



Economic Growth Initiative *for* Haiti

— a catalyst for social economic change —

Creating Domestic Business and Entrepreneurial Leadership in Haiti

Introduction/Executive Summary

Haiti, the poorest country in the western hemisphere, has become the focal point of a massive international relief effort since the devastating earthquake of January 12, 2010. While emergency aid and relief is necessary in the short term, rebuilding the shattered economy must be the immediate next step. This unfortunate crisis is a tremendous opportunity for Haitians to take control of their economic future.

The rebuilding process will require significant investment as well as skilled business management and local entrepreneurship to properly utilize the money coming from international donors. Haitians will need significant support to develop the knowledge, skills and financing needed to carry out the massive rebuilding effort. During the last few years the Economic Growth Initiative for Haiti¹ (EGI) has demonstrated that it has the capability and enthusiasm to provide this exact support. EGI is perfectly positioned to provide business education and technical assistance to a new generation of Haitian business leaders and entrepreneurs who will rebuild the domestic economy from the ground up. Now is the time to step up efforts to educate budding entrepreneurs and assist in the creation of more small- and medium-sized businesses in Haiti.

EGI's mission is to develop a Center for Entrepreneurship and Business Development in Haiti that will provide the managers and entrepreneurs needed to develop sustainable economic growth and meaningful employment. An investment from you would significantly enhance EGI's ability to deliver on this mission and provide a comprehensive business education in Haiti. This proposal will briefly recap the accomplishments of the past, lay out the key objectives for the year ahead, and articulate how EGI would invest funding in 2010.

Background

EGI focuses on three essential components to achieve impact:

1. **Education:** to provide the knowledge to develop and implement a business plan;
2. **Mentoring:** to provide coaching, counseling, training and assistance needed to successfully implement the business plan; and
3. **Financing:** to assist in the provision of start up financing for the businesses created by EGI students.

These components are operationalized in EGI's Business Education Program and Business Creation Program which make up the foundation of the Center for Entrepreneurship and Business Development:

Business Education Program

Since 2007 EGI has conducted a comprehensive entrepreneurship training and business education program in Port-au-Prince. This program has been conducted in the most cost-effective method available: utilizing rented space, refurbished laptop computers, internet access, video conferencing and donated IT expertise. The curriculum for the program has been developed in coordination with a US business planning and entrepreneurship consultancy and aims to provide the basic knowledge needed to start a new business or develop and expand an existing business in Haiti combining distance learning technology with Haiti-based teaching assistance. The classes meet for 2 hours, 3 days per week, for a period of 50 weeks at EGI's training facility (full classroom and research office) at Manutech, Inc, a manufacturer of electrical components, which provides consistent electricity and wireless internet. Lectures are presented once a week using SKYPE and the other two week days are taught by teaching assistants in Haiti. Most students are employed so this program is conducted in the evening after business hours. EGI's program participants are

¹EGI is a 501(c)(3) US non-profit organization registered in the state of Rhode Island in 2006 (EIN: 20-2301980).

selected from a group of talented but economically disadvantaged applicants who have completed university studies in Haiti, have three years of work experience and have the ideas and talent to develop a thriving small- or medium-sized business. Business plans range in size from US\$5,000 to \$25,000 and include ideas to manufacture clothing, sell solar panels and start an open-source software company.

While the low cost approach has thus far proven successful, EGI has decided to upgrade its on-the-ground infrastructure with investments in plant and equipment to enhance the delivery of these services. Given EGI's past successes, this will be an effective use of resources to broaden and deepen EGI's reach and impact.

Business Creation Program

EGI and its board members and supporters in Haiti are developing a mentoring program to provide coaching and administrative assistance to individuals desiring to start a new business or develop and expand an existing business. Currently, there is a group of dedicated mentors who participate in the business education program and meet regularly with EGI entrepreneurs as part of the business creation program to assist them as they advance their business plans and apply for financing. We aim to expand this significantly in 2010-11.

Additionally, EGI is developing a financing mechanism to provide funding for business startup and/or business expansion. EGI has thus far received pledges equal to US\$10,000 (from mainly Haitian investors) to create an Angel fund to invest in selected EGI businesses. EGI has been working with financial leaders in Haiti—including Haiti's largest bank, Sogebank—and finance equity lawyers at international business law firm Sidley Austin to organize the distribution of these funds. Unfortunately, the realization of these efforts has been slightly delayed owing to the impact of the earthquake but we are confident we can make progress this year.

Key Accomplishments

Despite the challenges of operating in a volatile local environment EGI has made significant progress towards the goal of establishing a Center for Entrepreneurship and Business Development. EGI has successfully:

- ❑ Created a business management curriculum, taught by American and Haitian business people, in person and via Internet connection;
- ❑ Established and equipped a classroom training facility in Port-au-Prince, used regularly by EGI students for lectures, discussions and research;
- ❑ Provided certificates of completion to two cohorts totaling 18 students who have successfully completed a one-year business management course; the third cohort began instruction in September 2009;
- ❑ Developed and delivered a six month course on business planning and business model development for students who completed the business management course, culminating in a presentation of business plans by teams of students (these presentations are judged by a panel of Haitian businesspeople) and
- ❑ Created a mentoring network for EGI graduates whose business ideas were judged the most likely to be successful by the Haitian business panel.

2010 Focus

EGI has accomplished its main original goal of developing a comprehensive business education program and is committed to the continued refinement and improvement of the program and its curriculum through upgrades to the "Virtual Classroom" facilities and the technological platform used to improve the distance learning aspects of the curriculum delivery. Currently, EGI's classroom training center remains intact with functioning electricity and internet. EGI's participants have shown incredible and inspiring leadership skills during the recent crisis (collaborating to track down all students and alumni, organizing food distribution and group job searches and starting new small businesses) and everyone is looking forward to re-starting the program.

Another main focus for this year is to make significant advances in the development of business creation, with the direct goal of assisting in the creation and funding of more businesses. In order to accomplish this, EGI will concentrate its efforts on the following:

- ❑ Expanding the leadership team and managerial oversight in Haiti through the hiring of a Country

- Director;
- ❑ Identifying and/or creating the financing mechanisms to assist in the initial and ongoing funding of businesses created by EGI graduates, including both early and later stage equity funding and arranging debt financing;
 - ❑ Expanding EGI's core group of successful Haitian businesspeople who act as mentors and advisors for businesses funded through EGI's efforts;
 - ❑ Beginning a sustained effort to create a more effective network of support for EGI and the businesses that it helps to create from the Haitian private sector, government and NGOs;
 - ❑ Finalizing the ongoing effort to establish a non profit corporation licensed in Haiti (Fondation EGI²) which will be able to establish more formal relationships with Haitian government, business and academic institutions; and
 - ❑ Taking the steps to prepare for the potential increase of the program's size in 2011/12.

Funding Needs

EGI is a small organization which utilizes the talent of its leadership team, key relationships and expertise to have a big impact in Haiti. With a modest budget, EGI has been prudent with spending, especially given the poor fundraising climate of the past few years. EGI ended 2009 with a US\$5,000 surplus that has been essential for the early part of 2010. The 2010 budget projects a total expenditure of US\$70,000 (see below). Of this amount, around \$53,000, or 75%, goes toward business education (for things such as improving the internet connection, adding laptop computers and other technical equipment such as a video projector and improved microphones and speakers), the rest of our costs are related to the travel, administrative, training and professional fees needed to create businesses and improve our operations in Haiti and the US.

Against the total budget EGI has received around US\$35,000 in support during the first quarter with US\$10,000 in donations and pledges from EGI's Board of Directors and the remainder from individual supporters and foundations. Your support, which would help us to fully fund our budget, is essential to the success of EGI's operations in Haiti.

Conclusion/Proposal

EGI has laid a strong foundation in recent years and is well placed to play a significant role in the reconstruction of Haiti by helping Haitians to create and expand their own businesses. The earthquake has had an impact on operations but EGI is determined to move forward and re-emerge better and stronger than before. It is EGI's core belief that Haiti can be rebuilt utilizing market-based techniques and that Haiti's reconstruction must involve local entrepreneurship and be led by qualified Haitians.

The 2010 EGI group (which began the business education classes in September 2009) was interrupted by the earthquake and is eager to return to classes. EGI alumni are hoping to soon be matched with mentors and financing. By helping to fund EGI's classroom upgrade and the expansion operations in Haiti, which will help us provide the best possible experience for EGI's present and future participants, you can be an invaluable partner in the quest to rebuild Haiti. In light of this and the priorities outlined in this proposal, EGI respectfully requests that you consider making a donation to support EGI in 2010. Your funding will support EGI's current and future participants by (1) helping to guarantee the re-opening of classes in April, (2) upgrading the current technology to better facilitate distance learning and (3) putting EGI in a position to expand its operations and impact in Haiti.

The best way to donate is by sending a check to **EGI for Haiti, 4036 Hollo Rd, Easton, PA 18045.**

However, you can also donate by **credit card online** at www.egiforhaiti.org (bottom of the home page or on the Participate page) or by sending a payment through **Paypal** to: info@egiforhaiti.org.

EGI leadership team

One of EGI's strengths is its Board of Directors which has been cultivated over the past three years and includes qualified and talented individuals living in the US, UK and Haiti.

²Fondation EGI will be the organizational vehicle to operate and manage the Center for Entrepreneurship and Business Development. EGI will provide the educational and financial support to the Center and gradually increase the involvement of Haitians through the foundation.

Patrick Brun, First Vice-President and CEO Chabuma S.A., Port-au-Prince, Haiti

Mr. Brun has run a successful hardware materials business in Port-au-Prince for the past twenty years and has been a long term supporter of EGI. He has given numerous presentations to the EGI participants and is helping to organize EGI's Haitian business community contact network and set up the mentor system.

William Eliacin, Chief Financial Officer of Societe du Rhum Barbancourt, Port-au-Prince, Haiti

Mr Eliacin is the CFO of Haiti's most prominent rum producer and exporter. He is board member of EGI and teaches the finance and accounting modules for EGI students.

Stephen P. Keppel, Editor/Economist Latin America, Economist Intelligence Unit, London, UK

Mr. Stephen Keppel was one of EGI's co-founders and is currently serving as Director of EGI. Mr. Keppel covers Latin America and the Caribbean as an analyst for the EIU.

Stephen C. Keppel, Founder, Keppel Research Consultants, Easton, Pennsylvania.

Mr. Stephen C. Keppel has over twenty-five years of Market Research experience with a special emphasis in services marketing for the financial, insurance and healthcare industries.

J. Thomas McIntire, President, Three Sigma, Inc. Rockford, Illinois.

Three Sigma, Inc. is an executive coaching company assisting entrepreneurs and small business leaders. Mr. McIntire is Chairman of the Business Education Committee.

Gerry Keenan, Managing Director, Palmer Bellevue LLC

Mr. Gerald M. Keenan has 30 years of experience as a regulator, entrepreneur, consultant and financier in the U.S. utility, natural gas and telecommunications industries. Mr. Keenan is also president of Zanmi Sasye that supports economic, educational and health care facilities in the Sassier area of Haiti.

Joseph Harrison, Senior Counsel, Sidley Austin LLP, Chicago, Illinois.

Mr. Harrison advises and represents clients in futures-related regulatory and litigation matters and with respect to alternative investment funds. Mr. Harrison is the Chairman of the EGI Board.

Tim Hansen, Vice President for Banc of America Prime Brokerage, Chicago, Illinois.

Mr. Hansen has over 10 years experience in the Financial Industry and is currently in charge of relationship management for several Midwest hedge fund clients. Mr. Hansen is the EGI Secretary.

Nathan Walsh, Supply Chain Planning Manager, Unilever, Englewood Cliffs, NJ. Mr. Walsh manages the Demand and Promotional Planning for Unilever's Skin Care portfolio in North America. He is a member of the Board of the Rensselaer Newman Foundation and serves on EGI's Development Committee.

Chip Wirth, President, Wirth Development Corp., Chesapeake, Virginia

Mr. Wirth is a founder of Maison Fortune Orphanage in Haiti and is a Board member and partner in Group DEC, a Haitian manufacturer of double fortified salt. Group DEC receives funding from the University of Notre Dame, which is working to help the public and private sectors to define novel approaches for the elimination of lymphatic filariasis and iodine deficiency in Haiti.

Kenol Thomas, Marketing Manager; Chicago, IL

Mr. Thomas manages various integrated marketing programs for Fortune 500 companies. Also, he is a member of the 100 Black Men of Chicago where he is an active mentor to at-risk youth. He has been active in the development of EGI's website and newsletter.

Jean A. Thomas and Mary H. Thomas, OBGYN at Womens Health Ob/Gyn St Louis in Saint Louis, MO.

Jean graduated from the School of Medicine at the Universite D'Etat D'Haiti in Port-Au-Prince, Haiti.

Budget Summary

The following budget summarizes EGI's expenses for 2010 which includes the general operating costs related to the BCP and BEP as well as the costs of upgrading technical equipment and facilities to a higher quality.

Category	Budget
Income	
Board Contributions	\$10,000
Individuals/Sponsorships	\$25,000
Foundations	\$30,000
US Income	\$65,000
Revenue from Programs	\$1,500
Haitian contributions	\$5,000
Total Income	\$71,500
Administrative	
Director Salary	\$6,000
US Staff salary	\$6,000
Business Education	
Instructor Airfare	\$4,200
Instructor accommodation	\$4,900
Local Haiti travel	\$1,400
Local US travel	\$700
Curriculum production and text books	\$4,000
Grants to Fondation EGI in Haiti	
Graduate assistants	\$4,000
Country Director	\$13,200
Training and related materials	\$2,000
Director travel	\$7,700
Graduation, etc	\$1,000
Education Technology & Communication	
Grants to Fondation EGI in Haiti	
Communication Technology	\$3,000
Computer Accessories and Equipment	\$2,500
Facilities	\$4,000
Development	
Website and newsletters	\$1,500
Promotion	\$1,000
Professional Fees	
Payroll US	\$128
Grants to Fondation EGI in Haiti	
Government fees	\$1,000
Payroll Haiti	\$275
Office expense	
Postage	\$400
Grants to Fondation EGI in Haiti	
Copying	\$400
Office supplies and equipment	\$400
Balance end-2009	\$5,790
Total Operating and Maintenance Expenses	\$69,703
Total Anticipated US Income	\$65,000
Total Anticipated Haiti Income	\$6,500
Anticipated Year End Balance	\$7,587
Administrative and professional fees	\$13,403
Business Education (includes Tech & Comm)	\$52,600
Office expenses	\$1,200
Development	\$2,500
	\$69,703