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The International Donors' Conference and Support for Haiti's Future

Summary

- At the March 31, 2010 International Donors' Conference on Haiti some \$10 billion was pledged in support of the government of Haiti's "Action Plan for National Recovery and Development of Haiti," with \$5.3 billion earmarked for the next two years.
- A Multi-Donor Trust Fund, managed by the World Bank, will oversee the allocation of international resources toward activities approved by a mixed Haitian/international Interim Haiti Recovery Commission (IHRC).
- U.S. support will respond to critical needs in agriculture, security, energy, and sustainable healthcare, with strategic investments in governance and housing.
- Organization of American States (OAS) support will emphasize electoral process, a civil registry, and land titling, with building government capacity an underlying objective.
- International players are committed to support Haitian leadership, to improve coordination and to avoid building parallel structures that bypass the state.
- Direct financial allocations in support of the Haitian government's budget are a critical immediate need.
- This is a defining moment for achieving development through shared vision, greater inclusiveness, and significantly improved transparency and accountability in the allocation and management of resources.

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A New Starting Point

At the March 31 International Donors' Conference on Haiti in New York pledges for close to \$10 billion dollars with \$5.3 billion earmarked for the next two years were made by more than 50 countries and international organizations in support of the Haitian government's "Action Plan for National Recovery and Development of Haiti." Creation of the action plan followed a series of pre-conference consultations among diverse stakeholders, including the Haitian diaspora, and a Post-Disaster Needs Assessment conducted under the auspices of the Haitian government. The action plan builds on the government's previously developed poverty reduction and economic growth strategy and on priorities for job creation and investment identified at the April 2009 Haiti Donors' Conference.

Immediate priorities include the provision to those displaced by the earthquake of food, medical care and shelters in safe locations prior to the approaching hurricane season. They also include

decentralization of investments, services and opportunities beyond Port-au-Prince, particularly in support of newly-envisioned growth poles in the Cap Haitien, St. Marc and Les Cayes areas. The creation of at least 500,000 new jobs in construction, agriculture, light manufacturing and tourism is a key goal.

The action plan envisions a strong role for the government of Haiti in identifying strategies as well as directing and coordinating activities. It foresees long-term, formal partnerships between the Haitian government and donors. An Interim Haiti Recovery Commission (IHRC), co-chaired by Haitian Prime Minister Jean-Max Bellerive and former U.S. President Bill Clinton, the U.N. special envoy, will coordinate the implementation of the plan. To achieve heightened coordination of resource allocations, donors will channel funds through a Multi-Donor Trust Fund administered by the World Bank. Disbursements from the trust fund will finance recovery and development initiatives authorized by the IHRC. The Interim Commission, after 18 months, will transfer responsibilities to a Haitian Development Authority.

The U.S. Response

In the aftermath of the quake, the United States expended \$700 million in emergency funding. On March 25th, the Obama administration requested \$2.8 billion from Congress for Haiti disaster aid. At the Donors' Conference, the U.S. pledged \$1.15 billion over two years in support of the action plan. As part of its pledge, the U.S. will explore opportunities to provide budget support to the Haitian government through a transparent and accountable facility, and to channel a portion of its resources to the trust fund.

U.S. support of the action plan will be guided in part by findings from a State Department review in 2009 of Haiti policies and programs. Among those findings were that U.S. assistance to Haiti of roughly \$4 billion since 1990 has been spread across too many sectors, managed by large contractors with mixed results and budgets larger than many key Haitian ministries, and has had little lasting impact in improving Haitian lives.

The U.S. approach will be based on pursuing opportunities as opposed to chasing needs. Consistent with Haitian government strategies, the U.S. sees significant opportunities in agriculture, manufacturing and tourism, particularly for job creation. It also sees considerable opportunities in decentralized growth, particularly through investment in ports, electricity and transportation infrastructure that serves the aforementioned growth poles. Haiti's prospects for success will be enhanced if the catastrophic earthquake results in a departure from narrow politics and self-interest toward a sustained and shared vision of development among Haitians, paralleled by a new outlook by the Haitian private sector as an engine of development that breaks with inefficient and past practices that lacked transparency.

The U.S. believes it can best add value to Haiti's recovery and development process by supporting five key areas:

- *Expanding agriculture, infrastructure and ensuring food security* by working with farmers to grow more, sell more and reduce dependence on imported food.
- *Improving security* by expanding the Haitian National Police; supporting improved corrections, a new criminal code and courts; and reducing the narcotics trade.
- *Extending access to electricity and renewing the environment* by restoring and expanding the electric grid, and growing the market for liquefied petroleum gas (LPG) cooking fuel to reduce charcoal demand.

- *Supporting sustainable healthcare*, particularly to women and children, to limit the spread of infectious disease and strengthen Haiti's public health delivery capabilities.
- *Making strategic investments in governance and housing* to include supporting elections, building capacity in central and local governance structures to enhance revenue collection capabilities and to help ensure the success of the recovery and development plan, and building homes in the new growth poles.

This is a 'defining moment' in Haiti's development, and for U.S. leadership and engagement. It affords an opportunity for the U.S. to engage a global consortium of donors and to work alongside a diverse array of actors, including Central and South American countries, who are robustly engaged in Haiti. It also provides opportunities for enhanced regional integration within the Caribbean.

The Organization of American States

Three principles will guide the engagement of the Organization of American States (OAS) in Haiti in the post-quake period. First, initiatives in support of Haiti's recovery and development must be undertaken with Haitian leadership and the broad consensus of all Haitian stakeholders. Second, replication and duplication of efforts must be avoided. Third, partnership, not competition, is essential for moving forward.

The Organization of American States (OAS) will focus on governance, institution-building, and capacity-building. On the ground, this will translate into three operational areas: elections, the civil registry, and land titling. The OAS will focus much of its energy on working with the Haitian government to plan and organize parliamentary and local elections that were postponed following the earthquake and the presidential election planned for later this year. Considerable obstacles in the post-earthquake setting challenge the electoral process. Among them is the fact that many citizens lost their identification documents and some 700,000 former residents of the Port-au-Prince area are now dispersed throughout the country. There remains the need for consensus on how to move the political process forward. Ultimately, the decision resides with the Haitian government.

The ongoing OAS civil registry project will encompass all Haitians, including children, with the goal to achieve an inclusive national data base. Land titling is an important requirement for democratic and sustainable development. Currently only 5 percent of Haiti land is registered. The OAS will work towards achieving 100 percent of land titling over the next seven years.

Common Themes, Considerable Challenges

A common theme among external actors engaged in Haiti's recovery and development is coordination in support of the action plan. Donors carry the responsibility of ensuring that the billions pledged materialize into available resources and that those resources are put to more effective use in achieving sustainable, inclusive and equitable development than they have been in the past. Stated intentions must be followed by actions, including those that can respond to the immediate needs of those precariously displaced by the natural disaster.

Within the framework of coordination, individual donors are challenged to focus their efforts on where they can best add value or where they have proven expertise.

Coordination will put an end to a 'pixie dust approach' to development. There is an urgent need to build or reinforce public institutions and capabilities rather than working through independent structures parallel to government institutions. Significantly improved transparency and accountability in the allocation and management of resources by all actors is a sine qua non to a new Haiti, as is the provision of direct budgetary support in the short term to the cash-strapped Haitian

ABOUT THIS BRIEF

This Peace Brief is based on a public panel presentation and meeting of USIP's Haiti Working Group on April 8, 2010. The panel consisted of Organization of American States Assistant Secretary-General Albert Ramdin, State Representative Marie St. Fleur of Massachusetts, Meghann Curtis of the U.S. Department of State, and Kaign Christy of the International Justice Mission. Dr. Robert Maguire, associate professor at Trinity Washington University and chairman of USIP's Haiti Working Group, served as moderator.

government. And there is universal agreement that Haiti's diaspora can—and should—be integral actors in the country's renaissance. Among this diverse, large and talented constituency there is a genuine desire to help to do things differently, especially among the younger generations.

The complex nature of the reconstruction effort and the limited capacity of Haiti's government will present considerable challenges for development efforts. Many public servants lost their lives in the earthquake; survivors suffered personal losses and trauma. A very real issue is the government's ability to effectively absorb or manage the amount of aid pledged by the international community. During the process of building greater capacity among public institutions, transitional agencies such as the IHRC will play a critical role. Collaboration, partnership and coordination by all actors with Haitian authorities are essential elements of institution strengthening. The engagement of talent and expertise from within the diaspora should be a key element in strengthening public sector capacity.

Both Haitian and non-Haitian actors face the challenge of balancing relief and development needs. Short-term crisis response should support the transition into longer-term development. Yet, there are urgent needs to address. Thousands are not receiving aid effectively and consistently. Women and children in encampments who are particularly vulnerable to gender-based violence merit greater protection. Although police are now patrolling within the encampments, there is still no victim or witness protection program for those who report abuse. Effective action to combat trafficking of persons is hindered by the lack of legislation. The continued circulation among the general public of approximately 4,000 detainees who escaped incarceration after the earthquake, including gang leaders, may disrupt recovery and development efforts. At present, there is only one operating courthouse in Port-au-Prince. Meeting the immediate needs for citizen safety and rule of law must proceed concurrent with the longer-term development strategy for police, prisons and the judiciary.

As Haiti moves toward what is now envisaged as a better future, it is critically important that its government becomes more present in the lives of Haitian citizens as a visible provider of security, aid and social services. Without this essential achievement, citizens will become disenchanted with democratic process and prospects for Haiti's recovery, development and long-term stability will darken. At the Donors' Conference, the Haitian government effectively communicated its policies to the international community, which responded to them robustly. Today's challenge is to translate that support into actions that result in improved lives for all Haitians.



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