

Report to Congress
Assessment of the U.S. Government Haiti Rebuilding and Development Strategy

The report accompanying the Supplemental Appropriations Act, 2010 (PL 111-212)(Report 111-188, pgs. 62-63), directs the Secretary of State to submit a report to the Committee not later than 90 days after the enactment of the act, and every 180 days thereafter until September 30, 2012, which shall also be posted in a timely manner on a single, consolidated publicly accessible website in a detailed, program-by-program format, that includes a copy of the Haiti Rebuilding and Development Strategy. The report is to include any significant modifications of the Strategy during the preceding 180 days, and an explanation of such changes; a description, by goal and objective, of the implementation of the Strategy; an assessment of progress, or lack thereof, during the preceding 180 days toward meeting the goals and objectives, benchmarks, and timeframes specified in the Strategy, including an assessment of the performance of the Government of Haiti; a description of U.S. Government programs contributing to the achievement of the goals and objectives including the amounts obligated and expended on such programs during the preceding six months; and an assessment of efforts to coordinate U.S. Government programs with assistance provided by other donors and implementing partners, including significant gaps in donor assistance.

The requested report, prepared by the Department of State, is being submitted to the Committee on Appropriations and the Subcommittees on State, Foreign Operations, and Related Programs of the House of Representatives, and the Committee on Appropriations and the Subcommittees on State, Foreign Operations, and Related Programs of the Senate. The information in this report may also be found at: www.state.gov/s/hsc/.

The Haiti post-earthquake reconstruction strategy sets forth goals for the U.S. to pursue in helping Haiti build back better after the January 2010 earthquake. The U.S. Government Haiti Post-earthquake strategy focuses on three geographic areas and targets assistance to infrastructure and energy, food and economic security, health and other basic services, and governance and rule of law.

In October 2011, the Parliament approved President Martelly's third nominee for Prime Minister, Garry Conille, as well as his cabinet and plan of government. President Martelly also appointed a Supreme Court President and filled two other Supreme Court vacancies. For the first time in over six years, Haiti has an elected president, a sitting legislature and a functioning Supreme Court. In addition, after months of logistical planning and design, U.S.

Government programs have broken ground for permanent housing settlement solutions and electricity generation for the Caracol Northern Industrial Park in the north of Haiti, which is projected to bring 20,000 new jobs over six years under its anchor tenant and 65,000 new jobs with the arrival of additional tenants. Agriculture assistance has been re-designed in the post-earthquake environment and is having real time impact on the incomes of farmers and the availability of domestically grown food in Haiti. Across all four areas of U.S. Government assistance, funds are moving, existing programs are making progress, and new programs are coming to fruition.

Pillar A: Infrastructure and Energy: U.S. Government appropriated resources are being used to improve Haiti's energy, housing, and port infrastructure in order to support community and commercial development and catalyze economic growth. The U.S. Government energy sector goal is to support the Government of Haiti in modernizing the electricity sector and improving access to energy through sector reform, infrastructure improvements, and alternative cooking technologies. The goal of U.S. Government shelter and settlements activities is to help the Government of Haiti create safe and sustainable communities by upgrading affected neighborhoods in Port-au-Prince and developing new settlements to replace housing stock lost during the earthquake. U.S. Government port sector goals include expanding port capacity, integrating ports into the development of the Caracol Northern Industrial Park, increasing the efficiency of Haiti's ports sector, and improving regulatory oversight.

The U.S. Government awarded a \$12.7 million contract for the repair, rehabilitation and upgrade of five electrical substations in Port-au-Prince partially damaged in the earthquake. In addition, a contract was awarded in mid-September 2011 for a 10 megawatt (MW) prime capacity Heavy Fuel Oil power generating facility for the Caracol North Industrial Park; when in full operation it will provide 25 MW of power. The U.S. Government is assisting the Council for the Modernization of Public Enterprises (CMEP) to develop a model for legal and regulatory reform that will determine the future of the national electric utility – Electricite d'Haiti (EDH). Work is underway to restore and upgrade five Port-au-Prince area substations belonging to EDH. U.S. Government partner TetraTech is working with EDH to build an efficient and financially sound energy sector, ultimately reducing the required annual Government of Haiti subsidy of more than \$120 million to EDH. In the shelter sector, most neighborhood reconstruction activities are being routed through the Haiti Reconstruction Fund (HRF), a multi-donor trust fund administered by the World Bank.

Of the \$90 million the U.S. Government provided through the HRF for this purpose, \$65 million is for a WB neighborhood upgrading initiative, called *Projet de Reconstruction des Quartiers Défavorisés* (PREKAD). The U.S. Government also transferred \$25 million to the HRF for a rubble removal project to be implemented by UNDP. It proved challenging for the UNDP to meet time commitments in removing the millions of cubic meters of rubble created by the earthquake. To date, the U.S. Government has cleared over 2.24 million cubic meters of rubble; in total, an estimated 5 million cubic meters have been removed by the international community and Haitians. In September, progress toward construction of new settlements began with a contract for engineering design, water and environmental assessments, site development and construction management for the Caracol site (known as EKAM). Heavy equipment has broken ground and the project is underway. This site, located near the new Caracol North Industrial Park, will provide basic infrastructure and services necessary for the construction of permanent housing on 1,500 lots. The U.S. Government is working with Habitat for Humanity to provide technical assistance and capacity building to national and local government agencies and communities in support of land use planning for new settlements in both the north of the country and near Port-au-Prince, and is supporting the efforts of the International Organization for Migration to advance community-based resolution of land claims in Port-au-Prince. Port sector support has begun with a \$2.7 million contract for studies for port infrastructure and operations development to produce a modern container port in northern Haiti. That port, just three sailing days from Miami, will increase Haiti's competitiveness as a regional trading partner.

The U.S. Government directly supported multi-lateral activities in the housing sector through the HRF. As a result of the U.S. Government's efforts in addressing energy sector governance, other donors have shown interest in investing in the energy sector. The World Bank is designing a \$100 million program toward rehabilitation and upgrade of transmission and distribution lines. Investments by the U.S. Government in energy and infrastructure have catalyzed \$400 million in complementary investments from the Inter-American Development Bank (IDB), the World Bank, non-governmental organizations (NGO) and the private sector. The IDB is engaged in distribution upgrade, metering and improvement to the Peligre hydroelectric facility.

Pillar B: Food and Economic Security: The overall goal of the food and economic security program is to increase incomes through improved agricultural productivity and encourage the growth of micro-, small-, and medium-sized businesses (MSMEs). Focusing in selected geographic corridors, the U.S.

Government is helping Haitians increase the productivity of selected crops, improve watershed stability, improve agricultural infrastructure and build the capacity of local and national government bodies to provide agriculture-related services. To increase economic security, U.S. Government priorities are to enhance the competitiveness and growth of high-potential industries by increasing the inclusion, productivity, and formalization of MSMEs since they provide most of the private sector jobs. The U.S. Government aims to support an enabling policy environment; provide technical assistance and professional and vocational training services to MSMEs; and increase access to finance.

U.S. Government funds are supporting food security through the Feed the Future South Initiative, formerly called Watershed Initiatives for Natural Environmental Resources (WINNER), a multi-faceted initiative that promotes agricultural intensification and sound natural resource management. The program addresses the full value chain, including production, post-harvest facilities, and roads to get crops to market. Feed the Future South created 37 farmer association-managed stores where farmers can purchase agricultural inputs like improved seeds and fertilizer and increased the output of those farmers by an average of 75 percent, generating \$8.4 million in additional sales. The project also built 150 km of ravine treatment, planted nearly 1.5 million fruit and forest trees, restored 4,000 hectares of land to productive use, and rehabilitated 18 km of road. Working with the U.S. Department of Agriculture (USDA), overseas scholarships for master's level degrees are being established for four Ministry of Agriculture (MOA) staff. Assistance from the U.S. Government has helped introduce improved technologies to more than 9,700 Haitian farmers, which has increased rice yields by 64 percent, corn yields by 338 percent, bean crop yields by 97 percent, and plantain yields by 21 percent for beneficiary farmers. The U.S. Government also provided an award of \$1 million to support Haiti Hope, a project to raise the revenue of 25,000 smallholder mango farmers, in cooperation with the Coca Cola Company, the IDB, and TechnoServe.

U.S. Government funds for economic security enabled a public-private partnership with the Bill and Melinda Gates Foundation that created the \$15 million Haiti Mobile Money Initiative, which increases access to financial services by promoting the rapid launch and scale up of mobile money services in Haiti. In addition, a new initiative to attract foreign investment in Haitian small-and micro enterprises that have high potential to expand operations and create jobs, was recently awarded to USAID partner Pan American Development Foundation.

Following the lead of the Government of Haiti by prioritizing food security and watershed restoration as focal areas, the U.S. Government is actively working with other partners to intervene in a comprehensive fashion. The agriculture sector working group is led by the IDB, and the Agriculture Sector Table is led by the Ministry of Agriculture (MOA). USAID and USDA are engaged in constructive dialogue with the MOA as specific Government of Haiti policy reforms are needed in areas related to subsidies on agricultural inputs, reducing the cost of doing business, reforms in agricultural credit, and land tenure. With respect to economic security, the International Finance Corporation (IFC) is focused on improving Haiti's scores in the World Bank's Doing Business Indicators, and the International Monetary Fund (IMF) is helping the Central Bank with macroeconomic and banking policies. Within the U.S. Government, USAID and the Department of the Treasury are working in close collaboration to improve Government of Haiti fiscal and monetary management, such as collecting taxes, issuing debt, and managing its budget, as well as financial regulation.

Pillar C: Health and Other Basic Services: The overall goal of the U.S. Government program in health and other basic services program is to improve the quality of health services delivered by Haitian institutions to Haitian citizens by strengthening health system referral networks at the communal and departmental level within U.S. development corridors. The U.S. Government also has a program to enhance standards and curriculum for primary education services in U.S. Government development corridors. Activities in the health sector focus on five areas: (1) supporting the delivery of a basic package of services and targeted infectious disease prevention; (2) establishing disability care to support Government of Haiti and civil society capacity to provide care and rehabilitation services; (3) rebuilding and reforming management of public health infrastructure; (4) increasing support to the Ministry of Health in strengthening systems and governance; and, (5) developing comprehensive referral networks at the communal and departmental levels within the U.S. Government development corridors.

Even before the earthquake, the health care network in Haiti could not meet basic primary care needs for all Haitians and access to specialized care was extremely limited. U.S. Government programs have provided essential health care services for up to half of the population, and in response to cholera provided treatment services in health facilities and communities throughout the country. In accord with the U.S. Government strategy, new areas of the health portfolio are in the design stage, including making the service delivery program more sustainable by transitioning management of service delivery funds from international implementers to the Government of Haiti.

The cholera outbreak and vacancies in key leadership and technical positions slowed the design process for health system strengthening investments and the communal referral networks, but progress has been made on planning for the construction of University Hospital, in coordination with France, and the Blood Bank. A number of initial infrastructure assessments have been undertaken to identify facilities to upgrade in the development corridors. Disability programming is in the final stages of procurement and is scheduled to be fully contracted by December 2011.

Since the earthquake, the Centers for Disease Control and Prevention (CDC) executed fifteen cooperative agreements (CoAgs) and one interagency agreement with USAID. Of the fifteen CoAgs, five directly fund the Government of Haiti (Ministry of Health; National Lab; National Blood Safety program; and the water and sanitation authority); six fund local NGOs in Haiti; and four fund U.S.-based NGOs and universities for work in Haiti. In addition, a contract was issued to conduct an assessment of IDEJEN, the Haitian organization whose Out-of-School Youth Livelihood Initiative project has been funded by USAID. The U.S. Government will facilitate the Government of Haiti's adoption of a non-formal basic education policy for out-of-school youth.

Coordination between the U.S. Government, UN agencies, IFIs, the IHRC, and other bilateral donors occurs through the Health Cluster System. U.S. Government team members also participate in the health cluster of NGOs led by the Pan-American Health Organization; and the Water and Sanitation and hygiene cluster of NGOs led by UN Children's Fund. In the education sector, the U.S. Government is coordinating with the IDB, WB, and other donors to undertake an early grade reading assessment in 2012. The U.S. Government continues to coordinate activities within the education sector donors' group.

Pillar D: Governance and Rule of Law: U.S. Government programs in support of improved governance, rule of law and security in Haiti contribute to two key objectives: a more responsive Haitian government increasingly capable of managing resources and providing essential public services; and a Haitian state increasingly able to ensure the rule of law and the protection of vulnerable populations throughout its territory.

U.S. Government funds for governance and rule of law have supported a variety of programs that encourage inclusive, transparent, and accountable governance; credible political processes; and national and local institutions capable

of delivering basic public services, including rule of law and security. In support of more credible electoral processes, U.S. Government funds supported technical and financial assistance for the administration of the 2010-11 elections; voter education and mobilization efforts; and international and domestic observation of both rounds of the elections.

U.S. Government funds were also used to restore the integrated financial management system to near pre-earthquake levels of connectivity, enabling 34 Government of Haiti offices to track revenues and expenditures through the system. Via a competitive bidding process, a \$14.3 million cooperative agreement was awarded to implement a five-year program to strengthen the legislative, oversight and representative capacity of Haiti's parliament.

The U.S. Government is engaging with the parliamentary leadership to ensure the program is Haitian-led. A program to protect the rights of vulnerable populations, including at-risk women, children and youth, is in the final stages of the procurement process.

The U.S. Government continues to address security goals through rule of law and security activities. These activities include support to the Haitian National Police Academy (HNP) to develop the HNP professional capacity; counternarcotics and other key HNP units; infrastructure repairs to replace or renovate earthquake-damaged buildings; judicial reform; and support to the UN Stabilization Mission in Haiti (MINUSTAH). To date, repairs to the HNP Academy Pavilion and perimeter wall are complete. As planned, a 700-person class graduated from the academy in May, and 100 new counternarcotics officers received three months of specialized follow-on training.

The next class is scheduled to begin training in January 2012. U.S. Government funding supports uniforms, food, equipment, and supplies during the training. Funding is also supporting the deployment of additional police and correction officers in support of MINUSTAH; the original target for 2011 was to deploy 110 advisors; currently 99 police officers and three corrections officers are actually deployed. The U.S. Government is committed to supporting the repair or reconstruction of select damaged correctional facilities and HNP stations and will build a new women's prison.

In parallel, the U.S. Government is assisting Haitian judicial authorities to reconstitute case files destroyed in the earthquake and improve case management, while simultaneously providing legal aid to indigent defendants, thereby helping to

reduce the number of detainees in illegal pre-trial detention in Port-au-Prince and St. Marc. The free legal assistance facilitated through U.S. Government assistance since 2010 has reached over 4,400 individuals, thus helping to decrease pressure on the judicial system. The U.S. Government is also funding the renovation of a recently seized drug property and converting it into a new counternarcotics base to support a portion of the newly trained counternarcotics officers.

The U.S. Government built six canine facilities in the new counternarcotics unit, purchased vehicles for their transportation, and trained HNP dog handlers. In addition, as related to human trafficking, a variety of services (i.e., general medical check-ups, psychosocial assistance and return and reintegration assistance packages) have been provided to child domestic servitude (“restavek”) victims and training conducted to build the capacity of several local Haitian organizations to raise awareness and develop skills to prevent trafficking in persons.

Donor coordination is ongoing in the sector, between the U.S. Government, Canada, EU, and UN (MINUSTAH and UNDP), among others. Donors worked together closely during the 2010-11 electoral cycle, coordinating their diplomatic messages through the *table sectorielle* (donor roundtable) for elections, and pooling their financial contributions through the UNDP donor fund and OAS to support the organization and international observation of these elections, respectively. The U.S. Government chairs the police donors roundtable and participates in the Justice Sector roundtable. It is anticipated that this donor coordination will intensify as the newly formed Government of Haiti is able to participate more effectively in setting priorities for the sector.

USG – Haiti Post Earthquake Strategy Financial Status update

Obligated, Sub-obligated and Expended funds as of September 30, 2011									
<i>\$ in thousands for all items</i>	FY 2010 Actual Obligations	FY 2010 Actual Sub-obligations	FY 2010 Actual Expenditures	FY 2010 Actual Supp Obligations	FY 2010 Actual Supp Sub-obligations	FY 2010 Actual Supp Expenditures	FY 2011 653(a) Obligations	FY 2011 653(a) Sub-obligations	FY 2011 653(a) Expenditures
HAITI	332,498	227,980	253,179	811,822	292,266	151,566	325,810	71,596	56,826