

MODERNIZING FOREIGN ASSISTANCE

INSIGHTS FROM THE FIELD: HAITI

October 2009

On the cover:
Children studying in school.
Photo credit Stephen Edga.

With support from the Hewlett Foundation, Save the Children USA and UK are collaborating on a research and advocacy program, examining the impact of aid at the country level and distilling best practices for policymakers.

The research contained in this report draws upon information that was gathered during a series of interviews and project visits conducted in Haiti in June 2009 by Polly Byers, with support from Fortis Mathieu and Kesner Pharel. In total, 48 interviews were held and the research team gathered data from representatives of the United States Agency for International Development (USAID), other United States (U.S.) government agencies, international non governmental organizations (NGOs), local NGOs and civil society organizations, representatives of the Government of Haiti, other donors, and the beneficiaries of U.S. foreign assistance.

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Acronyms

CDC	Centers for Disease Control & Prevention	OECD	Organisation of Economic Cooperation and Development
DOS	Department of State	MINUSTAH	UN Stabilization Mission for Haiti
DHHS	Department of Health and Human Services	NGO	Non-governmental organization
DOL	Department of Labor	PEPFAR	President's Emergency Plan for AIDS Relief
HRSA	Health Resources and Services Administration	S/CRS	State Department Office of the Coordinator for Reconstruction and Stabilization
HSI	Haiti Stabilization Initiative	U.N.	United Nations
IDB	Inter-American Development Bank	UNDP	United Nations Development Programme
IQC	Indefinite quantity contract	U.S.	United States
ODA	Official Development Assistance	USAID	United States Agency for International Development
		USTR	United States Trade Representative

Save the Children is conducting research into the effectiveness of U.S. foreign assistance programs and producing a series of case studies on countries in sub-Saharan Africa, Asia and Latin America. Save the Children believes that to become more effective, U.S. foreign assistance, which should prioritize poverty reduction, needs to be modernized to better address the challenges of the 21st century. To achieve this, we offer the following recommendations for the reform of U.S. aid:

- Improve the **internal coherence and responsiveness** of U.S. government development policies and foreign assistance
- Enhance **local ownership and long-term sustainability** of U.S. development and relief initiatives
- Focus on **better coordination** with other partners in the development community, particularly national governments
- Increase **accountability for results**, including improving the effectiveness of strategic planning and impact assessment.

Key Findings

- **Haiti is at a critical juncture in which the United States has a strong role to play.** Haiti is currently in the foreign aid spotlight and is a high priority for the United States, which is the largest donor to the country. Recovering from the impact of food riots and devastating hurricanes, it is vital that the nation's fragile new government and the international community seize the opportunity to move forward together on a path of strategic and sustainable development.
- **Successes have been achieved in stabilizing the country and providing basic services.** The international community and United States have had success in supporting stability in Haiti, due in large part to the U.N. Stabilization Mission for Haiti (MINUSTAH). The United States is also ensuring basic services, albeit as a substitute for the Haitian government, providing health care services to more than 44 percent of the population.
- **Missing a whole-of-government approach to Haiti.** USAID has a strong and comprehensive strategy but because USAID lacks the authority to coordinate the numerous United States government actors engaged in Haiti, the U.S. does not have a whole-of-government approach to Haiti. The lack of a unified development strategy for Haiti has meant that U.S. officials and implementers have to work overtime in the field to coordinate and create linkages between U.S. programs, effectively working against the system to overcome the structural segmentation.
- **U.S. assistance is undermined by a lack of coherence between different U.S. government programs.** The bureaucratic demands and structural incoherence of the U.S. foreign aid system undermine the responsiveness of aid efforts. Some initiatives designed to better coordinate interagency work, such as the State Department's Office of the Coordinator for Reconstruction and Stabilization, are hampered by overly bureaucratic mechanisms and reduced, rather than enhanced, programmatic flexibility.
- **Administrative demands from Washington are enormous.** Reporting and planning requirements take up to 30 percent of U.S. government staff time each year, diverting staff from important programmatic and management responsibilities.
- **More effective approach to capacity building needed.** The United States and the international donor community need to prioritize and explore creative options to build Haitian capacity. Current capacity building efforts are inadequate; parallel delivery of services continues. Alternative assistance tools and approaches, such as increased transparency, assisted procurement, pooled funding and other mechanisms, need to be actively explored to increase Haitian ownership and development sustainability.
- **Contracting mechanisms undermine flexibility and local capacity building.** Although indefinite quantity contracts (IQCs) aim to ease management burdens for the USAID Mission, these large-scale procurement mechanisms fail to provide the flexibility and responsiveness needed in transitional settings. One international NGO explained that it took more than 18 months to resolve a technical issue. Moreover, as a result of heavy reporting demands and implementation by large, temporary contracting entities, engagement with and by local Haitian NGOs has been significantly diminished.
- **Focus on results and impact is applauded, but reporting requirements remain mostly output-focused and the pressure for quick-results can undermine sustainability.** Given the long and dismal track record of assistance in Haiti, there is widespread agreement that the U.S. focus on measurable results is vital for making sustainable progress. However, much of the U.S. government's actual accountability requirements still remain output focused and there is much frustration with the time involved and the reporting requirements. And the implacable demand to show quick results sometimes threatens to overwhelm sound development programming.

Country Background

Haiti has endured a tumultuous history marked by severe poverty, political instability, and foreign military interventions.

Haiti is the poorest nation in the western hemisphere and one of the poorest in the world. Approximately 76 percent of Haitians live on less than \$2 a day¹ with one of the region's biggest gaps between the rich and the poor.² It ranks 146th out of 177 countries on UNDP's *Human Development Index*,³ and has the region's highest rate of maternal and infant mortality (standing at 630 per 100,000 and 84 per 1,000 live births respectively).⁴ This grinding poverty is both a cause and result of the extreme vulnerability of Haiti to natural disasters.

The Haitian population stands at over 9.6 million, 5 million of whom live in rural areas. Haiti's population is also disproportionately young: Over 58 percent of the population is below 25 years age, heightening concerns about a "youth tsunami"—a potentially explosive group of unemployed youth.⁵



Map of Haiti⁶

The 29-year rule of the Duvaliers (1957-1986) was characterized by a culture of violence, during which thousands were killed or fled the country. Since the end of the Duvalier era, Haiti has endured violent political transitions and multiple changes of leadership. In 2004, a new era was ushered in by the second United Nations (U.N.)-sanctioned, U.S.-led armed intervention and a new U.N. multinational mission—the U.N. Stabilization Mission in Haiti (MINUSTAH). With the support of MINUSTAH and the democratic election of President Preval in 2006, a tenuous stability was introduced, including efforts to build democratic institutions and promote economic development. These reforms encouraged significant donor pledges and Haiti became a top regional priority.

Cityscape Port-au-Prince. Photo credit Stephen Edga.



However, in 2008, Haiti suffered another series of destabilizing blows. The global economic downturn triggered a food crisis that led to riots. This was followed by four devastating hurricanes in quick succession, which caused massive destruction of communities and left hundreds dead, tens of thousands homeless and a third of the population at risk of malnutrition. The international community intensified its growing support to the country in response to these events, fearful of the risks they posed to Haiti's fragile new democracy and keen not to lose the reform and development momentum.⁷

Fluctuating international engagement with Haiti

International attention to Haiti has long fluctuated in response to humanitarian emergencies or perceived threats of broader regional destabilization. Despite estimated investments in Haiti of more than \$15 billion in foreign aid since the late 1970s, there is precious little to show for it.⁸ Fluctuating donor engagement and short-term pursuits of differing objectives, a predatory government legacy and the country's turbulent history have all led to unpredictable levels of official development assistance (ODA) from the United States and other donors (see Figure 1).

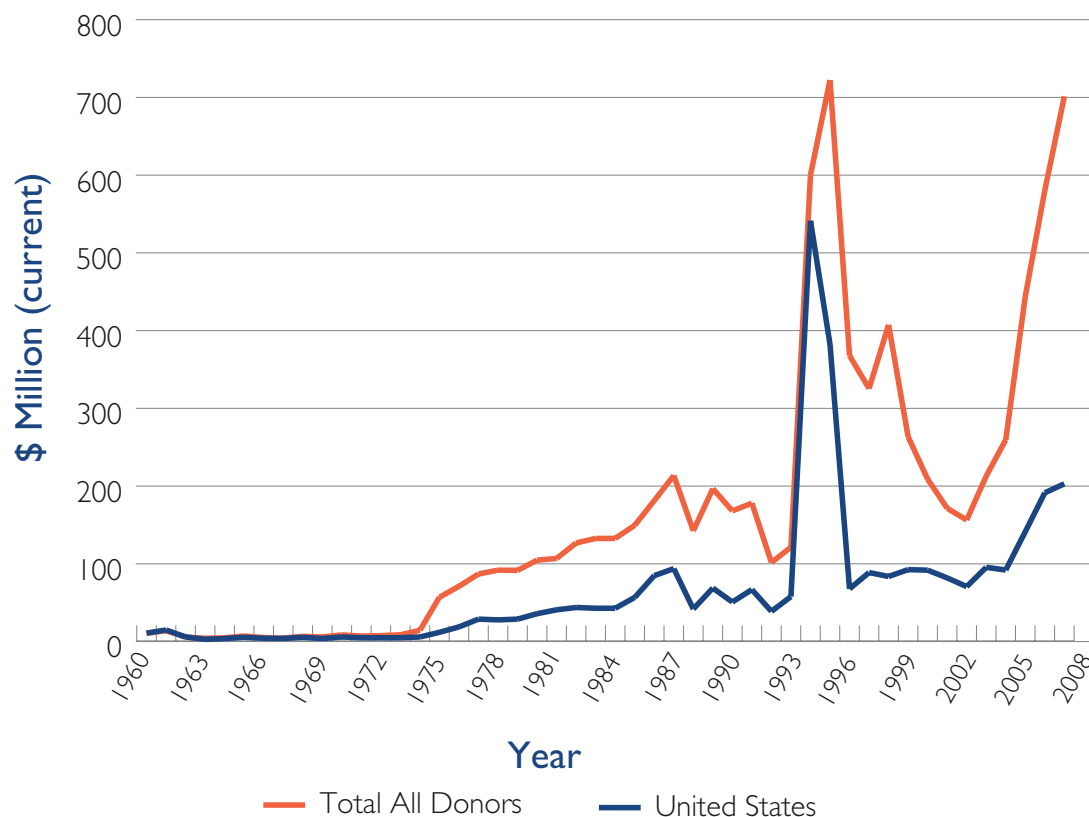
“...the lack of geo-political interest in Haiti partly explains the tendency of the international community to withdraw prematurely under the assumption that an election or the return to legitimacy meant that the country could stand on its own.”

—Carol Faubert, *Haiti, Evaluation of UNDP Assistance to Conflict Affected Countries, Evaluation Office/UNDP, 2006*

A turning point in an enduring but complex relationship

The United States has an enduring but complex relationship with Haiti.⁹ Over the years, multiple and, at times, conflicting interests have driven U.S. policy toward the country, reflecting such interests as containment of communism; distrust of liberation theology; support for democracy; trade and investment priorities; fear of refugee influxes; narcotics trafficking and humanitarian issues. The Haitian diaspora in the United States, an estimated 2 million people, has also prompted Congressional involvement in Haiti.

Figure 1: Total and U.S. ODA to Haiti, 1960-2007¹⁰



HOPE for Haiti?—Rounding out U.S. economic assistance with trade

Haiti has attracted strong Congressional interest over the years, especially regarding humanitarian, development and refugee concerns. In support of the election of President Preval in 2006, Congress passed a special trade preference bill for Haiti—the Haitian Hemispheric Opportunity through Partnership Encouragement, or HOPE Act of 2006—which provides duty-free treatment for certain apparel imports from Haiti. But the HOPE Act did not result in as many jobs as expected. In 2008, Congress passed an enhanced version, HOPE II, which extends the tariff preferences for 10 years, expands the duty free treatment, and makes the rules simpler and more flexible.

Currently, Haiti has the largest U.S. aid program in the region, slightly greater than even the Colombian anti-narcotics program. This assistance package totaled over \$400 million in FY2008 (including \$96 million in supplemental disaster funding for recovery from the hurricanes).¹¹ U.S. assistance is projected to be \$287 million in FY2009 and over \$292 million for FY2010, likely making U.S. contributions twice as large as the next donor.¹²

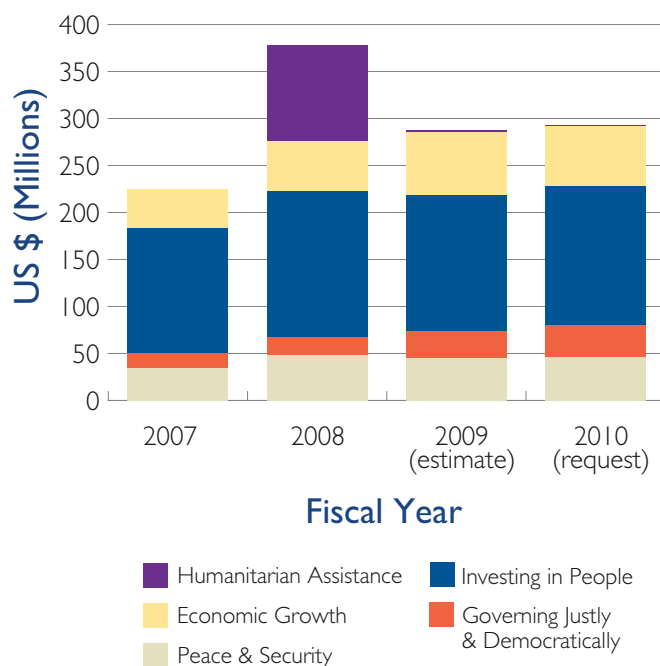
Haiti receives assistance from many different U.S. government agencies, from the Coast Guard to the Drug Enforcement Administration. But apart from peacekeeping assistance, the majority of the U.S. assistance program, has been focused on development activities falling under the Foreign Assistance Framework’s “Investing in People” objective, particularly on health programming (see Figure 2). Funding for HIV/AIDS under the PEPFAR program, for instance, now constitutes approximately 30 percent of U.S. assistance. Other significant priorities include investment in the agriculture and education sectors and conflict mitigation and reconciliation activities.

The Obama Administration has expressed interest in exploring new approaches to U.S. engagement in Haiti. While the United States clearly has strong policy concerns in Haiti, particularly illegal migration and narcotics, effective development engagement leading to economic growth and stability would directly address both of those issues. As Secretary Clinton indicated at the most recent Haiti donors’ conference, Haiti is in the midst of a tentative transition that will require a clear and strategic donor response.

“...the most important lesson is that there can be no quick exit. Haiti will need our resources and our support for a long time... A long-term effort—ten years or more—is needed to help rebuild the police and judiciary, as well as basic social services such as health care and education... Getting it right this time means doing things differently. Above all, it means keeping international attention and resources engaged for the long haul.”

—Kofi Annan, “Haiti: This time we must get it right”,
Wall Street Journal, 16 March 2004

Figure 2: Breakdown of U.S. government assistance by Foreign Assistance Framework objective, FY2007 – FY2010



Improving U.S. Development Coherence

The magnitude of U.S. government resources to Haiti, relative to its small size and population, should make a significant impact on the country's development challenges. In FY2007, for example, U.S. economic assistance to Haiti was \$23.89 per capita, as compared to \$9.25 for Colombia and \$5.85 to Ethiopia.¹³

In addition to significant development and humanitarian assistance, the U.S. government supports Haiti in other ways, such as: passing trade legislation to open further U.S. markets to Haitian goods; providing well over \$100 million annually to support the U.N. peacekeeping mission; voting for World Bank and Inter-American Development Bank debt relief and assistance¹⁴; providing debt relief directly; and building the capacity of the police, the coast guard, the legislature and the government.

To make the most effective use of the scale and different types of resources at its disposal, it is essential that the U.S. government works in an integrated, coordinated manner.

A "whole-of-government" or a USAID strategy for development?

The USAID Mission in Haiti based its clear and sharply focused strategy for 2007-2009 on improved stability in the country, around which all the programs in the social, economic and security spheres revolved.

In many ways, the USAID strategy is a model strategy: well-focused, based on sound analysis, drawing on earlier, limited successful stabilization efforts and adaptable given changing conditions. The strategy can also be generally considered a success, having achieved the goal of stabilization as part of a major international stabilization effort.

However, the USAID strategy, and by extension, U.S. government work in Haiti, is handicapped by one critical factor: USAID does not have the authority to coordinate the numerous U.S. government actors engaged in Haiti. Although USAID created it's a strong comprehensive strategy, not a whole-of-government U.S. strategy for Haiti.

Figure 3: Which agencies implemented activities with U.S. government money in FY2008?¹⁵

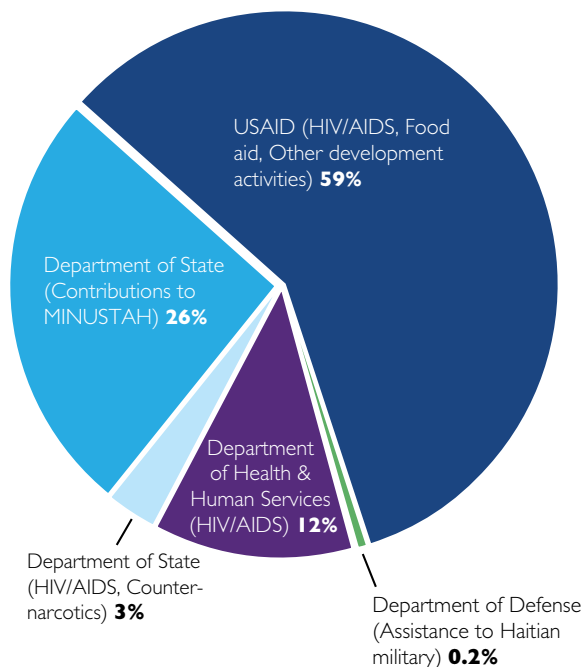
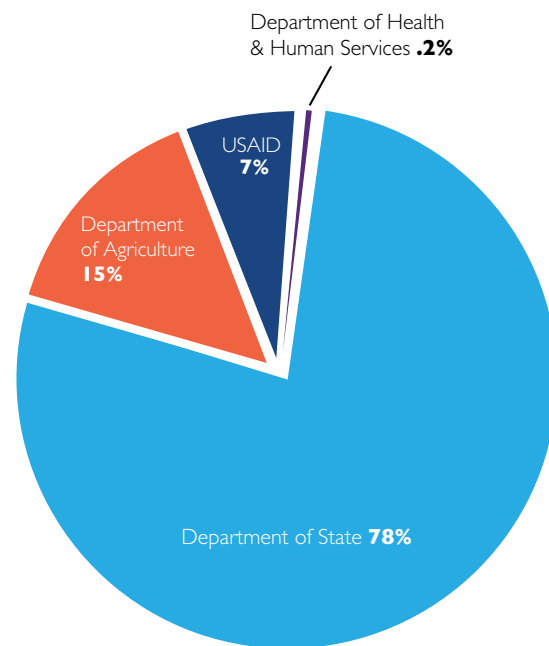


Figure 4: Where did that money come from?¹⁶



State Department manages the large PEPFAR funds but USAID, CDC and other agencies implement PEPFAR in Haiti and those funds are reflected in their percentages. Other State Department offices, such as the Bureau for International Narcotics and Law Enforcement provide resources for police training and drug interdiction.

“The current USAID strategy, launched in August 2006, has a succinct vision for Haiti: Stability. This single word encapsulates key U.S. strategic interests that reflect the security, social, economic and institutional spheres of a fragile state that is rebuilding following years of internal conflict.”

—USAID Strategy for Haiti, FY2007-2009, Summary

Moreover, the absence of a designated authority in the U.S. government to oversee the breadth of resources and the strategic planning process makes it extremely challenging to effectively and efficiently manage the development program. Many donors and implementing agencies told Save the Children that the United States does not appear to have a real strategy, but rather a “sprinkling” of projects and a desire is to be everywhere, geographically and a desire is to be everywhere, geographically and thematically.

The lack of a unified whole-of-government development strategy for Haiti has meant that U.S. government officials and implementers have to work overtime in the field to coordinate

and create linkages between programs, effectively working against the system to overcome the structural segmentation. Even trying to leverage different U.S. resources and tools, such as supporting a factory to take advantage of trade preferences, is challenging, rather than routine.

Multiple agencies, coordination challenges

Absent a whole-of-government strategy, the multitude of U.S. government agencies implementing assistance programs in Haiti present serious challenges in coordination (see Figure 3 for a breakdown of the agencies and their budgets in FY2008). For example, funds under President’s Emergency Plan for AIDS Relief (PEPFAR) are controlled by the State Department in Washington, DC, but different parts are implemented by USAID and the Centers for Disease Control and Prevention (CDC) in Haiti. As one interviewee opined, “PEPFAR has two heads in Haiti... which causes additional challenges because USAID and CDC have different approaches.” Structural disconnects such as those noted between the PEPFAR partners are common among other U.S. government agencies too, particularly when it comes to linking emergency and stabilization programs with longer-term development activities. Given the fragility of the situation in Haiti, it is important that development programs follow from stabilization programs to shore up the gains in stability. This lack of continuity has been a weak link in the U.S. government’s program in Haiti.

A range of U.S. government engagement in Haiti

- Support UN Peacekeeping Mission (State Department)
- Vote for debt relief at IDB and World Bank (Treasury)
- HOPE II Trade preferences (USTR, Congress)
- Modernizing tax laws and collection (Treasury & USAID)
- Police training & drug interdiction (DOS/Bureau for International Narcotics & Law Enforcement)
- Urban stabilization (DOS/Office of the Coordinator for Reconstruction and Stabilization)
- Support to police (Drug Enforcement Agency)
- Support to Haitian Coast Guard (Department of Homeland Security/ U.S. Coast Guard)
- Bilateral debt relief - \$20 million (State, Treasury)
- HIV/AIDS (DHHS/CDC, USAID, DHHS/HRSA, DOL, DOS)
- Legislative strengthening (U.S. House of Representatives Democracy Assistance Commission)
- Reforestation (USAID)
- Small business development (Inter-American Foundation)
- Treatment to prevent diarrhea, measles, malnutrition (USAID)
- Conflict mitigation (USAID)

Haiti is one of the pilot efforts for the State Department Office of the Coordinator for Reconstruction and Stabilization (S/CRS) which was established in 2004. The mandate of S/CRS is to lead integrated U.S. government planning processes for stabilization and post-conflict efforts. S/CRS managed a process to develop a year-long post-election strategy that was intended to coordinate U.S. government civilian agencies. While the effort was deemed helpful in developing a shared U.S. goal for Haiti at a broad level, the program implementers found it very time consuming (taking 18 months for a one-year strategy) and too prescriptive and detailed, ultimately limiting their flexibility in carrying out their objectives.

In 2006, the State Department received \$20 million in Department of Defense funding for stabilization efforts in Haiti.¹⁷ Moving beyond its earlier planning role, this effort was managed by S/CRS as the Haiti Stabilization Initiative (HSI). This “new approach” to stabilization brought all the U.S. government’s resources to bear on the challenge of stabilizing the violent slum of Cité Soleil. While the program has been very successful in stabilizing one part of Cité Soleil, it has not been integrated into USAID’s development strategy. If social services and economic opportunities for youth are not quickly forthcoming, current gains in stability could be lost.

Bureaucratic impediments to responding to the challenges of fragile states

A key principle for working in fragile states is the need for responsiveness to changing circumstances, while addressing the root causes of instability. The USAID strategy for Haiti very explicitly reflects that intent and aims to address key drivers of conflict by creating jobs, increasing access to health care and primary education and supporting the rule of law and responsive governance. Although programs are implemented through international NGOs and contractors, they are based on close collaboration with local and national government actors in order to strengthen their capacity and expand their reach.

However, the bureaucratic demands of contracting procedures make it very difficult for USAID to react quickly with development assistance funding. Notably, as the Haiti program has grown, there has been a clear shift to tendering out the implementation of development activities through large Indefinite Quantity Contracts (IQCs). These contracts

are developed and partly managed in Washington and replace the previous system of funding most projects through more flexible grant or cooperative agreements.

Although IQCs aim to ease management burdens for the under-staffed USAID Mission, many aid implementers noted that there is now too little hands-on staff involvement and guidance in designing and implementing programs. The responsibility for project design and preparing scopes of work increasingly rests with USAID in Washington, making it difficult for the Mission staff to alter design when necessary. This system lacks the necessary flexibility to allow programs to quickly adapt to changing conditions on the ground. One international NGO explained that it took more than 18 months to resolve a technical issue. In addition, as described in the next section, increased reliance on IQCs has harmed the ability of USAID and implementers to work with local Haitian NGOs.

“It took one and a half years to get a technical issue resolved.”

—International NGO implementing for USAID

Overwhelming demands from Washington divert time and resources

One of the biggest challenges facing the high-priority U.S. aid program in Haiti is the additional amount of work generated by the involvement of Washington. While attention can bring financial resources to the field, it can also impose significant burdens, particularly the degree to which Washington may try to control the program, manifested through increased requests for information, which tax an already overstretched field mission, and divert staff time away from managing programs on the ground.

The enormous reporting and planning burden imposed by the Office of the Director for Foreign Assistance, commonly referred to as the F Bureau, also has a significant impact on the ability of Mission staff to operate efficiently. USAID staff in Haiti estimate that the preparation of operational plans and reports takes close to *30 percent of all staff time*—equivalent to nearly four months of the year taken away from managing and supervising their programs.

Attention from Washington can lead to the marginalization of the Mission’s opinion in policy discussions, sometimes causing a lack of adherence to locally defined priorities. USAID Mission staff in Port-au-Prince commented that Washington can sometimes seem like a “black box,” making it difficult for the field to know where or how to “plug in” to policy discussions and provide input based on their first-hand knowledge.

“It is Washington that tells them [USAID] what to do. The people here are messengers...the result is that the U.S. approach does not follow Haitian priorities.”

—Representative of Haitian NGO



Children at work on their lesson at the Ecole la Sainte Famille primary school.

Enhancing Local Ownership and Long-Term Sustainability

The key challenge in Haiti today is building Haitian capacity at all levels, putting Haitians in charge of their future and breaking the cycle of crisis. These are complex and long-term objectives. For many donors, the United States included, this appears to be a bit of a “chicken and egg” phenomenon: everyone recognizes the need to build the Haitian government and local civil society’s capacity, yet because current capacity is so limited, it is hard to rely on these actors to produce results. The necessary investments in national capacity building are not yet fully prioritized.

“The big debate here today is that the international organizations talk about building capacity, but their approach doesn’t support it.”

—Representative of Haitian civil society organization

Much of the cost of creating real ownership and sustainability is the time it takes to work with fledgling organizations and under-equipped government ministries that do not have the financial reporting or accounting systems or staff with the necessary qualifications. Yet it is essential to bring them up to a level where they can manage programs and funds to international standards. Many government ministries, for instance, operate with skeleton staff in middle management positions because so many skilled Haitians have left the country for better jobs overseas. Thus building capacity takes time away from delivering services.

In the past, donors have been unwilling to pay the price of investing in this longer-term process. Particularly given the recurring pattern of conflict and crisis in Haiti, many donors have relied on international NGOs to deliver assistance in emergency situations. This is understandable and practical in terms of “getting the job done” and delivering services, but it clearly will not achieve the ultimate goal of building local capacity.

The challenge of making the transition from humanitarian and crisis response to long-term development and capacity building is not unique to Haiti. However, given the precarious nature of Haiti’s transition combined with its vulnerability to natural disasters, it is critical to immediately shift to a long-term sustainable development approach while maintaining the agility to respond to disasters as needed.

Support to and through parallel structures

While one of the new priorities for U.S. development to Haiti is promoting ownership and strengthening the capacity of the Haitian government and institutions, evidence of this is difficult to discern thus far.

The Haitian government and most other people interviewed expressed concerns to the research team that the United States continues to narrowly support “parallel” structures rather than working through and investing in the strengthening of the government and local Haitian institutions whenever possible. For example, the United States currently plays a crucial, indeed lifesaving, role in the provision of healthcare for over 44 percent of the population. Although this is impressive, it is not clear how Haiti can transition to providing these services itself sustainably without support from the United States and other donor-funded NGOs or contractors.

Similar concern was expressed over the current practice of turning to non-Haitian contracting entities for large-scale projects the United States is currently supporting. A sensitive point for many was the perceived high level of aid resources that stay in the United States, as opposed to being spent in Haiti where they would be more beneficial to local institutions.

“If you give an American firm the contract, most of the money stays with the American firm. The Haitians get the crumbs.”

—Representative of Haitian civil society organization

Successful U.S. capacity building programs for young people

One of the most basic and traditional forms of increasing opportunities for young people is improving access to education and training. One specific program for youth has proven very successful. The USAID Haitian Out of School Youth Livelihood Initiative (IDAJEN) began in 2003 in response to the related challenges of ongoing violence in certain urban “hotspots” and the enormous numbers of youth with little or no primary education. The program specifically targets unemployed youth, aged 15-24, in slum areas around cities and towns that had been centers of unrest, providing a year of intensive

training of both nonformal basic education and hands-on technical training. After completing the year of basic training, participants are linked with local community-based organizations and small businesses for a six-month follow-on training, leading to employment or scholarship opportunities, and ultimately reintegration into society.

Having started by serving 450 youth, the program has been extremely successful, and is now expanded and extended to reach 13,000 out-of-school youth by 2010. The program not only trains individuals, but strengthens the capacity of community-based organizations to provide training, supports government capacity and provides HIV/AIDS awareness and prevention information.

It is often an issue of emphasis as well. Of the \$128 million for U.S. health funding in FY2008, PEPFAR accounted for \$92 million—over 70 percent of the total United States’ health budget to Haiti. A large proportion of this PEPFAR funding necessarily went to saving lives through HIV/AIDS interventions, and *not* to the strengthening of the overall health systems (although the Mission has worked hard to do “work-arounds” with PEPFAR funds to programs according to greatest need and most sustainable benefit).

"PEPFAR is overwhelming the health care system... what needs help is the entire health sector."

—Representative of UNDP

Earlier hands-on approaches reached Haitian NGOs

In the past, USAID used to provide funding more directly to local Haitian organizations and played an important role in developing their capacity. Currently the USAID staff is seen as over-extended and lacking the depth of technical expertise that the Agency used to provide local partners. Most USAID staff members readily admit that, due to the administrative demands and low staff levels relative to the increased budget, they do not have the time for the hands-on oversight of projects.

"Ten years ago, we had much more direct contact with USAID. The vision is now different. Now there is more substitution rather than support... Now it's more likely for USAID to install an American structure with contractors, rather than reinforce Haitian organizations... before it helped a lot of organizations and promoted self reliance but the tendency has changed to being more directive."

—Representative of Haitian civil society organization

Large international NGOs also often partnered with local Haitian organizations under USAID grants, supporting their development. However, as discussed earlier, the increasing reliance on IQCs appears to have had a significant impact on the ability and likelihood of USAID staff, implementing entities, and programs to work with Haitian organizations. Intensive, complex financial reporting requirements place burdens on under-equipped local NGOs. The short-term nature of many of the recent contracts was also noted as a serious impediment to the development of local organizations.



Goats with Family. Photo credit Stephen Edga.

Need for more diverse tools for working with the Haitian government

The issue of providing budget support to the government was raised repeatedly by government officials and other donors in Haiti during interviews with the Save the Children team. In principle, the United States is averse to providing budget support due to inadequate accountability and traceability. Given the past performance and lack of transparency and accountability from the Haitian government, many donors are understandably cautious with respect to providing resources directly to the government. While some donors do provide direct budget support, there are other tools that the United States has already used, and could take advantage of more often, to build government capacity and promote ownership.

In terms of direct cooperation with the government, the United States has had some limited success. For example, the Ministry of Finance reported that the most useful U.S. assistance they received was support for a computerized financial tracking system. This has had a huge impact on controlling corruption and regularizing transactions: whereas before the system was installed, 60 percent of expenses were outside the regular budget, now only 4 percent of expenditures are outside the regular budget, meaning there is much greater transparency and budgetary control. This is a positive example that needs to be replicated in other areas.

Supporting development through Haitian microfinance NGOs

USAID has been supporting the microfinance sector in Haiti for over 10 years and has played an important catalytic role, to the point where microfinance credit and related services in Haiti are now offered through a wide range of sustainable financial institutions—from commercial banks to credit cooperatives and NGOs. Assistance has focused on developing local capacity and has increasingly been able to rely on local expertise.

Haiti's largest microfinance organization, Fonkoze, has received USAID support over the years, as well as generating much of its own, and has been exceptionally successful, serving more than 190,269 savings clients and 54,204 loan clients mainly in rural areas.¹⁸

Most recently, USAID has supported the development of a microinsurance sector through a partnership between Fonkoze and a leading Haitian insurance provider. USAID has also helped a Haitian bank, Sogesol, open a full-service microfinance branch in the heart of Cité Soleil, one of Port-au-Prince's most volatile neighborhoods.

The United States could build on this transparency and accounting effort by providing more timely information on U.S. activities. One of the Haitian government's biggest frustrations is that it does not receive enough information about donor plans, what NGOs are working on and where they are working, making effective short-term and strategic planning impossible. The Ministry of Finance reports that they only have information on approximately 40 percent of the total development budget, because the remaining 60 percent is donor funding about which they have little or no data, including from the United States. However, donors also report frustrations in trying to share information with the government.

In another successful example of support to the government, the Ministry of Education and the United States coordinated to have the United States pay a vendor directly for the publication and purchase of textbooks for schools sourced by, and later distributed by, the Ministry of Education. And in April 2009, Secretary of State Clinton announced \$20 million of budget support to pay off Haiti's IMF debt, thereby freeing resources for use on more productive efforts to benefit the Haitian people.¹⁹

Other ideas posited in Haiti for increasing ownership and sustainability:

- Incentives to Haitian-Americans diaspora to invest in businesses in Haiti.
- Pooling resources with other donors.
- Quasi-independent government agency that coordinates aid by taking in money from donors, channeling funds to local NGOs and private sector providers, and monitoring the performance.
- More vigorous capacity building efforts at the local government level.
- Trade related job training, export zones support.
- Public works efforts.
- Public sector training.
- Management and technical training in key areas.
- Supporting productive infrastructure, such as rehabilitating irrigation canals.
- Income generating activities.
- Sector support to targeted Ministries.

Increasing Coordination with Partners

In any developing country, the goal of strong donor coordination is an oft-repeated mantra for aid practitioners. In a fragile state like Haiti, with very limited and thinly stretched government capacity, strong coordination is even more critical. The government does not have the personnel to effectively direct, manage or track multiple donor programs and priorities; strategic coordination by donors themselves can greatly assist a poorly capacitated national government.

Currently, donor coordination in Haiti takes place through an elaborately structured system managed by the U.N. Development Programme (UNDP). Below the central level, there are “sectoral tables” which are coordinated by the relevant ministry (health, education, etc.) and a lead donor, with NGO representation as well.

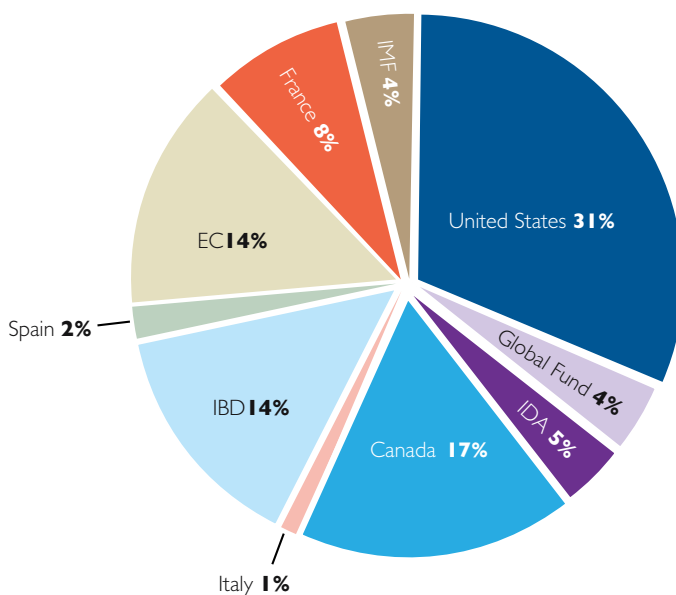
While most donor representatives indicated that donor coordination was well intentioned, there were undercurrents of frustration expressed in the team’s interviews. Except in a few key areas and ministries—humanitarian response, MINUSTAH, and education are most often cited—the current situation might be more accurately described as “information sharing” as opposed to true coordination.

Five donors could coordinate 95 percent of assistance

True strategic coordination and joint planning among the donor community in Haiti could yield many important benefits. One advantage from the donor perspective would be the ability to speak in one voice to the government to press for important policy reforms.

The top five donors contribute 95 percent of all assistance. The U.S. government and Canada alone represent over 50 percent of ODA.²⁰ If even just the top two or three donors were to more actively develop coalitions to press the government on key issues or adopt common approaches to capacity building it would provide a much greater incentive for the government to respond. The World Bank has tried to promote resource pooling for some time, although there has not been strong interest from other donors. Given the prominence of the United States role in Haiti, the U.S. could play a forceful leadership role in promoting more strategic and effective donor engagement.

Figure 5: Top Ten Donors of Gross ODA (2006-2007 average)²¹



“With implementing partners, USAID has been very clear: coordination has to happen.”

—INGO implementing partner to USAID in Haiti

Building ownership and capacity in education through coordination

The United States is working with other donors and the Haitian government to increase ownership and capacity in education through a range of approaches.

The United States provided scholarships for Haitian students, including children from the slum of Cité Soleil during the violent 2004-2006 period and continued in 2007 with 30,000 primary school scholarships. In higher education, USAID is supporting a partnership program that establishes direct links between select Haitian and American universities.

Recognizing that these may be short term, possibly unsustainable interventions, USAID is coordinating with other donors to support the Government's National Education Plan under the Education for All Fast-Track Initiative. USAID is part of an effort to build the Education Ministry's capacity to plan, supervise, deliver and monitor education services. One concrete result has been helping to establish school standards that are now being implemented in 12,000 primary schools. The education group—one of the stronger donor coordination groups—has focused on building the Ministry's capacity, including providing them technical advisors.

Engaging the government remains challenging

The most consistent refrain from all the donors was the desire for the Haitian government to show greater engagement and leadership. Many lamented the lack of strategic long-range vision, planning or reform from government ministries—Haiti holds the lowest score in developmental strategic planning from the OECD.²²

The current Haitian Poverty Reduction Strategy is an important step towards more strategic, comprehensive planning, but it does not provide the prioritization needed by the donors. Donors acknowledged the weak capacity that makes it difficult for the government to provide leadership but have not been able to coordinate among themselves to assist the government to develop a national consensus or more useful long-range development plan. While the Haitian government must clearly be in the driver's seat, the donors can play an instrumental and vital role in facilitating the process of developing a plan.

Currently there appears to be no common donor strategy for building the capacity of the Haitian government. Each donor has its own methodology and holds independent discussions on the issue with different government ministries, effectively losing the benefits of a consistent and coordinated approach.

Given the central importance of strengthening government capacity, it is vital that a common approach be developed and that information be better coordinated and shared. While generally aware of what others are doing through the donor coordination groups, the research team heard that technical advisors within the same ministry reportedly do not know each other.

U.S.'s role generally constructive but some constraints

In many respects, the United States was praised by other donors as playing a positive and constructive role in donor fora, particularly given the bureaucratic constraints that donors know handicap U.S. engagement. While some appreciated the relatively low-key U.S. approach, the call for more forceful donor leadership was a consistent theme in our research.

The main critique voiced was that while the United States is willing share information, it is a different story “when the rubber hits the road in terms of implementation” and planning. Due to the control exerted from Washington, it is very difficult for the U.S. Mission in the field to engage in joint planning, leaving them to be frequently viewed as “victims of their numerous projects.” Examples of U.S. contractors suddenly appearing without advance notice in areas where other donors were working reflect the disconnect between Washington-managed programs and the Mission.

It was also noted that in some areas, such as the large State Department-managed stabilization program, the United States tends to “plant the flag,” leaving little space or incentive for other donors to join in.

The limited participation of the United States in donor coordination prevents the U.S. from fulfilling its leadership role as the largest donor in Haiti. In the absence of a strong national government, donor coordination with a strong lead is particularly critical.

Accountability for Results

Accurate analysis of the impact of foreign aid is of paramount importance to the recipient country and donors, and is vital to improving the effectiveness of assistance programs. Reporting on results has become an increasing priority to the United States and many of the recent reforms in U.S. foreign aid are aimed at providing more detailed reporting to Congress and the U.S. public.

As a consequence, the United States is generally viewed as having the most demanding and detailed monitoring and evaluation system of the major donors in Haiti. This is a good thing: in light of the enormous role the donor community assumes in Haiti and the massive resources invested in the country, strong accountability and transparency of aid programs is imperative.

Positive efforts to focus on impact

There has been significant criticism that the U.S. monitoring system, specifically the new reporting framework introduced by F Bureau, is too focused on measuring inputs and outputs, (eg., counting numbers of people attending trainings), and many believe that reporting should be shifting toward the more important and difficult job of measuring actual impact. Encouragingly, one monitoring specialist implementing a USAID project noted that the focus is much more about the evaluation of capacity, as opposed to outputs. This is a positive development.

Moreover, the United States is generally credited with being pragmatic and results-oriented, which many representatives feel is critical in Haiti. Despite the frustration with the quantity of reporting required, there is broad and consistent support for the U.S. demand for results and greater impact. Given the long and dismal track record of assistance in Haiti, there is a widely shared recognition that focusing on measurable results is vital for making sustainable progress.

“The emphasis on monitoring and evaluation, however painful, is a good thing.”

—INGO implementing with USAID

"We hear three words from USAID: spend, spend, spend."

—INGO implementing with USAID

Pressure for results must not override sound programming and sustainability

Save the Children's research did reveal some concerns about whether the pressure to show quick and easily measurable results was overwhelming sound development programming. Many implementing partners commented that they feel a strong and constant demand for immediate results from USAID, which may undermine the sustainability of their projects.

For example, because of the long and torturous contracting and procurement processes, U.S. government-funded projects are often delayed, in some cases for over a year. This leads to large backlogs in project pipelines and a huge amount of pressure to spend the money and start showing results in a very short period of time. Conditions such as these are not conducive to the implementation of sustainable and community-owned projects.

Furthermore, the nature of the IQC model used widely by the USAID Mission in Haiti to contract out its projects also perhaps inadvertently tends to limit the ability of the assistance programs to build local capacity. The demand for quick measurable outputs drives aid efforts to take the most expeditious means to getting the job done, as opposed to the more time-consuming work of empowering local actors to do the work themselves.

In light of the enormous role being played by the donor community in Haiti and the high level of resources being directed to the country, the United States has an important role to play supporting strategic coordination and alignment amongst the donors, harmonization among the donors and ensuring alignment to the Haitian government and civil society. Emphasis on accountability, transparency and sustainability will be crucial.

Endnotes

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Boy inside school with open roof. Photo credit Stephen Edgar.

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