

USAID/Haiti FY2007 Operational Plan Summary

USAID/Haiti Overview

Haiti's persistent instability is the primary obstacle to the country's development progress and a threat to US national security and regional stability. Haiti is the poorest country in the Western Hemisphere, where 76% of the population lives on less than \$2/day. President Préval faces daunting challenges such as weak governing institutions and a dysfunctional justice system, but enjoys a democratic mandate as well as international support. Political and criminal violence, including drug trafficking, curbs investment and limits functional governance. Previous humanitarian and security crises in Haiti have spawned mass migrations to the US. The challenge is to keep the US and international community engaged in Haiti to promote stability and the success of the democratically-elected government.

US assistance will help transform Haiti into a more stable, prosperous and democratic nation. The US and international donors have devoted extraordinary efforts to help democracy succeed, and we will continue to support the UN peace-keeping mission to ensure security and foster longer-term stability. US policy objectives, in line with local government priorities and coordinated with all international donors, are closely interrelated: promoting peace and security, particularly by improving the Haiti National Police force and combating drug trafficking; strengthening governance and rule of law; fostering economic recovery, while protecting the natural resource base; and addressing critical health, education and humanitarian needs. The US supports Haiti in its efforts to implement difficult reforms, build legitimate public institutions, and meet the expectations of the Haitian people for basic services. USG assistance links robust solutions to resolve short-term crises with longer-term commitments to address the root causes of Haiti's recurring instability.

None of these objectives can be achieved alone. US foreign assistance aims to build the capacity of government authorities to perform their role responsibly and effectively. It engages and supports the Haitian executive, legislative and judicial branch ministries at national, departmental and municipal levels, while maintaining partnerships with the private and NGO sectors in service delivery.

To reverse Haiti's environmental degradation, we plan new activities linking economic value chains to improved soil conservation, watershed management, reforestation, and agriculture.

Objective 1. Peace and Security

1.3 Stabilization and Operations and Security Sector Reform

Building Haitian capacity to maintain peace, reduce conflict, and increase internal and border security after decades of political, economic and social conflict is essential. US assistance will support Haitian National Police (HNP) reform through training, establishing investigation units, and funding operational support. Over five years, the USG will train at least half of the estimated 12,000 HNP, and security sector reform efforts will result in a more capable and accountable police force. Assistance to the Haitian Coast Guard (HCG) will strengthen its capability to prevent illegal migration and interdict drug traffickers. Combined and coordinated US assistance will help bring peace and security to the country, which is the foundation for sustained political, economic, and social stability.

- **1.3.6 Defense, Military, and Border Security Restructuring, Reform, and Operations**

US assistance aims to strengthen Haiti's security efforts to counter drug trafficking and illegal immigration by restoring the logistical and maintenance capacity of the Haitian Coast Guard (HCG) maritime drug interdiction operations. This assistance is provided through the FY07 Foreign Military Financing (FMF) program of \$736,000 and the International Military Education Training (IMET) program funding of \$235,000. The FMF program provides needed military and civilian equipment, spare parts, and refurbishing of the small HCG fleet, and the physical upgrade of HCG facilities at two locations - Killickson and Cap Haitian. The IMET program provides training to HCG members on different subjects including human rights, border security, and other technical areas related to effective maritime operations. These programs are the essential tools that allow the US to influence and enable the HCG to conduct maritime missions that safeguard its shores and support US interests (specifically interdiction and repatriation of illegal migration). The objective is to establish a better-trained, better-equipped HCG able to assume a greater operational role for its own territorial security, to inter-operate with US Coast Guard resources, and ensure a larger share of its coastal waters protection.

Prioritization of Sub-elements: Sub-element 1.3.6.2 Military to Military Engagement is the priority focus for USG assistance since it best describes the development of professional relationships, understanding and shared interests between the US and its Haitian partners in the HCG. The US military support, through the use of FMF dollars for purchase and repair of equipment and IMET funds for specialized training, helps to strengthen and develop an HCG more fully capable of executing maritime security missions and interdiction and repatriation operations of illegal migrants.

Work of other Donors: Through the coordination between the US Coast Guard Liaison Officer (CGLO) and the US maritime advisor to the UN, the HCG receives 1,500 gallons of fuel per month from the UN. This fuel allocation allows the HCG to continue executing its water security mission of interdiction and repatriation of illegal migrants and perform routine water security patrols. Once the UN completes its Haiti Mission, continued funding for fuel for the HCG is uncertain.

Work of other USG Participants: All of the training is budgeted through the US Southern Command (USSOUTHCOM) from the Defense Security Cooperation Agency (DSCA). There is coordination and close collaboration with the INL/NAS that provides limited support for the HCG for operations (fuel, for example) for maritime interdiction, and occasional refurbishing and repairs at the HCG stations.

Implementing Mechanisms: 1. Support under the **Foreign Military Financing (FMF)** begins with a Letter of Request (LOR) from the Government of Haiti (GOH), requesting repair or purchase of military-related items such as generators, office equipment, communications equipment, etc. The LOR is routed through USSOUTHCOM to the Defense Security Cooperation Agency (DSCA) and, if approved, a Letter of Acceptance (LOA) is signed between the US Military and the GOH. Procurement is then initiated by the relevant U.S. military service branch's procurement office. In most cases for Haiti, the US Navy used its International Procurement Office (IPO) which provides needed military and civilian equipment, spare parts, and refurbishing of the small HCG fleet, and physical upgrade of HCG facilities in Killickson and Cap Haitian.

2. Money for **IMET**-sponsored training comes from the Defense Security Cooperation Agency (DSCA) through the USSOUTHCOM and is programmed and handled in Haiti directly by the MLO. The training selection process for approximately 20 persons/year is managed by the Training Non Commissioned Officer (NCO) who administers language tests, assists with visa applications, and provides follow-up. IMET provides training to 20 HCG members

on different subjects including human rights, border security and other technical areas related to effective maritime operations. The training improves HCG capacity to conduct maritime interdiction and repatriation of illegal migrants. As a result, the HCG will be able to assume a greater operational role for its own territorial security, interact more effectively with the USCG, and ensure a greater share of its coastal waters protection.

- **1.3.7 Law enforcement Reform, Restructuring, and Operations**

Improved security is critical to strengthening democracy in a Haiti, a country that is still in the grips of periodic instability. The USG supports an integrated peace and stability strategy that includes a strong security component. US assistance trains at least 1,000 new recruits and provides in-service training for 1,500 current HNP officers. FY07 resources will fund additional law enforcement and communications equipment, as well as vehicles to enhance police mobility. The USG assists in forensic training and crime analysis, and it helps the HNP to respond to civil disturbances utilizing non-lethal tactics. The model stations program teaches officers how to respond to crimes and run more professional police stations. Key to organizational reform is the involvement of communities, the willingness and ability to perform internal police investigations, effective command and control over the police force, and adherence to policies and procedures. USG support seeks to train and equip Haitian police and special investigation units to form a professional, efficient, and accountable deterrent to crimes.

Prioritization of Sub-elements: Program sub element 1.3.7.1 Civilian Police Reform is considered the most relevant sub-element for U.S.G. assistance. USG assistance seeks to strengthen the overall capability of the HNP primarily through special operations units, intelligence gathering, and organizational reform.

Work of other Donors: The major player in Law Enforcement Reform, Restructuring and Operations is the United Nations Stabilization Mission in Haiti (MINUSTAH). Pursuant to its mandate, MINUSTAH has 7,000 military peacekeepers and 2,000 Civilian Police (CivPols), of whom the USG contributes 50. The UN works with the HNP, and in 2006, succeeded in having the HNP adopt a Reform Plan. UN CivPols share model police stations with the HNP, mentoring their Haitian counterparts. UN personnel have performed ballistics tests on all weapons donated to the HNP, and CivPol of all nationalities teach police recruits at the academy. Donations by other counterparts are very limited; for example, last year Italy provided six all-terrain vehicles for HNP use.

Work of other USG Participants: The US Drug Enforcement Agency (DEA) supports the operations of a vetted unit of Haitian police officers, established by DEA, with special authority to conduct drug investigations. DEA also supports the intelligence collection and analysis center within the HNP. The DEA, on a shared basis with the US Treasury, provides technical assistance and financial investigation “mentors” to support ongoing anti-money laundering and anti-corruption activities. In partnership with the US Coast Guard, funding will continue for the ongoing effort aimed at restoring the logistical and maintenance capacity of the Haitian Coast Guard (HCG). The Department of Defense Section 1207 transfer authority will provide \$5 million for the Haiti Stabilization Initiative to strengthen the Haitian National Police (HNP) program in Cite Soleil, the primary hotspot in the capital city.

Implementing Mechanisms: Pacific Architects and Engineers-Homeland Security Corporation. (PAE-HSC) The PAE-HSC contract recruits, hires, trains, and pays the salaries of 50 Civilian Police (CivPols) and three corrections officers provided to MINUSTAH and also manages procurement (uniforms, furniture), construction (model police station, for example) and assignment of personnel such as trainers and advisors. By the end of FY07, at least two thousand police recruits will have been trained by the US-refurbished academy, and all current police will have received in-service training in ethics and code of conduct, use of

force, self-defense tactics and weapon-handling. Thirteen additional model police stations will be completed by the end of FY07. The USG will continue to assist in forensic training and development of HNP capacities for crime analysis as well as a response capability to respond to civil disturbances in a manner that takes advantage of non-lethal police tactics. As a result, HNP will respond to reports of crime in a timely manner, conduct effective patrols, direct traffic, communicate effectively, and conduct internal and criminal investigations, with crime reducing over time in urban as well as rural areas. Incidences of human rights abuses by police will decrease.

1.4 Counter-Narcotics

Eight tons of South American cocaine transit Haiti en route by sea to US markets annually. The drug trade in Haiti fosters corruption and foments armed violence by criminal gangs and well-financed political opposition groups. US assistance supports Haitian National Police (HNP) to conduct drug investigations and collect and analyze intelligence. US Coast Guard funding support will restore logistical and maintenance capacity, refurbish bases, and strengthen maritime interdiction operational capacity of the Haitian Coast Guard (HCG) through specialized training and equipping staff. By FY08, newly-equipped and better-trained personnel will be in place and investigative units fully operational. At the end of five years, Haiti will play a larger role in investigating and interdicting narcotics trafficked through Haiti.

- **1.4.3 Interdiction**

Continued USG support to the Government of Haiti (GOH) is essential in order to interrupt, capture, and investigate drug trafficking activities in Haiti. FY07 resources will support the operations of a vetted unit of Haitian police officers, established by the US Drug Enforcement Agency (DEA), with special authority to conduct drug investigations. This support will also strengthen the Haitian National Police (HNP) drug intelligence collection and analysis center. Future year funding will increase coordination between the police and coast guards, and special investigation units, to further develop Haitian law enforcement capabilities to interdict the flow of narcotics into and through Haiti.

Prioritization of Sub-elements: Sub-elements 1.4.3.2 Support Host Nation Operations and sub-element 1.4.3.3 Criminal Organization Investigative Assistance are the most appropriate sub-elements to describe this assistance. USG assistance strengthens HCG capability for maritime drug interdiction operations. Assistance also builds HNP capacity to conduct drug investigations, support intelligence gathering operations, as well as provide analysis of these data.

Work of other Donors: No other donors are working in Counter-Narcotics in Haiti.

Work of other USG Participants: The US Treasury commits funding to the anti-money laundering investigative strengthening activities of the HNP which provides additional intelligence support for collaboration on interdiction efforts. The US Coast Guard provides resources aimed at restoring the logistical and maintenance capacity of the Haitian Coast Guard (HCG). These funds aid in the refurbishment of bases at Killickson and Cap Haitian, the purchase of additional vessels, and strengthening HCG capacity to maintain and operate their small fleet to enhance their maritime drug interdiction operations. Coordination among the various USG participants is not formally structured. Interaction and communication takes place on an as needed basis.

Implementing Mechanisms: Direct purchase orders are issued by the US Embassy/NAS-INL for local procurement of miscellaneous goods and services. This support goes to various counter narcotics units, especially the Special Investigative Unit (SIU) of the Haitian National Police (HNP) and includes training and provision of equipment and supplies.

Institutional strengthening and capacity building in Haiti are long-term objectives that are difficult to measure. The progress achieved in enhancing organizational assistance is provided to enhance the organizational, administrative, and operational effectiveness and coordination across units within the HNP, and with the Haitian Coast Guard (HCG), will if successful increase the number of drug interdiction operations conducted and lead to an increase in the number of investigations, arrests, and prosecutions of drug traffickers.

1.5 Transnational Crime

The flow of illicit drugs and laundered money into and out of Haiti undermines any attempt to instill a viable rule of law, weakening state institutions and fostering corruption. US partnerships with Haitian authorities create institutions fighting drug trafficking and money laundering. US assistance aims to improve the capacity of Haiti's financial system to monitor and identify suspicious financial transactions. The trafficking-in-persons (TIP) program promotes anti-trafficking legislation, empowers institutions to identify and protect trafficking victims, particularly children, and facilitates networking of anti-trafficking organizations to maximize direct services. TIP aims to prevent human trafficking, protect vulnerable populations, and rehabilitate trafficking victims particularly within contexts of labor and sexual activity.

- **1.5.1 Financial Crimes and Money Laundering- Embassy**

The income generated by the tonnage of South American drugs transiting Haiti on its way to US markets, is large, untraced and utilized by international and national criminals for personal profit. These funds are available as well to foment armed violence perpetrated by criminal gangs and finance destabilizing political opposition groups. Unchecked, the laundering of these drug-related financial resources undermines any attempt to instill a viable rule of law in Haiti, further weakening state institutions and fostering corruption. FY07 resources train, equip, and fund operations of the Ministry of Justice's Financial Information Central Unit. The goal of this program is to improve the capacity of Haiti's financial system to identify and track suspicious financial transactions and coordinate reporting and analysis with the Haitian National Police's (HNP) Special Investigative Unit (SIU), its drug intelligence collection and analysis center, to apprehend money launderers and drug traffickers. Enhanced capacity of Central Bank and HNP special units will limit the availability of laundered money for use by criminals in Haiti and abroad.

Prioritization of Sub-elements: The goal of USG assistance is to establish effective, professionally trained and accountable law enforcement entities. USG support seeks to strengthen specific units within the Government of Haiti (GOH) to increase their effectiveness to root out money laundering and anti-corruption activities. Program sub element 1.5.1.1 Deny Criminals Access to Finance is the primary focus for the USG assistance program to strengthen investigation units and operations entities of the Central Bank and the HNP to reduce financial crimes including money laundering.

Work of other Donors: There are no other international players supporting Haiti in transnational criminal activities.

Work of other USG Participants: The operations of the HNP's SIU, established by the US Drug Enforcement Agency (DEA), has special authority to conduct drug investigations. Assistance is provided to improve coordination between the Ministry of Justice's Financial Information Central Unit, housed within the Central Bank and this HNP/SIU drug intelligence collection and analysis center. The DEA funding, on a shared basis with the US Treasury, will provide technical assistance and financial investigation "mentors" to support ongoing anti-money laundering and anti-corruption activities. In partnership with the US Coast Guard,

funding will continue the ongoing effort aimed at restoring the logistical and maintenance capacity of the Haitian Coast Guard to interdict drug traffickers.

Implementing Mechanisms: The INL/NAS unit of the US Embassy provides assistance directly to the Ministry of Justice's Financial Information Central Unit (FICU) housed within the Haitian Central Bank. Assistance includes purchase of office equipment (computers) and the provision of specialized technical assistance for the FICU staff. This assistance strengthens FICU's capacity to identify and track suspicious transactions and coordinate reporting and analysis with the Haitian National Police to apprehend money launderers and drug traffickers.

- **1.5.3 Trafficking in Persons and Migrant Smuggling- USAID**

A state's primary mandate is to provide security for its citizens. The rebuilding of a fractured state starts by developing government capacity to ensure citizen well-being. Haiti has been plagued with trafficking of children and women, internally and across the border in the Dominican Republic. Haiti also contends with the "Restavek" system, where children are sent away in domestic servitude. This practice weakens social fabric, destabilizes the environment, and compromises Haiti's ability to unite. The long term goal of the trafficking program is to develop institutional mechanisms that protect vulnerable persons with law enforcement and provide sustainable solutions that empower communities to resist trafficking. In the short term, victims will be identified and provided with greater quality direct social services. The ratification of anti-trafficking instruments will be actively pursued. FY07 resources will fund assessments to identify trafficked victims and develop continuous protection and prevention services (shelter/reinsertion/education). Training will be conducted to empower state agencies to identify and prosecute criminal activity and to facilitate coordination between organizations supporting anti-trafficking legislation. In five years, attention to trafficking will raise public outcry, increase protection through improved law enforcement and prosecution and, by extending socialization support that avoids life-long poverty, enhance a stable environment.

Prioritization of Sub-elements: Sub-Elements 1.5.3.1 Protection 1.5.3.2 Prosecution 1.5.3.3 Prevention: The US focuses on Protection to thwart on-going trafficking activities and to improve services (shelter/reinsertion/education) that minimize threats to children and women who are vulnerable to labor and sexual exploitation. Prosecution must be assertive and continuous as the means to enforce protection and will be implemented through improved reporting, investigation, and monitoring practices. Ultimately, effective prosecution will result in increased convictions. National legislation criminalizing trafficking offenses will further facilitate high-impact sentencing. Prevention as the third strategic focus will enforce, through awareness raising and training, community and local organization cooperation in a way that effectively repels trafficking activities.

Work of other Donors: The Government of Haiti (GOH) and many donors work to prevent trafficking. The Haitian National Police has conducted trainings to combat child trafficking and has recently studied border areas for anticipated expansion of law enforcement activities. The International Organization for Migration (IOM) continues cross-border operations to prevent trafficking of minors and provides shelter and reinsertion services. IOM also works towards the criminalization of trafficking activity. UNICEF supported an adoption survey on illegal adoption practices in Haiti that also provided guidance on legal and policy reform to eliminate infant-trafficking. The United Nations Stabilization Mission in Haiti (MINUSTAH) maintains a Human Rights office that regularly publishes reports on progress in Haiti and reports on trafficking. The US State Department Political Section coordinates with these other donors on trafficking-in-persons programs and provides this information to the USAID program.

Work of other USG Participants: The US State Department/Political Section has a program to criminalize trafficking, operating to more effectively identify offenders and successfully investigate trafficking cases for prosecution and conviction. Envisioned activities will provide technical assistance for an institutional framework; support the creation of an inter-agency counter-trafficking task force; train law enforcement personnel on investigative and rescue techniques; and facilitate greater collaboration at the national and regional levels. This activity complements the on-going trafficking program at USAID with the supply of reports, data, and networking coordination with other organizations operating on anti-trafficking matters. Most importantly, the State program bolsters USAID's efforts to better coordinate the Haitian public and its capacity to demand national legislation against trafficking.

Implementing Mechanisms: TBD. Effective security of citizen populations is a measure of a functioning state. More telling of successful governance is the care taken over particularly vulnerable populations. USAID and the TBD Implementing Partner will focus on combating the trafficking-in-persons, particularly women and children, as one of the most insidious threats to Haiti's reform. In the long term, the Implementing Partner will establish lasting mechanisms for effective protection, raise awareness of trafficking, and consolidate advocacy for credible legislative and legal operation. In the short term, the Implementing Partner will identify victims of trafficking, begin rescue operations, and oversee greater placement in shelter and safe havens. Throughout, the Implementing Partner will coordinate multiple anti-trafficking organizations and government agencies to motivate GOH response through police enforcement, legislative measure, and prosecution that communicates a no-tolerance policy. Prevention of trafficking activities will be sought through public awareness campaigns and support from economic development, vocational, and education programs that facilitate reinsertion and preserve family unity.

1.6 Conflict Mitigation and Reconciliation

Haiti's persistent instability and conflict are primary obstacles to the country's development progress and are threats to US national security and regional stability. With the election of a new government committed to reform, Haiti has an unparalleled opportunity to move beyond its history of endemic poverty and political instability. However, limited economic resources and a growing pool of unemployed, uneducated, and politically alienated youth have stoked the fires of conflict and violence, particularly within urban "hot spot" areas. US assistance aims to buttress government presence and defuse conflict in gang-controlled urban hot spot areas. In five years, US assistance will complete priority small scale infrastructure projects, restore confidence in government, and lay the groundwork for long-term employment.

- **1.6.1 Conflict Mitigation**

Instability in key urban areas of the capital and secondary cities seriously limits provision of social services and increased investment by the private sector. Conflict between communities or rival gangs is a cause of this instability. High unemployment provides a pool of resources with potential to destabilize communities. A vicious cycle is created where conflict and violence prevents delivery of social services and jobs which in turn creates an environment for conflict to flourish. Providing short and long-term jobs along with skill training, increased access to education, and health has the potential to break this cycle. The USAID-funded JOBS and IOM grants are designed to address the root causes of conflict: poverty, political or gang-related violence, and lack of access to government services. The USAID programs aim to reduce conflict through local empowerment in the creation of short and long-term employment opportunities and transfer of jobs skills through labor intensive reconstruction of infrastructure. IOM funds microprojects in the most conflicted urban areas; JOBS mainly works on the periphery of these same areas to stabilize nearby communities. Together they will generate 360,000 person-months of short-term jobs, 10,000 long-term

jobs, and renovate 700 small scale infrastructure projects. The projects will be implemented in collaboration with elected officials and community leaders to strengthen government presence in these conflict-prone communities.

Prioritization of Sub-elements: Sub-element 6.1.2 Peace Dividends best describes USAID's conflict mitigation program approach. Through two USAID-funded activities, partners, locally-elected officials, and community leaders are brought together to prioritize and implement small grants, monitor delivery of services, and generate opportunities for short-term and long-term employment through renovation of social and productive infrastructure all of which is designed to address poverty, the lack of access to basic services, and increase public confidence in elected officials.

Work of other Donors: The USG is the principal donor working to reduce the root cause of conflict and instability in Haiti. USAID's principal focus in conflict-prone urban areas to create short-term jobs complements the World Bank's \$1.25 million Community-Driven Development project operating in small cities and rural communes, including near the USAID-targeted hot-spots. Other donor-funded programs include the \$1 million MINUSTAH quick impact fund for projects nationwide. Fairly small sums have also been directed to Port au Prince hot-spots by various non-governmental organizations. The WHO funds a \$500,000 water project, and the United Nations Office for Project Services (UNOPS) has a \$250,000 canal cleaning activity in Cite Soleil, the infamous slum and source of much of the intransigent political and gang-related violence in Haiti. The Inter-American Development Bank is funding a \$2.5 million solid waste program in Port-au-Prince that employs persons in some of the hot-spot communities.

Work of other USG Participants: The USG has several activities designed to reduce conflict and promote stability. The USG has to date provided about 27% of MINUSTAH's \$510 million annual budget. There is collaboration between IOM/PREPEP and the MINUSTAH in the identification and implementation of its activities. STATE/INL plans to provide approximately \$15 million/year for Haitian National Police (HNP) training and support for a four-year period. The US Coast Guard will continue to provide training and support to the Haitian Coast Guard for drug interdiction, and the US Drug Enforcement Administration will provide similar assistance to the HNP and related groups. The Department of Defense Section 1207 transfer authority will provide \$12.9 million for the Haiti Stabilization Initiative for community development and infrastructure rehabilitation in Cite Soleil, the principal capitol city hotspot.

Implementing Partners: 1. Cooperative Housing Foundation (CHF) International - Jobs, Opportunities, re-Building Structures (JOBS). JOBS advances stability by creating short, medium and long-term jobs and improving the productive and social infrastructure in key conflict-vulnerable areas including the Port-au-Prince metropolitan area, Cap-Haitian, Gonaïves, St. Marc, and Petit Goâve. JOBS, a new start in FY07, will create 1,400 jobs by the end of January 2007, 40,000 jobs in the first year of the project, and 510 social and productive infrastructure projects benefiting over 600,000 Haitians over the life of the project including creation of 10,000 long-term jobs. JOBS links job skills training with market demand for out-of-school youth ages 15-24. JOBS promotes collaboration between elected local government officials, departmental offices of key ministries, and active Haitian NGOs, community-based, and faith-based organizations in the targeted communes to mobilize the community and to build capacity to identify, plan and implement activities at the local level. Gender will be addressed by increasing women's participation in the economy through short term employment, skills training and rehabilitation of productive infrastructure (markets, irrigation canals, potable water distribution, for example).

2. International Organization for Migration (IOM) - Programme de Revitalisation Et de Promotion de l'Entente et de la Paix (PREPEP). The PREPEP program enhances citizen confidence and participation in a peaceful political transition; empowers them and their

government to address priority community needs; builds cooperative frameworks between citizens and government entities at all levels; and promotes peaceful interaction among conflicted populations. PREPEP uses hundreds of small grants to create and/or maintain stability in the specified cities chosen for their strategic importance. Stabilization efforts focus on conflict mitigation in the provinces and violence reduction in Port-au-Prince, especially concentrated, politically-motivated aggression or gang-related violence that threatens Haitian stability. Projects, selected with the participation of communities and locally-elected officials, are also coordinated with line Ministries. Grants include: street paving, classroom renovation, clinic rehabilitation, water systems development, playgrounds and parks, etc. Conflict mitigation techniques and capacity building training programs are also funded. Activities selected often generate badly needed short-term wage labor opportunities on a large scale in poor marginalized communities, especially for women.

Objective 2. Governing Justly and Democratically

2.1 Rule of Law and Human Rights

Political and economic stability are essential if Haiti is to emerge from years of internal conflict. In this context, establishing a functioning justice system responsive to the needs of all citizens are priorities for US assistance. The USG will work to rehabilitate Haiti's fractured judicial system and support human rights. The program will develop courtroom oversight; provide technical assistance and training to strengthen the Ministry of Justice (MOJ), judges and lawyers, and legal education; and advance prison and penal code reform. The USG will also monitor and advocate for human rights and the protection of vulnerable communities. Assistance will provide greater security and treatment of persons and communities affected by organized violence and ensure that human rights are respected within the MOJ and the police.

- **2.1.3 Justice System**

A healthy police and justice system is essential for improving security, enhancing safety, establishing stability, curbing human rights abuses, enabling economic development, fighting corruption and bolstering Government efficiency. This leads to five priorities: develop institutional capacities of the Haitian National Police (HNP) and the judiciary; upgrade equipment and infrastructure; improve access to police and justice and linkages to society at large; improve the quality of corrections officers; and enhance prison reform. USAID and Bureau for International Narcotics and Law Enforcement (INL) programs will provide technical assistance, training, and equipment as well as support for rehabilitation of courts and prisons. Programs will also improve the quality of legal education, and help develop an integrated case management system to minimize pre-trial detention (PTD). HNP support programs aim to improve cooperation between the HNP and US law enforcement agencies working to control narcotics trafficking, illegal migration, alien smuggling and other criminal offenses. In five years, the functioning of the HNP and prisons will improve and the judiciary will be increasingly effective and efficient, with qualified personnel and effective institutions and the number of people in PTD and the length of time in PTD will have decreased. At present, the impact of the current CR budget level will only allow for maintenance of past gains but will not permit increases.

Prioritization of Sub-elements: 2.1.3.1 Justice System Actors, 2.1.3.2 Operation of Institutions and Actors, 2.1.3.4 Access to Justice: Rebuilding Haiti's institutional capacities and supporting GOH movement toward transformational development is one of the top priorities of the foreign assistance framework. Consequently, it is important for the USG to focus on these sub-elements to allow the GOH to mitigate state failure and violent conflict. Strengthening justice system institutions and actors will allow the Haitian judiciary to better address insecurity, impunity for the high level of crime, pre-trial detention, corruption, and

human rights abuses. US assistance supports the MOJ, the judiciary, civil society, and Parliament in building a system of legitimacy, effectiveness, and authority accessible to all.

Work of other Donors: The GOH and donors are coordinating efforts to address issues faced by the judiciary. To do so, the GOH established a donor steering committee and related sub-committees to support the following GOH priorities: 1-Training of Judicial personnel (MINUSTAH/ USAID/OIF/ UNDP/ FRENCH COOPERATION); 2-Access to Justice (USAID/ Organisation Internationale de la Francophonie (OIF)/ UNDP); 3-Legal Assistance (USAID/OIF/UNDP); 4-Pretrial Detention (USAID/OIF/ UNDP); 5-Justice Reform (USAID/MINUSTAH/French Cooperation/OIF/UNDP); 6-Civil Registry (OIF/UNDP); and 7-Prisons (UNDP). This approach will help avoid duplication and maximize results. Regular meetings are held for each sub-group and a calendar of activities is prepared. This structure will also be used to implement the GOH five-year strategic plan. At the request of the Minister of Justice (MOJ), the USG is providing a full-time local consultant in charge of coordinating the steering committee.

Work of other USG Participants: The Department of Defense section 1207 transfer authority will provide \$550,000 for the Haiti Stabilization Initiative to improve access to justice for the citizens of Cité Soleil. This program will be closely coordinated with the design and implementation of USAID's new justice system program, currently under design. Technical assistance is provided by USAID, the U.S. Treasury's Office of Technical Assistance (OTA), and the Embassy's Narcotics Affairs Section (NAS) to the Ministry of Justice's Central Financial Intelligence Unit for on-the-job training to support the Unit's tracking and prosecuting of illegal financial transactions.

Implementing Mechanisms: 1. TBD. The new Implementing Mechanism will provide support for judicial strengthening and reform. It includes strengthening the administrative, management and technical capacities of courts, prosecutors, bar associations, judges, and other court personnel. Also targeted is reduction in pre-trial detention, improved case processing, and increased citizen access to justice. Additional support addresses the needs of underrepresented groups, including women and children, and increases parliamentarians' understanding of the importance of judicial reform. USG efforts will result in a more functional and efficient judiciary with qualified personnel and effective institutions.

2. Pacific Architects and Engineers – Homeland Security Corporation (PAE-HSC) The Bureau for International Narcotics and Law Enforcement Affairs (INL) is supporting activities aimed at reforming the Haitian National Police in areas such as personnel, operational support, and commodities. Current INL support focuses on prisons construction and rehabilitation; provision of corrections advisors to the UN; and training and equipping of HNP corrections officers with lethal and non-lethal weapons. Such training aims to improve cooperation between the HNP and US law enforcement agencies working to control narcotics trafficking, illegal migration, alien smuggling and other criminal offenses. Cross training (Police-Justice) is envisioned between the USAID Judicial Strengthening Program and INL. In five years, the functioning of prisons will improve and the judiciary will be increasingly effective and efficient, with qualified personnel and effective institutions and the number of people in PTD and the length of time in PTD will have decreased.

- **2.1.4 Human Rights**

Protecting human rights is integral to democracy's foundation. Only when people have the rights to associate openly and act independently will a sustainable basis exist for development. A protected society trusts government. In turn, the government is empowered to provide basic services to citizens. Stability gained through observing human rights increases confidence and invites international community support. The long term goal of the human rights program is to protect and support victims of human rights violations, specifically

torture and organized violence. In the short term, local organizations/institutions are trained to improve the quality of and access to rehabilitation services. FY07 resources are adequate to fund an assessment to develop baseline data and strengthen program design. Mechanisms to identify/treat victims will be improved. Advocacy for legislation against torture/violent crime will be conducted by local organizations; institutional progress will be monitored by the number of laws passed, instruments signed, and prosecutions initiated. However, the current CR budget level will only allow for maintenance of past gains and will not permit increases. In five years, support for human rights will increase awareness and improve Government of Haiti (GOH) accountability. Nearly 10,000 persons will be trained and 1,500 victims will receive trauma recovery services. Meetings with government ministries will improve coordination with human rights organizations.

Prioritization of Sub-elements: 2.1.4.1 Advocacy, 2.1.4.2 Systems and Policies, and 2.1.4.3 Education and Training: The program focuses on advocacy to raise public awareness on human rights violations, particularly torture and organized violence, and to motivate citizen and government responses. Systems and Policies are critical for empowering national and local government with the means to investigate, monitor and prevent acts of torture and organized violence that often include clandestine crimes.

Passing national legislation to counter these offenses is necessary to institute and enforce legitimate protection. The definitions of and threats posed by torture and organized violence must be provided to the public and government through comprehensive education. Training will give institutions and associations the capacity for effective programming.

Work of other Donors: The GOH and several donors work to protect human rights. The Haitian National Police/Brigade de Mineurs has conducted training to protect children from violence, including labor and sexual. The Ministry of Women's Affairs is active in securing the protection of women from violence and advocates for shielding legislation. The Organization of American States (OAS) has raised awareness of human rights, particularly with regard to protection offered under the Inter-American Commission and Court of Justice. The International Organization for Migration (IOM) continues cross-border operations to provide shelter for vulnerable children, and MINUSTAH maintains a human rights office that regularly publishes reports on progress in Haiti. Many local Haitian organizations monitor human rights matters. Most prominently, the National Human Rights Defense Network (RNDDH) focuses on organized violence and government response, while URAMEL and KAY FANM concentrate on women's protection.

Work of other USG Participants: The State Department's Bureau for International Narcotics and Law Enforcement (INL) supports an anti-trafficking program that complements the human rights victim's of violence program by ensuring greater protective services. State Department INL program efforts to better identify and provide shelter for trafficking victims minimize vulnerabilities and risks of violence posed to both women and children. Correspondingly, anti-trafficking legislation, as advocated through the program, will facilitate more successful investigations, prosecutions and convictions of offenders who have also perpetrated crimes of torture/organized violence.

Similarly, the State Department/Political Section supports a program to criminalize trafficking that provides technical assistance for an institutional framework; support for a planned inter-agency counter-trafficking task force; training for enforcement personnel on investigative and rescue techniques; and, networking at the national and regional levels. This strategy complements the human rights program with the supply of data and reports and the coordinated effort to pass national legislation against organized violence as well as trafficking.

Implementing Mechanisms: TBD. The protection of human rights ensures the freedom of individuals and greater capacity of the state. Secure citizens work with the government to engender stability and to reject organized violence through prevention and prosecution. The

Implementing Partner will educate the public, local groups and government agencies on the definition and threat of organized violence, support coordinated efforts to respond to such incidents and advocate for legal redress. In the long term, a proactive system of civil and institutional networking as promoted by the Implementing Partner will foster uniform social and legal intolerance of organized violence. In the short term, the Implementing Partner will assist local organizations and government agencies to reduce organized violence by providing protection, facilitated by identifying at-risk populations, documenting forms of violence and classifying perpetrator traits. Based on the resulting assessment, technical assistance will be given to human rights organizations to better treat trauma/rehabilitation through increased access to and improved quality of victim's services and effect advocacy for protective legislation and aggressive prosecution.

2.2 Good Governance

Better governance allows citizens to see officials as more legitimate and reduces unlawful expression of citizen demands. If Haiti is to emerge from years of civil strife, political and economic stability must be achieved. This includes supporting the new democratically elected government. Haiti has suffered from bad governance for decades. Corruption is endemic and state resources are diverted; local governance is ignored; and Parliament often does not function. To avoid political unrest, Haiti urgently needs to become a democratic, well-governed state. Activities must support government effectiveness. To this end, US assistance will support government strengthening at the executive, legislative, and local levels, decentralization, and anti-corruption to enable the government to better provide services and protect citizen rights.

- **2.2.1 Legislative Function and Processes**

An effective and representative Parliament is a key element for bringing Haiti back from instability and autocratic rule to a stable, inclusive government committed to democratic reform. In the short-term, Parliament must quickly improve its popular legitimacy through efficient operations, visibly effective legislation and responsible oversight of the executive.

To accomplish these results, USAID will continue the program to support members of the Haitian parliament. The program will include mentoring and information exchanges on fundamental topics in democracy and governance. Emphasis includes enhancing the key elements of good public service as an elected representative, such as regularly meeting constituents, hearing concerns, taking appropriate steps to address those concerns, etc. USAID will also work with members and senior staff to improve skills in key legislative processes, including addressing budget and policy issues, with an eye to practical means to conduct the day-to-day business of Parliament. The institution will be strengthened through limited commodity and facility support and improving the staff's administrative, management and communications capacities.

Within five years, with adequate funding assistance, Parliament will represent its constituents' concerns as they formulate and pass key legislation, review and finalize annual Government of Haiti (GOH) budgets in a timely and transparent manner and review GOH executive policies and performance.

Prioritization of Sub-elements: 2.2.1.1 Legislative Strengthening and Legal Reform, 2.2.1.2 Representation and 2.2.1.3 Oversight and Budget Capacity: Legislative Strengthening and Legal Reform will support more effective and efficient legislative processes and procedures through strengthened legislative drafting, streamlined procedures, stronger committee processes, and research capacity. Representation strengthening measures will include more effective use of the media, including television and radio coverage of sessions, and non-partisan public meetings with constituents throughout the

country. Oversight and Budget Capacity will be built through improved mechanisms for committee and plenary hearings and interacting with the executive on budget analysis, policy formulation, and implementation oversight.

Work of other Donors: The USG and Canada are the major donors supporting Parliament and work in close cooperation. The Canadian International Development Agency (CIDA) focuses on training and links with the Canadian Parliamentary Center, an NGO that trains both Canadian and foreign MPs. CIDA may fund a portion of the documentation center. USG and Caribbean Community (CARICOM) collaboration could include members of CARICOM country Parliaments leading workshops or meetings conducted as part of the USAID program. The Organization Internationale de la Francophonie (OIF) will show Parliament and the Parliamentary Coordination Ministry similar systems through visits with other francophone parliaments, and may provide French-language material to the documentation center. The United Nations Stabilization Mission in Haiti (MINUSTAH) can fund short-term projects, e.g., purchase of equipment or renovating rooms. The Inter-American Development Bank (IDB) and France are considering rehabilitation assistance.

Work of other USG Participants: The House Democracy Assistance Commission (HDAC), affiliated with the US House of Representatives International Relations Committee, will provide training and technical assistance to Parliament, with a focus on enhancing Parliament's library and research capabilities. One proposal prepared by the HDAC would create a "documentation center" which would house the library, archives, legislative drafters, researchers, and some information technology functions. The HDAC could assist Parliamentary committees and augment the committee strengthening work done under the USAID-funded program. Members could share their experience in using committees to consider legislation and conduct oversight. The Commission could also share House committee rules of procedures and provide practical advice on how to organize and conduct public hearings and markups.

Implementing Mechanisms: State University of New York (SUNY) - Haitian Parliament Support Program (PAPH). Expected Results include Parliament's role strengthened through efficient operations, visibly effective legislation and responsible executive oversight. This activity will help achieve program element goals by increasing Parliamentarians' skills to: address key legislative processes; address budget and policy issues, including anti-corruption; and serve as the peoples' representatives, through regularly constituent communications to hear concerns and address issues. Staff competency in administration and management will enable Parliament to conduct the day-to-day business more efficiently and transparently. Specific planned targets will be reached by providing technical assistance, mentoring and information exchanges on fundamental aspects of accomplishing Parliament's role in a representative democracy, as well as specific legislative topics. Additional activities will include providing limited facility support and staff training. Populations that will be targeted include Members of the Senate and Chamber of Deputies and their senior staff. Sub-elements include 2.1.1 Legislative Strengthening & Legal Reform, 2.1.2 Representation, and 2.1.3 Oversight & Budget Capacity.

- **2.2.2 Public Sector Executive Function**

Haiti's recent political transition offers a window of opportunity for the Préal administration to work with the international community to put in place the programs and reforms needed for economic recovery and political and social stability. Building the institutional capacity of the Executive Branch is an essential element of US foreign assistance. Stability can only be achieved if the Government of Haiti (GOH) is perceived as legitimate and effective in working to improve the conditions that most directly affect daily life in Haiti and in reestablishing an economic climate conducive to growth. Haitian government institutions are extremely fragile and lack capacity to perform many basic functions without external assistance. US assistance to the Executive Branch will help

reinforce government legitimacy and effectiveness by providing advisors to key offices and ministries involved in reform, fiscal management, trade and investment, basic service delivery and strategic communications. Planned results after five years include an Executive Branch with enhanced capacities to govern effectively and provide for the needs of its citizens, with systems in place to manage relations within the Executive Branch and among other branches of the GOH, as well as with the international community.

Prioritization of Sub-elements: 2.2.2.1 State Formation and Democratic Legitimacy: Ineffective GOH performance will exacerbate political and social tension and heighten the risk of unraveling recent democratic gains. Any deterioration in macroeconomic performance could affect Haiti's standing with the International Financial Institutions and therefore its ability to meet budget shortfalls. Lacking solid advice in the area of strategic communications, the GOH could miss opportunities to communicate effectively with different sectors of society, thus risking heightened public discontent. Technical advisors signal priority to the most important reforms and send a clear signal to citizens that the new administration is serious about improving the state of jobs, social services and security in their communities.

Work of other Donors: There are several other donors involved in providing technical assistance to the GOH. Canada is presently providing nine consultants and plans to increase this number to 12; the World Bank and the Inter-American Development Bank are both funding technical assistance for the newly created Office of Human Resource Management under the Office of the Prime Minister; the UNDP is providing technical assistance to develop Haiti's poverty reduction strategy and coordinate the Interim Cooperative Framework; the UNDP also recently agreed to provide up to 15 additional consultants; and the EU is providing seven technical advisors. USAID is taking the lead in putting in place a consultative group process in the interest of coordination and to ensure that donor activities in this area are mutually supportive.

Work of other USG Participants: The US Drug Enforcement Administration (DEA) and the US Treasury provide technical assistance to support ongoing anti-money laundering and anti-corruption activities. In partnership with the US Coast Guard, funding will continue the ongoing efforts aimed at restoring the logistical and maintenance capacity of the Haitian Coast Guard (HCG). The Bureau for International Narcotics and Law Enforcement Affairs (INL) will also provide a technical advisor to the Haitian National Police.

- **2.2.3 Local Government and Decentralization**

The Haitian Constitutional structure has never fully functioned. Laws are internally inconsistent or at odds with the Constitution. Local officials' effectiveness will be low in a resource poor environment. Funding from unreliable central government transfers does not cover operating costs, public services or infrastructure. Newly elected officials lack experience or understanding of their duties. Institutional weakness plagues support structures, staff, operating norms, and physical infrastructure. Nonetheless, officials must quickly deliver leadership, public goods and services. The USG supports technical assistance, training and small grants to (1) complete the decentralization legal framework, (2) improve local official and staff financial skills and management of available resources, and (3) increase constituent outreach through the media and public meetings. In five years, with adequate funding support, local governments will begin to provide services and protection efficiently, democratically, and transparently to an increasing number of citizens. Legal reforms will clarify local officials' roles and will improve access to resources to carry out their duties. Elected officials and staff will have stronger financial and management skills. Two-way information flow between officials and citizens will facilitate policy making and oversight. However, the above will have to

be scaled back if long-term funding support were to continue at the current CR budget level.

Prioritization of Sub-elements: 2.2.3.1 Representative and Responsive Local Governance, 2.2.3.2 Delivery of Local Goods and Services, 2.2.3.4 Fiscal Decentralization, 2.2.3.6 Local Public Sector Associations: Representative Local Governance enhances two-way information exchanges so that citizen expectations reflect local resources and officials manage those resources responsively. Delivery of Goods and Services supports improved capacity by local government officials to respond to citizens' priorities effectively and transparently. Fiscal Decentralization increases local government resources through sub-national revenue generation, transfers from central government funds, and improved accountability. Public Sector Associations support decentralized governance advocacy for transparent implementation of decentralization policies and responsible local governance operations.

Work of other Donors: United Nations Stabilization Mission in Haiti (MINUSTAH) Civil Affairs is taking a strong interest in local governance support, but has not committed funding as of yet.

Work of other USG Participants: The USAID funded JOBS program strengthens local and national government presence in conflict-prone communities and enhances the democratic decision-making process for citizens and local officials in jointly setting local development priorities. The local government program will target the officials in conflict prone areas to improve their effectiveness.

- **2.2.4 Anti-Corruption Reforms**

Reducing corruption is necessary for stronger government institutions. USAID programs strengthen the management capacity and financial systems in key Government of Haiti (GOH) entities, including the Ministry of Finance, the Superior Court of Accounts, the Commission for Adjudication of Public Contracts, the Tax Service, Customs Administration, secondary ports, and border crossings. This assistance will increase accountability and transparency in GOH management of government-wide expenditures, including improved internal controls to combat corruption through the implementation and expansion of an integrated financial management system. USAID anti-corruption programs in Haiti will continue to focus on developing the capacity of civil society as a constituency for reform. To this end, civil society organizations and public service associations will receive support to conduct research, advocacy, and monitoring activities. With USAID assistance anti-corruption advocates and Parliament will draft bills on Access to Information and Whistleblower Protection. Within five years Haiti will see increased public awareness as civil society organizations as well as public institutions actively promote ethics, transparency and integrity. Funding at the current CR budget level is adequate for this fiscal year. However, over the five-year period additional annual resources will be required if anti-corruption programs are to be deepened and supported across the Mission's portfolio.

Prioritization of Sub-elements: 2.2.4.2 Governmental Reform, 2.2.4.3 Transparency and Oversight: Governmental Reform supports public administration reform through provision of integrated financial management systems. Transparency and Oversight activities strengthen public outreach by government entities. On the civil society side, targeted grants to public-private partnerships promote anti-corruption policies and practices through research, public information campaigns and advocacy efforts.

Work of other Donors: The Inter-American Development Bank (IDB) and the World Bank are providing budget support to the Anti-Corruption Unit at the Ministry of Finance (MOF).

Work of other USG Participants: At present USAID is the only USG actor in this sector.

2.3 Political Competition and Consensus-Building

Stronger electoral institutions and political parties are essential to bring about a free, fair, and open elections system. Responsible electoral institutions and political parties that are effective and accountable and represent and respond to citizens' interests are needed in Haiti to contribute to effective political competition and a peaceful opposition in a winner-take-all culture. FY07 resources work to transform the Provisional Electoral Council into a permanent electoral body and expand youth and female political party membership. Long-term objectives aim to build a strong political structure. Anticipated results include: political parties with more capacity to develop sound platforms, manage their internal affairs, and better represent their constituencies; an effective electoral council; and future free and fair elections.

- **2.3.2 Elections and Political Processes**

US assistance will facilitate the transformation of the Provisional Electoral Council (CEP) into a permanent independent body. Technical assistance and limited commodity support aims to improve the CEP's ability to function effectively and transparently, reinforce its ability to communicate effectively with all stakeholders in the electoral process, thereby profiling itself as a credible and transparent interlocutor for the general public, political parties and candidates, the press and the international community. Long-term goals aim to improve the credibility, transparency and accuracy of elections by enhancing the CEP's capability to act as an effective communicator and primary source for electoral information and outcomes; help even the playing field for future elections through enhanced accessibility to regular and accurate electoral results. US assistance may include materials, commodities, technical assistance and training for conducting free and fair elections. Additional funds will be required to support training and materials for elections observation groups. In five years, the expected results are a permanent credible CEP and an improved electoral system. However, these long-term results can not be achieved at the present CR budget level, which will only allow for maintenance of past gains.

Prioritization of Sub-elements: 2.3.2.2 Elections Management: Support for electoral processes and institutions, that can result in free, fair and open elections, is critical to the efficient functioning of any democracy. This includes electoral management bodies with the capacity to conduct and adjudicate elections that reflect the will of the people.

Work of other Donors: At present Canada and the Organization of American States (OAS) are supporting technical advisors to the CEP. Regular meetings with the CEP and donors ensure coordination of assistance to this organization.

Work of other USG Participants: There are no other USG agencies involved in providing assistance for elections and political processes in Haïti.

- **2.3.3 Political Parties**

US assistance supports political party strengthening and more effective participation of political parties in future elections. Training and technical assistance to political parties helps them to represent citizen interest and need, develop sound policies, govern effectively, and serve as a loyal opposition. The long term goal of US assistance is to

provide Haiti with a strong political structure by empowering local branches of parties through platform development, improved organizational structure, and sound internal elections. Correspondingly, program focus on youth and women will promote integrated participation in political parties through leadership training, development of youth and women wings and party leadership opportunities. Youth and women will also benefit from multi-party events that place youth and women's issues on the national agenda. To reach these goals, FY07 US assistance will support development of political party capacities to execute programs that increase the number of women, youth and other marginalized groups participating in the political arena. In five years, US assistance will result in increased numbers of well structured political parties, more party coalitions, and more inclusive platforms that effectively integrate individual party membership, including youth and women, into the political life of the country. However, at the current CR level, these long term goals will be difficult to achieve without additional resources.

Prioritization of Sub-elements: 2.3.3.1 Political Party Organizational Development: Support for political party capacity building toward more efficient management, inclusive membership, improved constituency relations, and overall discipline is critical to give people voice in a representative democracy.

Work of other Donors: No other donors are active in political party development.

Work of other USG Participants: There are no other USG agencies involved in providing assistance for political parties in Haiti.

2.4 Civil Society

In the past 20 years, Haitians have faced over a dozen government upheavals leaving institutions corrupt and ineffective. Institutions lack the means to hear or represent the needs of civil society and individual citizen, render justice, achieve consensus or provide public goods and services. The persistent weakness of the Haitian state is linked to - weak rule of law, exclusion, poor governance, and the absence of consensus and competition. The impact on civil society has resulted in polarization, lack of citizen voice, a winner-take-all system, boycott of the system by perceived losers, and the resort to violence to resolve differences. To bring about a more supportive environment for civil society US assistance will focus on civic education, advocacy for improved human rights and anti-corruption, and media independence.

• 2.4.1 Civic Participation

A critical element in solving Haiti's long term governance problem is increasing the representation and voice of the urban poor, rural populations and opposition parties. Accomplishments with FY07 resources will include enhanced ability of citizens to positively influence government; expanded outreach by civil society organizations; expanded civic education and civic initiative programs at the local level undertaken with newly elected officials; and support for civil society advocacy with emphasis on justice and anti-corruption. Goals include: citizens with increased civic knowledge, democratic values, and civic skills: (1) advocating for issues of interest to themselves, their constituencies or the general public, so that those issues become part of the public agenda and are reflected in public policies and (2) participating in non-violent democratic political processes. Five- year planned results include: civic education provided to key groups; citizens engage government and community leaders to find and implement constructive solutions to local problems; more effective civil society advocacy; and Haitian citizens and NGOs vigorously promote improved justice and anti-corruption policies and practices through research, public information campaigns and advocacy

efforts. However, the impact of the current CR budget level will only allow for maintenance of past gains and will not permit acceleration of programs to meet the above five year program objectives.

Prioritization of Sub-elements: 2.4.1.3 Citizen Participation and Oversight, 2.4.1.4 Civic Education and Democratic Culture: These sub-elements were identified as priority for focus under Civic Participation because Haiti is a polarized society with significant problems of inclusion and fundamental divides between rich and poor and urban and rural classes. A critical element of solving Haiti's long term governance problems is increasing the representation and voice of the urban poor, the rural population and the opposition parties toward a more inclusive and representative government through increased civic participation. These two sub-elements speak to issues of polarization, inclusion, representation, voice, and participation.

Work of other Donors: The Civil Affairs unit of the UN Stabilization Mission to Haiti (MINUSTAH), France, and Canada maintain programs in support of civil society development. Coordination among these actors is undertaken through the "Table Sectoral" subgroups established under the Interim Cooperation Framework (CCI) consultative process established after the departure of former President Aristide to coordinate donor activities in support of Haiti's reconstruction. The CCI framework is still used by donors and the current Government of Haiti (GOH) administration to ensure continued coordination.

Work of other USG Participants: In the area of Civic Participation there are no other USG participants.

- **2.4.2 Media Freedom and Freedom of Information**

A free press, access to information, and nationwide media coverage all underpin a cohesive society and are critical in addressing the issues that now confront Haitian society: polarization, inclusion, representation, voice, and participation. Accomplishments with FY07 funding will include intensified community radio journalist training; regional journalist associations reinforced; better public outreach by officials; and studio for radio production materials established. Short-term goals include complete nationwide coverage for community radio; better equipped journalists playing a positive role in a democratic society; and enhanced media rights advocacy. Five year planned results include: expand the reach of community radio signals; strengthen journalists' associations and media rights advocacy; increase public awareness, civic education and information sharing on social and political issues; and increase support for civil society activities in targeted areas. Longer term goals include: citizens with increased civic knowledge, democratic values and civic skills: (1) advocating for issues of interest to themselves, their constituencies or the general public and (2) participating in non-violent democratic political processes. However, the current CR level will not allow for expansion of civil society support programs and will only allow for maintenance of past gains.

Prioritization of Sub-elements: 2.4.2.2 Professional and Institutional Capacity, 2.4.2.3. Media Sustainability, 2.4.2. 5 Media Outlets and Infrastructure, 2.4.2.6 Government Communications: Information scarcity has serious implications for Haiti's democratic development. Recent political history has seen intimidation of media figures who run afoul of entrenched interests. Poor telecommunications infrastructure makes it difficult for commercial stations to reach large segments of the rural population. Reporters' and writers' minimal qualifications have a negative impact on the quality of reporting. Reporters generally accept statements by public figures with little or no attempt to verify the information. Coverage of events, particularly political stories, tends to be sensationalist. Local and national Government of Haiti officials lack public outreach skills.

Work of other Donors: The US, Canada, and France support journalist training. Coordination is such that Canada and France train both print and broadcast commercial journalists, focused in the urban areas of Port-au-Prince and some of the larger urban centers of the country, while USG programs are rural and focused on community radio broadcast journalists.

Work of other USG Participants: The Office of Public Diplomacy sponsors journalist training in Port-au-Prince, while USAID-sponsored journalist training is outside of the capital.

Objective 3. Investing in People

3.1 Health

Haiti's health indicators are the worst in the Western Hemisphere. The goal of the USG's health sector assistance is to re-start the delivery of critical health care services to improve the quality of lives of vulnerable populations and enable them to contribute to Haiti's stability and economic growth. Assistance aims to increase the availability of basic health care to approximately 50% of the population and to strengthen the Government of Haiti's capacity to plan, lead, and coordinate health sector assistance. During the next five years, assistance aims to increase immunization rates, decrease malnutrition, improve reproductive health, address infectious diseases of major importance (HIV and AIDS, Avian Influenza and Tuberculosis), and support decentralization of health care and management of health commodities.

- **3.1.2 Tuberculosis**

Tuberculosis (TB) care and treatment contribute to improving the health of vulnerable Haitian populations, which helps to achieve sustainable improvements in the productivity of this target group and overall stability and economic security.

The USG's long-term goal in Haiti is to reduce TB prevalence. The USG's short-term goal is to increase the number of service sites performing TB case detection and providing treatment; improve service quality at select TB service delivery sites; increase the number of cases correctly diagnosed and treated; and ensure adequate supplies of TB commodities.

To reach these goals, the USG will use FY07 resources to implement activities to strengthen TB case detection and treatment in 20 sites. Specific activities include training of health personnel in identifying symptoms; supporting HIV testing of all TB patients; securing TB drug supply; and ensuring TB patients receive necessary nutritional support.

In five years, the USG aims to test 100% of TB patients for HIV; ensure that 95% of TB microscopy labs are producing over 95% correct results; and train 1,050 health workers in TB treatment. These results will be achieved provided that Haiti's budget for TB is not decreased in the next five years.

Prioritization of Sub-elements: USG assistance is focused on Sub-Elements: 3.1.2.1 DOTS Expansion and Enhancement, 3.1.2.2 Increasing Availability of Drugs for Treatment of TB, 3.1.2.3 Improve Management of TB/HIV, 3.1.2.4 Care and Support, and 3.1.2.10 Personnel. It is important for the USG to focus on TB DOTS in order to increase the number of TB cases detected and properly treated, and to avoid the spread of resistance. Similarly, ensuring adequate supplies of TB drugs and providing care and support for TB patients is crucial for providing appropriate treatment and reducing the incidence of disease. In Haiti,

the co-infection rate for TB and HIV is approximately 30%. Therefore, the USG will also aim to improve HIV screening for TB patients.

Work of other Donors: The Global Fund is the major donor for TB and malaria providing \$6 million for both annually. The World Food Program provides nutritional support to TB patients. The Canadian government funds a five-year \$100 million program in four departments, which supports public sector services, university training in public health, and pilot projects in commune-level service delivery with reference hospitals. The Inter American Development Bank funds a four-year \$38 million program to construct, renovate, and equip 60 hospitals and train staff. The WHO/PAHO, UNICEF, French Cooperation, and the European Union are providing a smaller level of technical assistance in selected departments and equipment support to the public sector.

Work of other USG Participants: Using USG President's Emergency Plan for AIDS Relief (PEPFAR) resources, the Centers for Disease Control and Prevention (CDC) is supporting HIV/TB integration by strengthening laboratory capacity to screen for both TB and HIV. USG assistance under this program element will be coordinated with PEPFAR assistance where applicable.

- **3.1.6 Maternal and Child Health**

Maternal and child health care contributes to improving the health of Haitian women and children, which helps to achieve sustainable improvements in the stability and productivity of the population.

The USG's long-term goals in Haiti are to reduce maternal, child, and infant morbidity and mortality. The short-term goals are to increase availability and use of basic maternal and child health care and reduce malnutrition among vulnerable populations.

The USG will use FY07 resources to train service providers to provide antenatal, reproductive, and child health care in approximately 130 service delivery sites targeting approximately 50% of the Haitian population. Food assistance and supplemental feeding, distribution of micronutrients, and promotion of breastfeeding will be targeted to vulnerable children and pregnant and lactating women. Technical assistance will be provided to the Haitian Government to increase its capacity to decentralize health care and improve management of health commodities.

In five years, the USG will increase the use of pre- and post-natal care, improve emergency obstetric care, increase the rate of fully immunized children and Vitamin A distribution, reduce child deaths from diarrhea through breastfeeding promotion and use of oral rehydration salts (ORS), and reduce malnutrition among vulnerable populations. These results will be achieved provided that the budget is not decreased in the next five years.

Prioritization of Sub-elements: Haiti's maternal and infant mortality rates, the USG is focusing on birth preparedness, use of maternity services, and treatment of obstetric complications. To promote child survival, the USG is supporting expanded child immunization, improved nutritional programs and supplemental feeding, and increased distribution of ORS for the treatment of diarrhea.

Work of other Donors: The USG is the largest donor in the health sector in Haiti. The Global Fund is the second largest HIV/AIDS donor (\$20 million/year) and major donor for TB and malaria, providing \$6 million for each annually. Brazil provides some resources for immunization. The Canadian Government funds a five-year, \$100 million program in four departments to support public sector health care service delivery, university training in public

health, and pilot projects in community-level service delivery with reference hospitals. The Inter-American Development Bank funds a four-year \$38 million health project to construct, renovate and equip 60 hospitals and train staff. The WHO/PAHO, UNICEF, French Cooperation, Brazilian Government and the EU are providing smaller levels of support and technical assistance and equipment for public sector health care service delivery.

UNFPA also provides some family planning and reproductive health technical assistance and commodities, which include primarily condoms.

Work of other USG Participants: Using USG President's Emergency Plan for AIDS Relief (PEPFAR) resources, the Centers for Disease Control (CDC) is working in partnership with USAID to prevent mother to child transmission of HIV. USG assistance under this program element will be coordinated with PEPFAR assistance where applicable.

- **3.1.7 Family Planning and Reproductive Health**

Family planning and reproductive health (FP/RH) care contribute to improving the health of Haitian women and children, which helps to achieve sustainable improvements in the stability and productivity of the Haitian population.

The USG's long-term goal is to improve maternal and child health by reducing the fertility rate in Haiti. The short-term goal is to improve the availability and voluntary use of quality family planning services.

The USG will use FY07 resources to train service providers to provide a wide-range of family planning information and services in 130 health care service delivery sites targeting approximately 50% of the Haitian population. In addition, technical assistance will be provided to the Haitian Government to increase its capacity to decentralize health care and improve management of health commodities, particularly family planning commodities.

In five years, the USG aims to increase the contraceptive prevalence rate by 1% annually and to ensure the availability of at least five modern family planning methods, including two clinical methods within the geographic target area. These results will be achieved provided that Haiti's budget for family planning and reproductive health is not decreased in the next five years.

Prioritization of Sub-elements: In Haiti, the USG is focused on Sub-Elements: 3.1.7.1 Service Delivery, 3.1.7.2 Communication, 3.1.7.3 Policy Analysis and Systems Strengthening and 3.1.7.4 Health Governance and Finance. It is important for the USG to focus on family planning service delivery because of the poor access to and quality of public sector facilities in Haiti. The USG has programs to strengthen both NGO and public clinics. Communication is necessary to ensure that services are being accessed and that people, including adolescents, are aware of their reproductive health options so that they can make informed choices. Policy Analysis and Systems Strengthening and Health Governance and Finance are critical to ensuring that systems are capable of supporting the logistical needs associated with distributing family planning commodities.

Work of other Donors: The USG is the largest donor in the health sector in Haiti. The Global Fund is the second largest HIV/AIDS donor (\$20 million/year) and major donor for TB and malaria, providing \$6 million for each annually. Brazil provides some resources for immunization. The Canadian Government funds a five-year, \$100 million program in four departments to support public sector health care service delivery, university training in public health, and pilot projects in community-level service delivery with reference hospitals. The Inter-American Development Bank funds a four-year \$38 million health project to construct, renovate and equip 60 hospitals and train staff. The WHO/PAHO, UNICEF, French

Cooperation, Brazilian Government and the EU are providing smaller levels of support and technical assistance and equipment for public sector health care service delivery.

UNFPA provides some family planning and reproductive health technical assistance and commodities, which include primarily condoms.

Work of other USG Participants: No other USG agencies are working in this Program Element in Haiti.

3.2 Education

Despite a high demand for schooling, education in Haiti is characterized by a weak state capacity to provide and govern quality education services. The goal of the USG's education sector assistance is to re-start the delivery of critical education services to improve the quality of lives of vulnerable populations and enable them to contribute to Haiti's stability and economic growth. During the next five years, assistance aims to increase access to quality primary-level education services for school children and out-of-school youth; improve the quality of teaching and learning with the goal of improving primary-level promotion and completion rates and ensure student enrollment through a targeted scholarship program; and strengthen the Haitian Government's capacity to license and regulate the high percentage of non-public schools.

- **3.2.1 Basic Education**

The education of Haitian children prepares the future workforce, improves health status of families, and improves agricultural productivity. Such benefits lay the foundation for the growth of a middle class and a stable democratic society.

The USG's long-term Basic Education goal is to increase the number of Haitian children completing a quality primary school education. The USG's short-term goal is to increase access to schooling and improve student and teacher performance through a comprehensive package of services to targeted primary schools. This package focuses on improving teaching and learning, school-level management, and system-level governance.

To reach these goals, the USG will use FY07 resources to implement a teacher certification program; provide management and leadership training for school administrators; form parent-teacher associations; further design and implement an accelerated learning program for overage students and out-of-school youth; and implement scholarship and microfinance activities that will enable the most vulnerable children to remain in school. The USG will improve the Ministry of Education's capacity to license and regulate the high percentage of private schools. Finally, the USG will couple school feeding programs with interventions to improve children's educational achievement through community involvement, focusing on improving school infrastructure, improving administration, and training in new didactic methods.

Prioritization of Sub-elements: USG assistance is focused on improving Sub-Elements: 3.2.1.2 Primary Education, 3.2.1.4 Learning for Out-of-School Youth, 3.2.1.7 Education Systems, 3.2.1.8 HC Strategic Information Capacity, and 3.1.2.10 Personnel. Primary education has the largest number of students enrolled and the highest drop out rate. Societal benefits related to primary school completion include a better prepared future workforce, improved health status of families, and improved agricultural productivity. Education is the foundation for the growth of a middle class and a stable democratic society. Investments at the primary level enable the USG to reach higher numbers of learners. Finally, governance

in education systems is weak, and the USG will strengthen management of broader education systems in Haiti in coordination with other donors' efforts.

Work of other Donors: For the past several years, the key donor and lending agencies supporting Haiti's education sector include the USG, the Inter-American Development Bank (\$5 million annually), the World Bank (\$8 million annually), the European Union (\$4 million annually), and Canada (\$10 million annually). Other donors providing limited support are France, Spain, and Brazil. Of note, the World Bank is supporting the Haitian Government's completion of their Education for All plan so that Haiti may access funds for the Millennium Development Universal Primary Education Goal area under the "Fast Track Initiative." All donors implement the Haitian Government National Education and Training Plan. Donor coordination in education takes place through monthly sector meetings led by UNESCO and through quarterly thematic meetings on key education subsectors such as basic and higher education. Regular donor meetings are also held with the Haitian Government.

Work of other USG Participants: USG PEPFAR funding will supplement USAID education funds to assist families with school fees and to ensure that quality age-appropriate programming in HIV/AIDS prevention is included in teaching curriculum, where appropriate.

The US State Department through the Office of Public Diplomacy supports higher and continuing education through the Fulbright and International Visitor Programs.

3.3 Social and Economic Services and Protection for Vulnerable Populations

High levels of food insecurity mean that many Haitian households are unable to grow or buy enough food, and their ability to benefit from food that is consumed is limited by poor health. The Government has low capacity to address these issues. Pervasive poverty means that the community cannot meet the needs of the most vulnerable--orphans, the institutionalized elderly and disabled, and those affected by HIV/AIDS and TB. Reducing vulnerability to food insecurity by increasing household revenue and thus the ability to buy food, improving agricultural productivity, and health status for beneficiaries, especially the most vulnerable, is the long and short term goal. The results of efforts to combat food insecurity will contribute to results in health, education, and agricultural productivity over the next five years.

- **3.3.3 Social Assistance**

Economic growth and stability in Haiti is in part dependent on decreasing the vulnerability of the population to shocks. PL 480 programming focuses on food security, not only through the provision of food to targeted vulnerable populations, but by addressing the root causes of food insecurity in Haiti at the community level over the longer term. Programs address food availability and access through increases in agricultural productivity and household revenue, and improvement in utilization of food through health interventions. Ultimately, with reduced vulnerability, beneficiaries are able to undertake greater economic risks that contribute to Haiti's economic recovery and stability. The FY07 PL480 resources in this area reflect one component of the existing programs, assistance for the especially vulnerable—orphans, the institutionalized elderly/disabled, and people affected by HIV/AIDS or TB. The FY 07 DA resources will complement the to-be-designed FY08 PL 480 programs. These hard currency resources fund international staff who provide essential program planning, management and oversight of the entire PL 480 program, ensuring program accountability. The DA resources are 50% less than they have been historically, which may leave some components without international oversight, potentially increasing the vulnerability of programs to disruption. Program

results also depend on the assumption that PL 480 funding levels will not drop below \$32 million in each fiscal year.

Prioritization of Sub-elements: The focus in this area is sub-element 3.3.1, Targeted Assistance to Meet the Basic Needs for the Poorest. Widespread poverty combined with very low governmental capacity to provide social services, means both that the community's ability to provide for the especially vulnerable such as orphans, the elderly and the ill is insufficient, and that the population's ability to engage in economic risks is minimal. The FY07 ongoing PL 480 program contains a component to assist orphans, the institutionalized elderly and HIV/AIDS and TB patients with basic needs. The FY07 DA resources will be applied to new FY08 PL 480 programs, which as a whole will support this sub-element.

Work of other Donors: Most donors contribute to the World Food Program (WFP), which operates in the northern part of the country, and includes targeted feeding to especially vulnerable groups as part of its programming. There is close coordination among WFP and PL 480 NGO programs operating in the same area through Food Aid Coordination meetings and on the ground, with each active in specific, non-overlapping geographic areas. The UN Office for the Coordination of Humanitarian Affairs (OCHA) has a Humanitarian Forum that the USG actively participates in to coordinate assistance. There are a small number of primarily EU-funded NGOs active in food security, and coordination takes place through the Forum and as appropriate, the Government's International Assistance Coordination Group.

Work of other USG Participants: No other USG agencies are active in this area.

Objective 4. Economic Growth

4.1 Macroeconomic Foundation for Growth

The FY07 allocation of \$10 million to help address Haiti's budget gap, recognizes that long-term stability in Haiti requires a sustained economic turnaround, which in turn requires a sound macroeconomic foundation. The Government of Haiti (GOH) cannot maintain sound fiscal policy and meet the enormous demands for service delivery without external assistance. This assistance promotes the GOH's ability to create conditions for sustained economic growth, job creation and basic service delivery. The GOH leveraged USG budget support to spur other bilateral donors and international financial institutions to increase their pledges to help Haiti meet all of its expected FY07 public expenditures. The country's macroeconomic performance has steadily improved each year since 2004, to the point where it now qualifies for the IMF's HIPC program.

- **4.1.1 Fiscal Policy**

The GOH cannot maintain sound fiscal policy and meet the enormous demands for service delivery without external assistance. The GOH has little room to cut expenditures while it must meet demands for service delivery and support local governments. Haiti faced a serious budget gap for FY07 estimated at \$80 million. Modest US funding, which is provided in the context of a joint IMF-GOH agreed fiscal measures, has encouraged other donors to provide support. As the lead bilateral donor to Haiti, the USG pledged \$10 million in budget support at the July 2006 donor's conference. By its pledge, the USG was instrumental in spurring major donors to increase their budget allocations and join in the effort to help the country successfully meet its budget gap, an essential requirement for Haiti to qualify for major IMF and World Bank (WB) assistance and set the stage for HIPC debt relief. Total donor pledges for budget support in FY07 equal \$77.7 million.

Prioritization of Sub-elements: 4.1.1.1. Revenue Structure and Administration: USG support will be provided in the context of joint IMF-GOH agreed fiscal measures to promote the government's implementation of sound macroeconomic policies to create the conditions for sustained economic growth and job creation. USG support will use line item reimbursement or other measures to ensure accountability.

Work of other Donors: Modest USG pledge of budget support in FY07 achieved its objective by effectively leading other donors to increase their budget support allocations. In FY07, the European Union and Inter-American Development Bank (IDB) will each provide \$25 million and the WB \$10 million. It has also brought other small donors to the budget support table for the first time (e.g., France \$5 million and Spain \$2.5 million).

Work of other USG Participants: The USAID-funded Economic Advisor to the GOH is expected to facilitate Haiti's compliance with IFI programs, implement the FY07 budget and set the FY08 budget. The USAID-funded Integrated Financial Management System will increase transparency and internal controls to prevent and combat corrupt practices relating to GOH public expenditures and financial transactions.

4.2 Trade and Investment

Trade and Investment (TandI) generates economic growth, reduces poverty, and thereby contributes to stability. In FY07 the TandI project will begin work on the policy and training needs for the enabling environment. By the end of FY08, the program will strengthen public and private institutions' ability to participate in the global economy by helping to remove formal and informal barriers to trade. Haiti will have a stronger port and a more efficient customs system; this is critical to meeting global security requirements, to reducing corruption, and to increasing revenue collection. After five years there will be more streamlined movement of goods and the Government will have the institutional capacity to advance a favorable trade and investment agenda, thereby contributing to the related growth in jobs and improvement of livelihoods.

• 4.2.1 Trade and Investment Enabling Environment

Weak institutions are an impediment to Haiti's development; corruption, inefficiency, and outdated laws are barriers to Haiti's competitiveness; lack of access to modern skills and technical knowledge within the Haitian Government (GOH) prevents progress even when the intellectual capacity exists. This is important if Haiti is to fully benefit from passage of HR 6406, the "HOPE" legislation, designed to support the growth of jobs and trade in apparel. In FY07, emphasis will be on identifying institutional needs; GOH ministries and agencies will be assessed, work plans developed, and groundwork laid for the future. In five years, trade-related institutions will function more efficiently, with less corruption, in a modern, investor-friendly environment. Trade negotiators will be trained, allowing Haiti to participate more effectively in the global trading system.

The Mission proposes reallocating \$100,000 from 4.6.1 Business Enabling Environment, \$350,000 from 4.6.2 Private Sector Productivity and \$362,000 from 4.2.2 TandI Capacity to 4.2.1 TandI Enabling Environment. These funds, which will build both public and private sector capacity, were mistakenly allocated to areas and elements that deal exclusively with the private sector. The funding is for work with Haiti's port, Customs, and to assist trade-related ministries. Customs is critical given the eligibility and certification criteria for implementation of HR 6406; the new proposed total allocation for 4.2.1 is \$1,062,000.

Prioritization of Sub-elements: 4.2.1.2: Trade liberalization and agreements. This addresses building capacity to analyze and negotiate trade agreements. This is essential if Haiti is to participate effectively in the international trading system. There are regional and

multi-lateral negotiations, Haiti's position in the Doha Round of the WTO (specifically the Doha Development Agenda), and other trade policy issues (e.g. the Dominican Republic and the US) for which Haiti needs the institutional capacity.

4.2.1.3: Trade Facilitation. This addresses red-tape and corruption, and tackles administrative practices related to international trade. It is critical for the movement of goods and will focus on institutional strengthening and the collection of trade-related revenue. \$700,000 of the funds for this Program Element (4.2.1) should be allocated to this sub-element.

Work of other Donors: The Inter-American Development Bank (IDB), the World Bank, and the International Monetary Fund (IMF) are all involved in the area of economic governance. The IDB is providing \$677,000 in assistance to the Customs administration. For trade policy, the European Union (EU) is working with the GOH for the negotiation of Haiti's position under the Economic Partnership Agreement (EPA) that the EU is currently negotiating with all African, Caribbean and Pacific countries. The Caribbean Community (CARICOM) is working with Haiti to craft the terms for Haiti's full participation in that group. USAID/Haiti is in discussion with those donors involved in the areas specifically being addressed by the Program Element to ensure no overlap - particularly the IDB, the EU, and CARICOM.

Work of other USG Participants: Through USAID funding, work is planned to support customs administration reform with the cooperation of the U.S. Customs and Border Protection Agency of the Department of Homeland Security. Assistance to Haitian customs will have an immediate effect on revenue collection. In the long term, work on customs will reduce corruption and as revenues increase, this program could have an important impact on Haiti's dependence on foreign assistance - a recent private sector assessment estimates that Haiti loses up to \$160 million in under-declaration and contraband per year. The United States Coast Guard also performs work related to port security compliance.

- **4.2.2 Trade and Investment Capacity**

The Mission plans no activities in this Program Element. Rather, the Mission proposes re-allocating \$362,000 from 4.2.2 Trade and Investment Capacity to 4.2.1 Trade and Investment Enabling Environment because the funding is intended for both public and private sector capacity building for trade liberalization and facilitation, and not solely with private sector suppliers responding to international trade and investment opportunities. This funding was mistakenly allocated to 4.2.2 Trade and Investment Capacity.

Prioritization of Sub-elements: The Mission plans no activities in this Program Element. Rather, the Mission proposes re-allocating \$362,000 from 4.2.2 Trade and Investment Capacity to 4.2.1 Trade and Investment Enabling Environment because the funding is intended for both public and private sector capacity building for trade liberalization and facilitation, and not solely with private sector suppliers responding to international trade and investment opportunities. This funding was mistakenly allocated to 4.2.2 Trade and Investment Capacity.

4.3 Financial Sector

The USG objective is to strengthen private credit markets in order to sustain economic growth and security. Although liquidity is currently high, productive economic activities are severely limited by the inability of entrepreneurs, small business and individuals to obtain loans. Partial loan guarantees under the Development Credit Authority (DCA) will be used to encourage banks to serve as financial pioneers and provide loans to new sectors and

borrowers. By 2008 training and technical assistance will be provided to banks on how to structure loans for the productive sector, and in five years an expected \$8M in private financing will be mobilized for lending to Haitian enterprises. This will increase overall economic security, provide additional jobs, and lead to sustainable economic growth.

- **4.3.2 Financial Services**

Asset and employment creation are the key to economic growth and stability in rebuilding Haitian society. Haitian society is very entrepreneurial; however, most do not have access to financing options. Given the high level of liquidity in the banking sector, financial institutions have available resources however they are reluctant to lend to business firms and investors due to a number of constraints that increase risk excessively. USAID's credit program will help productive Micro, Small, and Medium Enterprises (MSMEs) to secure funding by offering banks a flexible tool to share the risk of defaults on lending to eligible borrowers in agriculture (including agribusiness), handicrafts, tourism, garment industries, and construction/infrastructure. The FY07 resources will leverage up to \$8 million of unused banking resources and provide technical assistance in structuring new types of loans. Over the five year life of this project, MSME production will significantly increase and create new jobs; and therefore contributes to economic growth, family income, and overall stability.

Prioritization of Sub-elements: 4.3.2.6 Credit Guarantees

This sub-element will use partial loan guarantees as a tool to encourage banks and microfinance institutions to reach out to underserved sectors and enterprises by providing loans with innovative and more affordable financing terms to new sectors or borrowers. Risk-sharing loan guarantees extended to several types of business and sectors, such as productive MSMEs, rural and micro-enterprises, and infrastructure/construction work are important for economic growth, income, and employment generation.

Work of other Donors: The Inter-American Development Bank (IDB) has been working on the reform/modernization of the financial regulations framework. IDB will provide a \$25M loan to the Government of Haiti (GOH) for policy-based law reform. The International Monetary Fund (IMF) provides short-technical assistance to the Haitian Central Bank to improve its monetary policy, banking supervision, and financial laws—including a revision to the Banking Law and to the Central Bank Law.

Monthly donor meetings take place to discuss overall programmatic and strategic issues. Sector-specific issues are intended to deal with in the Private Sector Table sub-committees. USAID is the focal point and the Ministry of Commerce is the Coordinator. Even though regular meetings have not been taking place under this mechanism, the Mission is leading donor coordinating meetings which have allowed USAID to target its assistance to private sector capital while other donor resources address essential policy issues.

Work of other USG Participants: USAID is the only USG agency engaged in this activity.

4.5 Agriculture

Improved agriculture practices and marketing in rural areas will lead to increased livelihood opportunities, economic security for farmers and traders, decreased migration to over-populated and often violent urban areas and help Haiti to be a more stable country. Recent USAID agricultural programs have demonstrated that the development of market value chains in selected crops and the expansion of appropriate technologies can improve the livelihoods and incomes of the rural population. For the next five years, USAID will improve and expand market value chains and promote the expansion of viable agricultural

enterprises. Assets of the targeted rural population are expected to increase and help reduce urban migration. Long term goals will promote sustainable economic growth and protect the country's natural resource base.

- **4.5.1 Agricultural Enabling Environment**

Stability and economic recovery are the primary goals of the USG mission to Haiti and policies have a systemic effect on land-use management decisions and the stagnation of the rural economy. The Government of Haiti's (GOH) natural resource policies are vague and responsibilities not well defined, particularly between the Ministries of Agriculture (MoAg) and Environment (MoE). Consequently, the new "Developpement Economique pour un Environnement Durable" (DEED) program will work with GOH personnel to make land-use policy a tool that encourages land investments that have positive long-term effects on production and degradation rates. Land-use decisions are a key factor in improving production and decreasing asset loss, thus creating more income and an incentive to stay in rural or peri-urban areas and not add to the unstable urban slums.

In FY07 USAID/Haiti will help clarify the roles of MoAg and MoE. It will also research policy or institutional barriers to investing in value-added enterprises, to marketing higher value crops, and to making long-term investments in less erosive crops. By 2012 the DEED project will have fostered convergence of local governance and watershed management and defined the official role and resource base of the local representatives and mayors for natural resource management and other land-use issues. Additionally, DEED will clarify the GOHs plans for protected area management and the policies needing to be written or revised.

Prioritization of Sub-elements: 4.5.1.1 Agriculture Resource Policy: Proper land-use decisions are a key factor in improving production and decreasing asset loss, thus creating more income and an incentive to stay in rural or peri-urban areas and not add to the unstable urban slums.

Work of other Donors: The Inter-American Development Bank (IDB) will work in this sub-sector through their agricultural commodities project (\$14 million). USAID will initiate case studies to identify the regulatory and policy constraints for specific resource policies and market chains. IDB will then work directly with the GOH for their implementations.

The United Nations Food and Agricultural Organization (FAO) will be involved in this sector through a National Agricultural Survey Project (\$5 million). Their work will be important for the establishment of an agricultural information system.

The World Bank is preparing to submit a concept note to their headquarters to recommend a study to identify a program that would be bi-national for Hispaniola, not just Haiti. They are looking at three areas to fund - health, watersheds, and migration. This includes animal health and plant disease, which join farmers across the borders working together to address agricultural diseases.

Work of other USG Participants: USAID/Haiti is the only USG agency directly involved in the implementation of this program.

- **4.5.2 Agricultural Sector Productivity**

Stability is the primary goal of the USG mission to Haiti and the stagnation of the rural economy is in turn a major cause of environmental degradation and urban migration which has resulted in poor quality of life, entrenched poverty, and slum gangs. Improving

rural and secondary city peri-urban productivity and income is one of the pre-requisites to economic growth stabilization of Haitian society.

Inefficient and inappropriate production technologies, poor product quality, lack of market linkages, weak local organizations and poor infrastructure have impacted negatively on the performance and income of Haitian farmers. Recent experience by USAID has demonstrated that targeted market activities can improve the livelihoods and incomes of the rural population. In FY07, two new programs will be launched building on prior value chain success and promote natural resource-based private enterprises. The PL480 programs will also increase focus on access to markets and small-scale credit. All of these programs are invested in community group strengthening and basic management training around economic activities, thus contributing to local governance and stability.

FY07 resources will help to initiate several associations and enterprises in the target areas, and targeted value chains will function more efficiently. By 2012 the value of selected Haitian market chains (such as mango and handicrafts) and rural income will have significantly increased.

Prioritization of Sub-elements: The USG sub-element focus is two-pronged: 1) 4.5.2.4. Agri-business and Producers Organizations, 4.5.2.5 Markets and Trade Capacity, 4.5.2.6 Emerging Agricultural Threats; and, 2) 4.5.2.2 Land and Water Management and 4.5.2.7 Agricultural Livelihoods Services and Safety Net. The former are key to bringing improved production effectively to market and combine USAID/Haiti funding and USDA-APHIS technical assistance. The latter are key to increased production and mitigating the risks associated with changes in individual farmer practices, and are a particular focus of the PL480 programs.

Work of other Donors: The Inter-American Development Bank (IDB), the lead donor in the sector, works mainly in the Artibonite valley (\$45 million loan). IDB is also designing a new \$14 million rural supply chain project loan. This will compliment USAID/Haiti's programs albeit with a different approach focusing on direct support to the Ministry of Agriculture (MoAg). IDB projects will result in rehabilitation of four research sites, roads, and phytosanitary controls.

Another major player is the European Union which has a rural development project for increased agriculture production (€20 million) with the MoAg.

Spain and Brazil have become newly active with programs totaling \$1.5 million dollars. Their areas of focus include food crop technologies and cashew nuts.

The United Nations Food and Agriculture Organization (FAO) coordinates sectoral activities and is developing a new three year National Agricultural Survey Program for \$5 million.

Work of other USG Participants: The United States Department of Agriculture - Animal Plant and Health Inspection Services (USDA-APHIS) contributes to this program element, by assisting the National Association of Mango Exporters (ANEM) to put in place a fruit fly monitoring program for mangos. This is required by USDA-APHIS to continue the mango pre-clearance program for Haiti. USAID/Haiti collaboration with USDA for the establishment of the Sanitary and Phytosanitary management system will continue. This activity falls under the sub element 5.2.6: Emerging Agricultural Threats and is funded by USAID/Haiti and ANEM.

4.6 Private Sector Competitiveness

Private sector growth and workforce development will contribute to economic security and increased stability in Haiti. In FY07, initial work on procedures for investment and the tax system will enhance the business enabling environment. Also, as disadvantaged youth receive basic education, skills training, and employment assistance, they will become assets in the formal economy. FY08 results include improvements in the administrative requirements for trade and investment, private sector positions integrated into public sector decision-making, and the pool of skilled labor increased. In five years investment procedures will be more transparent and evenly applied and there will be greater public/private partnerships. In addition, there will be higher numbers of literate youth in target populations with basic job/trade skills.

- **4.6.1 Business Enabling Environment**

The procedures related to doing business in Haiti impede national and Foreign Direct Investment (FDI); institutions that support business are often corrupt and inefficient. The removal of bureaucratic red tape will promote investor confidence, create jobs, and reduce opportunities for corruption in business-related measures. In five years, Haiti will have streamlined procedures that encourage FDI and local investment. Bureaucrats working on investment facilitation will have the capacity to accompany investors through a more efficient process. In FY07 results are expected in the reduction of time and procedures for investment by providing technical assistance to the Investment Facilitation Center (IFC), a USAID-funded institution that is a partnership between the Haitian Government (GOH) and the private sector under the Ministry of Commerce. USAID/Haiti proposes re-allocating \$100,000 from 4.6.1 Business Enabling Environment to 4.2.1 Trade and Investment Enabling Environment because additional funds are needed to work with the customs bureau to facilitate trade; working with customs is particularly critical in light of the new rules to be implemented for the HR 6406 trade legislation.

The money for the Tax Program (\$250,000) should be re-allocated to program area 4.1, Macroeconomic Foundation for Growth, Element 4.1.1; it can be more effectively reported here as work will be done to modernize the tax code and provide related training, which is part of fiscal administration.

Prioritization of Sub-elements: 4.6.1.2: Business and Organizations. This addresses facilitating the adoption of streamlined and inexpensive licensing, registration, and inspection regimes for different categories of business. Haiti consistently rates poorly in the World Bank's "Doing Business" guide, a reflection of the weak business and investment-related institutions. The IFC will help to improve this ranking, as better procedures and regulations will bring predictability to the investment process. A strong tax program will also improve Haiti's business environment, however, the money for the Tax program (\$250,000) should be re-allocated to program area 4.1, Macroeconomic Foundation for Growth, Element 4.1.1; it can be more effectively reported there as work will be done to modernize the tax code and provide related training for fiscal administration.

Work of other Donors: The Inter-American Development Bank (IDB), the World Bank, and the International Monetary Fund (IMF) are all involved in the area of economic governance. The IDB is also providing \$715,350 in assistance to the Haitian Tax Administration (DGI). The IMF produced a strategy paper for tax policy and revenue collection. The IFC is getting \$140,000 from the IDB to: 1) provide technical support to investment promotion (i.e. select priority sectors, publish sector guides, and to provide assistance for information dissemination on these sectors - including hardware and software); and 2) to develop a virtual network for investment promotion (i.e. to develop strategic contacts for attracting FDI, and to compile and disseminate information on investment opportunities). The IDB and USAID are working together to ensure complementarity.

Work of other USG Participants: Improved revenue collection and more transparent procedures are important to the long term objectives of foreign assistance as these contribute to a less-corrupt bureaucracy and a more predictable business environment. Through USAID FY06 funding, the U.S. Treasury Department is currently executing a program through their Office of Technical Assistance to provide the DGI with training and technical support. Discussions are underway to have the Treasury Department provide co-funding for this project in FY07. The work will focus on the implementation of the DGI's strategy for the next five years.

- **4.6.2 Private Sector Productivity**

Private sector productivity creates jobs and opportunities that help stabilize the economy and the society. Productivity is not only a function of what is being produced, but also a function of the private sector's ability to participate in domestic and international markets. By assisting associations to represent members' views, this program element will build the private sector's ability to act collectively, instead of only individually. In FY07, work will be done to begin the dialogue process. Dialogue will be institutionalized through the Investment Facilitation Center (IFC), a USAID-funded institution under Program Element 4.6.1. In five years, the mechanisms supporting public/private dialogue will be institutionalized. The public sector will include associations in economic policy development, thus creating a more predictable business environment. An involved private sector will invest with more confidence, thus creating more jobs.

The Mission proposes re-allocating \$350,000 in ESF from 4.6.2. Private Sector Productivity to 4.2.1 Trade and Investment Enabling Environment for work with customs on trade facilitation. The funds were mistakenly allocated to the Private Sector Competitiveness Program Area. Only \$400,000 is required to complete activities and achieve the planned results under the Private Sector Productivity Program Element, which works exclusively with private sector entities.

Prioritization of Sub-elements: 4.6.2.4: Business, trade unions, and professional association development. This sub-element, among other things, addresses advocacy and public/private dialogue. Private sector participation in decisions on the business environment is important if there is to be broad acceptance of the government's trade and investment policies. Dialogue must be encouraged, and where possible, the private sector should lead debates and inform the public sector of what policies and reforms will grow the economy.

The Mission proposes re-allocating \$350,000 in ESF from 4.6.2. Private Sector Productivity to 4.2.1 Trade and Investment Enabling Environment for work with customs. The funds were mistakenly allocated to 4.6.2. Only \$400,000 is required to achieve the planned results under this Program Element, which works exclusively with private sector entities.

Work of other Donors: The European Union (EU), through its private sector project, is providing significant funding to many of Haiti's key private sector associations and think tanks for institutional strengthening (approximately €3 million of a €9million project). USAID/Haiti is working closely with the project managers to ensure that there is no duplication of effort under this Program Element. The EU funding allows USAID/Haiti to focus more funding on trade facilitation (Program Area 4.2), an area not receiving much donor support.

In addition, the EU and the Inter-American Development Bank have provided approximately \$1 million in financing to develop a Court of Arbitration within the Chamber of Commerce and Industry of Haiti. This was launched on January 18, 2007.

Work of other USG Participants: Only USAID supports this Element.

- **4.6.3 Workforce Development**

The effective education of children and youth has benefits for all sectors of society in terms of preparing the future workforce, improving health and family planning outcomes, and improving agricultural productivity. Such benefits lay the foundations for the growth of a middle class and a stable, democratic society. Unfortunately, large numbers of Haitian children and youth are excluded from, or have dropped out of, primary school. USAID's long-term Workforce Development goal is to increase the number of out-of-school youth prepared to enter the labor market with the necessary skill to lead productive lives. In the short term, USAID will increase access to an integrated package of youth-friendly services to community-based organizations serving this at-risk target group. This will focus on improving literacy and numeracy, job skills, post-training placement, and psychosocial support. The Ministries of Education and Youth will be supported to develop new approaches to reaching this target population. To reach these goals, USAID will use FY07 resources to strengthen youth-serving organizations' ability to provide quality services to out-of-school youth, ages 15-24. USAID will support the Ministry of Education's planning for basic and vocational education and the Ministry of Youth's ability to provide quality youth services. Linkages with the business community and USAID projects in the Economic Growth objective, such as microfinance and job creation, will be pursued.

Prioritization of Sub-elements: In Haiti, the USG is focused on improving Sub-Elements 4.6.3.1 Systematic Reform, 4.6.3.2 Partnership Development, 4.6.3.3 Workforce Readiness, and 4.6.3.4 Technical/Vocational Training for Employment. Systematic Reform entails working with the Haitian National Institute for Vocational Training to put in place a system to deliver and evaluation non-formal vocational training, a first for the country. Due to the low levels of educational attainment of the target youth, Workforce Readiness programs will ensure that youth have the basic literacy, numeracy, and behavioral skills required for the workforce. Technical/Vocational Training in specific fields is provided to the youth. To ensure that the youth have the opportunity to transition to the formal workforce, Partnership Development with the business sector will be pursued.

Work of other Donors: The principal donors working in the area of Workforce Development are USAID, the Inter-American Development Bank (IDB), and the European Union (EU). The EU targets over-age learners in primary schools and provides them with an accelerated primary education and limited vocational training. The IDB is strengthening the national vocational training system and targets youth who have completed primary and junior secondary education. USAID targets youth who have never attended or who dropped out of primary school. This complementary approach and target group enables the donors to test various approaches to reach the full range of disadvantaged youth with job skills training. The education donor group meets monthly, and a sub-committee on vocational education meets quarterly to exchange information, coordinate approaches and share results. The Ministry of Education holds bi-monthly donor meetings, where topics such as vocational training are discussed.

Work of other USG Participants: USAID is the only USG agency implementing projects in Program Element 4.6.3 Workforce Development.

4.7 Economic Opportunity

The USG objective is to expand financial market mechanisms and strengthen public and private financial institutions for sustainable economic growth that will lead to increased

stabilization. Lack of asset creation in the rural areas and a high unemployment rate causes urban migration that results in poor quality of life, entrenched poverty, and the desperation of gang allegiance in the slums. Access to financial services for entrepreneurs is critical to income growth for poorer households. Microfinance plays an important role in the Haitian economy however the Haitian microfinance industry faces major growth constraints. FY07-08 funds will assist the Government of Haiti to establish an appropriate enabling environment and will encourage diversified microfinance products that result in economic growth and more job creation by 2012.

- **4.7.2 Policy Environment for Micro and Small Enterprises**

The Mission proposes reallocating \$500,000 ESF from 4.7.2 Policy Environment for Micro and Small Enterprise to 4.7.1 Inclusive Financial Markets to support work on the Policy Environment for Microfinance, Sub-Element 4.7.1.1. These funds were mistakenly allocated to microenterprise policy. The mission has no activities planned for 4.7.2.

In order to address the lack of financial services to low-income households and microenterprise activities, this program, if reallocated to 4.7.1 Inclusive Financial Markets, will focus on creating a robust and reliable financial sector that serves the poor through strong financial institutions, infrastructure and diversified services by closely working with the Association of Microfinance Institutions in Haiti (AMINH). Increasing access to financial services is a priority of the USG in order to spur economic recovery and stability in Haiti. FY07 activities will strengthen linkages between the formal and informal sectors of the economy, facilitate broader investment in productive sectors, harness broad-based savings, and provide a secure financial environment for those savings so households can better cope with economic shocks. By 2012, it is envisioned that low-income households will better accumulate and protect their productive assets as a result of the diverse financial services offered to them.

Prioritization of Sub-elements: No current sub-element under 4.7.2 is valid for planned USAID activities, thus we propose a reallocation of \$500,000 ESF from program element 4.7.2 Policy Environment for Micro and Small Enterprises to be used to support program sub-element 4.7.1.1 Policy Environment for Microfinance. This is an important sub-element since a supportive enabling environment for microfinance is a critical component to the growth of a sustainable microfinance industry. The development of a legal and regulatory framework can facilitate the formalization of Microfinance Institutions (MFIs) and promote best practices and industry standards. This sub-element will focus on creating market infrastructure such as credit bureaus, associations, and training institutions, encourage transparency, information sharing, and provide crucial services to the sector.

Work of other Donors: The Mission has coordinated its program to complement those of the other donors by focusing on specialized technical assistance to the both the microfinance industry and the Central Bank. The Mission is taking the lead in convening monthly donor meetings for future interventions and in sharing project updates and microfinance industry updates.

The French Development Agency (AFD) will provide \$2.51M to support AMINH and \$390,000 to the Central Bank. The Canadian International Development Agency (CIDA) is providing \$15M in technical assistance to the Central Bank on supervision and regulations for credit unions and support to put in place a Federation of Credit Unions. The European Union (EU) will provide \$300,000 in institutional strengthening of some AMINH members. The Inter-American Development Bank (IDB) will provide \$340,000 to support credit unions. United Nation Development Program (UNDP) has considered support to the microfinance sector, nothing has yet been finalized.

Work of other USG Participants: USAID is the only USG agency supporting this Element.

- **4.7.3 Strengthen Microenterprise Productivity**

Because economic security will lead to increased stability in Haiti, it is important to promote business opportunities for enterprises in competitive value chains. Support will include: improved access to business services, access to markets and market information, and increased access to finance. In particular, a limited supply of financial products and services, weak integration of value chains, and the scarcity of bankable enterprises are key constraints to competitiveness in the Haitian productive sector. FY07 program activities will focus on promoting linkages between micro and small firms for market opportunities and structured financial solutions to increase financial flows in and to microenterprises in productive sectors. In five years, program activities will lead to an increased total flow of finance to enterprises and a sustained expansion in the range and improvement of the quality of key financial and non-financial services.

The Mission will only use \$500,000 to achieve results under 4.7.3 Strengthen Microenterprise Productivity. The Mission proposes reallocating \$550,000 ESF from 4.7.3 Strengthen Microenterprise Productivity to 4.7.1 Inclusive Financial Markets to provide financial and technical assistance to microfinance institutions, Sub-Element 4.7.1.2 Investments in Micro-Finance. These funds were mistakenly allocated to microenterprise productivity.

Prioritization of Sub-elements: 4.7.3.1 Microenterprise Business Development Services. This sub-element is important because Haitian microenterprises lack basic business services and financial skills.

4.7.3.2: Value Chain for Micro and Small Enterprises. This sub-element will support other USAID programs to increase the competitiveness in productive sector value chains in which large numbers of microenterprises participate.

4.7.1.2: Investments in Microfinance (Proposed \$550,000 ESF from Program Element 4.7.3). This sub-element will focus on activities such as providing financial and technical support for start up, expansion, new product development, and other forms of specialized capacity building to MFIs and microfinance associations. The ultimate objective will be to increase access for those women and men currently excluded from the financial sector.

Work of other Donors: The Mission has coordinated its program to complement those of the other donors. The European Union (EU) will provide \$3.4M to support Micro, Small, and Medium Enterprises (MSMEs) with high-growth potential. The EU also focuses on sector-level strengthening through support to business associations and a robust enabling environment. The Inter-American Development Bank (IDB) will provide \$2M to support productive sector enterprises and association development. The IDB has studied and documented the general market characteristics, constraints, and opportunities of the majority of Haitian value chains. The reports will provide invaluable information and data to guide program activities.

Work of other USG Participants: USAID is the only USG agency supporting this Element.

4.8 Environment

Reducing and controlling environmental degradation is one of the key priorities of the Government of Haiti (GOH) and the U.S. Congress. This is because environmental degradation continues to result in the destruction of productive infrastructure, stagnation of rural economies and, coupled with urban sprawl, frequent flood emergencies. Inappropriate land use is one of the principal causes and limits sustained economic recovery in rural areas. In FY07, programs will target two watersheds through sustainable products marketing, watershed resource enterprise development, and land-use planning. In five years, the USG Mission will have enabled change that reduces economic and environmental vulnerability demonstrating that Haiti's natural resources can once again become true economic and cultural assets.

- **4.8.1 Natural Resources and Biodiversity**

Improving land-use management and community organizational capacity will lead to sustainable livelihood opportunities in the rural areas and increased economic and environmental stability throughout Haiti. Additionally, many Haitian livelihoods depend upon managing Areas of Biological Significance (ABS), which also have important cultural significance. Improving rural and secondary city peri-urban productivity, income, and organization are key pre-requisites to economic growth and stabilization of Haitian society. As such this program element includes three areas of focus: natural resource management, biodiversity conservation, and institutional strengthening.

In FY07, the Developpement Economique pour un Environnement Durable (DEED) project will be initiated in selected watersheds. FY07 resources will help to initiate several natural resource based associations, enterprises, and public private partnerships in the target areas. In coordination with the GOH geographic information unit, a participatory land-use study will identify opportunities and ABS. The five year results of this project will be broad scale investment in natural resource management at the scale and density needed to produce future positive landscape level changes in environmental, infrastructure and economic vulnerability in selected watersheds.

Prioritization of Sub-elements: In 4.8.1.1 Natural Resources Policy and Governance: Development of appropriate policies and strengthening key institutions including local governance will create a favorable environment for long term investments in natural resource management. The largest sub-element, 4.8.1.2 Sustainable Resource Management and Production: will promote sustainable land use practices, natural resource-based enterprises and high value trees to facilitate economic recovery of rural area. 4.8.1.3 Biodiversity Policy and Governance will begin the discussion with GOH on protected areas, while 4.8.1.4 Biodiversity Conservation: will use production and promotion of benefits derived from ABSs as a basis for their conservation. Finally, 4.8.1.6 Science Technology and Information; will focus on geographic information systems as management and coordination tools.

Work of other Donors: The Inter-American Development Bank's (IDB) watershed program will work in three basins with the goals of reducing erosion, increasing incomes, and mitigating floods (\$29 Million/five years). IDB has these same goals in the watershed where USAID had rehabilitated irrigation infrastructures under the Tropical Storm Recovery Program (\$27 million/five years, begun in 2005). Good coordination exists and USAID/Haiti has consulted IDB in our watershed selection.

The Canadian International Development Agency (CIDA) the United Nations Food and Agricultural Organization (FAO), and the United Nations Development Program (UNDP) focus on local level efforts including environmental planning, agro-forestry, and improved farming practices designed to protect productivity of slopes.

Taiwan has also donated funds since 2004 to the GOH for the creation of a bamboo sector, and the planting of bamboo as a hillside stabilization technique.

Work of other USG Participants: USAID is the primary USG agency involved in this sector. The United States Geological Survey (USGS) has a limited presence and is working with the United Nations Development Program (UNDP) on natural disaster preparedness by putting in place a flood early warning system.

Objective 5. Humanitarian Assistance

5.2 Disaster Readiness

Addressing humanitarian vulnerabilities remains a critical need as Haiti rebuilds. Development of government capacity at all levels in disaster early warning, response and mitigation will allow Haiti to better address the needs of affected groups, and will prevent human and economic loss. The US and other donors can and do respond to natural disasters such as hurricanes, floods and droughts. However, sustainable longer term solutions lie in effective capacity building of both local and central government in disaster early warning, response and mitigation. By FY08, further progress in implementing GOH operational frameworks in these areas will be made. Within five years, greater stand alone GOH disaster readiness institutional capacity will reduce the need for multi-donor support in this area.

- **5.2.1 Capacity Building, Preparedness, and Planning**

Due to steep terrain, erosion, and environmental degradation, even moderate rainfall or accumulations from light but steady rain lead to flash flooding, landslides, and runoff of topsoil and rock throughout the country, leading to economic losses, loss of productive infrastructure, and loss of agricultural productivity on a frequent, ongoing basis. Certain areas are also prone to drought. The Government currently lacks institutional capacity not just to react to disasters, but to assess and mitigate risks of various kinds to limit the potential damage. Historically, USG efforts have been focused on building national capacity in two areas: building capacity to monitor and analyze food insecurity, and support to the national system for disaster and risk management. In FY07, the focus will be on strengthening capacity to complete annual agricultural production estimates, assessing countrywide vulnerability to food insecurity, and institution-building. In addition, a livelihoods study will identify key areas of economic potential for at-risk populations to ultimately increase household and community resiliency. If funds become available, support to further develop the National System for Disaster and Risk Management may continue. By 2011, it is hoped that Haiti will have gained capacity to effectively assess and analyze food security information for early warning purposes, and to share information with policymakers and stakeholders.

Prioritization of Sub-elements: The priority focus is on sub-element 5.2.1.1, planning and preparedness. The Government lacks the capacity to gather, coordinate, analyze and disseminate information to policymakers, stakeholders, responders and the population about potential crises. This capacity is a necessary pre-condition for planning or carrying out an effective internal response, and its lack can also limit the effectiveness of external response assistance. Haiti's high vulnerability to natural disasters means that economic and social progress is at risk of being eroded if disaster risk management and response capacity is not more systematically developed.

Work of other Donors: Central institutional strengthening combined with building community-level response capacity is a common strategy among sector donors. Multiple donors support the UNDP National System for the Management of Risks and Disasters project, including the World Bank (WB) and the Inter-American Development Bank (IDB).

The project focuses on institutional strengthening of the Civil Protection Directorate (DPC) of the Ministry of Interior to improve disaster early warning, response and mitigation. The WB and IDB also implement parallel projects-the WB a much larger program that also finances the drafting of seismic building codes by the Ministry of Public Works, and a national flood risk study, and the IDB a flood early warning system to cover 30 watersheds. The World Food Program provides an early warning system in selected areas.

Work of other USG Participants: In FY07 the US Geological Survey (USGS) and SouthCom are likely to stay engaged in the area of early warning and disaster preparedness, respectively. USAID funding supports USGS development of a flood early warning system in Fonds Verettes and Camp Perrin as part of the UNDP National System for the Management of Risks and Disasters Project. USAID, USGS and the outgoing Hillside Agriculture Program flood early warning system partners are working closely with the Government of Haiti to integrate these two systems and ensure integration with the planned IDB system. SouthCom has provided technical assistance for the development of emergency operations center procedures, and may provide funding in 2007.