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USAID/HAITI

ACTION PLAN

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FY 1992/1993 ACTION PLAN - USAID/HAITI

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Section I

COUNTRY STRATEGY

A. INTRODUCTION/SUMMARY

USAID Haiti's country strategy has changed significantly since submission of last year's Action Plan. Accordingly, a new CDSS is planned for October 1991. The revised strategy is designed to support Haiti's ongoing transition to democratic government and help establish the necessary conditions for private sector-led economic growth that will enable the majority of the Haitian people to improve the quality of their lives. It is fully consistent with A.I.D.'s Mission Statement and LAC Bureau Objectives.

Successful transition to democracy has been the U.S. Government's highest policy objective in Haiti since the 1986 end of the Duvalier dictatorship. This objective was severely undermined by the violently aborted elections in 1987 and the numerous changes of government during the subsequent three years when most U.S. assistance to the GOH was suspended. With the exception of limited P.L. 480 and balance-of-payments programs during the pre-election phase, all U.S. assistance during that period was channeled through PVOs for programs in child survival/population, agriculture/natural resources, private sector, and education. As prospects for a transition to democracy improved in mid-1990, a more proactive strategy was initiated, focusing on support for the democratic transition and economic reactivation. With a new, but fragile, democratic government now in place, this strategic emphasis will continue to guide the Mission program.

Haiti is the poorest country in the Western Hemisphere. By almost all social indicators, Haiti's people suffer the most extreme deprivations and miserable living conditions in the region. This situation is attributable largely to chronic political instability and corrupt, unresponsive governments which have plagued Haiti throughout its history. The achievement of a successful transition to democracy (with a stable and more responsive government) is therefore essential. Of critical importance to the success of Haiti's nascent democracy will be development of democratic values and institutions at all levels of society. USAID strategy for the post-electoral period will therefore support the evolution of democratic institutions that respond to the needs of the people and contribute to political stability and renewed economic growth.

If democracy is to be institutionalized and persist over time, Haiti must have a supportive economic environment which meets the expectations of the population for jobs and services. This, in turn, will require sound economic policies and effective and accountable government administration. The Mission's strategy will (1) help establish at all levels government institutions which are effectively administered and accountable, and respond to the needs of the Haitian people; (2) assist Haiti to undertake economic reforms which are necessary for private sector-led, equitable economic growth; and (3) help to improve the administration of justice and foster respect for human rights.

USAID's strategy for helping to strengthen the role of the private sector coincides with LAC Bureau objectives, i.e. (1) the adoption of, and continued adherence to, economic policies that promote investment, (2) the expansion of productive employment opportunities, (3) export-led economic diversification, (4) a vigorous response by the private sector to a favorable policy environment, and (5) accelerated opportunities for participation in income generating activities by segments of the population previously isolated from the economic system.

USAID/Haiti's agriculture and natural resource strategy is being refined to give greater attention to market factors and the development of linkages among producers, agribusiness, and export markets. The primary objective is to improve environmental practices and achieve significant, sustainable increases in farmer incomes, using market incentives.

Given Haiti's extreme poverty, there is also an urgent requirement to address basic needs. This is essential to any strategy in Haiti which seeks to sustain democracy and renew economic growth. Support will be provided for child survival, health, population and basic education programs. Where appropriate, the role of the GOH in these efforts will be strengthened. Greater emphasis will be put on cost recovery and sustainability. The Mission will not disengage precipitously from PVO programs where strong and effective systems are in place, and where the GOH has limited capacity. The intent is to strengthen the GOH to do those things which must be done by government (e.g. policy formulation, and tax administration), while building further on the existing private service delivery base.

B. USAID/HAITI COUNTRY STRATEGY

The overall goal of the USAID/Haiti program is the establishment of the necessary conditions for the majority of the Haitian people to improve the quality of their lives.

This goal has three subsidiary objectives: 1) public and private democratic institutions that reinforce the rule of law, foster respect for human rights and an open parliamentary process, and respond to the needs of the Haitian people, 2) sustainable, private sector-led, equitable economic growth and development, and, as a special concern, 3) protection and development of human resources to lay a sound basis for sustained economic and democratic development. It is essential to recognize the interrelationship and interdependency of these objectives.

1. Public and private democratic institutions that respond to the needs of the Haitian people and reinforce the rule of law.

Historically, government institutions at all levels have not been effectively administered or accountable to the Haitian people, and corruption has been widespread. To address these problems, USAID will work with the GOH to (1) improve planning, budgeting, and management capability, with particular emphasis on setting up a uniform system of financial management and accountability throughout the public sector, and (2) strengthen the role of local government.

Responsible, responsive decision-making requires sound public policy formulation based on broad involvement of the populace and their elected representatives in the governing process. Toward that end, USAID will seek to improve the professionalism and the operational capacity of local government and the Haitian Congress, and build an active policy dialogue between components of the GOH and business, trade and NGO groups.

Democratic development also requires effective, participatory, non-governmental institutions operating at the national, regional, and local levels to facilitate broad-based participation in decision-making. Working through local PVOs, USAID/Haiti will expand civic education programs emphasizing citizen rights and responsibilities, increase the capability of local communities to identify and respond to their own development needs, strengthen political parties, and improve the quality of a free Haitian press. A critical element of the democratic strengthening strategy will be assistance to improve the operation of an independent, impartial, and fair judicial system.

2. Sustainable, private sector led, equitable economic growth and development

Haiti's economy has been in decline as a result of mismanagement, structural weaknesses and poor policies. Overall, the decade of the 1980s saw a reduction in GDP, despite the positive policies of the 1986-1987 period. Inappropriate trade and foreign exchange policies have contributed to decline in the assembly sector and key agricultural exports over the last three years. Protection of inefficient and corrupt state enterprises has robbed public finances, increased prices of basic commodities, and limited service provision. Macroeconomic policy reform is therefore a key element in the Mission's country strategy. It is essential to note that while the general economic health of Haiti is extremely poor, its relative macroeconomic condition (e.g. fiscal deficit, international debt, debt arrears) is substantially better than that of most LAC countries. The USAID program objectives will be to preserve that which is good in the economy, while affecting change where the economy clearly does not function properly. Through ESF-related policy dialogue and project-funded technical assistance, the Mission will target several priority policy reform areas, including:

-stabilization policy/public sector fiscal reform,

-trade liberalization and other restrictions to trade,

-tax policy,

-reform of state enterprises, and

-land use reform, land tenure reform, and the disposition of publicly owned land.

Substantial ESF balance-of-payments support will be needed to stabilize the economy and help restore private sector-led growth. Such assistance, coordinated with IMF and World Bank programs, is essential to support continued transition to democracy and economic reactivation. The proposed Title III program also responds directly to the urgent need of the newly

elected government for assistance to help re-establish economic growth. It will do this by helping to meet the need for critical commodities such as wheat flour, milled rice, and soybean meal, while at the same time increasing the availability of foreign exchange. As such, it complements the planned ESF program.

The promotion of private sector trade, investment, and off-farm employment are also critically important to achieving sustained economic growth. USAID strategy in this sector focuses on job creation through promotion of investment by Haitians and foreigners, the easing of constraints to export production, and the expansion of trade through diversification. Key elements in the strategy are the identification of areas where Haiti enjoys comparative economic advantages, and promoting necessary reforms of commercial, investment, and banking codes. Specific areas of attention during the Action Plan period include: (1) expansion of formal credit 2) development of credit mechanisms for enterprises in the informal sector and in rural communities 3) increase of exports (particularly nontraditional agricultural products) by building entrepreneurial linkages between local producers and exporters, and 4) enhancement of the ability of sectoral associations and other business groups to work with the GOH on policies which foster business creation and expansion.

The Mission's agricultural strategy will focus on increasing rural incomes and agricultural productivity through promotion of agribusiness, nontraditional agricultural exports, and sustainable agriculture opportunities. Greater attention will be given to market linkages and income enhancement.

3. Protection and development of human resources to lay a sound basis for sustained economic growth and democratic development

The provision of basic services is vital to an environment of political and economic stability and, therefore, democracy and economic development in Haiti. In the near term, this will require a short term employment generation program to ease the inevitable hardships and dislocations of the early stages of democratic transition and economic structural adjustment.

For full participation in development, Haiti requires a system able to respond to the health service needs of its people, including: family planning, immunizations, oral rehydration, nutrition and targeted feeding programs, and AIDS prevention assistance. The Mission's health and child survival program focuses on increased immunization coverage, diarrheal disease control, breastfeeding promotion, nutritional surveillance, and AIDS prevention and control activities. The program will continue to be carried out largely through PVOs. Extensive management assistance will be provided to promote the sustained, institutional delivery of health services. The population program will continue to be closely coordinated with the health and child survival program to avoid duplication of resources and to develop integrated service delivery programs at the least cost. Support to the population sector will be channeled through PVOs, the private commercial sector, and, where complementary support is needed, through the public sector. All Mission activities in health, child survival, population and AIDS will be closely coordinated with other donors, especially PAHO, UNICEF, and UNFPA.

Over the longer term, it is essential to ensure that Haiti has a better educated population able to participate in economic and democratic development. The Mission's strategy in the education sector supports improvement in educational quality and efficiency, particularly in private primary schools serving disadvantaged, primarily rural areas. Coordination with other donors, such as the World Bank, UNESCO, and the IDB is an integral part of this strategy. USAID is also providing training opportunities in the United States for the disadvantaged population under the Caribbean and Latin American Scholarship Program (CLASP II).

The P.L. 480 Title II food program is implemented by three cooperating sponsors: the Adventist Development and Relief Agency (ADRA), CARE and Catholic Relief Services. There are two major objectives for the Title II program: a) to partially compensate for Haiti's large chronic food gap b) to use food as a resource within USAID's broader development strategy. The targeted feeding program supports, through schools and health institutions, the objectives of increasing child survival and improving basic education.

USAID's Women in Development (WID) strategy is to integrate gender concerns throughout the program by incorporating women as full participants and beneficiaries in all projects. The primary objective is to bring women fully into the development process and, given the key role of women in the productive sectors and their economic role within the family, to ensure their continued integration into the economic mainstream. In the design and implementation of all projects, gender-specific targets are established and monitored. Special attention is placed on strengthening the role of women in business, particularly in access to credit and training. USAID's strategy targets constraints to female economic participation both indirectly, e.g. through support to the assembly industry where an estimated 55% of factory jobs are held by women, and directly, e.g. through credit and training for micro-entrepreneurs, where 75% of the beneficiaries are women.

C. POLICY DIALOGUE

The Mission has commenced an active policy dialogue with the GOH, and intends to intensify these efforts during the Action Plan period. The most critical issues for discussion will center on measures needed to sustain the democratic transition, management of the economy, and GOH administrative reform. Other sectoral issues related to the USAID program in health service delivery, basic education, and agriculture are also included on the Mission's policy agenda.

USAID/Haiti played an important role in encouraging and assisting the GOH to conduct free and fair elections, but successful elections are only the first step in the democratic transition. Sustained policy dialogue will be needed over the longer term. In dialogue with the GOH, USAID/Haiti will continue to stress the importance of encouraging and supporting pluralism and tolerance of opposing views as democratic institutions and processes evolve. Through policy dialogue and technical assistance, the Mission will encourage the GOH to give high priority to supporting constitutional and private institutions which facilitate broad-based citizen participation in democratic decision-making. Particularly important are an autonomous legislature with the capacity for legitimate opposition and political compromise;

decentralization through effective and autonomous local governments; an impartial and effective judicial system which promotes adherence to the concept of the rule of law and civil and political liberties; a free and strong press, radio and other media; and broad-based, non-governmental organizations, including political parties, labor unions, civic and community organizations, and human rights groups which can operate without government interference.

USAID/Haiti will continue to conduct extensive policy dialogue with the GOH on a number of important economic policy issues. Prior to installation of the new government, the Mission prepared a series of short economic policy papers which were circulated and discussed with members of the new government's transition team. The papers dealt with a variety of important issues facing the new government such as tax policies, foreign exchange controls, credit policy, private investment, public sector deficits, and trade liberalization.

In contacts with the new government, the Mission has identified a number of macroeconomic issues which will be important areas for dialogue during the Action Plan period:

-Stabilization Policy/Public Sector Fiscal Reform: Topics include the elimination of corruption, monetary and fiscal performance, and completion of agreements between the IFIs and the GOH on fiscal objectives.

-Trade Liberalization: Topics include reduction/elimination of tariffs, monopolies, import quotas, subsidies, licensing requirements and other restrictions to trade.

-Tax Policy: Topics include effective revenue collection for corporate, personal income, real estate, and value added taxes.

-Reform of State Enterprises: Topics include agreement on, and implementation of, reform and/or privatization of the flour mill, cement plant, national insurance company, etc.

-Land use reform, land tenure reform, and the disposition of publicly owned land: Topics include understanding of use patterns, problems and abuses, and measures to rationalize and give equitable legal basis to land holdings.

In promoting dialogue on these issues, the Mission will seek to broaden the role played by Haitian private sector associations in proposing positive macroeconomic policy options and the reform of regulatory practices. The Mission will continue to promote a revitalized public-private commission, including sectoral associations, chambers of commerce, and other business groups, to guide industrial policy. The inauguration of a new, democratically elected government, provides the business community with an opportunity to influence not only macroeconomic policy, but also the legal, regulatory, and statutory framework within which businesses operate in Haiti.

In the health sector, the Mission's policy dialogue will continue to focus on privatization of services and more efficient use of resources in order to provide sustainable health, child survival and family planning services to the

Haitian population. USAID efforts have been instrumental in establishing public-private partnerships for the delivery of health services throughout the country, whereby Ministry of Health personnel and facilities are integrated into PVO-managed child survival programs. With PAHO and other donors, the Mission is also developing a comprehensive policy agenda for reform of the health sector. Critical policy issues include decentralization of management and administration of health services, expanded cost recovery, an increased percentage of the health budget devoted to service delivery in rural areas, privatization of solid waste collection in Port au Prince, and adoption of a national population policy which has been stalled during the democratic transition.

In the education sector, the Mission has established good working relationships and a constructive dialogue with the Ministry of Education. Through this dialogue, many of the successful innovations developed through USAID support to the private primary school system are being considered for introduction into the public school system. Specific issues now being discussed include: strategies to professionalize teacher training, experimentation with new methods in distance education to reach rural areas at lower cost, innovative approaches to school financing, and design of a standard civic education program for both public and private schools.

In the agriculture sector, USAID seeks to encourage increased production and assure that taxes on agricultural commodities are reduced or kept at minimal levels. It is important that export taxes on commodities, such as coffee, mangoes, and other nontraditional exports, and customs on agricultural inputs, such as tools, fertilizers, chemicals, and animal feeds, remain low, and that no new counterproductive trade restrictions are introduced. The Mission has had some success in these policy areas. Under a 1990 P.L. 480 agreement, the 50% import duty on wheat flour was lowered to 7%. The GOH also authorized duty free import of specific feed grains for the feed industry. The Mission will continue to seek general reduction of import duties for all grains.

USAID will continue to pursue other agriculture policy issues, such as local autonomy for collection of user fees and operation and maintenance of irrigation systems. The GOH is moving very slowly to relinquish operation and management authority to local water user associations. With strong encouragement from USAID, the GOH has experimented with local authority in selected, donor-financed irrigation systems.

USAID will seek constructive dialogue with the new government on a number of important environmental issues. Topics of particular concern are (1) agrarian reform, including better security of land tenure and improved procedures for establishing legal titles (2) improved management or distribution of state lands suitable for agriculture, and (3) promotion of alternative fuels to decrease the industrial use of wood for fuel.

COUNTRY PERFORMANCE TABLE - HAITI

TABLE II

INDICATOR	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
1. Macroeconomic Reform Program (Scale 0-10)	--	--	--	--	--	--	--	--	4
2. Domestic Financing of Deficit (% of GDP)	--	--	--	2.2	0.3	0.8	1.1	2.4	1.9
3. Exchange Rate Valuation (Scale 0-10)	--	--	--	--	--	--	--	--	6
4. Business Regulatory Environment (Scale 0-5)	--	--	--	--	--	--	--	--	2
5. Trade Regime (Scale 0-10)	--	--	--	--	--	--	--	--	6
6. Market Pricing (Scale 0-10)	--	--	--	--	--	--	--	--	7
7. Elementary School Enrollment Rate	67	--	--	--	--	78	--	--	--
8. Infant Vaccination Rates	--	--	--	--	--	--	--	--	42.8
9. Contraceptive Prevalence Rate	--	--	--	--	--	--	--	--	*11.8
10. Environmental Management (Scale 0-10)	--	--	--	--	--	--	--	--	5
11. Democracy and Human Rights (Scale 0-20)	--	--	--	--	--	--	--	--	8

* National Contraceptive Prevalence Survey, Child Health Institute (1989).
This figure is significantly higher that the 6% figure provided by the LAC Bureau.

Note: All other data provided by LAC Bureau. Figures show static view of past-year performance, and as such, do not reflect recent trends or activities underway to improve country performance.

PROGRAM PERFORMANCE TABLE - USAID/HAITI

TABLE III

OBJECTIVE I. Support the achievement of broadly-based sustainable economic growth.	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
A. LAC Sub-Objective: Encourage the adoption of and continued adherence to economic policies that promote investment, productive employment, and export-led economic diversification.					
Strategic Objective #1. Improved macroeconomic policies adopted.					
- Gross domestic investment (% of GDP).	11.6	10.6	10.0	13.0	16.0
- Domestic financing of deficit (% of GDP).	2.0	2.2	2.4	1.8	1.0
- Tax revenues (% of GDP).	9.2	8.0	7.2	8.5	10.0
- Market/official exchange rate differential (%)	40	55	75	30	10
- Restricted agricultural imports (number of key food products).	7	7	6	3	1
B. LAC Sub-Objective: Encourage a vigorous response by the private sector to a favorable policy environment.					
Strategic Objective #2. Sustainable increases in exports of manufactured and nontraditional agricultural products.					
- Value of manufactured exports (% change, value added).	-3.3	-7.2	-10.3	5.0	10.0
- Value of nontraditional agricultural exports (% change).	17.6	15.0	10.0	20.0	25.0
Strategic Objective #3. Sustainable increases in private sector investment and employment.					
- Private sector investment (% change).	-3.1	-19.9	0	27.3	14.3
- Credit to private sector (% change)	46.3	5.1	10.6	13.0	16.0
- Private sector employment (new formal sector jobs)	-5,000	-5,000	0	10,000	15,000

PROGRAM PERFORMANCE TABLE - USAID/HAITI

		FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
C. LAC Sub-Objective: Encourage accelerated opportunities for increased participation in the economy by the historically disadvantaged.						
Strategic Objective #4. Improved maternal and child health care.						
- Reduction in infant mortality rate. (infant deaths per 1,000 live births)		92	90	87	85	83
- Increased contraceptive prevalence rate.		10.4	11.8	13.9	15.0	18.0
- Increased percentage of children 12-23 months completely vaccinated against major diseases.		35	40	45	50	55
Strategic Objective #5. Sustainable improvement in quality and efficiency of primary education.						
- Improved test scores of children in grades 1-3 (% achieving passing scores).	Male:	50.1	55.5	58.2	61.1	64.5
	Female:	45.2	46.6	47.5	48.4	49.5
- Increased rates of promotion from grade 3 to grade 4 (% promoted).		70.7	71.4	72.8	74.2	76.0
D. LAC Sub-Objective: Encourage preservation and sustainable use of the natural resource base.						
Strategic Objective #6. Improved farming systems emphasizing sustainable soil and water use.						
- Number of hectares improved (cumulative).		6,026	9,300	13,000	17,000	22,000
- Number of farmers who have adopted improved systems (annual increase).		9,000	11,000	12,000	12,000	12,000

PROGRAM PERFORMANCE TABLE - USAID/HAITI

OBJECTIVE II. Support the evolution of stable, democratic societies. *

A. LAC Sub-Objective: Encourage the strengthening of competent civilian government institutions that will merit the confidence of political and military leaders, citizens, and investors.

Strategic objective 7: Government institutions at all levels more effectively administered and accountable.

- Greater public accountability in key government ministries.
- Effective parliament with functioning opposition.
- Effective functioning of local government.
- Existence of a permanent electoral institution capable of administering free, fair and open elections.

Strategic Objective 8: Improved operation of an independent, efficient, impartial, and fair judicial system.

- Human rights organizations operate freely and individual, civil and political rights are respected.
- Judicial officials at all levels are better trained.
- Rural Code is translated into creole, widely distributed, and enforced.
- Availability of legal representation through private attorneys and public defenders.
- Establishment of justice monitoring by civil, professional and community groups.
- Creation of a system of coordination between judicial and law enforcement personnel.

B. LAC Sub-Objective: Encourage pluralism, tolerance of opposing views and support for democratic values on the part of non-governmental bodies, including the press, community organizations, labor unions, and business associations.

Strategic objective 9: Expanded and strengthened democratic institutions operating without government interference.

- Increased strength in free press and radio.
- Strengthened multi-party system with political coalitions forming.
- Assurance of continued strong role for PVOs.
- Free and democratically oriented trade unions operating.
- Increased number of civic, professional and community organizations at local and national levels.

* Meaningful indicators of progress in achieving this objective are, by nature, descriptive, not quantitative.

C. PERFORMANCE NARRATIVE - USAID/Haiti

Summary

Despite an environment of political instability and economic crisis which prevailed during most of FY 1990, USAID made significant progress in achieving its most important program objectives, particularly with regard to advancing Haiti's democratic transition. Good progress was also made in other programs such as private sector development, health services, basic education, and agriculture.

Democratic Development

The Mission is particularly proud of its performance in supporting Haiti's first peaceful and fair presidential, legislative and local governmental elections. Working with a wide variety of U.S. and Haitian nongovernmental organizations, USAID/Haiti supported a number of innovative activities in civic education, developing democratic networks, promoting the rule of law and human rights, mobilizing voter registration and participation, election observation, political party development and providing material and technical support to the elections. USAID plans to build on these very successful programs through a new Democracy Enhancement project which will begin in FY 1991.

Some examples of performance during the past year include:

-The International Foundation for Electoral Systems (IFES) provided technical assistance to the Provisional Electoral Council (CEP) in logistics, pollworker training, and civic education. Voter registration was computerized and a nationwide radio system was installed. With USAID support, the United Nations Development Program (UNDP) provided technical assistance to the CEP and oversight of the budget.

-The National Endowment for Democracy (NED), working through the National Democratic Institute (NDI) and the National Republican Institute (NRI), organized observer missions and workshops for political parties. Through AIFLD, democratic labor unions were assisted in a civic education and voter participation campaign.

-The Haitian International Institute for Research and Development (IHRED) held regional and national fora throughout Haiti on democracy and development to encourage civic, voluntary, business, labor and political organizations to participate in open discussion of public policy and the electoral process. These fora resulted in functioning democratic networks in seven of the nine provinces in Haiti.

-The Haitian Center for Human Rights (CHADEL) produced and disseminated a radio program which addressed citizen rights and duties in a democratic society, promoted respect for civic and political rights, and encouraged voter registration.

-The Human Resources Development Center (CDRH) set up a network of 225 trained animators and 23 coordinators which disseminated civic education information in 135 villages and 565 hamlets. Over 150,000 people were reached through these programs.

-Celebration 2004's grassroots civic education program trained 142 local leaders to hold over 800 classes for nearly 20,000 participants on electoral participation. They organized a civic forum in each of the nine provinces and distributed thousands of printed materials with voter information which was reinforced by daily civic education radio programs.

-The Haitian Lawyers Committee and Amicale des Juristes trained 75 students as certified paralegals and 17 rural youth to enable them to assist as intermediaries for individuals facing judicial procedures.

Private Sector

Mission efforts in private sector development during the past year produced mixed results. The business community suffered debilitating losses as the economy floundered under political instability and confusion. With inflation of 20%, and a 22% interest cap imposed on commercial lending organizations, the economic climate was not conducive to capital lending and business expansion. Nevertheless, two Mission supported credit facilities moved cautiously into their first on-lending activities outside of Port au Prince. The Haitian Development Foundation ended the year with a portfolio of some 30 small loans in Cap Haitien with a repayment rate of over 85%. The Development Finance Corporation made several large loans of about $150,000 each for agribusiness, potable water supply, and other provincial ventures. The Haitian Mortgage Bank and Mennonite Economic Development Association completed review of applications for the first phase of a $500,000 low-income housing pilot project.

With support from USAID, the Bankers Association promoted collaborative sharing of economic and operational information among commercial banks. Its policy dialogue persuaded the Central Bank of Haiti to reduce its reserve requirements. This helped to stabilize the banking sector and avert a financial crisis during the election period. With support from the Mission's export and investment promotion project, an ad hoc business policy advisory group was formed which prepared macroeconomic policy papers for the new GOH.

The Agricultural Producers Association completed a data base of small producer associations capable of responding quickly to market opportunities for nontraditional crops. Trial shipments to processors and exporters resulted from this activity. USAID also supported an innovative and successful program to increase the export of quality mangos. Through grafting of superior varieties, the project has been able to increase production during the period of the year when world prices are generally double those during the primary export season. About two million cases of mangos produced by small farmers were exported from Haiti last year.

The Crafts Export Resource project successfully completed an innovative divestiture of both its wholesale and retail functions, and will use the proceeds to endow an artisans' foundation which will identify Haitian handicraft buyers in the Caribbean.

Health Services

USAID activities in the health sector made good progress in improving the sustainability of child survival programs. A major USAID child survival program with a local PVO, targeting 450,000 beneficiaries in five urban slums, was able to recover 20% of its recurrent costs from user fees. A USAID study of another child survival program demonstrated that revenues from hospital services could make hospital operations self-sustaining for the 100,000 people served by the program. USAID also began an innovative program to create five self-sustaining model health centers within two years. Through these cost cutting efforts, the number of people receiving child survival services increased from 860,000 to 1.5 million during the past year.

The Mission also made noteworthy progress toward the privatization of garbage collection in Port au Prince. Faced with a crisis of uncollected garbage clogging streets during a turbulent period of democratic transition, A.I.D. launched an innovative pilot program to mobilize public and private resources to ensure the collection of solid waste. In the first phase of the program, salary payments to garbage collection workers were based on performance. For the first time, contracts were made with private firms to augment garbage collection. Efforts are now underway to use this extremely successful activity as a model for the increased utilization of private resources to collect solid waste.

Finally, USAID population assistance to the public sector has shown promising results in revitalizing GOH family planning services, such as voluntary surgical contraception and logistics management, which are vital links to the Mission's highly successful private sector family planning program. Under a social marketing program, sales of contraceptives quintupled in the first six months of the activity. USAID also financed the production of two highly acclaimed AIDS videos that helped to double the number of people who had access to AIDS education during the past year.

Education

The Mission's new training project, Caribbean American Scholarship Program (CLASP II) got off to a strong start. The program will train 153 Haitians over the next four years. Of this number, 80% will be from socially and economically disadvantaged families, and 50% female. The first group of ten auxiliary nurses completed a six-week course in the United States, and eight doctors and nurses have been selected for long-term training. Selection is underway to identify 53 professionals from education, agriculture, the private sector, and journalism for short term technical training in the United States.

A follow-on program for all returning participants was started. It includes debriefing sessions, seminars, support to an alumni association, and development of a job bank to help identify employment opportunities.

In basic education, USAID continued support for the private sector's innovative and highly successful program to improve access and efficiency in private primary schools. More than 1,700 private sector teachers and school directors were trained during the past year. School materials and supplies were provided to more than 60,000 school children in 258 private primary schools throughout the country.

Agriculture

More than 65,000 hillside farmers participated in on-farm agroforestry programs supported by the Mission. More than 3,500 hectares of land were improved by advanced agroforestry and conservation techniques. Farmers participating in agroforestry activities also planted higher value crops including 575,000 fruit trees. A new coffee project started in FY 1990, and 350,000 coffee seedlings were produced for outplanting by about 3,500 farmers. Through USAID supported agriculture programs, farm incomes are increasing through the sale of wood products, increased crop and fruit sales, and increased livestock production.

Program-level Evaluations

USAID has planned several program-level assessments to measure program progress and impact. In the health sector, a major crosscutting evaluation of child survival initiatives is planned for FY 1992. The assessment will examine the effectiveness and sustainability of all child survival programs over the past five years. A separate national morbidity and mortality survey will provide additional data on the impact of the USAID health program in achieving its strategic objectives. In the private sector, USAID plans to undertake an important program-level evaluation in FY 1993 to assess the impact which formal and informal credit activities have had on employment and exports over an eight-year period.

Section III

NEW PROGRAM INITIATIVES

A. New Program Initiatives

USAID/Haiti plans to authorize six projects during FY 92 (including one amendment). The following New Project Descriptions also include a "short" NPD for one new project in FY 93. The large number of new projects in FY 92 is in part a result of the substantial reorientation of the USAID program to support Haiti's ongoing transition to democratic government. A major new initiative in administration of justice is planned, which will complement other democratization activities already underway. Because of the critical importance of an improved economic environment and social services to a stable democracy, new initiatives will also include projects which promote informal sector development, agricultural market linkages for smallholder farmers, and child survival, health, population and primary education services targeted toward the disadvantaged.

The Administration of Justice project will work with the GOH to build an independent, impartial and fair judicial system. Through improvements in judicial personnel, provision of legal materials, revision of legal codes, and support for public education and human rights monitoring, this project will foster the protection of the rights of individuals and groups and promote the rule of law. The project will complement the Democracy Enhancement project, which will begin in FY 91. The Democracy Enhancement project will provide support to a range of nongovernmental institutions at national, regional and local levels which facilitate broad based, popular participation in decision making and foster democratic values. It will also support political parties as vehicles for democratic expression and strengthen the operations of public policy-making through the legislature and local governments. Related activities to help bring about more effective and accountable government administration will be underway through the FY 91 Policy and Administrative Reform project.

USAID will broaden its support for private sector-led growth through the Informal Sector Development project and the Agricultural Market Linkage (AGLINK) project. Both projects will bring new opportunities for productive employment, off-farm and on-farm respectively, and will be designed to reach segments of the population isolated from the economic mainstream. (Policy constraints to economic growth, including constraints to investment and export opportunities, are being addressed through the Promotion of Business and Exports project and, at the macro level, through the FY 91 Policy and Administrative Reform project.)

Informal Sector Development will benefit the smallest business operators who are active outside of the commercial mainstream and have not been eligible for traditional sources of credit through the formal banking sector. The project will strengthen credit unions and other private mechanisms for banking and savings at the grassroots level in rural and urban areas. Complementary expansion of formal credit, with an emphasis on provincial towns and smaller businesses, will be provided through the Provincial Enterprise Development project, which will begin in FY 91.

The AGLINK project is intended to help smallholder farmers respond successfully to profitable domestic and export market opportunities. An expansion of a successful pilot activity, AGLINK will further develop Haiti's fresh fruit and vegetable export capacity. This project is a central player in the reorientation of USAID's agricultural portfolio toward the production of profitable agricultural products and the development of linkages between producers, agribusiness and export markets.

Given the extreme poverty in Haiti and the historical lack of basic health and education services for the population, USAID's strategy gives special emphasis to health and education. A crosscutting theme, which will affect all activities in these sectors, will be to encourage the GOH to assume increasing responsibility for the delivery of basic services, while at the same time collaborating with private organizations who have a successful record in service delivery. Another theme is cost recovery and sustainability for both the public and private sectors.

The FY 92 Sustainable Health Care project will directly address questions of policy and institutional reform in the Ministry of Health, and will help the GOH deal with issues of health care financing and approaches to privatization of health services. The project will help to greatly increase access to health services by strengthening service delivery through public sector facilities. In FY 93, USAID will authorize a follow-on to the ongoing Voluntary Agencies for Child Survival (VACS) project, which supports a network of private service delivery channels. Voluntary Agencies for Child Survival II (VACS II) will include a component to integrate water and sanitation into child survival programs. The VACS II and Sustainable Health Care projects will be closely coordinated and, together, will reach a significant proportion of Haiti's population with programs which provide access to immunization, diarrheal disease control, nutrition and other interventions.

In population, the current Private Sector Family Planning project will terminate and the new Comprehensive Family Planning Services project will begin in FY 92. The current project already includes a component to strengthen public sector family planning services, as well as services provided by PVOs and through private commercial channels. The new project will build on the successes of the current project and further increase access to voluntary family planning services through these three channels. Activities with the Ministry of Health will be closely coordinated with the Sustainable Health Care project.

Human resources development is a prerequisite for sustainable economic growth and democratic development. The Incentives to Improving Basic Education project, which will be amended in FY 92, is addressing the basic problem that a large proportion of the population still does not have access to quality primary education. The project focuses on schools in disadvantaged, primarily rural, areas. Given the historical inability of the public sector and the initiative of Haitian non-governmental organizations in education, the project has successfully focused on strengthening the private primary school infrastructure. The FY 92 amendment will add funding and increase the life of the project by two years in order to accommodate the final cohorts of schools whose planned participation in the project was delayed due to political instability, and to continue to build management capacity in (and sustainability of) the private school system. In addition, the amendment will add a component to train school children nationwide -- in both public and private schools -- on topics of citizen rights and responsibilities.

NEW PROJECT DESCRIPTION

BUREAU OBJECTIVE	SUPPORT THE EVOLUTION OF STABLE, DEMOCRATIC SOCIETIES	
PROJECT TITLE & NUMBER	ADMINISTRATION OF JUSTICE (AOJ) (521-0238)	
NEW OR AMENDMENT	NEW	
PROJECT FUNDING	($000) LIFE OF PROJECT	7,000
	FY 92	1,500
	PACD	12/96
FUNCTIONAL ACCOUNT	PSEE, EHR and ESF	

A. Relationship to A.I.D. Policy Objectives and Country Strategy

Since February 1991, Haiti has a freely elected President, Congress and local governments. Of critical importance to the success of the nascent democracy will be the support that is provided to continue the development of democratic values, practices and institutions at all levels of society. The fair and equitable rule of law is the foundation of a democratic system. It limits the authority of the state, protects the rights of individuals and groups, and makes possible the orderly and peaceful governance of society. It is also an essential ingredient in any successful formula for economic growth.

B. Relationship to A.I.D. and Other Donor Activities

The proposed project builds on work started under the pilot administration of justice activity under the Development of Democracy project, which ends this fiscal year. The new Democracy Enhancement project, scheduled to start in FY 91 is an important complement to the proposed project. Project design will take into account the evolving interests of other donors in the administration of justice sector and be coordinated with the new Policy and Administrative Reform project scheduled to begin this fiscal year.

C. Project Description

1. Goal and Purpose

The goal of the project is to strengthen and support the fair and equitable rule of law and administration of justice to enable the orderly and peaceful governance of a democratic society in Haiti. The purpose of this project is improve the capability of key judicial and autonomous private institutions which enhance access to due process, foster the protection of the rights of individuals and groups and promote the rule of law. Support will be

provided to these types of institutions in order to improve the distribution of justice, improve the effective exercise of internationally recognized human rights and strengthen respect for the rule of law as a fundamental requirement of democratic government and private sector led economic growth.

2. **Development Problem**

In Haiti, institutions and processes for administering justice are extremely weak, and fail to generate much confidence in the general populace. Constraints to improved administration of justice include corruption and inefficiency within the justice ministry and the court system, poor training of court personnel, unavailability of legal forms (warrants, etc.) and structural conflicts due to army command over rural police functions otherwise linked to the courts. In addition, strong freestanding institutions that represent the interests and protect the human and political rights of the Haitian people are almost non-existent.

3. **Project Components**

a. **Judicial Personnel:** Improving the Haitian judiciary will depend on augmenting the skills of existing personnel and increasing the quality of persons selected to work in the system. Training courses are needed for central judicial personnel from judges to lower officers of the court and for judicial officials charged with the administration of rural justice such as justices of the peace, land surveyors, notaries and civil registrars. Courses for rural justice personnel, begun by the Haitian Institute for Research and Development (IHRED) under the pilot administration of justice activity, should be continued and expanded geographically. A natural line of expansion of this component would be for the Ministry of Justice to seek to institutionalize this training, and to broaden it to include higher level judicial officials. To attract and keep high calibre personnel, performance-based career structures for judicial personnel need to be developed.

b. **Paralegal Training:** Providing paralegal training to local leaders living in rural communal sections and individuals working in grassroots organizations will increase access to due process and make it more timely and more affordable. Several Haitian NGOs, including IHRED, the Haitian Center for Human Rights (CHADEL) and Amicale des Juristes, have begun work in this area under the Development of Democracy project. One of the recommendations from this work is to provide paralegal training to many more individuals, given the severe shortage of rural administration of justice personnel compared to need. Resources will not permit this shortage to be addressed completely by increases in the number of judicial personnel. For example, there are only 140 civil registrars throughout the country, less than one per communal section (565). The numbers of civil registrars could be supplemented by training local leaders, such as the newly elected Conseil d'Administration de la Section Communale (CASEC), to assist in information gathering, dossier preparation and referral services.

c. **Increase Availability of Legal Materials:** Basic legal materials are not available to judicial personnel. An initial round of reprinting and distributing a selected group of materials such as legal codes and civil registries is needed. Criteria must be developed to determine what materials to reprint and where to distribute them. Local law libraries should receive priority. The need is so great that a strategy must be devised to obtain the greatest impact with the materials selected and distributed. Attempts should be made to link the materials distribution to the training of legal personnel since better trained personnel would be more equipped to make use of the legal materials.

d. **Revision and Adaptation of Legal Codes and Procedures:** The Civil Code was recently reprinted but includes laws only up to the 1930's. The Rural Code was last revised in 1962. Most of Haiti's legal codes are incomplete and outdated, with several years of laws still not collated and entered into the law codes. Once the updating of codes is underway, the Ministry of Justice must establish a system to ensure that the Haitian population can be kept current on new laws.

The formal legal codes and the traditional system of justice in the rural countryside have never been reconciled. Legal codes and judicial procedures, particularly those relating to the civil state (Etat Civil), are out-dated and frequently inappropriate to the circumstances found in rural Haiti. Reform of the codes and procedures needs to be undertaken to adapt them to conditions found in rural areas.

e. **Public Information, Education and Justice Monitoring:** Public education is an essential vehicle to secure the rule of law in a democratic society. Only when citizens know their rights can they vindicate and defend themselves properly. For the ill-informed, the law, legislation, and the legal system remain a mystery. This leads to mistrust, apathy, fear, cynicism, and a lack of proper respect for the law and legal institutions. This project component will educate citizens, particularly at the grass-roots level, about laws, legal systems, individual rights and international principles of human rights. Under the Development of Democracy project, two NGOs were involved in this type of work. IHRED was able to translate complicated legal concepts into the real world of everyday peasant life, and to communicate information of immediate practical use to peasants with limited formal education, in one of Haiti's 15 judicial districts. The Haitian Center for Human Rights (CHADEL) undertook a nationwide human rights education program which stressed the rule of law and the protection of human rights of individuals and groups. This project will permit IHRED and CHADEL to continue and expand their programs and support other institutions, such as bar associations, law schools and other human rights groups to establish law related education programs and to monitor the administration of justice.

4. **Beneficiaries**

The direct beneficiaries of this project will be the Haitian NGOs and evolving government entities, such as the Ministry of Justice, the national judiciary and community councils around the country. To the extent that the capability of these entities is increased and they become strong advocates for the rule of law and administration of justice, Haiti's entire population will benefit from the country's strengthened democracy and resultant stability.

5. **Sustainability**

The judicial and human rights institutions supported by this project will be technically sustainable, that is, they will have improved management systems and be implementing successful, cost-effective programs capable of attracting other donor support. To the extent that these democratic institutions, critical to a functioning democracy, operate effectively, the democratic process will be sustainable.

D. Financial Plan

The principal budget categories include (in $000):

Judicial Personnel	1,600
Paralegal Training	1,000
Legal Materials	1,000
Revision/Adaptation of Codes/Procedures	1,000
Public Information/AOJ Monitoring	2,000
Evaluation and Audit	200
Project Coordinator	200
TOTAL	7,000

E. Implementation Arrangements

The project will be implemented with the Ministry of Justice and will also involve both Haitian and U.S. NGOs. Specialized technical assistance will be provided through agreements with appropriate U.S. NGOs or consulting firms and/or through buy-ins to centrally-funded projects, such as the LAC Regional Administration of Justice project. For support to NGOs, it is anticipated that a prime recipient will be competitively selected from a group of U.S. organizations with experience supporting administration of justice activities in the developing world. This recipient will administer subgrants to Haitian NGOs promoting the rule of law and improvement in the administration of justice.

The project will be managed from the USAID/Haiti Human Resources Office in close collaboration with the Embassy Political Section and pursuant to the supervision of an interagency committee chaired by the Ambassador. The HRO Division Chief will serve as the Project Manager, and will be supported by a project-funded Project Coordinator.

F. Potential Design Issues

The principal issue is the political question of whether U.S. assistance in the justice sector will be acceptable to the GOH. If it is, a further question is to what extent U.S. priorities match the new government's priorities. For example, the proposed project does not include funds for construction.

NEW PROJECT DESCRIPTION

BUREAU OBJECTIVE	SUPPORT THE ACHIEVEMENT OF BROADLY-BASED, SUSTAINABLE ECONOMIC GROWTH	
PROJECT TITLE & NUMBER	INFORMAL SECTOR DEVELOPMENT (521-0230)	
NEW OR AMENDMENT	NEW	
PROJECT FUNDING	($000) LIFE OF PROJECT	6,000
	FY 92	1,000
	PACD:	6/97
FUNCTIONAL ACCOUNT	PSEE	

A. Relationship to A.I.D. Policy Objectives and Country Strategy

This project directly supports country and LAC objectives to strengthen the private sector in order to achieve broadly-based, sustainable economic growth. The project will focus on providing assistance to small business operators who conduct their activities outside the commercial mainstream and have not been eligible for traditional sources of credit through the formal banking sector. In Haiti, at least three quarters of the productive labor force operates in the informal sector. Informal commercial activities assisted under the project will contribute directly to increased employment and income at the lowest end of the socioeconomic scale in both an urban and rural context. Quality-of-life improvements at this level will in turn contribute to the even more basic goal of building a stable democracy in Haiti.

B. Relationship to A.I.D. and Other Donor Activities

This project complements USAID's FY 1991 Provincial Enterprise Development project (PED), by picking up where the PED project leaves off, with respect to geographic coverage and size or level of enterprise. It also represents a logical continuum of USAID private sector credit projects undertaken in Haiti over the last several years, in the form of capital and technical assistance to private financial institutions such as the Development Finance Corporation (SOFIHDES), the Haitian Development Foundation (HDF) and Haitian Mortgage Bank (BCI). The project will also supplement and work directly with private non-profit organizations, such as the Haitian Women's Fund (FHAF), in making credit available to small rural enterprises, especially those owned and operated by women.

C. Project Description

1. Goal and Purpose

The goal of the project is to increase employment and income at the lower socioeconomic levels of the urban and rural working populations. The project purpose is to strengthen business activity in the informal sector by reducing barriers to credit and services and to open up productive linkages with the formal sector.

2. Development Problem

The term "informal sector" applies to economic activities which operate outside the country's established commercial structure. More specifically, noted Peruvian economist Hernando de Soto has defined informal sector activities as those failing to fulfill one or more legal requirements, even though the objectives of the activities are not unlawful. Commercial operators in the informal sector face several severe constraints, which inhibit their ability to grow, diversify, or generate savings. Foremost among these is the total absence of access to credit on systematic and reasonable terms. The only credit sources open to informal sector businesses are family, friends and money lenders who extract usurious interest payments on very short-term loans. Informal sector entities also suffer from lack of management planning and control systems, as evidenced by the absence of financial, sales, or inventory records, which seriously hamper informed business decisions. In addition, the lack of a market infrastructure inhibits efficient distribution of goods and services and the ability of informal sector operators to expand their share of the market. Structural impediments, including lack of transport facilities and inadequate and irregular power generation, more seriously affect informal sector operators than larger enterprises, because they lack the resources to deal with these problems on an individual basis, thus placing them at an even greater competitive disadvantage.

3. Project Components

Several specific credit activities have already been identified as falling within the purview of the informal sector, and while considered in the context of earlier designs, action under these potential initiatives has been deferred to this project. Proposed major components include:

Credit Union Development: This project element will include a grant to an appropriate NGO, such as the World Council of Credit Unions (WOCCU), to provide structural and operational assistance to the incipient credit union movement in Haiti. This will include technical assistance and training to establish a national association, as well as a relatively small capital fund to provide seed money to start up individual unions in areas where none now exist. Membership from the ranks of informal sector operators would be encouraged.

One special aspect of credit union development under the project will be pilot credit services to smallholder agriculture. Past efforts in the area of agricultural credit in Haiti have been plagued by failure and widespread defaults. Recent studies have suggested that rural credit unions may provide an answer. Accordingly, in addition to assistance to urban and provincial credit unions, the project will also offer, on a limited pilot basis, financial and technical assistance to form rural credit unions and Caisses Populaires (rural banks) with farm populations in selected parts of the country, which could serve as a model for credit to smallholder agriculture.

Village Banking: The "village bank" model has proved successful in several countries of the region, including Haiti. This project component, which will be undertaken by a U.S. PVO with relevant experience, will seek to organize women, typically the entrepreneurs at the most basic level of rural life, to mobilize and lend out savings among themselves, at reasonable interest rates, for income-generating enterprises. Though not a real banking facility in the traditional sense, the village bank is an association of women in a rural community who know each other and among whom there is mutual trust. Experience has shown that loan repayment rates have been very high and that the fund grows over time with payments of principal and interest. The project will provide initial capital and short-term technical assistance and training through an NGO to selected women's associations in rural areas.

Craft Marketing Assistance: Given the growing craft production industry in Haiti, mostly at the microenterprise level, the project will work to improve the marketing mechanisms available to small crafts producers, through local organizations such as Mennonite Economic Development Associates (MEDA), FHAF and the Zin d'Art Foundation. An appropriate U.S. group, such as VITA or Technoserve, will coordinate among local PVOs working in the informal sector regarding ways to reduce administrative and technical barriers, which will lead to greater efficiency in the marketing and export of crafts.

4. Beneficiaries

This project will directly benefit a wide range of microenterprises and informal sector business operators and their employees. In addition, the project will significantly increase employment in both urban and rural areas, as assisted businesses expand through improved access to credit and better management practices resulting from project-sponsored training. Most new jobs will go to semi-skilled and unskilled urban and rural workers, particularly women, who already constitute the majority of the workforce in the informal sector.

5. Sustainability

With its emphasis on playing a catalytic role though start-up capital, technical assistance and training, the project will seek to ensure full independence by participating groups and organizations after the project ends. Local institutions created or assisted under the project, such as credit unions and village banks, will, to the extent they are successful, be self-perpetuating by their membership through interest and fees earned.

Capital and technical assistance provided under the project will further strengthen these institutions, both with respect to management effectiveness and the substantive contribution they will make within their communities. An enhanced level of operational efficiency will improve their chances for continued success without outside funding.

D. Financial Plan

The following budget summary shows preliminary budget levels for major project components. Amounts indicated include both lending capital and technical assistance under each element. A separate line item covers studies and training for all components.

Components	(in $000)
Credit Union development	4,100
Village banking	750
Credit to smallholder agriculture	1,600
Studies and training	250
Evaluation/audit/monitoring	400
Total	6,000

E. Implementation Arrangements

The project will be implemented through grants or cooperative agreements with several U.S. and Haitian non-governmental institutions. Possible organizations include WOCCU, FHAF, the Foundation for International Community Assistance (FINCA), MEDA, and the Zin d'Art Foundation. The project will be managed in USAID's Office of Private Enterprise (OPE).

F. Potential Design Issues

The project's design must carefully integrate its activities with those of the newly starting Provincial Enterprise Development project and the amended Promotion of Business and Exports project, to ensure complementarity and limit duplication. In view of the vulnerability of agricultural credit schemes in the past, this project will approach the subject of farmer credit on a pilot basis, with some effort and funding devoted to study and analysis of how to learn from past experience to create a workable farm credit mechanism.

NEW PROJECT DESCRIPTION

BUREAU OBJECTIVE	SUPPORT THE ACHIEVEMENT OF BROADLY BASED, SUSTAINABLE ECONOMIC GROWTH
PROJECT TITLE & NUMBER	AGRICULTURAL MARKET LINKAGE PROJECT (AGLINK) (521-0231)
NEW OR AMENDMENT	NEW
PROJECT FUNDING:	($000) LIFE OF PROJECT: 12,500 FY 92 3,300 PACD: 3/97
FUNCTIONAL ACCOUNT:	ARDN

A. Relationship to A.I.D. Policy Objectives and Country Strategy

This project directly supports A.I.D.'s policy and the elements of the USAID/Haiti strategy which aim to achieve sustainable, private sector led, equitable economic growth and development. The AGLINK project will address this policy objective by helping small farmers to respond successfully to domestic and export market opportunities to increase their income. The project is a strategic attempt to capitalize on the comparative advantage of Haiti, by encouraging agricultural producers to enter into the cultivation and marketing of crops which are competitive in national and international markets. It will contribute to export-led economic diversification and at the same time provide accelerated opportunities for participation in income generating activities by segments of the population previously isolated from the economic system.

B. Relationship to A.I.D. and Other Donor Activities

The AGLINK project will promote the production of those commodities which offer profitable market opportunities attainable by targeted producer groups around Haiti. An example of the type of activity that will be pursued under AGLINK is an increase in the production and marketing of high quality mangoes for export during the optimal market "window" available to Haitian producers. This activity, which has already begun as a pilot activity under the Technical Consultants and Training project, has demonstrated that there is great potential for increasing small farm income through further development of a fresh fruit and vegetable export capacity in Haiti. Furthermore, non-traditional agricultural exports can be increased in ways compatible with the long term preservation of the environment.

Project activities will be closely coordinated with the ongoing Agroforestry II and Coffee Revitalization projects. The PVOs implementing the Agroforestry II may provide important channels for outreach to farmers for production

possibilities identified through AGLINK. AGLINK will also complement USAID/Haiti private enterprise activities, especially the Provincial Enterprise Development project and the FY 92 Informal Sector Development project.

C. Project Description

1. Goal and Purpose

The project goal is a significant, sustainable increase in small farmer incomes. The purpose of the project is to identify a greater and more profitable range of market opportunities for both the domestic and export markets and to assist small farmers throughout the country to respond successfully to these opportunities.

2. Development Problem

Haiti is experiencing a continuing decline in agricultural production and revenue caused in part by the stagnation of production of traditional exports by small farmers, and the absence of effective market linkages between producers and exporters for a broader range of products. There are niches of marketing opportunities and production supply for which neither peasant farm groups nor end-users are capable of organizing the production marketing chain. This project is designed to stimulate the production of profitable agricultural products and to link this production with marketing channels which capitalize on a variety of opportunities, both in the internal and the export market.

3. Project Components

AGLINK will provide a flexible mechanism to identify marketing opportunities for potential end users, either for the domestic or export market, and will provide targeted assistance to organize the required production and marketing chain. It will work through outreach networks which already exist in Haiti through through such groups as cooperatives, grassroots farmer organizations, and U.S. and Haitian NGO's.

Two project components are anticipated. The first component will explore and verify market opportunities for Haitian farmers. The second component will inform farmers about these opportunities and help them to respond, especially by providing access to necessary technical information and plant materials.

a. Component One: Market Identification and Analysis

Market possibilities may be suggested by processors, exporters, or other end users of agricultural products, or proposed by agricultural experts in Haiti. Commodity specific market investigations will be undertaken in cases where an initial review suggests both interest on the part of specific buyers, processors, and/or exporters, and potential for the crop to be produced in certain agroecological areas in Haiti. Another factor in crop selection will be the existence of an outreach mechanism which can be used to reach farmers in a particular geographic area. For each selected commodity, production and market tests will be carried out in the appropriate agroecological areas of the country. The results of the market and production test will be used to verify the commercial feasibility of each commodity and make recommendations as to necessary market production support.

This component will include assistance to the Agricultural Producer's Association (APA), a broadly-based private Haitian organization which seeks to link Haitian farmers at all scales of production with market opportunities. APA has been working with a variety of small farmer associations to coordinate production of traditional crops for profitable non-traditional export and processing markets. APA will be assisted to expand its activities to undertake market identification and analyses under this component. In addition, APA's existing information clearinghouse will be expanded to serve as a resource for the agribusiness entrepreneur who requires current, up-to-date information on market and production information for agricultural commodities of interest throughout the country. Field trials will be coordinated by APA and conducted by NGO's, farmer groups or individual operators active in the geographic area selected for each commodity.

b. Component Two: Market Production Support

Once the feasibility of a particular crop is demonstrated, project activities will be undertaken to facilitate production and marketing of that crop by farmers in the selected area or areas. The component will support the establishment of germplasm multiplication sites, for production of seedlings, cuttings and seeds of identified crop species, and, as appropriate, application of grafting, cloning and other multiplication techniques. A significant portion of this component will go to support or facilitate the transfer of production technology, including technical information and plant materials, to farmers through existing non-governmental extension channels. Extension and training would also be provided (where appropriate) in improved harvesting, handling, preparation and packaging methods.

It is planned that extension delivery would be provided for a limited number of agricultural seasons for each crop, after which the production and marketing chain could stand on its own because of its proven commercial viability. Monitoring and periodic evaluation of project progress will assure that project support is limited to a start-up period for each crop and is terminated once profitability or lack of profitability has been adequately demonstrated for farmers and end-users.

Even before new commodities are identified through the first component, production efforts can begin with known products which have demonstrated profitability and for which internal or external marketing channels already exist. These products include mangos and ethnic crops for export and processing, and off-season avocados, pineapples, improved sweet potatoes, and other field crops for the internal market. For all commodities, efforts will be made to use or expand the utilization of existing packing house facilities, processors and other marketing linkages.

4. Beneficiaries

The primary beneficiaries of the AGLINK Project will be those small farmers who respond to the increased marketing opportunities which this project will develop. Other participants in the marketing chain - transporters,

processors, retailers, exporters - will also derive direct benefits from the increased volumes and broader range of agricultural products being delivered from the producer base. AGLINK will also benefit the off-farm or provincial enterprises which will eventually expand to respond to the needs of servicing an expanding agricultural economy.

5. Sustainability

The AGLINK project will essentially serve to "prime the pump" in terms of initiating and establishing the production, supply, and marketing chain for various agricultural commodities. Once the continuum of linkages is established, market forces will capitalize on these opportunities and provide subsequent investments required to keep the production/marketing chain operational. The key to sustainability will be adequate profitability throughout the production and marketing chain, in order to attract private sector investment.

D. Financial Plan

Technical assistance will cross-cut the project's major components. Principal budget categories include:

Category	($000)
Market Identification & Analysis	3,000
Production Support	9,000
Monitoring/Evaluation	500
TOTAL	12,500

E. Implementation Arrangements

The project will be implemented by the Agricultural Producers Association and by Haitian and U.S. NGO's with expertise and existing programs in production support and farmer outreach. Technical assistance (long and short term), especially in the areas of market research and production applications, will support the activities of the on-site implementing organizations. Within USAID/Haiti, the project will be managed by the Agricultural Development Office, with assistance from the Agribusiness Officer in the Office of Private Enterprise.

F. Potential Design Issues

One important issue is the extent to which outreach to farmers can or should be undertaken by NGO's active in the Agroforestry II project. A related issue is the extent to which Agroforestry II NGO's can accommodate this extension as part of their ongoing activities. Answers to these questions may affect the level of funding required in this project for outreach.

NEW PROJECT DESCRIPTION

BUREAU OBJECTIVE	SUPPORT THE ACHIEVEMENT OF BROADLY BASED, SUSTAINABLE ECONOMIC GROWTH	
PROJECT TITLE & NUMBER	SUSTAINABLE HEALTH CARE (521-0240)	
NEW OR AMENDMENT	NEW	
PROJECT FUNDING	($000) LIFE OF PROJECT	15,000
	FY 92	3,000
	PACD:	7/97
FUNCTIONAL ACCOUNT	HE, CS, AIDS	

A. Relationship to A.I.D. Policy Objectives and Country Strategy

The new government in Haiti has inherited one of the most ineffective and inefficient health care systems in the Western Hemisphere. USAID support to the health sector will assist the government to undertake radical reforms within the Ministry of Health to permit the development of a health care system that is sustainable, effective, and capable of improving access to primary health care services which have not been available to the Haitian people for the past 25 years. USAID strategy will focus upon developing the capacity of the Haitian Ministry of Health to provide essential health and child survival services through a rational mix of public and private sector delivery networks. Increasing the access of the historically disadvantaged Haitian population to basic health services will accelerate their potential for participation in the economy. The provision of basic services is vital to the maintenance of an environment of political and economic stability in Haiti which will enable the nascent democracy to continue to evolve.

B. Relationship to A.I.D. and Other Donor Activities

The proposed project will be integrally linked to existing USAID activities that provide extensive support to PVO family planning, AIDS, and child survival programs. This project will also compliment activities in support of policy and administrative reform within the Haitian civil service. The Sustainable Health Care project will build upon efforts by the USAID over the past three years to promote linkages between public sector and USAID-supported PVO child survival programs. This project will be the major vehicle for USAID support to the Ministry of Health to compliment, expand and leverage coordinated assistance from other donors to promote reform, efficiency, and privatization of social services in the Haitian health sector.

C. Project Description

1. Goal and Purpose

The goal of this project is to improve the health of infants and mothers in Haiti. The purpose of this project is to contribute to the development of a sustainable health care system in Haiti capable of providing effective and essential child survival and maternal health services.

2. Development Problem

The Haitian government has placed priority upon providing basic health services to the Haitian people. However, to do this in a sustainable and affordable way, radical change has to occur in the structure and performance of Haitian Ministry of Health. With limited development resources, an efficient and effective Ministry of Health is critical to strengthening emerging democratic values and economic growth in Haiti. Achieving this objective is limited by the need for critical policy reform to promote sustainable health services, and focused institutional strengthening of selected functions of the Ministry of Health. Moreover, a viable, effective and sustainable health care system in Haiti must be founded upon the expanded role of the private sector in the provision of primary health care services.

3. Project Components

a. Policy Reform and Health Care Financing

Project activities under this component will center upon assisting the Government of Haiti to implement critical reforms within the Ministry of Health necessary for the efficient, sustainable delivery of essential child survival and maternal health services. Critical to this component will be the development of policies and procedures that promote sustainability, such as developing and implementing a system for decentralized cost recovery at the communal level; establishing and implementing fee for service schedules at all MOH institutions; and developing appropriate financial management systems necessary for a democratically elected government to assure accountability to Haitian taxpayers, who in the final analysis will bear the recurrent costs of the public health system in Haiti. It is expected that this component will be complemented by activities supported by the USAID Policy and Administrative reform project, scheduled to begin in FY 92.

b. Privatization of Social Services

Project activities under this component will build upon recent USAID success in promoting the development of public and private sector partnerships to deliver health services in Haiti. The project will provide technical assistance and support to carry out studies, evaluations, and pilot activities designed to maximize the privatization of social services throughout the health sector. University Hospital, for example, is the largest state-run hospital in Haiti, and requires nearly 50% of the MOH annual budget to operate. The project will draw upon lessons learned from A.I.D. experience in

Jamaica and Kenya to attempt to maximize the use of cost-saving, private sector contracts in the everyday operations of University Hospital. This component will provide support to continue USAID efforts to privatize the collection of solid waste in Port au Prince. Under this component, a national health service delivery needs assessment will be carried out, and recommendations will be made and implemented to maximize public sector use of an extensive network of PVO health providers throughout the country to avoid costly duplication of public and PVO services.

c. **Strengthening Child Survival and Maternal Health Services**

Under this component, the project will provide technical assistance, training, and materials to promote the integrated, efficient and rational use of human and financial resources in support of key child survival and maternal health activities in the public and private health sector. At present, child survival, family planning, and AIDS activities are managed and implemented in an isolated and vertical manner at the central level of the MOH. Excessive financial and human resources are required to arrange separate in-service training activities for essentially the same MOH personnel who are involved in the National Immunization program, the National Diarrheal Disease Control and Breastfeeding program, the National AIDS program, and the National Family Planning program. The same excessive, separate and duplicative use of resources is encountered in providing these programs with critical support services in the areas of supervision, logistics, and information, education, and communications.

Project activities under this component will provide technical assistance and material support to develop and implement integrated training, supervision, communications, and logistics policies and programs for critical child survival, family planning and AIDS control activities in the Ministry of Health. These integrated support activities will be designed to provide significant savings in the delivery cost of essential child survival, family planning and AIDS interventions. Assistance will also be provided to develop integrated health and management information systems necessary for the effective planning, implementation and monitoring of child survival, family planning and AIDS control activities in an effort to assure an allocation of scarce MOH resources in the most efficient and effective manner.

4. Beneficiaries

The direct beneficiaries of this project will be mothers and infants in Haiti who will be provided increased access to sustainable child survival and maternal health services.

5. Sustainability

The focus of this project is to institute reforms and develop systems whereby public sector health care services can become more efficient, more effective, lower cost, and therefore more sustainable. By the end of this project, data will be available to demonstrate that human and financial resources are more effectively utilized in the Haitian health system. Targets will be set and information monitored to document savings gained from the initiation and implementation of cost recovery mechanisms, fee for service systems, and privatization initiatives developed by the project. The project will con

tribute to a concerted effort by all donors to the Haitian health sector to rationalize the delivery of health services in Haiti between the public and private sector, thus avoiding costly duplication of scarce financial and human resources. The end result of all these efforts will be an effective public health system more capable of being sustained by the Haitian government.

D. Implementation Arrangements

The project will be implemented through a bilateral agreement with the Ministry of Health. Technical assistance requirements and implementation modes will be reviewed during project development. A portion of project funds will be used to support health care financing and privatization of social services activities through buy-ins and add-ons to centrally funded contracts or cooperative agreements. The project will be managed from the USAID Human Resources Office. The HRO Health, Population and Nutrition Division Chief will serve as the Project Manager, and will be supported by a project-funded Project Coordinator.

E. Financial Plan

The principal budget categories include (in $000):

Policy Reform and Health Care Financing	4,000
Privatization of Health Services	6,000
Strengthening Child Survival/Maternal Health Services	4,500
Evaluation and Audit	225
Project Coordinator	225
Total	15,000

F. Potential Design Issues

With minor adjustments, many of these activities could be supported through non-project assistance. The critical design issue will be whether support to the public health sector might better be accomplished through a sector grant.

NEW PROJECT DESCRIPTION (FY 93 NEW START)

BUREAU OBJECTIVE	**SUPPORT THE ACHIEVEMENT OF BROADLY-BASED ECONOMIC GROWTH**
PROJECT TITLE & NUMBER	**VOLUNTARY AGENCIES FOR CHILD SURVIVAL (VACS) II (521-0239)**
PROJECT FUNDING	**($000) 18,000**
	PACD 09/98
FUNCTIONAL ACCOUNT	**HE, CS**

A. Relationship to AID Policy Objectives and Country Strategy

This follow-on project to the successful VACS project will continue to provide rural Haitians with access to child survival services. The provision of basic services to historically disadvantaged rural Haitians will accelerate their potential for increased participation in the economy and is vital to the maintenance of an environment of political and economic stability which will enable the nascent democracy to continue to evolve. The VACS II project will build upon existing public and private sector partnerships to insure the effective and efficient delivery of child survival services in Haiti, and will emphasize the institutionalization of sustainable, PVO child survival service delivery models appropriate to the Haitian context.

B. Project Description

The VACS II project will predominantly strengthen existing VACS-supported PVO child survival programs which deliver immunization, diarrheal disease control, nutrition, and child spacing interventions to nearly 25% of the Haitian population. The project will be designed to promote the sustainability of investments USAID has already made in PVO child survival programs in Haiti. Project funds will support the delivery of child survival services (including a component to integrate water and sanitation into child survival programs). One possibility which will be considered is to establish a local endowment or trust fund to ensure core operational support beyond the PACD for critical institutions in the Haitian child survival arena. Project resources will also be used to provide financial management, organizational development, and health care financing assistance to project grantees.

Goal: To provide sustainable child survival services throughout Haiti.

Purpose: To reduce infant and child mortality through the provision of sustainable and effective child survival outreach services to the rural poor.

Components: Immunization, Diarrheal Disease Control (Including Water and Sanitation), Nutrition, Child Spacing, Health Care Financing; Technical Assistance; Training; Research.

C. Implementing Agencies. PVOs, Haitian and US; PAHO and UNICEF; centrally-funded contractors.

D. Method of Obligation. Cooperative agreement with a US PVO; sub-grants to US/local PVOs; Buy-ins/add-ons to central contracts.

E. Potential Design Issues and Policy Concerns. The design must take into account GOH collaboration in public/private sector relationships in the health sector. The endowment idea should be carefully considered, including the question of how to select beneficiary PVO(s).

NEW PROJECT DESCRIPTION

BUREAU OBJECTIVE	SUPPORT THE ACHIEVEMENT OF BROADLY-BASED SUSTAINABLE ECONOMIC GROWTH
PROJECT TITLE & NUMBER	COMPREHENSIVE FAMILY PLANNING SERVICES (521-0219)
NEW OR AMENDMENT	NEW
PROJECT FUNDING	LOP ($000): 25,000 FY 92: 3,872 PACD: 6/97
FUNCTIONAL ACCOUNT	PN, CS, and HE

A. Relationship to A.I.D. Policy Objectives and Country Strategy

The provision of basic services is vital to the maintenance of an environment of political and economic stability in Haiti which will enable the nascent democracy to continue to evolve. In order to increase access to family planning services by the historically disadvantaged, USAID/Haiti strategy is to support the GOH in developing an effective national family planning program aimed at reducing the population growth rate and maximizing public, private and commercial sector resources to promote availability and effective use of voluntary family planning services.

B. Relationship to A.I.D. and Other Donor Activities

This proposed follow-on to the Private Sector Family Planning project builds on the USAID/Haiti activities undertaken in the current project and the Voluntary Agencies for Child Survival (VACS) project. The new family planning project will be complemented by a follow-on child survival (VACS II) project scheduled to start in FY 93. The project design will consider fully the interests and plans of other population/family planning donors, such as the UNFPA and the International Planned Parenthood Federation.

C. Project Description

1. Goal and Purpose

The goal of this project is to accelerate opportunities for increased participation in the economy by the historically disadvantaged through lowered population growth rates. The project purpose is to increase the availability and effectiveness of voluntary family planning service delivery nationwide, thereby enabling Haitians to achieve their desired fertility goals.

2. Development Problem

With the highest fertility in the Caribbean and the lowest contraceptive use rate in the Western Hemisphere, Haiti's rate of population growth seriously impedes all development efforts. If real economic development and improvement in quality of life are to be realized, the country's rate of population growth must be lowered significantly. To accomplish this, the GOH -- through the public and private sectors -- must be energized to take focused and determined action to make quality family planning services available throughout the country.

3. Project Components

a. Private Sector

1. Service Delivery: Community and factory based distribution of contraceptives will be expanded.

2. Commercial Retail Sales: Commercial retail sales of selected contraceptives in pharmacies and other points of purchase will be supported by a nationwide advertising campaign.

3. Training: Training materials and courses will be developed for paramedical, auxiliary and community workers and population and family planning managers and administrators. Emphasis will be placed on strengthening management and counseling services in public/private clinics.

4. Public Information: A national information, education and communication strategy will be developed and implemented.

5. Operations Research: Support to extend research on use of NORPLANT (an implant contraceptive) will be provided. Operations research on community based distribution implementation models will test innovative approaches using collaborative volunteers and Ministry of Health outreach workers.

6. Clinical Contraception: Emphasis will be placed on long-lasting methods such as NORPLANT and Voluntary Surgical Contraception (VSC).

b. Public Sector

A multidisciplinary approach will be used to implement family planning activities, using the Ministry of Health as the lead recipient to provide family planning service delivery. Support will be provided to continue action to develop a national population policy and educational initiatives to support smaller family size.

4. Beneficiaries

The direct beneficiaries of this project will be Haitian families, particularly mothers and children in less advantaged urban and rural areas. The project aims at increasing effective access to, and use of voluntary family planning services by, Haitians who wish to plan the number and spacing of the children they have. Other primary project beneficiaries will be PVOs, NGOs, and various units of the GOH which will profit from training, improved management techniques and increased capacity for sustainability.

5. Sustainability

A major component of this project will be the institutional strengthening of Haitian family planning PVOs and NGOs, and to the extent possible, the Ministry of Health, so that by the end of the project these entities will have strong management systems which will allow them to operate successfully, cost-effectively, and with increasing self-sufficiency. Commercial retail sales will also lessen dependence on donor purchased contraceptives.

D. Financial Plan

The principal budget categories include:	($000)	($000)
1. Private Sector:		12,000
Private Sector Institutions	5,500	
Technical Assistance	1,000	
Training	1,000	
Commodities	1,500	
Social Marketing	1,200	
Operations Research	800	
Information, Education & Communication	1,000	
2. Public Sector:		11,800
Public Sector Institutions	5,500	
Policy Development	800	
Technical Assistance	1,000	
Training	1,500	
Commodities	1,500	
Operations Research	500	
Information, Education & Communication	1,000	
3. Evaluation/Audit		450
4. Project Coordinator		750
TOTAL		25,000

E. Implementation Arrangements

The project will be implemented with the GOH and with the private sector and will include agreements with both Haitian and U.S. NGOs. It is anticipated that a prime recipient will be selected from a group of U.S. organizations with experience in implementing and managing population/family planning activities in the developing world. This recipient will administer the project and the sub-grants to Haitian PVOs/NGOs whose management systems are not yet strong enough for them to qualify for direct grants from USAID.

The project will be managed from the Health, Population and Nutrition Division of the USAID Human Resources Office. The Direct Hire Population & AIDS Officer will serve as the Project Manager, supported by a project-funded Project Coordinator.

F. Potential Design Issues

The principal issue concerns the attitude of the new government regarding family planning and whether A.I.D.'s priorities for support, including the proposed balance between public and private sector activities, will match those of the GOH. A second issue is that the project will require a well-defined monitoring system because of its complexity. The broad-based structure is intended to have a maximum impact on the targeted groups. Project design will verify that this approach is a cost-effective use of project resources.

NEW PROJECT DESCRIPTION

BUREAU OBJECTIVE	SUPPORT THE ACHIEVEMENT OF BROADLY-BASED, SUSTAINABLE ECONOMIC GROWTH AND THE EVOLUTION OF STABLE, DEMOCRATIC SOCIETIES
PROJECT TITLE AND NUMBER	INCENTIVES TO IMPROVE BASIC EDUCATION (IIBE) 521-0190
NEW OR AMENDMENT	AMENDMENT
PROJECT FUNDING	($000) ORIGINAL: 15,000 AMENDMENT : 7,600 FY 92 FUNDING : 3,500 NEW LOP TOTAL : 22,600 PACD : 08/94
FUNCTIONAL ACCOUNT	EHR

A. Relationship to A.I.D. Policy Objectives and Country Strategy

The Incentives to Improve Basic Education (IIBE) project relates directly to the LAC Bureau Objective to support the achievement of broadly-based, sustainable economic growth. The project seeks to improve educational quality and efficiency in the private primary school system, particularly in schools serving rural and depressed urban areas. Over seventy percent of Haiti's primary school enrollments are in private schools operating on extremely low budgets. By working with the private education sector, the project is reaching the historically disadvantaged, developing their potential for increased participation in the economy. Improvement of the quality and efficiency of primary education is vital to economic, social and political growth in a country that has the lowest literacy rate in the Western Hemisphere. Widespread primary education is considered one of the most important prerequisites for the institutionalization of democracy over the long term in Haiti. A new project component to develop a civic education curriculum for use in both the public and private primary school system will further support the evolution of a stable, democratic society in Haiti.

B. Relationship to A.I.D. and Other Donor Activities

The training needs of the IIBE project are coordinated with the CLASP II participant training project. The project is coordinated closely with the World Bank and other donors to develop a joint approach toward improving conditions in the education sector in Haiti. This amendment will permit closer cooperation with the Ministry of Education through their participation in the civic education component and through sharing with them the results of the private sector primary education experience under this project.

C. Project Description

1. Goal and Purpose

The goal of the IIBE project is to promote Haitian economic development and popular participation in development activities by strengthening the country's human resource base. The project has two purposes: (1) to improve the quality of instruction, administrative efficiency and equity of access in private primary schools serving rural and depressed urban areas; and (2) to provide the necessary support for Haitian private primary education to organize itself on a more coherent basis and to take ongoing responsibility for quality improvement efforts.

2. Development Problem

Haiti has the lowest literacy rate in the Western Hemisphere. The present national literacy rate of approximately 20% -- 10% in rural areas -- is the result of an education system that can accommodate less than half of the school age population. The quality of education in existing schools remains for the most part minimal. The competency of teachers and supervisory staff is very low, and teachers in rural areas have minimal levels of formal education.

There is no single standard curriculum or even a set of curriculum objectives. There are serious deficiencies in instructional materials, with many rural areas having as little as one book for ten students. There is a lack of school equipment and facilities in rural areas. In rural areas, at least 21% of the schools are simple straw shelters without walls, and many communities have no schools at all.

3. Project Components

To exacerbate the above chronic problems in the education sector in Haiti, project implementation was severely handicapped due to civil unrest in 1987-1990. Schools were unable to function for a large part of this period. The project amendment will allow the last two cohorts of schools to have a full four years under the project, provide time for collection and analysis of the data and add a new component to develop a core civic education curriculum for primary schools.

a. Primary Schools Support: School support is provided to 259 (Protestant, Catholic and lay) schools operating in both rural and urban depressed areas. A menu of key pedagogical and material resources is offered to each school on the basis of a "performance" contract with the project. The additional two years' of support will permit the last two cohorts of schools to receive four years of support as was originally envisioned in the project design.

b. Research and Development: The research component of the project aims at evaluating and prioritizing available instructional resources for private primary education and at improving their effectiveness. Large quantities of data are being accumulated and analytical effort has recently been increased. Research results, particularly from the qualitative research

survey and pre-primary experimentation, are being incorporated in project implementation. Research on school financing is now in progress. Due to political instability during the past three years, data collection and analysis have been delayed. The two-year extension will allow the project to complete all research work and meet project research objectives.

c. Strengthen Private Primary Education Infrastructure: As a means of enhancing the capacity of the private sector to sustain educational improvement efforts, the project has supported the development of an institutional infrastructure for representatives of the various segments of the private primary education system. Institutional development in the project has surpassed project paper objectives. The Haitian Foundation for Private Education (FONHEP) was created in 1989 with two founding members: The Episcopal Commission for Catholic Education (CEEC) and the Federation of Protestant Schools of Haiti (FEPH). A third sector representing independent (non-religious) schools has emerged as a member of FONHEP in the last two years. The amendment will allow this sector to more fully develop to reach the strength of the Catholic and Protestant sectors.

d. Civic Education: The amendment will support FONHEP to design, develop, and implement a standard civic education program for public and private primary and secondary children and out-of-school youth. This area in the curriculum was grossly neglected during the Duvalier regime. The civic education component will provide a core curriculum for grades one through six to be tested on a pilot basis in selected FONHEP project schools in the private sector. Once the prototype has been evaluated, revised as needed, and approved by FONHEP and the Ministry of Education, it will be provided to other NGOs and other donors in Haiti to adapt for use in public and private secondary schools and for illiterates and newly literate in the non-formal education sector.

4. Beneficiaries

The models for improved primary education developed for the 259 private schools receiving direct school support are being applied in the private primary education system, where over 70 percent of Haiti's primary school enrollments are found. The Ministry of Education has recently expressed interest in introducing these models and the civic education curriculum into the public school system. Thus, the project has the potential to benefit the entire primary education population in Haiti.

5. Sustainability

FONHEP, the major implementing agency for the IIBE project, is technically sustainable. If FONHEP is to reach its entire target population, it will not be financially sustainable in the near future. However, the success that FONHEP has had in diversifying its funding base to include resources from the World Bank, other donors, NGOs and the families of the school children involved will reduce its reliance on A.I.D. funds. The changes made in participating schools to improve basic education are sustainable and are providing sustainable models for replication throughout the private and public primary school system.

D. Financial Plan

The principal budget categories include (in $000):

	CURRENT	AMENDMENT	TOTAL
School Support	5,621	3,500	9,121
Institutional Development	8,804	2,000	10,804
Research and Development	575	500	1,075
Civic Education Component	____	1,600	1,600
TOTAL	15,000	7,600	22,600

E. Implementation Arrangements

The existing cooperative agreement will be amended. The civic education component will be administered by the grantee, FONHEP, under a direct grant. The project will be managed from the USAID Human Resources Office.

F. Potential Design Issues

The amendment design should take into account to what extent and how to involve the public sector in project activities.

C. Planned Food Aid Activities

For FY 1991, USAID/Haiti has submitted a proposal for a Title III program with a total commodity value of $14.1 million. The FY 91 proposal includes the following commodities: (a) wheat flour; (b) soybean meal; and (c) milled rice. All of these items are currently imported in large quantities to Haiti, and Title III commodity levels for each of these items fall within current and historical import figures.

USAID will submit a proposal for a two-year Title III program for FY 1992-1993, with a level of $20 million for each fiscal year. Program commodities will be identified following the results of a planned needs study.

The Title III program is designed to respond directly to the urgent need of the newly elected government for assistance to help re-establish economic growth. It will do this by helping to meet the need for critical commodities while at the same time increasing the availability of foreign exchange. As such, it complements planned ESF balance-of-payments support.

All Title III commodities will be imported by the GOH for sale to private importers and distributors. All storage, marketing, transportation and distribution of the commodities will be through normal private sector channels. Local currency generations will be owned by the GOH and jointly programmed with USAID/Haiti for economic development activities which (a) complement and strengthen the implementation of the Mission's strategy, and (b) support GOH efforts to implement sound policy reforms and provide jobs and services to the Haitian population.

The P.L. 480 Title II feeding program will continue to support USAID/Haiti development objectives, particularly in child survival and education, and help Haiti meet its severe food gap. To meet these objectives, the program will be expanded from a current level of $6.2 million, to $7.5 Million in FY 1992, and $9.0 million in FY 1993. Several initiatives are underway to streamline logistics by contracting for centralized warehousing and transportation of all Title II commodities.

SECTION IV

Resource Summary

1. Program Funding ($000)

	FY 1991	FY 1992	FY 1993
DA	38,077	38,750	38,750
ESF	12,500	24,000	24,000
P.L. 480			
Title II	6,200	7,500	9,000
Title III	14,100	20,000	20,000
Total	70,877	90,250	91,750

2. Workforce (FTEs)

USDH (OE)	21.0	21.0*	21.0*
USPSC (OE)	1.0	2.0	2.0
FSNDH (OE)	32.5	32.0	32.0
FSNPSC (OE)	90.4	95.0	95.0
USPSC (Project)	4.6	6.0	6.0
TCN PSC (Project)	1.0	2.0	2.0
FNPSC (Project)	11.0	12.0	12.0
Total	161.5	170.0	170.0

3. Operating Expenses ($000)

- Dollar appropriated	3,400	3,682	4,048
- Trust Funds	1,075	1,160	1,278
Total	4,475	4,842	5,326

* Does not include two additional USDH positions requested for FY 1992-93 (see Operating Expenses narrative on page 45).

B. OPERATING EXPENSES

Any reductions in operating expense levels would have a serious impact on USAID operational and oversight capabilities. Responding to Haiti's recent successful democratic transition, the FY 1991 USAID/Haiti program funding level already has risen thirty percent, and current planning indicates further increases in FY 1992. This expansion has taxed the Mission's staff and OE resources and has increased the scope of our management oversight. In this context, there are no apparent ways of materially reducing the USAID/Haiti OE budget without severely impacting accountability, vulnerability and effectiveness.

A recently conducted Mission General Assessment (1988) and Controller Assessment (1989) indicated that the staffing level of the Controller's Office merited close attention to ensure accountability and that the audit requirements were met. Since that time, due to a reduction in the FTE level, one USDH Budget and Accounting position has been eliminated. With the recently expanded program, USAID expects that at least one USPSC B&A Officer and two FSN Financial Analysts will be required over the next two years to guarantee that programs meet A.I.D. accountability standards.

In FY 90, in addition to the B&A position, one agricultural position was also eliminated. More recently, one USDH Executive Officer position has been eliminated in favor of a USDH Economist, essential to both program design and implementation and to permit the Mission to provide sound economic guidance and advice to newly installed GOH officials.

As part of its response to new circumstances in Haiti, USAID is reshaping its portfolio, which creates a heavy design/redesign schedule extending through FY 1993. In order to meet design and implementation deadlines, USAID will either have to contract costly long-term consultants or, preferably, receive approval from AID/W to increase the FTE ceiling to accommodate one additional Project Design Officer and a Deputy Private Enterprise Officer in FY 1992. Since it is extremely difficult and time-consuming to recruit well-qualified PDOs and Private Sector experts from the outside, USAID/Haiti seeks approval of two additional FTEs in FY 1992

To meet additional staffing demands, USAID would require additional OE funding in FY 1992 and 1993 over the current control levels. The addition of a contract B&A Officer, 2 FSN Financial Analysts, and two USDHs would increase costs by $310,000 in FY 1992 and $215,000 in subsequent years.

Impact of Control Levels

USAID anticipates about a ten per cent cost increase over 1992 for fiscal year 1993 due to inflation. The $4,842,000 FY 1992 control level (ABS dated May 1990) would have to be increased by $310,000 to cover costs associated with increased staffing levels. In addition to cost-saving actions, the Mission is

building a trust-fund reserve as a hedge to offset anticipated cost increases due to inflation, higher utility costs, and a requirement for increased security measures. The current FY 92 control level would be adequate if no additions were made to current staffing levels. However, these additions are critical to reduce oversight and accountability vulnerability in the context of a significantly expanded program.

Over 80 percent of the Mission's operating expense budget is expended in local currency, and the exchange rate has fluctuated somewhat over the past year. Lack of political stability and consequent economic deterioration has led to price increases in the local economy which will directly impact the cost of USAID operations. The most significant element to be affected will be FSN salaries which have clearly not kept up with the rate of inflation and should rise substantially during the next fiscal year.

Electricity outages often lasting up to 20 hours per day, have led to ever-increasing dependence on generators both in residences and the office. During January-March of 1991, the Mission diesel consumption rate quadrupled, a cost which has not been offset by significantly lower electricity bills.

Security in Port au Prince has deteriorated. In response to a series of incidents following an attempted coup, at the recommendation of the Embassy, residential guard services were extended from 12 to 24 hours a day. If the situation remains unstable or worsens, and 24-hour coverage continues, additional funding may be needed.

There were no material vulnerabilities identified in the Internal Control Assessment. Any corrective actions necessary will be done in-house.

If there are any significant cutbacks in the OE control levels for FY 1992 or 1993, the result would be a direct, negative impact on our ability to seize this historic opportunity to help consolidate Haiti's democratic gains and shape development.

Cost Savings

During FY 1991, USAID initiated several actions which will reduce long-term operating costs. A new GSO facility is being built this year in the main compound which will eliminate the need to pay $20,000 per year in rent on the current facility. USAID has just bought and installed a new telephone system that will save approximately $35,000 in lease costs beginning in FY 1992. After lengthy negotiations with the GOH, USAID/Haiti was awarded duty-free privileges on the purchase of diesel fuel, which should result in a savings of around $10,000 annually (although this year, due to severe electricity shortages, most of the savings will be spent on additional fuel for residential and office generators).

USAID has maintained an excellent record in its NXP management; maintenance schedules are rigorously adhered to and all procurement schedules are lean but essential to maintain effective operations. Some of the FY 1991 procurement could possibly be delayed until FY 1992 but no overall reduction in procurement can be sustained if operations continue at the current level.

Local Currency and Trust Funds

USAID/Haiti does not perform nor are there are plans to perform reverse accommodation exchange.

USAID/Haiti had a Trust Fund balance of $500,000 at the end of FY 90, and anticipates balances of $1,125,000 at the end of FY 91, and $2.365 million in FY 92. Due to the continued sociopolitical instability and an uncertain economy, it is impossible to estimate future exchange rates. Therefore, the Mission is building a seven-month Trust Fund reserve for the end of fiscal year 1992 as a hedge against inflation in the exchange rate and the need for increased security services. In FYs 1990, 1991 and 1992, trust funds will account for less than 25 percent of the OE budget. The Mission intends to use these funds mainly for FSN salaries and local operating costs, replacing appropriated dollars.

B. Mortgage Analysis

The following table shows projected end-of-year mortgages for each functional account FY 1991-1993. We have planned carefully to keep mortgages low and in accord with prudent portfolio management. Total mortgage at the end of FY 1993 is projected to be only 1.6 times planned annual obligations. There are no unusually high mortgages projected for any of the accounts.

USAID/Haiti
FY 1991-1993 MORTGAGE ANALYSIS
($000)

Account/ Year	Total LOP	Cumulative Obligations End FY	Planned FY Obligations	End-of-Year Mortgage
ARDN				
FY 91	50,901	32,447	10,945	18,454
FY 92	62,901	41,947	9,800	20,954
FY 93	46,816	35,662	9,800	11,154
POP				
FY 91	15,871	14,343	4,020	1,528
FY 92	35,871	19,743	5,500	16,128
FY 93	20,000	9,372	5,500	10,628
HE				
FY 91	16,503	12,031	2,955	4,472
FY 92	16,503	16,359	4,650	144
FY 93	23,954	11,460	4,650	12,494
CS				
FY 91	16,850	16,374	5,310	476
FY 92	23,850	20,224	4,000	3,626
FY 93	19,950	11,324	4,000	8,626
AIDS				
FY 91	7,150	2,339	1,489	4,811
FY 92	7,150	4,339	2,000	2,811
FY 93	7,150	6,339	2,000	811
EHR				
FY 91	27,994	19,751	2,402	8,243
FY 92	27,994	23,626	4,000	4,368
FY 93	22,700	22,332	4,000	368
PSEE				
FY 91	37,747	16,405	10,956	21,342
FY 92	48,983	22,991	8,800	25,992
FY 93	39,350	22,158	8,800	17,192
TOTAL				
FY 91	173,016	113,690	38,077	59,326
FY 92	223,252	149,229	38,750	74,023
FY 93	179,920	118,647	38,750	61,273

D. Local Currency Utilization

USAID/Haiti's primary uses of local currency generations are for development projects implemented by both public and private sector organizations. To be selected, all local currency-funded projects must support elements of the Mission strategy. Such projects include funding for counterpart to A.I.D. and other donor projects, as well as stand-alone projects managed by the GOH. In addition, the following matrices show 10 percent of program generations (cash transfers in FY 1990, FY 1991 and FY 1992) allocated for the OE Trust Fund. In FY 1991, a program trust fund was established on an exceptional basis to provide immediate post-election support for selected democratization activities, as a bridge to the new Democracy Enhancement project.

The matrix for FY 1990 shows the actual allocation of P.L. 480 generations remaining from the FY 1989 Title II Section 206 program as well as allocations of some Title III generations from an earlier program. Also shown is the allocation of $1.0 million equivalent to the OE trust fund from the FY 1990 DA cash transfer.

The matrix for FY 1991 shows actual and estimated allocations of the remaining $9.0 million equivalent in generations from the FY 1990 DA cash transfer, as well as estimated allocations from the FY 1991 ESF program. The majority of the local currency funds remaining from the FY 1990 cash transfer were reserved for and are now being programmed with the newly elected government. The items shown in the category "HG Budget Sector" represent local currency contributions to the 1990/1991 elections, using a portion of the FY 1990 DA cash transfer generations and funds remaining from the FY 1987 ESF program. Funds shown under P.L. 480 Title II include generations from the FY 1990 Title II Section 206 program and some local currency funds not previously programmed from the FY 1989 Title II Section 206 program. Shown under Title III is the projected allocation of a portion of the funds to be generated from the FY 1991 Title III program.

The matrix for FY 1992 shows projected allocations of funds remaining from the FY 1991 ESF and Title III programs as well as the estimated allocation of a portion of funds to be generated from the FY 1992 Title ESF and Title III programs.

LOCAL CURRENCY UTILIZATION - TABLE IV
($000)

FY 90

USES	ESF	PL 480 I	PL 480 II	PL 480 III	SEC 416	OTHER (D.A.)	TOTAL
HG BUDGET GEN.							
HG BUDGET SECTOR							
HG CONTRIBUTION TO AID PROJECTS			4,300	2,400			6,700
HG CONTRIBUTION TO OTHER DONOR PROJECT			2,000	-			2,000
HG MANAGED L/C PROJECT (GOVT. OR PRIVATE)			5,000	2,100			7,100
AID PROGRAM TRUST FUND							
AID OE TRUST FUND **						1,000	1,000
SECTION 108							
OTHER							
TOTAL			11,300	4,500		1,000	16,800
B. CHANNEL FOR ASSISTANCE*							
PUBLIC SECTOR			7,000	2,100		1,000	10,100
PRIVATE SECTOR			4,300	2,400			6,700
TOTAL			11,300	4,500		1,000	16,800

* Determined by organization primarily responsible for managing the local currency.
** From FY 90 DA Cash Transfer.

(PROJECTED)
LOCAL CURRENCY UTILIZATION - TABLE IV
($000)

FY 91

USES	ESF	PL 480 I	PL 480 II	PL 480 III**	SEC 416	OTHER (D.A.)	TOTAL
HG BUDGET GEN.							
HG BUDGET SECTOR	300					3,100	3,400
HG CONTRIBUTION TO AID PROJECTS	2,000		3,400	3,500			8,900
HG CONTRIBUTION TO OTHER DONOR PROJECT	4,000		3,400	2,500		2,400	12,300
HG MANAGED L/C PROJECT (GOVT. OR PRIVATE)			1,800	2,000		3,000	6,800
AID PROGRAM TRUST FUND						500	500
AID OE TRUST FUND	1,200						1,200
SECTION 108							
OTHER							
TOTAL	7,500		8,600	8,000		9,000	33,100
B. CHANNEL FOR ASSISTANCE*							
PUBLIC SECTOR	6,500		5,600	4,500		8,500	25,100
PRIVATE SECTOR	1,000		3,000	3,500		500	8,000
TOTAL	7,500		8,600	8,000		9,000	33,100

* Determined by organization primarily responsible for managing the local currency.
** Projected local currency utilization of FY 91 Title III Program.

(PROJECTED)
LOCAL CURRENCY UTILIZATION FY 92
($000)

USES	ESF	PL 480 I	PL 480 II	PL 480 III	SEC 416	OTHER	TOTAL
HG BUDGET GEN.							
HG BUDGET SECTOR							
HG CONTRIBUTION TO AID PROJECTS	8,800			7,000			15,800
HG CONTRIBUTION TO OTHER DONOR PROJECT	10,000			3,000			13,000
HG MANAGED L/C PROJECT (GOVT. OR PRIVATE)				6,000			6,000
AID PROGRAM TRUST FUND							
AID OE TRUST FUND	2,400						2,400
SECTION 108							
OTHER							
TOTAL	21,200			16,000			37,200

B. CHANNEL FOR ASSISTANCE*

PUBLIC SECTOR	14,400			9,000			23,400
PRIVATE SECTOR	6,800			7,000			13,800
TOTAL	21,200			16,000			37,200

*Determined by organization primarily responsible for managing the local currency.

SUMMARY PROGRAM FUNDING TABLE
Dollar Program by Functional Account ($000) - TABLE V

PROJECT TITLE	PROJECT NUMBER	FY 91	FY 92	FY 93
ARDN				
PROGRAM DEVELOPMENT & SUPPORT	521-0000.1	345	300	300
TECHNICAL CONSULTANTS & TRNG.	521-0167	620	---	---
TARGETED WATERSHED MANAGEMENT	521-0191	2,435	---	---
VOLUNTARY AGENCIES FOR CS	521-0206	100	100	---
COFFEE REVITALIZATION	521-0216	1,345	1,300	1,300
AGROFORESTRY II	521-0217	5,560	4,500	4,500
POLICY AND ADMIN. REFORM	521-0222	400	200	100
CLASP II	521-0227	100	100	100
AGRICULTURE MARKET LINKAGES	521-0231	---	3,300	3,500
PTIIC	521-0640	40	---	---
SUBTOTAL		10,945	9,800	9,800
POPULATION				
PROGRAM DEVELOPMENT & SUPPORT	521-0000.2	100	100	100
PRIV. SECTOR FAMILY PLANNING	521-0189	3,920	1,528	---
COMPREHENSIVE FAMILY PLANNING	521-0219	---	3,872	5,400
SUBTOTAL		4,020	5,500	5,500
HEALTH				
PROGRAM DEVELOPMENT & SUPPORT	521-0000.3	340	322	350
VOLUNTARY AGENCIES FOR C.S.	521-0206	1,500	1,099	---
EXPANDED URBAN HEALTH SERV.	521-0218	805	3,020	---
CLASP II	521-0227	290	200	200
VOLUNTARY AGENCIES FOR C.S. II	521-0239	---	---	2,000
SUSTAINABLE HEALTH CARE	521-0240	---	---	2,100
PTIIC	521-0640	20	9	---
SUBTOTAL		2,955	4,650	4,650
CHILD SURVIVAL FUND				
PROGRAM DEVELOPMENT & SUPPORT	521-0000	---	150	100
VOLUNTARY AGENCIES FOR C.S.	521-0206	3,400	476	---
EXPANDED URBAN HEALTH SERV.	521-0218	1,910	---	---
VOLUNTARY AGENCIES FOR C.S. II	521-0239	---	---	2,000
SUSTAINABLE HEALTH CARE	521-0240	---	3,374	1,900
SUBTOTAL		5,310	4,000	4,000

SUMMARY PROGRAM FUNDING TABLE
Dollar Program by Functional Account ($000)

PROJECT TITLE	PROJECT NUMBER	FY 91	FY 92	FY 93
AIDS				
AIDS CONTROL (ABA SIDA)	521-0224	1,489	2,000	2,000
SUBTOTAL		1,489	2,000	2,000
EDUCATION AND HUMAN RESOURCES				
PROGRAM DEVELOPMENT & SUPPORT	521-0000.4	145	125	150
MANAGEMENT & PRODUCT. CENTER	521-0183	60	25	---
INCENT. TO IMPROVE PRIM. EDUC.	521-0190	1,692	3,500	3,500
CLASP II	521-0227	187	150	150
PTIIC	521-0640	18	---	---
DEMOCRACY ENHANCEMENT	521-0236	300	200	200
SUBTOTAL		2,402	4,000	4,000
PSEE				
PROGRAM DEVELOPMENT & SUPPORT	521-0000.5	527	250	250
SPECIAL DEVELOPMENT ACTIVITIES	521-0062	200	200	200
TECHNICAL CONSULTANTS & TRAINING	521-0167	948	---	---
PROMOTION OF BUSINESS & EXPORTS	521-0186	1,382	1,000	1,000
POLICY AND ADMIN. REFORM	521-0222	2,000	1,000	1,000
PROVINCIAL ENTERPRISE DEV.	521-0223	3,300	2,000	2,000
CLASP II	521-0227	80	50	50
INFORMAL SECTOR DEVELOPMENT	521-0230	---	1,000	1,000
DEMOCRACY ENHANCEMENT	521-0236	2,500	1,800	1,800
PTIIC	521-0640	19	---	---
ADMINISTRATION OF JUSTICE	521-0238	---	1,500	1,500
SUBTOTAL		10,956	8,800	8,800
TOTAL DA		38,077	38,750	38,750
ESF				
ECONOMIC RECOVERY & REFORM	521-0226	12,000	24,000	24,000
ELECTIONS MANAGEMENT ASSISTANCE	521-0232	250	---	---
TOTAL ESF		12,250	24,000	24,000

Mission Issues

1. OE and Staffing Levels: While USAID/Haiti is aware that overall OE and personnel levels are declining, there is a basic contradiction in a reduction in overall staffing at a time of substantial growth in the program. Program levels are slated to increase from $60 million in FY 1990 to over $80 million this year, and to an even higher level in FY 1992. The Mission has been told informally that the FY 1992 staffing level may be cut by one full-time USDH position. It would seem more logical to reduce staffing and OE levels in programs not experiencing these rates of growth.

2. P.L. 480 Delivery Scheduling: The delivery to Haiti of Title II monetized commodities in FY 1990 did not follow a predictable or regular schedule. This erratic delivery of commodities severely strained USAID relations with private sector businessmen who, for the first time, were given responsibility for distribution. Unreliable delivery schedules are unacceptable to private businessmen who must have a reliable supply of the commodity to be marketed. USAID has proposed a large FY 1992 Title III program which would also use the private sector for implementation. For this to work well, significant improvement in regularizing commodity delivery for the program is absolutely essential.

Mission Workplan - Table I

I. Support the achievement of broadly-based, sustainable economic growth

A. Encourage economic policies that promote investment, productive employment, and export-led diversification

1. Encourage and facilitate GOH negotiations with the International Monetary Fund, leading to a Fund Agreement in Jan. 1992. (DIR and PPS, Aug. 1991)

2. Support and encourage GOH participation in a World-Bank-led Consultative Group Meeting in late June/early July 1991 (DIR and PPS, May 1991).

B. Encourage a vigorous private sector response

1. Develop a market and export-oriented agriculture strategy which also supports environmental preservation objectives, and reorient the USAID portfolio to it (ADO and OPE, June/July 1991).

2. Establish full service agribusiness export market clearinghouse (OPE, June 1993).

C. Encourage increased economic opportunities for the disadvantaged

1. Establish a revolving loan fund for low-income shelter (OPE, Sept. 1992).

2. Create an office in Les Cayes of the Haitian Development Foundation for on-lending to small entrepreneurs (OPE, Sept. 1992) and an additional provincial office (Sept. 1993).

3. Establish fifteen fully operational village banks and three provincial credit unions (OPE, Sept. 1993).

4. Establish structure to coordinate donor assistance in the health sector, wherein principles of policy reform and critical areas of need for donor assistance are agreed upon between the donor community and the GOH (HRO, Sept. 1991).

5. Complete health care financing study and establish guidelines for USAID cost recovery and sustainability in the PVO health sector (HRO, Sept. 1991).

6. Help develop a GOH national population policy that will establish priorities for intervention in the sector (HRO, December 1991).

7. Begin implementation of program of private solid waste disposal in metropolitan Port-au-Prince (HRO, Feb. 1992).

8. Enhance the financial viability of widely available primary education (HRO, Sept 1991).

9. Develop a five-year AIDS education and training plan that will become the blueprint for core USAID interventions to control transmission (HRO, Dec. 1991).

D. Encourage preservation and sustainable use of the natural resource base.

1. Redesign the agriculture portfolio to place environmental protection activities on a path toward self-sustainability (ADO, June 1992).

2. Encourage and assist the GOH to play a proactive role in agrarian reform (ADO, September 1993).

3. Promote policy reforms which reduce economic distortions favoring cultivation of annual crops on inappropriate lands: those too fragile or too steep. Reduce economic disincentives to the production of traditional export crops and reduce protection of domestic foodgrain production (PPS and ADO, October 1992).

II. Support the evolution of stable democratic societies.

A. Strengthen civilian government agencies.

1. Protect provisional electoral commission computers, radios, and other equipment until they can be turned over to a permanent commission (HRO and PPS, March 1991).

2. Encourage and assist the establishment of a permanent electoral commission as called for in the Constitution (HRO, Aug 1991).

3. Determine the extent to which the GOH wishes USG support in the reform of its legal and judicial systems, strengthening the legislature, local government, and financial management (HRO and PPS, Aug. 1991).

B. Strengthen public Participation in democratic process

1. Establish Democracy Fund to provide continued support to NGOs working to increase participation, promote democratic ideals, and protect human rights (HRO, October 1991).

2. Strengthen the civic education component of USAID assistance to basic education (HRO, June 1991).

3. Redesign SDA program so that projects promote participation of grassroots organizations which support democratic ideals and values (HRO, June 1991).

USAID/Haiti
Portfolio by Bureau Objectives and Sub-Objectives - Table VI

Objective I. Support the achievement of broadly-based sustainable economic growth.

A. LAC Sub-Objective: Encourage the adoption of and continued adherence to economic policies that promote investment, productive employment, and export-led economic diversification.

Economic Recovery & Reform	521-0226
Policy and Administrative Reform	521-0222

B. LAC Sub-Objective: Encourage a vigorous response by the private sector to a favorable policy environment.

Technical Consultants & Training	521-0167
Promotion of Business & Exports	521-0186
Policy and Administrative Reform	521-0222
Provincial Enterprise Dev.	521-0223
Informal Sector Development	521-0230
Agriculture Market Linkages	521-0231
Coffee Revitalization	521-0216

Objective II: Support the evolution of stable, democratic societies.

A. LAC Sub-Objective: Encourage the strengthening of competent civilian government institutions that will merit the confidence of political and military leaders, citizens, and investors.

Policy & Administrative Reform	521-0222
Technical Consultants & Training	521-0226
Elections Management Assistance	521-0232
Administration of Justice	521-0238

B. LAC Sub-Objective: Encourage pluralism, tolerance of opposing views and support for democratic values on the part of non-governmental bodies, including the press, community organizations, labor unions, and business associations.

Democratic Enhancement	521-0236

C. LAC Sub-Objective: Encourage accelerated opportunities for increased participation in the economy by the historically disadvantaged.

Special Development Activities	521-0062
Voluntary Agencies for C.S.	521-0206
Expanded Urban Health Service	521-0218
Voluntary Agencies for C.S. II	521-0239
Sustainable Health Care	521-0240
Priv. Sector Family Planning	521-0189
Comprehensive Family Planning	521-0219
Management & Productivity Center	521-0183
Incent. to Improve Primary Educ.	521-0190
CLASP II	521-0227
PTIIC	521-0640
AIDS Control	521-0224

D. LAC-Sub-Objective: Encourage preservation and sustainable use of the natural resource base.

Targeted Watershed Management	521-0191
Coffee Revitalization	521-0216
Agroforestry II	521-0217
Policy and Admin. Reform	521-0222
Agriculture Market Linkages	521-0231

BUSINESS REGULATORY ENVIRONMENT QUESTIONNAIRE

A. Question: Are private ventures permitted to compete on a fully equal footing with state owned enterprises or privileged groups? If not what anti-competitive mechanisms are used?

Answer: Yes, with the exception of the state-owned flour and cement enterprises which are subsidized. The two state enterprises are so poorly managed that there is thriving competition from the black market which supplies a large share of the market.

B. Question: Does the country adhere to international standards for protection of intellectual property rights (e.g., patents, copyrights, processing and trade secrets)?

Answer: Yes.

C. Are foreign investors subject to any different treatment with respect to laws on ownership, employment, taxation, customs and judicial process than local businesses?

Answer: No.

D. Question: How much time/effort/money does it take for new corporations to be formed and licensed?

Answer: It takes about eight months and about $12,000 to form a new corporation in Haiti.

E. Question: How much time/effort/money is involved in clearing customs for imports and exports (both inside and outside FTZS)?

Answer: Imports and exports usually clear customs in one or two days.

F. Question: Is the country a signatory to a trade and investment framework agreement, bilateral investment treaty and/or OPIC agreement, bilateral investment treaty and/or OPIC agreement with the United States? How have these functioned?

Answer: Haiti is not a signatory to any trade and investment treaty, but does have an OPIC agreement with the United States.

G. Question: Does the country have laws and/or policies which inhibit the free flow of capital internationally, including restrictions on capital and profit repatriation?

Answer: There are no serious impediments to the free flow of capital internationally.

H. Question: Are labor unions significantly influenced/controlled/financed by political parties or other outside interest groups?

Answer: No.

I. Question: Are property rights of both men and women clearly and fairly protected. Are legal disputes handled in a clear, predictable and transparent manner?

Answer: Property rights of both men and women are, for the most part, fairly protected. Because of severe weaknesses in the judiciary system, legal disputes are usually not handled in a clear, predictable or transparent manner.

J. Question: Are there other regulatory issues not covered above that are important to doing business within the country?

Answer: No.

ENVIRONMENTAL MANAGEMENT QUESTIONNAIRE

A. Question: Has the Government established effective coastal zone management laws and programs that promote the sustainable development of this environmentally sensitive and economically important area?

Answer: Coastal zone management laws exist but neither programs nor institutions have been developed to implement them.

B. Question: Are there forest management laws and programs that ensure sustainable use/production of forest resources and socio-economic benefits for local communities (e.g. extractive reserves)?

Answer: Forest management laws and programs exist, but institutional capacity to enforce the laws is lacking. Some efforts are being made to implement programs to improve management of forest resources.

C. Question: Does the government address agrochemical use problems? Are pesticides subsidized? Is there a government or private quality assurance program in place to ensure that pesticide-residue limits are not exceeded on agricultural exports?

Answer: No institutions exist to address problems related to agrochemical use. Pesticides are not subsidized. No governmental institution is controlling pesticide residue. Exporters have set up a unit with USDA-APHIS to inspect and monitor agricultural products exported to the United States, including pesticide residue levels.

D. Question: Does the government have incentives for sustainable agricultural practices? Is land use planning used as a tool to guide agricultural development? Are there appropriate incentives (e.g., property taxes, water user fees, etc.) to promote intensive, rather than extensive use of prime.

Answer: Numerous NGOs and GOH agencies, with donor assistance, provide incentives for farmers to use sustainable agricultural practices and establish soil and water conservation structures. Land use planning is an important part of those efforts. Natural resources, such as water and agricultural land are not properly taxed.

E. Question: Are environmental health issues being addressed by policies and programs that control water and air pollution and that promote sanitation and sewerage systems? Are environmental monitoring programs (eg. water quality monitoring) in place? Are water and sanitation programs linked to health and hygiene education? Is solid waste efficiently collected and disposed of in approved landfills?

Answer: Policies, programs and institutions have been designed to address environmental health issues but implementation has been incomplete and ineffective. Solid waste collection, treatment and disposal are totally inadequate and constitute a severe health hazard.

F. Question: Are there programs/policies for watershed management, and are environmental assessments done to prevent watershed degradation? Are recommendations from such assessments effectively implemented?

Answer: There are numerous programs, policies and institutions promoting sustainable watershed management, but most are not effectively implemented. Environmental assessments have been done by nongovernmental institutions, and GOH agencies have made some limited progress in implementing the recommendations.

G. Question: Are there environmental education programs and are they provided for all education levels?

Answer: Formal environmental education programs do not exist, though the GOH is negotiating with environmental groups to design environmental curricula for the school system.

H. Question: Has the government established areas for parks and for the conservation of the country's biological diversity?

Answer: Parks and reserve areas for the conservation of the country's biodiversity have been set aside, and appropriate regulations and institutions established. However, coverage is incomplete and enforcement of the regulations is ineffective.

I. Question: Is there a national environmental policy or conservation strategy? Does the public, including both men and women, participate in environment and natural resource management and planning activities? Are NGOs encourage to be involved in environmental issues?

Answer: The GOH recently published its natural resources conservation program. There is active public participation in environment and natural resource management and planning activities. NGOs are encouraged to be involved in environmental issues.

J. Question: Are there policies and programs to encourage efficient energy use (e.g., energy prices are not subsidized, private production is encouraged)?

Answer: A significant supply of energy for industrial uses (dry cleaning, extraction of essential oils and sugar and alcohol processing from sugarcane) continues to be met from domestic harvest of wood. There are no active policies to convert industrial users of wood to other fuels.