a “**Haiti First**” policy as it is a quick and effective means of supporting economic growth and ensuring that aid monies have the greatest possible impact on the ground;
- It is MORE than private sector development – it is a new way of supporting peace building;
- It is measurable;
- It has a positive cost/benefit ratio.

Who are we?

- Peace Dividend Trust is a non-profit organization dedicated to making peace and humanitarian operations more efficient, effective and equitable.
- Our Peace Dividend Marketplace in Haiti supports economy recovery and private sector development by providing a suite of business development services that help connect international buyers with capable local suppliers to increase the amount of money spent in Haiti rather than no Haiti. Please see <http://haiti.buildingmarkets.org> for more information.



**BUY LOCAL.
BUILD HAITI.**

**ACHTE LAKAY.
BAY AYITI JARÈT.**

www.haiti.buildingmarkets.org