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World Bank grants \$255 million for Haiti's recovery

Dec 1, 2011

Funds target education, farming, disaster preparedness

* Haiti needs intrepid investors, World Bank official says

By [Pascal Fletcher](#)

MIAMI, Dec 1 (Reuters) - The World Bank is allocating \$255 million for Haiti's post-earthquake reconstruction over the next 12 months, including support for education, agriculture and disaster risk management, the bank said on Thursday.

The announcement of the grants came in the same week as President Michel Martelly's government hosted hundreds of foreign investors and declared itself "open for business" in an ambitious strategy to boost rebuilding of the Western Hemisphere's poorest economy after last year's earthquake.

Projects approved by the bank's board of directors included an Education for All initiative that will support reconstruction of Haiti's education system, which suffered heavy damage and lost teaching personnel in the quake. The program will benefit more than 100,000 Haitian children.

Another project will help the country improve its disaster response capacity and strengthen critical transport infrastructure, while a third seeks to increase productivity and competitiveness in agriculture, which contributes 25 percent of GDP and accounts for 50 percent of all employment.

The strategy would also support the return of 22,500 people to safe housing, out of around half a million homeless quake victims still living in vulnerable tent and tarpaulin camps.

Worries about "donor fatigue" and lingering concerns about political stability have raised questions about how effectively Martelly can maintain international financial backing for Haiti at a time of shrinking aid budgets in major donor countries now increasingly preoccupied with a widening debt crisis.

World Bank Special Envoy to Haiti Alexandre Abrantes was confident international support for Haiti would be sustained.

"You don't have the momentum that you had a year ago, but you still have an opportunity," Abrantes told Reuters in an interview before the latest grants allocation announcement.

Additional World Bank grants of \$275 million would be available for use in Haiti from the end 2012 up to 2014.

Abrantes played down fears that the disappearance in October of the Interim Haiti Recovery Commission (IHRC), an aid coordination panel that brought together donors and the Haitian government, might impact the effective delivery of funds.

Haiti's parliament did not renew the IHRC's mandate following criticism that the panel was too foreign-dominated.

NEED FOR INTREPID INVESTORS

Abrantes said the core technical functions of the panel would be maintained at the office of Prime Minister Garry Conille as part of efforts to "Haitianize" aid coordination.

"Basically they are trying to make this structure and this function more Haiti-based and less dependent on external donors," Abrantes said.

Commenting on this week's investors' forum held in Port-au-Prince, the World Bank official said Haiti needed intrepid investors ready to take entrepreneurial risks.

"Even if we do everything right in the next two or three years, the overall business environment is relatively messy," he said, noting persisting difficulties with issues like obtaining land titles and bureaucratic hurdles.

He suggested businessmen from fast-emerging economies like [Brazil](#), China and South Korea would be ideally suited to pursue opportunities in the Caribbean state.

"The government seems, at least in rhetoric, very business friendly, so there is a window of opportunity," Abrantes said, adding that Haiti's state and political institutions could take concrete steps to improve the investment climate.

New investment projects under way include a \$257 million industrial park on Haiti's northwest coast that will be anchored by a South Korean textile firm, Sae-A Trading Co Ltd, which has committed to hire 20,000 people.

Despite criticism that the international humanitarian effort in Haiti has often appeared sluggish and ineffectual, Abrantes said he saw signs of progress in the recovery.

An epidemic of cholera which broke out following the earthquake has killed more than 6,700 people. The government estimated more than 300,000 people died in the quake itself.
(Editing by [Eric Beech](#))