

USAID/HAITI



ACTION PLAN

FY 1995 to FY 1996

April 1994

Ambassador of the United States of America

April 30, 1994

Dear Mark,

It will soon be time to redirect aid away from welfare in Haiti. Forty years of entitlement programs have played a major role in humanitarian terms, but they have also helped postpone the start of a real transition to democracy. Political resolution is not required to get started. In fact, this period of great political flux is exactly when we need to stand firm and help Haitians in their quest to change the unbalanced political status quo. We should assist democratic forces and processes now--actively and aggressively.

Direct engagement and tangible support to the legitimate and functioning elements of the GOH and its constitutional supporters can make a difference. Outreach to local human rights groups and other targets of oppression can make a difference. The Haitian public must see that we openly support revalidation of their 1991 political choice--now. The past few months have shown that a spark of interest was all that was needed to catalyze productive USG - GOH - PVO collaboration. Results have been immediate: concurrence on the objectives and GOH-PVO relationships under the Title III program; regular working sessions to develop a national food security plan; a national workshop for education where the participants publicly repudiated the de facto authorities; and, there has been a long overdue opening to human rights groups.

The Mission's agenda for change is articulated in the attached Action Plan. I would like your help in getting this message across to those who are still operating on the assumption that little or nothing can be done in Haiti.

As is always the case in democratic transitions, these extraordinary measures will require significant resources over an extended period of time to have an impact. But without them, the U.S. will have to continue its costly humanitarian assistance program here for the foreseeable future.

Sincerely,

A handwritten signature in black ink, appearing to be the name 'Hui' or similar, written in a cursive style.

Table of Contents

Action Plan	2
Strategy Overview	2
Economic Background	5
Empowering the Disadvantaged	7
Donor Coordination	9
Strategic Objective Performance	11
Strengthened Governance and Responsiveness in Key Public Sector Institutions	11
Strengthened Private Organizations Participating in an Emerging Civil Society	16
Sustainable Private Sector-led Economic Growth	22
Protect and Develop Human Resources	32
Portfolio Analysis	46
Project Timeline	49
Pipeline and Mortgage Analysis	50
New Activity Descriptions	52
Environment	75
Resource Requirements	77
Program Funding	77
Permanent Staffing	77
TDY Assistance	78
Mission Issues	86

Action Plan

Strategy Overview

Over the past two and one-half years, the post-coup assistance program has made an extremely useful, but essentially passive contribution to the overall USG strategy to resolve the political crisis. It provided a safety net to the most vulnerable sectors of society, in order to mitigate the effects of the UN/OAS economic embargo. To an extent, this has served to focus the effects of the embargo more on the military. With the initiatives in this Action Plan, begins the process of moving from passive to more proactive contributions to U.S. policy. (The Action Plan is based on the working assumption that the Administration's new policy approach will be successful in convincing the Haitian military high command to fulfill its obligations under the Governors Island Agreement).

Basic long-term assistance strategy was approved last year in the FY 1995-2000 Program Objectives Document, but this Action Plan proposes significant changes in emphasis and implementation. A primary change is with respect to necessary preconditions for implementation of a development program. Rather than withhold support for the constitutional elements of the Government of Haiti (GOH) that are in place and working until there is an overall resolution of the political crisis, the USG has initiated support to three GOH ministries with a view to aiding the process of political resolution. This fundamental change in implementation strategy and significant additional program resources are needed to enable further development of the specific initiatives the Mission has proposed by cable over the past three months. These include:

- **Lost Opportunities** (PAP 1382)
- **Institution-building**, Taming the Kleptocracy (PAP 1508 and PAP 3248)
- **Support for the 1994 National Elections** (PAP 1851 and PAP 1852)
- **Additional Balance of Payments Support for Arrears Clearance** (PAP 1643)
- **Human Rights Initiative** (PAP 3267 and PAP 3557)
- **Introducing Competition** into the Democracy-building Grant Process (PAP 2282)

- Support for Development of the **GOH National Education Plan** (PAP 3352)
- **Privatization** (PAP forthcoming)
- Enhancing the **Humanitarian Program** (PAP 3287 and PAP 3402)
- **New Monitoring Unit** (PAP 1150 and PAP 1988)
- **Restructuring the Portfolio** (PAP 1894)
- **Need for Increased Staffing** (PAP 3410 and this Action Plan)
- **Mission Energy and Communications Plan** (being prepared by IG/SEC)

"Action" with respect to his plan will depend very much on an enabling policy environment and significant additional Mission flexibility. These new initiatives require significant additional financial and personnel resources in FYs 1994, 1995 and 1996. Their presence, or absence, will directly impact contributions to U.S. Government policy.

Long-term strategy presented in the approved FY 1995-2000 Program Objectives Document, and contained as one of three phased strategies in last year's Action Plan, remains one with the goal of establishment of the necessary conditions for the majority of the Haitian people to improve the quality of their lives. It focusses on three critical, interdependent elements necessary for goal attainment:

- the evolution of public and private democratic institutions that respond to the needs of the Haitian people;
- sustainable, private sector-led, equitable economic growth and development; and,
- protection and development of the human resources needed to lay a sound basis for enduring democracy and sustained economic growth.

It is essential to recognize the interrelationship and interdependence of these objectives: democracy cannot survive without notable improvement in the economy, living conditions, and education; the economy cannot grow in the absence of an environment of political stability, fairly applied rule of law, respect for and protection of human rights and a healthy and educated work force; and there can be little improvement in the quality of Haitians' lives without democracy and economic growth.

The change in implementation strategy is proposed for the following reasons:

- With a changing policy environment in Washington, it is time to make the program more proactively support new policies and contribute to the development of new ideas.

- There are a number of constitutional GOH institutions in place and functioning to varying degrees. The military neither operates nor controls all institutions, even though its perverse influence can be applied at any time. Given the uncertain prospects for resolution, immediate support is needed to keep these elements going, reinforce their legitimacy and maintain some semblance of government.
- In the resource-scarce environment of Haitian public administration, channelling resources to the constitutional elements of the government holds out the prospect of strengthening those elements vis-a-vis the unconstitutional elements, thereby contributing to the prospects for a democratic outcome to the crisis.
- Despite the general absence of bilateral donor assistance, the constitutional elements of the current Haitian Government have taken initiatives to conceive and present feasible, fundable project activities that hold the prospect of improving Haitians' lives now.
- The distinctions made in past strategic discussions over what does or does not constitute "humanitarian assistance" have led to long, unproductive debates, and the definition has fluctuated at the convenience of each advocate. This must stop and flexibility must become the key word.

This Plan represents the continued evolution of the assistance program since the 1991 *coup d'état*, shaped to a significant degree by evolving expectations of the likely duration of the political crisis, rather than an approach based on what is possible to do. From a complete program suspension in October 1991, limited elements of the feeding and health projects were re-started as early as November. By February 1992, very significant feeding and health programs were underway, and by July of that year, some developmental (as opposed to relief) elements of the agriculture and private sector portfolio were activated. The swearing-in of the Malval Government a year later resulted in the signature of bilateral agreements for balance of payments support, PL 480 Title III, Administration of Justice, and job creation, all justified as demonstrations of support for the "restored" democracy.

When the Malval Government resigned in December 1993, the legal basis of a bilateral program became confused. Although no program policy was specifically enunciated, the bilateral PL 480 Title III wheat sales program continued, on the rationale that GOH implementing personnel were Aristide Government appointees, and that sales proceeds would be retained by constitutional elements of the GOH. (There was also the compelling practical fact of 50,000 metric tons of flour delivered or en route). The Administration of Justice program had been immobile since the October 1993 assassination of the Justice Minister, and the FY 1993 balance of payments support program, intended for IFI arrears clearance, was frozen. A new rationale was proposed for the job program: rather than a demonstration of support for the constitutional

government, the program justification would become relief, on the assumption that poor Haitians not benefitting from that program would become candidates for the feeding program.

This strategy will work to strengthen the constitutional elements in place while maintaining or expanding elements of the large humanitarian assistance program in accordance with local conditions. As noted below, the past eight years of political turmoil have exacerbated decades of economic mismanagement.

Economic Background

In February 1986, the Duvalier regime collapsed, ending almost 30 years of family dictatorship in Haiti. What remained was an impoverished population with the lowest per capita income in the Western Hemisphere, a corrupt and bankrupt government structure, and a faltering economy. Between February 1986 and February 1991, five successive governments failed to eliminate the repressive symbols and practices of the Duvalier regime.

On February 7, 1991, Jean-Bertrand Aristide was sworn in as the first freely-elected president in Haiti's two centuries of independence. There was great hope that this inauguration would usher in a new era of democracy and economic advancement for Haiti. The new GOH was immediately confronted with the worst economic picture in Haiti's recent past. National production had declined for three consecutive years, and almost halfway through, FY 1991 portended the steepest decline yet. Even the most basic public services were virtually non-existent. Private investors waited on the sidelines, transfixed by the political uncertainties. Inflation was on the rise for the fourth consecutive year, eroding the already feeble purchasing power of the poor. Yet, during the eight months of the Aristide administration, despite occasional lapses such as a vain attempt to institute price controls on certain imported "basic commodities," economic pragmatism carried the day over the more "populist" options to economic development.

Aggressive efforts by the fiscal authorities focusing on tax arrearages produced surprisingly strong revenues in very little time. Recognizing the unavoidable reliance on substantial external flows of a poor country characterized by extremely low domestic savings, the Aristide Government formulated a macroeconomic program that garnered more than \$550 million of donor commitments at the July 1991 meeting of the World Bank-coordinated Haiti Consultative Group in Paris. In September 1991, after negotiations with the International Monetary Fund, the GOH signed an agreement in principle for a Stand-by program to support its proposed economic re-structuring program.

All these efforts ended abruptly with the *coup d'état* of September 30, 1991. After the Aristide Government was overthrown, Haiti suffered two years of corrupt, incompetent, military-imposed rule, and the economic sanctions imposed by the international community in order to motivate a return to constitutional government. These two years have left the Haitian economy

in a state far worse than the one inherited by the provisional government in February 1986, or by the Aristide Government in February 1991.

Haiti's absolute poverty, unmatched in the Western Hemisphere, had worsened throughout the 1980s. Instability over the past eight years, culminating in the 1991 coup and the subsequent embargo, accelerated this downward spiral, however. As a consequence, Haiti's population suffers from growing undernourishment, poor health and illiteracy. The economy has been characterized by declining GDP, rising prices, and under- and unemployment rates estimated as high as 60 percent. Weak development management capability and an acute scarcity of financial resources have further constrained growth.

Central government mismanagement has seriously eroded Haiti's already weak financial position. After the slight surplus of FY 1991, the Treasury deficit rose dramatically, to approximately 35 percent of total Treasury expenditures in FY 1992. Revenues also declined sharply. In FY 1992, the GOH collected barely 60 percent of FY 1991 revenues. Even the slight reduction in Treasury expenditures, achieved by reducing GOH "operations" to not much more than a payroll function, could not restrain the deficit (salaries for FY 1992 amounted to 78 percent of GOH expenditures). With the corrupt and badly-managed public enterprises all operating in the red and requiring subsidies from the Central Bank, the consolidated public sector deficit for FY 1992 totalled approximately four percent of GDP. Money supply grew by 27 to 30 percent in FY 1992, and inflation hit 33 to 35 percent.

In FY 1992, the gourde lost almost 40 percent of its value versus the U.S. dollar. GDP dropped ten percent, 12 percent per capita if the two-percent population increase is factored in. GOH fiscal and monetary mismanagement continued to contribute heavily to economic degradation in FY 1993. After a decrease in real terms of 50 percent from FY 1991 to FY 1992, GOH revenues in real terms decreased a further 21 percent in FY 1993. From a level of 10.5 percent of GDP in 1980, to eight percent in 1991, Treasury revenues accounted for barely four percent of GDP in FY 1993. With such meager revenue mobilization and a 26 percent increase in Treasury expenditures in FY 1993, such extra-budgetary financing as Central Bank subsidies to maintain the pump price of petroleum products in the face of a rapidly-depreciating gourde resulted in a consolidated public sector deficit of almost 1.6 billion gourdes, four to five times as large as the worst pre-coup fiscal year. Inflation climbed to forty percent in FY 1993, and GDP decreased by yet another five percent (and seven percent per capita). All told, GDP per capita contracted by more than one-sixth in the two years after the coup.

More ominous still are the prospects for FY 1994, with portents of a repeat of FY 1992 (or worse, with a tightened embargo), rather than of the milder downturn of FY 1993. Since the reimposition of the United Nations-ordered petroleum sanctions in mid-October 1993, the export assembly sector, for example, which had recovered to approximately 16,000 employees -- well short of its pre-coup level of 35,000, but well ahead of January 1992's 3,000-4,000 -- has regressed to barely 5,000 employees. Major mango exporters, now in what should have been the most profitable part of their export season, are watching their products rot for lack of

fuel. Most domestic-market-oriented industries are operating at reduced levels, sometimes at no more than 20-25 percent of normal output. Despite its artificial propping-up since the summer of 1993 by the unavailability of cash to keep up with the continued huge monetary expansion, the gourde has continued to depreciate steadily. From its September 27, 1991 (last working day before the coup) value of 7.43 gourdes per dollar, the gourde has today fallen to 15:1, and should further depreciate to the 16:1 level by the end of the third quarter of FY 1994, perhaps further if sanctions are tightened.

With the loss of jobs and increasing population pressures, more Haitians have turned to charcoal production as a desperate means of earning a meager income. This has meant more rapid cutting of the country's few remaining trees, with the resulting damage to future agricultural production capacity. Agricultural production is further affected by increased transportation costs throughout the country. As a result, many agricultural localities remain isolated, especially in the western part of the southern peninsula. Fertilizer prices have almost tripled since the coup and continue to be one of the key constraints affecting production.

In such an environment, the worst-affected are, of course, the poor, and the salaried middle class, which have seen their purchasing power erode almost daily as unemployment and the continuing economic contraction make it virtually impossible for them to seek wage adjustments. Any restored constitutional government will need substantial and prompt assistance from the donor community if it is to begin the rebuilding programs to create growth in the Haitian economy. A coherent macroeconomic program with economic incentives conducive to the resumption of private sector-led growth will have to be formulated, and the resources made available to implement it.

Empowering the Disadvantaged

Along with support for democratic practices, an important cross-cutting element of the USAID strategy is empowering the disadvantaged. Examples from the current portfolio follow:

Job Creation Initiative: Community-Based Decision-Making and Poverty Reduction

The Job Creation Program is providing thousands of poor Haitians with short-term employment while rehabilitating economically productive infrastructure, thus benefitting both the disadvantaged participants and the communities in which they live. The Program empowers its beneficiaries in two important ways: it offers the participants a dignified alternative to feeding programs and provides them with a voice. The Job NGOs offer technical and financial support and training to certain democratically-elected municipal governments, as well as a wide range of Haitian PVOs, civic support groups, and grassroots organizations which propose and prioritize their own local requirements. Thus, participatory groups are making decisions as to

which labor-intensive infrastructure activities will best serve their own longer-term needs. This model turns aid recipients into active beneficiaries, working partners in the development process. The approach will soon be expanded to include open town meetings with participation of all the community's citizens, thus developing mechanisms for routine consultation between valid local governments and the communities they serve.

Other examples of the program's multiple benefits are provided by an irrigation canal repair project in the Artibonite Valley. Wages from the Job Program have enabled poor workers to buy cattle and goats -- an important investment strategy for many households' future. Farmers along this 16-kilometer stretch of canal also believe that the improved irrigation system will put more food on the table. Area residents have remarked on the decrease in the mosquito population, which will decrease levels of certain deadly or debilitating diseases, such as malaria.

Coffee Project: Grassroots Democracy

Under the Coffee Revitalization project, grassroots democratically-oriented farmer associations have been formed to provide 20,000 small farmers with the means to produce a higher quality coffee product and receive a higher price for that product. The associations have been assisted with production technology, improved coffee varieties, washed coffee processing technology and equipment, and direct marketing strategies. The Coffee project is empowering these local democratic associations to break the cycle of exploitation established in the Haitian coffee industry which is characterized by an oligopsonistic marketing system. A recent evaluation found the project to be successful in achieving its objectives and recommended an extension. It especially noted the success of the farmers' associations in empowering the local community and ensuring sustainability of the activity.

Voluntary Family Planning: Individual Choice

Empowerment in this instance of voluntary family planning comes from enabling men and women to take charge of their own reproductive functions, ending them when they choose. USAID's Private Sector Family Planning (PSFP) project is making significant progress with the PROFAMIL mobile surgical team. In FY 1993, one mobile team operating in twenty sites throughout the country performed 911 tubal ligations and 114 vasectomies. In 1994, a second mobile team was added and in the first quarter of the year these two teams performed 407 tubal ligations and 47 vasectomies. If the teams' level of performance of the first quarter continues throughout the year, they will easily double the 1993 performance.

The success of this program reflects not only a growing demand for permanent contraceptive methods in Haiti, but the importance of the Humanitarian Fuel Distribution Program to ensuring the availability of services during the embargo. For the three months prior to the initiation of the fuel program, the mobile surgical team was only able to perform 42 tubal ligations.

Education for Sustainable Development: Facilitating Dialogue

The Minister of Education (MOE) and President Aristide's Education Advisor recently requested donor and NGO support to develop a National Education Plan that will address the crisis in Haitian education. Support for this process provides an opportunity to implement the recently-approved policy of closer U.S. consultation and collaboration with GOH counterparts. The engagement policy is intended to demonstrate tangible USG support for the democratically elected administration, reinforce its legitimacy, and lay the foundations for institution-building required if a sustainable democratic transition is to take hold in Haiti. When completed, the National Education Plan could lay the foundation for a strategic focus on human capital formation for sustainable development. The participatory process proposed by the MOE could also make a positive contribution to resolution of the political crisis by facilitating dialogue among politically-diverse groups, which have been growing increasingly polarized since the September 1991 *coup d'état*.

Donor Coordination

With the flight of some donors (notably the Germans) and the retrenchment in the programs of those that have remained, donor coordination and leveraging have become more critical and more difficult. It would be extremely helpful to the Mission if AID/W would take the initiative to convince these bilateral and multilateral donors to return. PPC and LAC are requested to join forces to demarche other governments to strengthen team efforts.

The Mission has played a leading -- often key -- role in areas ranging from food aid, health and education to the Humanitarian Fuel Distribution Program. Immediately following the reimposition of the fuel and arms embargo, the Mission developed options to allow humanitarian assistance programs to continue functioning. Based on the USAID/OFDA concept and initial design, the UN and OAS decided to sponsor a Humanitarian Fuel Distribution Program to be managed by PAHO. The program has been operating smoothly since January 1994, with substantial funding from OFDA. Other donors, including Canada, Denmark and the European Union, are also contributing to this multilateral effort. Without the UN/OAS fuel program, it is certain that major humanitarian assistance programs would have been severely reduced or shut down. With a tightened embargo in the offing, LAC and PPC are requested to explore the possibility of increased donor funding to support the expansion of humanitarian assistance programs. Timing of the receipt of such funds will be critical to averting a break in service delivery.

USAID also participated in the preparation of the UNDP-led Emergency Economic Recovery Program (EERP) and facilitated the Haiti Support Group operation for the clearance of Haiti's two years of arrears to the World Bank, the International Monetary Fund and the Inter-American Development Bank.

In the case of the EERP, which called for \$340 million of financing over the eighteen months following political resolution, the Mission provided technical assistance regarding privatization of inefficient parastatals, as well as the continuous flow of available country data to the leaders of the EERP team. Execution of the FY 1993 ESF agreement with the GOH, less than a month after the installation of the Malval government, facilitated the the operation for the clearance of the \$46 million of arrears accumulated since the coup, garnering pledges from other interested donors at their September 30, 1993 meeting. Arrears to the international financial institutions continue to accrue, and are expected to reach \$74 million by the end of this fiscal year. The recommended U.S. contribution to clearing the increase since last fall is half of the increase, or \$14 million on top of the \$8 million in FY 1993 ESF in the pipeline and \$1.9 million in FY 1991 ESF frozen at the New York Federal Reserve.

Strategic Objective Performance

Strategic Objective 1A: Strengthened Governance and Responsiveness in Key Public Sector Institutions

A. Background: The primary objective of U.S. foreign policy in Haiti has long been the establishment of a stable democratic government which protects the basic rights of its people and provides a positive environment for economic development. Achievement of that objective has been elusive. It requires the reversal of a centuries-old tradition of corrupt government institutions that abuse the basic rights of Haitian citizens, extract the country's assets without regard to long-term consequences, and are accountable only to the individual strong men who have successively forced their way into power. For democracy to succeed in Haiti, legal, military and other government institutions must be made responsive to the needs of the Haitian people, who in turn must demand accountability for resources and performance.

Priorities and Strategies

- **Increased dialogue with the constitutional GOH**
 - **Support for electoral systems and processes**
 - **Assistance to improve the administration of justice**
 - **Strengthening of key public sector institutions**
-

Past efforts to assist the Haitian Government to meet this challenge have included: support for free elections and the strengthening of the Electoral Council; assistance to the Executive Branch for policy and administrative reform; efforts to improve the administrative systems of both houses of the Parliament; and programs to strengthen municipal and local governments. In September 1993, USAID also executed a \$3 million bilateral agreement with the GOH for an Administration of Justice Project. ICITAP began a project to professionalize the police, also in September.

Treatment of the democracy objective is slightly different in this Action Plan and in the FY 1995-2000 Program Objectives Document (POD). Due to the critical nature of democratic development and new plans for separate, significant initiatives to assist the public and private

sectors during the two years covered by this Action Plan, the private and public facets of the strategy are presented as separate objectives to provide special emphasis. In the POD, they are combined.

B. Strategic Objective Performance: Haiti labors under severe political, institutional and economic constraints on government performance, a primary one being a failure to establish a predictable framework of law and government behavior conducive to development, producing arbitrariness in the application of rules and laws. At the same time, the concept of democracy is poorly understood in the absence of democratic traditions. Changes promulgated in the 1987 constitution, including the separation of the police from the military, and the decentralization of government, have still not been implemented, and improved policy formulation and fiscal responsibility initiated during the Aristide government's brief tenure have been reversed. Governance in Haiti will be a continuum, and not necessarily unidirectional: it may not automatically improve over time, regardless of positive political developments.

Four components of the Democracy Enhancement Project (DEP) --support for the legislature, political parties, local government bodies and elections assistance--were suspended after the coup for a period of 22 months. Though suspension was lifted in September 1993, a deteriorating security situation continues to plague implementation.

C. Priorities and Strategy: USAID has begun to engage selectively with legitimate public sector officials, seeking opportunities to increase dialogue and interaction, in an effort to help revitalize the constitutionally-elected GOH. However, significant financial support is not available during the current crisis. The phasing and pace of increased engagement, and funding commitment will depend on conditions. The engagement's current focus is on joint interests, policy directions and opportunities for coordination with USAID implementing PVOS and their ongoing humanitarian programs. Sector assessments or other preparatory efforts needed to build the base for a larger, post-resolution program will be included.

The Democracy Enhancement Project (DEP) is available to address some of these needs. DEP is guided by two principles: first, a flexible framework that can respond and quickly adjust to an extremely dynamic political environment and second, a number of entry points into the Haitian democratic scene so that the shape and level of assistance can be adjusted as the needs shift. An amendment to add funding to DEP will be required to provide technical assistance to establish a permanent electoral council (CEP) and to revise electoral logistics. One challenge facing the Haitian government will be to organize the 1994 elections. Most elective positions, including the entire lower house of Parliament and at least one-third of the Senate, as well as all local government offices seats will be contested. If free elections can be held -- the first since the coup d'état against President Aristide -- it will be a milestone on the way to Haitian democracy, offering an opportunity to revalidate the power of the ballot box in a constitutional democracy.

The AOJ Project was designed in two phases as the principal U.S. Government vehicle for providing assistance to the constitutional GOH to strengthen the justice system. The purpose of the project is to improve effectiveness, accessibility and accountability. Phase I assistance will focus on establishing the necessary environment to facilitate separation of the police from the military and enable the Ministry of Justice to take on its new responsibilities for civilian oversight of the police. Phase Two could provide up to \$14 million more for a longer-term institution-building effort. Unfortunately, before the GOH could officially meet the conditions to start the project, the Minister of Justice was assassinated and MOJ operations suspended. The \$3 million already committed remain blocked, but there are activities contemplated under the project which could have a positive impact even under present unsettled conditions. (In a parallel effort, ICITAP has returned to Haiti and is exploring areas of constructive engagement.) The Mission plans to waive the conditions precedent for specific activities, which would make \$1 million available for immediate use. The Mission has also requested \$1 million under the DEP for related activities. Any justice activities undertaken now will only represent the beginning of longer-term efforts to improve the justice system when political conditions warrant. The underlying strategy is to set the stage for the longer-term effort. Even in the absence of a stable political situation, justice activities may provide a measure of public confidence that will help support the constitutional government until a political resolution is found.

The Policy and Administrative Reform (PAR) Project, following compliance with the agreement conditions, will become available to assist the government to strengthen its policy formulation capabilities and performance through sectoral and special studies (e.g. agriculture, privatization of parastatal enterprises and government decentralization) and intensive training for public sector managers in such areas as economic planning, financial management and financial accountability. Technical assistance under PAR could also be provided to help the GOH to develop a stand-by program with the International Monetary Fund.

Starting in FY 1995, the new Development Training and Technical Assistance Project (DTTA) will provide long-term and short-term training, in the U.S. and in Haiti, and technical assistance to public and private sector managers, thereby facilitating coordination and professional collaboration.

The importance of the focus on democratic initiatives cannot be over-emphasized. Experience elsewhere and Haiti's recent foiled attempt at democracy argue that the window of opportunity for the new government will be exceedingly small. In order to survive, the democratic administration will have to quickly establish its credibility and gain acceptance, however guarded, from both the public and powerful interest groups in Haiti. Strong, visible external support will be needed. The new government, in turn, must show good faith by undertaking action to meet the people's legitimate demands for change.

Table 1: Strategic Objective Tree

AID GOAL: DEMOCRACY	
STRATEGIC OBJECTIVE NO. 1A: Strengthened Governance and Responsiveness in Key Public Sector Institutions.	
PROGRAM OUTCOME NO. 1.A.1: Effective judicial system reinforcing the rule of law.	PROGRAM OUTCOME NO. 1.A.2: Priority economic and institutional policies addressed.
Projects	Projects
521-0238 Administration of Justice	521-0222 Policy and Administrative Reform
521-0251 Institution Building	521-0251 Institution Building
521-0236 Democracy Enhancement	521-0247 Development Training and Technical Assistance

Table 2: Strategic Objective Performance

STRATEGIC OBJECTIVE NO. 1A: Strengthened Governance and Responsiveness in Key Public Sector Institutions.				
Indicator 1: Increased justice sector resources as % of national budget.				
Unit: % of national budget		Year	Plan	Actual
Source: AOJ project reports	Baseline	1994	---	
		1995	TBD	
		1996	TBD	
Indicator 2: Increased number of public defenders.				
Unit: No. of public defenders		Year	Planned	Actual
Source: AOJ project reports, GOH reports	Baseline	1994	TBD	0
Comments: Project (and work on indicators) has stalled since the October 14, 1993 assassination of the Justice Minister, followed by the virtual shutdown of the Ministry.		1995	TBD	TDB
		1996	TBD	TBD
Indicator 3: Increased treasury revenues as % of GDP.				
Unit: % of GDP		Year	Plan	Actual
Source: Central Bank, Ministry of Finance reports	Baseline	1994	3.0	

STRATEGIC OBJECTIVE NO. 1A: Strengthened Governance and Responsiveness in Key Sector Institutions.				
PROGRAM NO. 1.A.1: Effective judicial system reinforcing the rule of law.				
Indicator No. 1: Judicial personnel selected competitively.				
Unit: Cumulative number of positions filled competitively		Year	Planned	Actual
Source: MOJ and Court reports, AOJ project reports	Baseline	1994	TBD	0
Comments: Project (and work on indicators) has stalled since October 14, 1993 assassination of the Justice Minister, followed by the virtual shutdown of the Ministry.		1995	TBD	
		1996	TBD	
Indicator No. 2: Availability of legal codes and implementing regulations.				
Unit: No. of judicial districts with legal library		Year	Plan	Actual
Source: AOJ project reports	Baseline	1994	TBD	
Comments: Project (and work on indicators) has stalled since October 14, 1993 assassination of the Justice Minister, followed by the virtual shutdown of the Ministry.		1995	TBD	
		1996	TBD	
PROGRAM OUTCOME NO. 1.A.2: Priority economic and institutional policies addressed.				
Indicator 1: Priority studies completed.				
Unit: Cumulative no. of studies		Year	Plan	Actual
Source: PAR project reports	Baseline	1994	2	
Comments: Attainment of performance targets is subject to evolution of the political situation.		1995	3	
		1996	8	

Indicator 2: Policy training provided				
Unit: Cumulative number of Person/months of training in financial management and accountability or economic planning		Year	Plan	Actual
Source: PAR project reports	Baseline	1994	TBD	
Comments: Attainment of performance targets is subject to evolution of the political situation.		1995	50	
		1996	125	

Strategic Objective No. 1B: Strengthened Private Organizations Participating in an Emerging Civil Society

A. Background: The 1993 America's Watch publication, "Silencing a People: The Destruction of Civil Society in Haiti" notes that "the military forces that overthrew Haiti's first free-elected president...have consolidated their rule by ruthlessly suppressing Haiti's once-diverse and vibrant civil society". This suppression presents one of the gravest dangers threatening a long-term transition to democratic governance in Haiti. Without the presence of strong interest groups to monitor performance, hold the government and its institutions up for public

scrutiny and demand that the government fulfill its mandated responsibilities, there is little hope of achieving public sector accountability, adherence to the rule of law, fairness or efficiency. Unfortunately, Haiti's traumatic history and contemporary culture have ill prepared its citizenry for these rights and responsibilities, and its government has frequently resorted to violence and intimidation to prevent Haitians from exercising them.

Given the country's long history of general instability, violently repressive governments, and corruption, it is no surprise that there are few civic institutions in Haiti, nor that those that exist are weak. Nonetheless, there are exceptions and the US assistance program has worked to support and strengthen such organizations for many years. Since 1986, the U.S. Government has provided a substantial amount of assistance to strengthen pluralistic non-governmental

Priorities and Strategies

- **Support for national elections**
 - **Increased support for human rights activities**
 - **Revitalized and expanded democratic initiatives**
-

organizations (NGOs) that promote democratic values and decision-making essential to a functioning democracy. These include human rights organizations, civic interest groups, democratic labor unions, free media associations, and an independent *pro bono* lawyers' association. The purpose of the Democracy Enhancement Project is to expand and strengthen public and private institutions which facilitate broad-based participation in democratic decision-making and respect for the constitution in five broad areas: civil society, the legislature, political parties, local government bodies and electoral systems.

B. Strategic Objective Performance: Since the September 1991 coup, private citizens and non-governmental organizations have been hampered or prevented by the *de facto* authorities, sometimes violently, from exercising universally-recognized human rights or democratic participation. According to the U.S. Department of State's "1993 Country Human Rights Report for Haiti", Haitians suffered frequent human rights abuses throughout 1993, including political and extrajudicial killings by security forces and their allies, disappearances, beatings and other mistreatment of detainees and prisoners, arbitrary arrest and detention, and executive interference with the judicial process and continued infringement of the rights of citizens to change their government. Civil liberties, such as freedom of speech and freedom of the press, were often abridged by violence and intimidation, particularly in the immediate aftermath of the coup. Military, police and paramilitary personnel continue to commit numerous serious human rights violations with impunity.

Freedom of assembly and association were also severely restricted through violent interventions by the military. Some community organizers, even of non-political organizations, were arrested and sometimes beaten, harassed or intimidated into fleeing their own communities. Most civic education, community health, and literacy organizations were prevented from operating normally. There is also widespread repression and violence by the military authorities against trade union activities. Many union leaders have closed their offices and gone into hiding. Union groups, as well as all other citizen groups or assemblies, may only meet with the express written permission of the military.

Human rights abuses and political uncertainties have therefore significantly altered the conditions under which the DEP is being implemented. DEP continues to work with Haitian NGOs having potential roles in the democracy field, to the extent that such collaboration does not pose a serious threat to those involved. Small grants, technical assistance and training have been provided to strengthen the abilities of Haiti's independent, nongovernmental sector to design and implement activities that contribute to the democratization of Haitian society. Specifically, three Haitian NGOs have received grants in the areas of legal assistance, civic education and human rights and prison monitoring. AIFLD provides assistance for democratic labor union development, focussing its efforts on the four largest labor union confederations. With the labor movement continuing to be the target of repression, AIFLD's assistance remains a lifeline to this beleaguered movement. With respect to work with political parties and parliament, tentative work started and was interrupted with the political swing of events.

C. USAID Priorities and Strategy: Technically and politically-realistic activities have to be identified to counter the harsh political realities of Haiti and keep some elements of a democracy alive. Engagement will bring both opportunities and risk, but that is true of other activities already underway. USAID's democracy portfolio has quite simply failed to keep pace with events. Ways to revive and energize activities, primarily through the DEP project, are being explored. USAID will make performance-based choices and set priorities to ensure that every opportunity to reinforce democratic institutions is taken. As to concrete results, perceptions matter as much as substance: Haitians desperately need something on which to base hope and confidence in a future. A minimal foundation should be laid now to set the stage for a longer-term effort later.

TABLE 1: STRATEGIC OBJECTIVE PROGRAM TREE

Agency Goal: Democracy	
Bureau Objective: Support the evolution of stable, participatory democratic societies.	
Bureau Sub-objective: Encourage pluralism, tolerance of opposing views, and support for democratic values on the part of non-governmental bodies, including news media, community organizations, labor unions and business organizations.	
STRATEGIC OBJECTIVE NO. 1B: Strengthened private organizations participating in an emerging civil society.	
PROGRAM Outcome NO. 1.B.1: Broadened access to private legal representation in civil cases.	PROGRAM OUTCOME NO. 1.B.2: Increased civic participation and awareness of responsibilities.
Projects	Projects
521-0236 Democracy Enhancement	521-0236 Democracy Enhancement
521-0238 Administration of Justice	521-0190 Incentives to Improve Education
521-0247 Development Training and TA	521-0227 CLASP II
	521-0247 Development Training and TA
	521-0249 Educating for Development and Democracy
	521-0062 Special Development Activities

Table 2: Strategic Objective Performance

STRATEGIC OBJECTIVE 1.B: Strengthened Private Organizations Participating in an Emerging Civil Society				
PROGRAM OUTCOME NO. 1: Expanded effort by civic organizations to promote restoration of democracy.				
Indicator 1: Increased NGO participation.		Year	Planned	Actual
Unit: No. of NGOs receiving DEP grants.	Baseline	1992	1	1
Source: DEP project reports		1993	4	3
PROGRAM OUTCOME NO. 2: Labor confederations maintained in operation.				
Indicator: Labor confederations supported.				
Unit: No. of confederations		Year	Planned	Actual
Comments:	Baseline	1992	4	4
		1993	4	4
STRATEGIC OBJECTIVE NO. 1B Strengthened Private Organizations Participating in an Emerging Civil Society.				
Indicator 1: Increased NGO capacity to report human rights violations.				
Unit: Cumulative no. of NGOs with offices in rural areas		Year	Planned	Actual
Source: DEP project reports, independent media reports	Baseline	1992	1	1
Comments:		1993	2	
		1994	2	
		1995	TBD	
		1996	TBD	

Indicator 2: Civic-interest NGOs with adequate organizational and financial management capability.				
Unit: Cumulative no. of civic-interest NGOs registered with AID		Year	Planned	Actual
Source: AID/FHA reports	Baseline	1993	0	
Comments:	Targets	1994	1	
		1995	3	
		1996	5	

STRATEGIC OBJECTIVE NO. 1B: Strengthened Private Organizations Participating in an Emerging Civil Society.				
PROGRAM OUTCOME NO. 1.B.1: Broadened access to private legal representation in civil cases.				
Indicator 1: Increased availability of paralegal professionals		Year	Planned	Actual
Unit: No. of certified paralegals	Baseline	1993	TBD	
Source: Ministry of Justice, DEP project reports		1994	TBD	
Comments: 86 paralegals were certified under USAID's Development of Civil Society Project (521-0000.5).		1995	TBD	
		1996	TBD	
Indicator No. 2: Establishment of legal aid system beyond the capital.				
Unit: No. of legal aid offices nationwide		Year	Planned	Actual
Source: DEP project reports	Baseline	1992	0	0
Comments: Pilot activity established office in the Department of the West. The target is to open offices in each of the remaining 8 geographic departments.		1993	1	
		1994	6	
		1995	9	
PROGRAM Outcome NO. 1.B.2: Increased civic participation and citizen awareness of responsibilities.				
Indicator 1: Increased number of civic-interest NGOs.		Year	Planned	Actual
Unit: No. of legally-recognized civic-interest NGOs	Baseline	1993	TBD	
Source: Ministry of Plan		1994	TBD	
Comments:		1995	TBD	
		1996	TBD	

Indicator No. 2: Increased membership in legally-recognized NGOs		Year	Planned	Actual
Unit: No. of members	Baseline	1993	TBD	
Source: NGO reports, DEP project reports		1994	TBD	
Comments:		1995	TBD	
		1996	TBD	

Strategic Objective No. 2: Sustainable Private Sector-led Economic Growth

A. Background: The promotion of sustainable private-sector-led economic growth is a pillar of USAID’s program in Haiti. While seeking to contribute to the reenforcement of existing productive sectors of the Haitian economy, the USAID strategy identifies and develops promising areas of economic activity.

Immediately after the September 1991 coup, all USAID activities under this objective were suspended. Even when the "notwithstanding" provisions of Section 123(e) of the Foreign Assistance Act were invoked to permit ongoing programs implemented through PVOs to continue, U.S. Government policy established early in the crisis restricted activities to humanitarian assistance, defined as health and feeding programs necessary to save lives. This definition was broadened in June 1992 to allow activities intended to alleviate suffering and promote the restoration of democracy in Haiti. Consequently, six development projects designed to stimulate economic growth and generate income for lower economic groups -- thereby alleviating for the less well-off the side effects of the sanctions -- were reactivated in the second half of 1992. These projects seek, respectively, to help preserve the Pic Macaya watershed (vital to one of Haiti’s most productive agricultural regions); introduce environmentally sustainable agricultural land uses; increase rural incomes generated by coffee and other perennials; improve the production and distribution of seed; and help support the development of small-scale businesses, primarily in the provinces.

Priorities and Strategies

- **Expanded microentrepreneur and small business credit**
 - **Augmented productive and sustainable employment**
 - **Increased environmentally-sustainable agricultural production**
 - **Improved high-value, non-traditional exports**
-

If Haiti is to be put back on the road to sustainable economic growth in the aftermath of the political crisis and economic contraction of the past two-and-a-half years, USAID's private sector programs must simultaneously contribute to the transformation and modernization of the industrial and service sectors and to the sustained growth of productivity and outcome in its agricultural sector, which still employed two-thirds of the Haitian labor force and produced thirty-five percent of GDP in 1991.

B. Strategic Objective Performance: As a result of the continuing political crisis and the accompanying economic deterioration, performance under this objective has been poor. Haiti has experienced thirteen years of negative per capita economic growth. In FY 1992, for example, GDP per capita plunged by twelve percent, followed by another six to seven percent in FY 1993. Unemployment continues to worsen, as even the most efficient and resilient firms in the assembly sector, which had held out, hoping for a political solution leading to a recovery, are now closing down. Of the 35,000 jobs in the Port-au-Prince Industrial Park in 1991, only about 5,000 remain as of the end of April 1994. (If sanctions are further tightened to include, inter alia, the export assembly sector, even the remaining 5,000 jobs will disappear.) The Association of Haitian Industries (ADIH) estimates that Haiti has lost some 140,000 jobs since the coup.

Central government mismanagement by the de facto authorities from 1991-1993 seriously eroded Haiti's financial position, leading to annual inflation rates of 32 percent and 40 percent in FY 1992 and FY 1993, respectively; and a 67 percent decline in the value of the gourde against the U.S. dollar. From a pre-coup level of eight percent of GDP, government revenues as a percentage of GDP dropped over the two years to barely four percent, among the lowest rates in the world. The legitimate, Aristide-appointed government of Prime Minister Malval, which took office in August 1993, has never had any real governing authority or funds with which to operate. Conservative monetary management at the Ministry of Finance, however, limited money supply growth and prevented inflation from getting totally out of hand. The October 18, 1993 reimposition by the U.N. Security Council of the global embargo on petroleum products began by December to further contract economic activity, and with the street price of gasoline and diesel fuel increasing tenfold in the last six months, the annual rate of inflation has jumped to an estimated 50 percent in FY 1994.

Against this dismal backdrop, USAID has had significant success in the one private enterprise development initiative to be reactivated since the 1991 coup, the Provincial Enterprise Development (PED) project. Following project reactivation in June 1992, the Haitian Development Foundation (HDF) opened its second provincial branch office in Les Cayes. Two more branches, in Jeremie and Jacmel, have opened in the past year -- only one had been projected in last year's Action Plan -- and plans are underway for another branch in St. Marc before the end of 1994. Two hundred and fifteen (215) new loans have been extended in the provinces over the past year, bringing to 233 the number of loans channelled through the HDF network of provincial branches since the inauguration of the Cap Haitien branch in 1991. HDF has also begun working with other, smaller microenterprise lending institutions, such as the Fund to Assist Haitian Women (FHAF), providing both lending capital and technical assistance.

Using ESF, DA, and locally-generated PL-480 Title III funds, sixteen high-impact, employment-generating activities with both economic and social dimensions have been initiated thus far in FY 1994. These activities, designed to rehabilitate economically productive infrastructure, such as roads and irrigation canals, are being implemented by a broad range of local and international NGOs in all regions of the country. To date, more than 15,000 men and women have been employed under this initiative, and it is expected that by the end of FY 1994, 25 more projects will have come on line, creating more than 75,000 additional short-term jobs. As the evolving political situation permits, the GOH side of the Job Creation Initiative is slated to create yet another 60,000 jobs in such fields as school and hospital rehabilitation, road repairs, soil conservation/protection, and cereal seed multiplication. To the extent that those fed by the various food aid programs of the donor community are the chronically unemployed, any productive employment provided by the Job Creation Initiative not only serves to rehabilitate infrastructure critical to sustained economic growth, but also reduces the need for USAID's feeding programs.

C. Priorities and Strategy: In the absence of a political solution, the Haitian economy will continue to be severely constrained by a trade and petroleum embargo, which, if the most recent USG proposal is accepted, will be strengthened and made global in the near future by the U.N. Security Council. This will deal yet another blow to the non-contraband private sector, especially small businesses, which lack the resources to adapt to new hardships. It will become all the more pressing, then, that the PED project continue to make available the financial resources needed by viable small entrepreneurs in Port-au-Prince and in the major provincial cities. After St. Marc, HDF will seek to expand to its fifth provincial branch, in either Gonaïves or Hinche.

To complement the efforts of the PED project, USAID will proceed with a new project addressing the needs of the most basic element of the private sector and one of the most disadvantaged and vulnerable segments of the population: the informal sector. The Enhancing the Informal Sector project will target informal, mainly urban operators in the capital city and Cap Haitien, whose ranks have swelled by more than 100,000 with the closing of many enterprises in the formal sector. The Mission will also redesign the former Promotion of Business and Exports (PROBE) project, renamed Sustainable Use of Resources for Growth and Equity (SURGE) to indicate its new direction. Consistent with its new mandate, the project will pay particular attention to development of broad-based popular participation in Haitian economic life. SURGE will focus on the more disadvantaged groups in the business community and seek to reach more small businesses by helping to strengthen their professional associations. In addition, SURGE will aim to initiate and support mechanisms for a more constructive and mutually beneficial dialogue between Haitian management and labor. There will be less emphasis on export promotion than in the PROBE project.

availability of more vigorous germplasm, and the generation of new productive employment in the sector.

Even if the pledges made in the fall of 1993 by the Haiti Support Group for the clearance of Haiti's arrears to the major international financial institutions (the World Bank, the International Monetary Fund, and the Inter-American Development Bank) remain in place, additional balance of payments support will be required for the arrears accumulated toward those same IFIs in FY 1994. From \$46 million due in September 1993, the arrears have grown to \$60 million as of April 1994. By the end of FY 1994, they will reach \$74 million.

A new ESF cash transfer will therefore be needed in FY 1994, as expeditiously as USAID was able to sign the FY 1993 ESF cash transfer of \$8 million with the newly installed GOH less than four weeks after its installation. As in FY 1993, the clearance of these IFI arrears is a prerequisite for IFI disbursement, whether for renewal of suspended projects or the launching of new ones. (Shortly after execution of the FY 1993 agreement, increased political turmoil dictated that the actual disbursement be held up. The funds, when disbursed, will continue to be part of the \$46 million needed for pre-FY 1994 arrears.) USAID will seek for FY 1994 \$25 million in ESF cash transfer through an amendment of the FY 1993 agreement (Emergency Economic Recovery, No. 521-0242). Of this sum, \$15 million will be dedicated to the new level of accumulated arrears. The remaining \$10 million will be needed to meet new debt service, strengthen the gourde, and build private sector confidence in a stable macroeconomic environment. The entire amount would constitute a net addition to the OYB.

In FY 1994, a new \$15 million PL 480 Title III program will continue the stabilization of flour price achieved with the FY 1993 program. Local currency generations will be used for activities that complement and strengthen implementation of the Mission's strategy, including continued support for the Job Creation Initiative, logistical support for the Title II feeding program and development of indigenous NGOs, thus contributing to the support of others' efforts to improve food security, health, nutrition and child survival.

Rapid, high-impact, high-visibility and labor-intensive activities will continue in FYs 1995-1996 under an amended Job Creation Initiative. The sub-projects will continue to provide short-term employment and income to the unemployed, able-bodied poor, a group not likely to diminish in the near term. In addition to the physical improvement of badly deteriorated roads, irrigation canals, health facilities, and soil and water conservation structures, the sub-projects also often galvanize community involvement and cooperation, a subtle by-product of the Job Creation Initiative that is crucial to longer-term democratic governance in Haiti. As in FY 1994, local currency generations will be used in combination with DA to finance these activities.

Additional ESF cash transfers will be required in both FY 1995 and FY 1996 to allow the GOH to adequately meet its ongoing debt service obligations. If Haiti is to take advantage of the five-year \$1 billion economic assistance program proposed a year ago, of which the largest

share is expected to come from Haiti's principal multilateral lenders (World Bank, IMF and IDB), the GOH must have access to the foreign exchange needed to remain current vis-à-vis these IFIs. With annual debt service to these lenders at approximately \$30 million, USAID proposes \$15 million in ESF balance of payments for each of FY 1995 and FY 1996 -- half the total amount required. The balance would be covered by GOH reserves and other bilateral donors.

Based on substantive conditions to be developed jointly with the GOH, USAID will seek a multi-year Title III program for FY 1995 onward. The conditions will be characterized by a potential for long-term improvement of food security.

Starting in FY 1995, the Development Training and Technical Assistance project will provide both short-term and long-term training in areas particularly beneficial to the development of a modern business sector; and will identify and recruit skilled and experienced Haitian expatriates whose education, training and professional experiences will contribute to a more qualified talent pool for industry and government.

The transformation of the GOH apparatus (e.g., revenue mobilization, customs operations, regulatory agencies, basic services such as telephone and electricity now badly provided by parastatals) is a necessary condition for long-term economic growth. The Policy and Administrative Reform Project (PAR) will contribute to that transformation by making its resources (LOP: \$9 million) available to the GOH for the reform of its administrative structures and the analyses and development of its macroeconomic and sectoral policy options.

Initiatives in FYs 1995 and 1996 should enable the Mission to make progress toward the longer-term, permanent objective of sustainable private sector-led economic growth. Concentration will be on activities that continue to expand and deepen credit availability, increase access to market information by microentrepreneurs and informal sector operators, strengthen private sector institutions at the small-scale end of the business community, break down administrative and policy constraints to business development, and provide better management of the nation's natural resource base.

Previous indicators of program outcome number two, i.e. "new businesses created in target areas" and "new businesses created with AID assistance", were not indicative of the focus or desired impact of our program. Project and program monitoring systems were not designed to nor appropriate for the measurement of these indicators. Given the focus of our programs on microenterprise lending and support, providing an enabling environment for small disadvantaged enterprises, and extending provincial credit, the revised indicators provide a more accurate indication of program impact.

TABLE 1: STRATEGIC OBJECTIVE PROGRAM TREE

AID GOALS: Broad-based Economic Growth with Equity Environment	
STRATEGIC OBJECTIVE NO. 2: Sustainable Private Sector-Led Economic Growth	
PROGRAM OUTCOME NO. 1 Sustainable growth in agricultural production	PROGRAM OUTCOME NO. 2: Sustainable growth in commercial and service sectors
Projects	Projects
521-0217 Productive Land Use Systems (PLUS)	521-0186 Sustainable Use of Resources for Growth and Equity (SURGE)
521-0216 Coffee Revitalization Project	521-0223 Provincial Enterprise Development (PED)
521-0191 Targeted Watershed Management	521-0222 Policy and Administrative Reform (PAR)
521-0230 Enhancement of the Informal Sector	521-0230 Enhancement of Informal Sector
521-0222 Policy and Administrative Reform (PAR)	
521-0186 Sustainable Use of Resources for Growth and Equity (SURGE)	

PROGRAM OUTCOME NO. 2: Increased access to credit for small businesses outside the capital				
Indicator: Establishment of support institution branch offices nationwide				
Unit: Number of branch offices				
Source: Haitian Dev. Foundation reports		Year	Plan	Actual
Comment: All indicators for businesses include agribusinesses	Baseline	1992	2	3
		1993	3	4
		1994	5	
		1995	6	
		1996	7	

Table 2: Strategic Objective Performance

STRATEGIC OBJECTIVE NO. 2: Sustainable private sector-led economic growth				
Indicator: Per capita GDP				
Unit: Percentage change		Year	Plan	Actual
Source: IMF/World Bank reports; Central Bank; Ministry of Finance Comments: Progress in SO indicators is not expected until 1996. Critical assumption for progress by the target year is existence of a stable government.	Baseline	1991	---	- 4.0
		1992	---	- 12.0
		1993	---	- 6.0
		1994	-15.0	
		1995	2.0	
		1996	3.0	
Indicator: Formal private sector employment				
Unit: Number of jobs in thousands		Year	Plan	Actual
Source: Industry and professional associations; GOH internal revenue service (DGI); government pension system (ONA); Ministry of Labor Comments: 1) Formal private sector employment is used as a proxy for total employment. 2) USAID's primary contribution in FYs 1994 and 1995 will be to promote a positive investment climate through policy dialogue and the Policy and Administrative Reform (PAR) project.	Baseline	1991	---	189
		1992	---	89
		1993	---	70
		1994	60	
		1995	100	
		1996	150	

Indicator: Selected high-value non-traditional and niche exports				
Unit: US\$ in millions		Year	Planned	Actual
Source: U.S. Department of Commerce; IMF economic reports; Ministry of Finance; Central Bank Comment: 1) Baseline data is distorted by the embargo. 2) USAID's primary contribution during FYs 1994 and 1995 will be to promote a positive investment climate through policy dialogue and the Policy and Administrative Reform (PAR) project. The Coffee Revital- ization project will take longer to have sig- nificant impact at the SO level.	Baseline	1991	---	7.8
		1992	(Embar- go)	0.4
		1993	(Embar- go)	10.5
		1994	6.0	
		1995	12.0	
		1996	15.0	

STRATEGIC OBJECTIVE NO. 2: Sustainable private sector-led economic growth
PROGRAM OUTCOME NO. 1: Sustainable growth in agricultural production in target areas
Indicator: Metric tons of corn equivalent produced

Unit: Number in thousands		Year	Plan	Actual
Source: AID Monitoring Unit, FAO and Ministry of Agriculture	Base- line	1993	---	822
Comment: This is a universally accepted indicator of agricultural production. Baseline data for 1993 will be available in May 1994. Critical assump- tion: favorable weather conditions and population increase of 2 percent/year.		1994	912	
		1995	930	
		1996	949	

Indicator: Number of users of environmentally sustainable agricultural practices in areas targeted by AID				
Unit: Number in thousands		Year	Plan	Actual
Source: Quarterly reports from project grantees PADF, CARE, SECID, IICA, UNICORS.	Base-line	1993	---	31
Comment: This indicator is intended to gauge the sustainability of increases in agricultural production. Monitoring systems have been developed for the activities supporting this program outcome.		1994	35	
		1995	40	
		1996	45	
Indicator: Number of hectares under environmentally sustainable agricultural practices with AID assistance				
Unit: Number		Year	Plan	Actual
Source: Quarterly reports from project grantees PADF, CARE, SECID, IICA, UNICORS.	Base-line	1993	---	62
Comment: Monitoring systems have been developed for the activities supporting this program outcome.		1994	70	
		1995	80	
		1996	90	

STRATEGIC OBJECTIVE NO. 2: Sustainable private sector-led economic growth				
PROGRAM OUTCOME NO. 2: Sustainable growth in commercial and service sectors				
Indicator: Number of new microenterprise loans provided in all target areas				
Unit: Number				
Source: Haitian Development Foundation; Other contractor/grantee to be determined		Year	Plan	Actual
Comment:	Baseline	1993	---	291
		1994	400	
		1995	550	
		1996	750	

Indicator: Number of new microenterprise loans in the provinces				
Unit: Number		Year	Plan	Actual
Source: Periodic reports of Haitian Development Foundation, CMP, SOFIHDES, Coffee Project	Baseline	1993		119
	Comment:	1994	250	
		1995	350	
		1996	500	
Indicator: Number of jobs created with A.I.D. assistance				
Unit: Number		Year	Plan	Actual
Source: Periodic reports of Haitian Development Foundation, CMP, SOFIHDES, Coffee Project	Baseline	1991	---	1358
		1992	---	217
		1993		450
		1994	600	
		1995	825	
		1996	1125	

Strategic Objective No. 3: Protect and Develop Human Resources

A. Background: Protecting and developing Haiti's human resources is a special concern, particularly under current embargo conditions. Because Haiti falls so far below other hemisphere countries in its social and economic development, a basic needs program has long been a fundamental component of the portfolio. Protecting and developing human resources consists of a social safety net which provides Haiti's most vulnerable people with increased food security; health care; including family planning, and education and training. The synergistic nature of these elements is important to Haiti's development and the impact of the overall program. A healthy, food-secure, educated population is the foundation upon which a stable democracy and economic growth depend. All elements need to be addressed in order to protect and develop Haiti's human resources.

Priorities and Strategies

- **Expanded feeding and health programs**
 - **Support for GOH and UN efforts to develop community-based health systems**
 - **Support for GOH in development of national education plan**
-

Increased food security continues to be essential to the protection and development of Haiti's human resource base. Because Haiti has long been the poorest and most food insecure country in the Western Hemisphere, USAID has managed a food aid program for almost four decades. In FY 1994, the FAO classified Haiti and the Central African Republic as the two most food-insecure countries in the world for which data have been compiled. The economic dislocations of the *coup d'état* have contributed greatly to this deterioration.

The statistics are no better in the area of health and family planning. In 1987, Haiti's infant mortality rate was estimated at 101 deaths per 1,000 live births. The contraceptive prevalence rate approaches eleven percent. The annual rate of population growth is 1.9 percent. The rate of natural increase (births minus deaths) is approximately 2.9 percent per year. To combat the hemisphere's highest maternal and child mortality rates, USAID supports major health and population programs that target women of reproductive age and children under five years of age, providing access to family planning and child survival services to approximately 1.9 million people. Today, up to one in ten Haitians is infected with the AIDS causing virus, HIV. In urban areas, one in three pregnant women suffer from at least one sexually transmitted disease. USAID is addressing this problem by focusing on ensuring the availability of socially-marketed condoms, the effective treatment of sexually transmitted diseases, and information, education and communications (IE&C) activities. Limited resources are being provided to better educate Haitians about the problems of drug and alcohol abuse, as well as to provide counseling and treatment for victims of substance abuse.

In education, statistics are abysmal. The estimated national literacy rate has recently fallen to below 20 percent, a drop of 15 percent in the last decade. For every child enrolled in school, two are not. The continued decline in the human resources needed to undertake and participate in Haiti's democratic transformation is jeopardizing future generations' potential to contribute to social and economic growth. Haiti's education sector, already the weakest in the Western Hemisphere, is nearing collapse. Most schools operate erratically in deteriorating physical structures with few or no materials, unqualified or absent teachers, and with no national mandate. Many parents can no longer afford to send their children to school and for those who can, there is concern about the quality of education. Nonetheless, Haitians continue to invest substantial private resources in the education of their children.

USAID's human resource development efforts have focused on basic education and training traditionally provided to and through the private sector. The IIBE project has been instrumental in channeling resources to the private education sector, which serves about 85% of the primary education clientele, to improve the quality of instruction, and promote administrative efficiency and equity of access. By using a more institutional approach, IIBE has played a key role in the consolidation of the private education sector. To date more than 10,000 primary school teachers and directors have been trained, and about 500 instruments for testing and evaluation have been developed. The project has also developed two diagnostic tests: one for teachers and one for teacher trainers or pedagogical advisors. These instruments are part of the first steps in introducing standards to the education sector. To date the teacher diagnostic test has been administered to more than 2,000 primary school teachers. The project has also supported the development of a civic education curriculum that will be piloted next year. The project provided a number of services such as textbook distribution, material development, school renovation and construction, and performance incentives grants.

Since 1972, more than 900 Haitian leaders and professionals have pursued academic and technical training in U.S. colleges, universities and technical schools through scholarships provided under several A.I.D.-funded training programs and USAID sectoral development projects. These programs, which extended special opportunities to women and the disadvantaged, have enhanced technical skills and strengthened leadership capabilities, enabling this cadre of leaders and potential leaders to contribute more fully in the development of Haiti.

B. Strategic Objective Performance: Over the last two and one-half years, the USAID humanitarian assistance program, operating through PVOs, has grown to reach approximately two million people, almost one-third of Haiti's population. The program will be expanded to target a larger beneficiary group and work with public sector institutions where possible.

USAID humanitarian assistance programs registered remarkable success in FY 1994, under extremely difficult circumstances. The food distribution system has provided a cushion for the most vulnerable, attenuating the effects of the economic situation on nutritional status. Despite a reduction in the number of PL 480 Title II cooperating sponsors (down from four to three), prolonged school closings, and continuous logistical constraints, including fuel scarcities,

equipment breakdowns, and lack of spare parts, the feeding program surpassed all previous figures, reaching a high of over 700,000 beneficiaries. The feeding program was also retargetted to focus on more vulnerable groups, reducing the school feeding component from 80 percent to under 50 percent in less than a year. Because the feeding program has reached almost ten percent of the total population, USAID concludes that the Title II program, aided by good harvests in late 1993, has made a significant contribution to protecting the nutritional

Since November 1991, the USAID Monitoring Report has reported on several social and economic indicators in Haiti, a series of data over time that are consistently collected and contribute to the establishment of baseline levels from which to judge future variations. In early 1994, the Centers for Disease Control conducted an on-site assessment of the health surveillance system used for the Monitoring Report. The CDC report concluded that the monitoring system was a useful and efficient tool for following trends in the evolution of acute malnutrition and in the occurrence of specific diseases, and for detecting epidemics.

There is also a need, however, for qualitative information for policy makers, particularly during a period of such high economic distress. There are many complex interactions among social variables which need closer scrutiny. Accordingly, the Mission recently initiated a complementary data collection system which will capture and analyze qualitative data of developing situations on a near-time basis. This information will support the existing monitoring system with up-to-date and collaborative ground truth reporting and assist the Mission in designing a portfolio that responds to the development needs of Haiti.

In the health and family planning sector, USAID performance, in combination with that of other donors, was also positive, despite serious constraints.

Because of inadequate resources, mismanagement and negligence on the part of international donors since 1987, the public sector system of health services essentially collapsed following

Amazingly, despite the constraints of the political situation and economic crisis, USAID efforts continue to register enormous success in the area of AIDS prevention. Sales of a socially-marketed condom, introduced under the AIDS Control project just before the September 1991 coup, exceeded last year's target by 1.7 million, for a total of 3.9 million condoms sold.

Under the Private Sector Family Planning (PSFP) project, significant progress in permanent contraception was made through PROFAMIL's mobile surgical team. In FY 1993, one mobile team operating in twenty sites throughout the country performed 911 tubal ligations and 114 vasectomies. In 1994, a second mobile team was added and in the first quarter of the year these two teams performed 407 tubal ligations and 47 vasectomies. If the teams' level of performance of the first quarter continues throughout the year, they will easily double the 1993 performance. The success of this program reflects not only a growing demand for permanent contraceptive methods in Haiti, but the importance of the Humanitarian Fuel Distribution Program to ensuring the availability of services during the embargo. For the three months prior to the initiation of the fuel program, the mobile surgical team was only able to perform 42 tubal ligations.

Progress in basic education activities in FY 1993 was delayed due to project supervision weaknesses in internal accountability systems of the newly created umbrella institution representing the private education sector which was the principal implementing organization. A concerted six-month effort to strengthen financial administrative systems and personnel has improved these systems to enable phased reactivation of project components with continued technical assistance in financial management and administration.

In recent months the MOE has taken a leadership role in initiating critical education policy dialogue with the private education sector and donors which has stimulated an important collaborative process. Early USAID support to this collaborative process led to the recent selection of a cadre of individuals from the private and public education sector to receive training in the U.S. in the area of education policy analysis, planning and administration. Upon completion, the five returnees will constitute a special inter-sectoral unit working on policy dialogue. The opportunity to create a national structure and process enabled both sectors to see the potential of collectively contributing to education standardization and reform. This initiative served as a catalyst to the collaborative process and has led the MOE to broaden collaboration to involve representation from the entire nation in developing a national consensus on education reform. As a result USAID has re-evaluated its training strategy to focus scarce USAID resources on identifying the human resource constraints to achievement of the Missions' strategic objectives and invest in the development of a critical mass of opinion-makers needed to formulate and carry forward reforms in these strategic focus areas.

To foster the long-term impact of U.S. training, the CLASP II Follow-on program has facilitated the creation of an alumni association whose goal is to maximize trainees' ability to effect change, impact development, and encourage participation in democratically-oriented

activities. CLASP II, the follow-on to PTIC, has proven the most effective training program ever implemented in Haiti and will continue until 1996.

C. Priorities and Strategy: In the context of a tightened embargo, the feeding and health programs will be expanded in FY 1994. Though such expansion is still in the planning stage, rough working estimates of beneficiary levels range from 1 - 1.3 million for food and 2.3 to 3.5 million for health, depending on the assistance methods employed.

An amended level of 727,090 beneficiaries was approved for the FY 1994 PL 480 Title II regular program. The short-term CARE emergency feeding program for 320,000 beneficiaries in the Northwest was extended through September 1994.

The food PVOs have submitted requests to provide for 744,750 beneficiaries in FY 1995. USAID is working with the PVOs to ensure that this expanded beneficiary level is focused on the most nutritionally vulnerable population groups in Haiti. In FYs 1995-1996, the PL 480 Title II program will continue to support USAID's development objectives with an increasing emphasis on nutritionally vulnerable groups through the integration of food resources into ongoing child survival activities and a continuing strong component designed to complement the education sector. Additionally, an enhanced productive infrastructure component designed to increase the income of poor Haitians by providing temporary employment on medium-scale civil works projects is envisioned. The civil works projects are being designed to improve the quality of life over the long term. In order to accomplish the above objectives, the Enhancing Food Security (EFS) Project will be extended for five years and will be redesignated SAFEGUARD (Strategic Assistance through Food and Employment Generation for Urban and Rural Development). The EFS/SAFEGUARD Project will provide management and cost support to the participating Cooperating Sponsors and other PVOs. The Cooperating Sponsors are working in collaboration with USAID on a related Vulnerability Assessment Activity which will target the most vulnerable regions and households and suggest appropriate interventions and beneficiary levels. A Title II monetization program could provide supplementary resources to assist in the accomplishment of the ambitious objectives of the EFS/SAFEGUARD Project.

In FY 1994, USAID, along with the U.N. and other bilateral donors, initiated a dialogue with the Ministry of Health and Population (MSPP), leading to identification of many technical areas of common concern and a basic framework for future collaboration between the public and the private sectors. Within this framework, in FYs 1994 and 1995, the health concerns of all Haitians will be addressed through collaboration with the Ministry of Health and with U.N. partners. Current planning calls for the progressive addition of new community-based integrated health systems throughout the country. These systems will include provisions for child survival and family planning activities as well as basic curative care and water and sanitation activities. This approach will contribute to improving the health and well-being of all seven million Haitians rather than the two million currently assisted through a limited network of private voluntary organizations.

This Strategic Objective is best served by an integration of preventive health services and a prioritization of interventions determined by the epidemiology of diseases most important from the point of view of the Haitian family. The Integrated Family Health project, proposed for FY 1996, will combine family planning and child survival services under one integrated health program, seeking greater efficiency and collaboration between interventions, at a central and at a peripheral level. It will also address the problem of childhood mortality from the perspective of the recently developed "sick child" algorithm, and include a greater emphasis on water and sanitation issues.

The Mission does not have the resources necessary to overcome years of neglect of Haiti's education sector. Haiti's problems in the education sector are of a magnitude that necessitates a concerted effort by the donor community, with the active participation of all stakeholders. Resources will be used to support activities that amplify the impact of limited funding by: 1) helping Haiti develop a policy environment for educational reform and promoting changes in budgetary priorities so that innovations and new practices introduced by reform become the norm and are sustained through time, 2) promoting a participatory partnership between the public and private education sectors, the private business sector, NGOs, civil society and donors to formulate and carry out education reform, 3) leveraging resources from other donors and improving investment decisions for all education resources by implementing education reform, and 4) focusing USAID's education and training resources to support performance at the strategic planning and policy reform level, in addition to the project level.

Given the importance of education to sustainable development demonstrated above, the lack of education is a critical constraint to social, economic and political progress. USAID strategy requires immediate, medium and long-term interventions correlated to several levels of the constraint. Examples include a lack of both technically qualified professionals and institutional capacity to train to formulate and carry out reforms in the Mission's strategic focus areas. More critical still, especially to the democracy objective, is the lack of basic primary education to up to 80 percent of the population, jeopardizing Haiti's future.

Mission strategy to address immediate human resource constraints will be refined in the process leading to the development of a National Education Plan. With respect to immediate impact interventions, funding will be made available through amendments to the Incentives to Improve Basic Education (521-0190) and the CLASP II (521-0227) projects. Medium and long term impact interventions with a multiplier effect and involving systemic societal change will be funded through the Development Training and Technical Assistance (DTTA 521-0470) project in FY 1995 and the Education for Development and Democracy (521-0249) project in FY 1996. The one-year postponement in implementation of DTTA will enable its design to proceed on a parallel track with the education sector assessment to ensure that the manpower needs and institutional strengthening identified as part of the sector assessment are incorporated into the design. DTTA is unique in that it will provide funds not only for participant training, but also for technical assistance through Haitian expatriates who will provide on the job and in-country training in their respective areas of expertise. Long term impact interventions, will be funded through a mix of project and non-project assistance (NPA), with an emphasis on

TABLE 1: STRATEGIC OBJECTIVE PROGRAM TREE

AID GOALS: Stabilized Population Growth and Health Broad-Based Economic Growth with Equity			
STRATEGIC OBJECTIVE NO. 3: Protect and Develop Human Resources			
PROGRAM OUTCOME 3.1: Increase Preventive Health Services.	PROGRAM OUTCOME 3.2: Increase Contraceptive Prevalence.	PROGRAM OUTCOME 3.3: Improve Short-term Food Security.	PROGRAM OUTCOME 3.4: Improve Access to Education & Trg.
Projects	Projects	Projects	Projects
521-0206 Vol. Agencies for Child Survival	521-0189 Private Sector Family Planning	PL 480 PVO Direct Feeding (Title II Emergency & Regular)	521-0190 Incentives to Improve Basic Education
521-0218 Expanded Urban Health Services	521-0248 Integrated Family Health	PL 480 Title II Monetization	521-0249 Educating for Dev. & Democracy
521-0221 Awareness and Prev. of Drug Abuse		521-0241 Enhancing Food Security	521-0227 CLASP II
521-0224 AIDS Control			521-0247 Dev Trg &TA
521-0248 Integrated Family Health			
Reg. & Cen. Projects	Reg. & Cen. Projects	Reg. & Cen. Projects	Reg. & Cen. Projects
936-5970 Tech. Advis. in AIDS & CS	DPE-3030C00901900 INOPAL - Pop. Counsel	938-0704 Institutional Support Grants	965-5823 Improved Efficiency of Education
936-5974 Health Finan. and Sustainability	936-3054 Inter. Pop. Fellows Prog.	938-0238 Ocean Freight Reim.	598-0169 Caribbean Latin American Scholarship Program II
936-5982 REACH II*	936-3052 Pop. Comm. Services	938-0802, Section 202 (e) Grants	926-0071 Training, Evaluation Support Services Project
936-5116 VITAL	936-3035 Futures Group Options		598-0071 Human Educational Resource Network Support

AID GOALS: Stabilized Population Growth and Health Broad-Based Economic Growth with Equity			
936-5972.08 Centers for Diseases Control	936-3038 Futures/SOMARC		598-0032 Education & Human Resources Technical Services
938-0158 Save the Children	936-3051 Family Planning Log. Mgt.		936-5818 LearnTech
598-0786 Accelerated Immunization II	936-3061 Inst. for Reproductive Health		936-5832 Advancing Basic Education & Literacy
HSH-1419 ASHA/Hosp. of Light			
LAC-0657 Cholera Prep.			
938-0500 ADRA			
936-5966 Mother Care*			
938-0500 World Vision			
938-0500 Save the Children			
938-0500 Plan International			
938-0500 In. Child Care			

*To be subsumed under BASICS.

planning and policy development, conditioned upon performance. The EDD envisions project and non-project assistance to the education sector to implement education policy reform agreed upon in the National Education Plan.

Over the next six to nine months, USAID will focus on assisting the GOH to build a national consensus for basic education reform through social marketing and the sponsorship of a participatory education sector assessment that engages a broad involvement of stakeholders in the dialogue. See PAP 3351 and 3352. The assessment will make use of research generated by the IIBE project, and lead to the development of a long term national education plan that will serve as the basis for donor coordination.

Table 2: Strategic Objective Performance

STRATEGIC OBJECTIVE NO. 3: Protect and Develop Human Resources				
Indicator 1: Number of people being fed by USAID Voluntary Agencies				
Unit: Number in thousands		Year	Plan	Actual
Source: Project reports	Baseline	1991	427	380
Comments: This indicator is a proxy for the general nutrition of the Haitian population.		1992	620	590
		1993	645	500
		1994	727	
		1995	750	
		1996	700	
Indicator 2: Improvement in quality and efficiency of primary education				
Unit: % of teachers trained in basic skills and pedagogy.		Year	Plan	Actual
Source: FONHEP/MOE Reports	Baseline	1991	3.2%	3.3%
Comments: 1995 comprises both public and private sectors. (Previous years represent private sectors only)		1992	3.2%	0%
		1993	3.2%	0%
		1994	3.2%	
		1995	12.0%	
		1996	TBD	

Indicator 3: Infant Mortality Rate				
Unit: Number per 1000		Year	Plan	Actual
Source: Project Reports and DHS Survey data	Baseline	1988	N/A	101
Comments: A DHS national survey was conducted in 1988. The DHS survey scheduled for 1993 was postponed until 1994. Consequently, the data is not currently available. The DHS will be conducted every five years and the results will be correlated with USAID project reporting data to determine the annual infant mortality rate.		1993	100	NA
		1994	98	
		1995	96	
		1996	94	
PROGRAM OUTCOME NO. 3.1: Maintain and Increase the Utilization of Preventive Health Services				
Indicator 1: Children aged 12-23 months immunized for measles in target areas				
Unit: Percentage of children immunized for measles		Year	Plan	Actual
Source: Annual USAID Health/Pop Prog. Impact Survey	Baseline	1992	----	47.6%
Comments: The USAID Health/Pop Program Impact Survey will be contracted by USAID on a yearly basis and the sample universe consists of all health and population programs funded by USAID. Assumes that vaccines and immunizations are available at local institutions and gas is readily available. * Higher than expected due to immunization campaign.		1993	47.6%	60%*
		1994	50%	
		1995	60%	
		1996	65%	
Indicator 2: Percentage of women in target areas using oral rehydration therapy (ORT) to treat diarrhea in children 0-5 years of age				
Unit: Percentage of women using ORT		Year	Plan	Actual
Source: Annual USAID Health/Pop Program Impact Survey	Baseline	1992	---	38.2%

Comments: The USAID Health/Pop Program Impact Survey will be contracted by USAID on a yearly basis and the sample universe consists of a health and population programs funded by USAID. Assumes that ORT is available in local retail markets.		1993	38.2%	38%
		1994	40%	
		1995	45%	
		1996	50%	
Indicator 3: AIDS social marketing condoms sold				
Unit: Number of condoms sold in millions		Year	Plan	Actual
Source: Annual AIDS Control project reports	Baseline	1991	N/A	0.2
Comments: Assumes that a condom sold is a condom used and that less people will be vulnerable to spreading AIDS as condom sales increase. *FY 94 sales have been running at 935,000 per trimester.		1992	0.7	1.1
		1993	2.2	3.9
		1994	4.0*	
		1995	4.5	
		1996	5.0	
Indicator 4: Population treated for drug abuse by APAAC				
Unit: Number of drug abusers treated by APAAC		Year	Plan	Actual
Source: Data from the Association for the Prevention of Alcoholism and Other Chemical Dependencies (APAAC)	Baseline	1992	---	76
Comments: The Awareness and Prevention of Drug Abuse project disseminates information on drug abuse prevention through APAAC. USAID assumes that more people will be treated as APAAC's services improve and anti-drug messages are effective.		1993	76	124
		1994	110	
		1995	150	
		1996	200	

Indicator 5: Children served by VACS sub-grantees who receive two capsules of Vitamin A per year				
Unit: Percent of children receiving two capsules of Vit. A/year		Year	Plan	Actual
Source: Program reports issued from service statistics gathered at the institutional level.	Baseline	1992	N/A	36.1%
		1993	36.1%	36
		1994	40%	
		1995	50%	
		1996	60%	

STRATEGIC OBJECTIVE NO. 3: Protect and Develop Human Resources				
PROGRAM OUTCOME NO. 3.2: Maintain and increase the current contraceptive prevalence rate in target areas.				
Indicator 1: Contraceptive prevalence rate in target areas				
Unit: Percentage of the population using contraception		Year	Planned	Actual
Source: Annual USAID Health/Pop Program Impact Survey	Baseline	1989	N/A	10.5%
Comments: The USAID Health/Pop Program Impact Survey will be contracted by USAID on a yearly basis and the sample universe consists of all health and population programs funded by USAID.		1992	13.9%	13
		1993	13.9%	14
		1994	15%	
		1995	18%	
		1996	20%	

STRATEGIC OBJECTIVE NO. 3: Protect and Develop Human Resources				
PROGRAM OUTCOME NO. 3.4: Develop human capital				
Indicator 1: Increase in number of teachers trained in basic skills and pedagogy				
Unit: Percentage		Year	Plan	Actual
Source: IIBE and EDD project reports	Baseline	1991	3.2%	3.3%
Comments: 1995 comprises both public and private sector. Previous years represent private sector only.		1992	3.2%	0%
		1993	3.2%	0%
		1994	3.2%	
		1995	12.0%	
Indicator 2: Increase in MOE expenditures as share of GOH operations				
Unit: Percentage of expenditures		Year	Plan	Actual
Source: MOF, MOE	Baseline	1989	19.1%	22.7%
Comments: Targets will be established when EDD project begins		1990	16.8%	22.0%
		1991	23.0%	14.4%
		1992	25.0%	17.3%
		1993	24.0%	17.3%
		1994	24.0%	
		1995	TBD	
		1996	TBD	

Indicator 3: Trainees Employed in Field of Training (Efficiency)				
Unit: Percentage of Trainees Employed in Field of Training		Year	Planned	Actual
Source: Follow-on Contractor/Training Evaluation Reports	Baseline	1994	--	
Comments: Follow-on Contractor currently collecting data for FY 1994; subsequently, projections will be made for FYs 1995 and 1996.		1995	TBD	
		1996	TBD	
Indicator 4: Increased Number of Trainees in Policy Formulation and Implementation Positions in Public and Private Sector Institutions (Mobilization).				
Unit: Percentage of Trainees in Key Public and Private Sector Institutions		Year	Planned	Actual
Source: Follow-on Contractor Reports/MOE/FONHEP	Baseline	1994		
		1995		
Comment:		1996		

Section II

Portfolio Analysis

A. Overview: USAID/Haiti's portfolio consists of 20 ongoing projects with a total approved life-of-project funding of \$262 million. The Mission's portfolio is focussed in the Agency's four strategic program areas with Population and Health activities comprising approximately half of the Mission's authorized funding. The Economic Growth portfolio, which comprises 27 per cent of the program, focusses largely on increasing farmer income, credit to micro- and small-businesses and policy reform. The Mission has two projects which are aimed at Haiti's environmental degradation problems through encouragement of improved land use practices by rural farmers. There are two other projects which directly contribute to the restoration of democratic processes in Haiti, and several projects which indirectly support democracy efforts.

A total of 40 percent of the portfolio is represented by projects which are more than five years old. Only ten percent of the portfolio is less than two years old. As of March 31, 1994, the pipeline totalled nearly \$50 million, which represents a 13.6 percent increase from a year ago. This increase is explained by the authorization of two new activities in 1993, the Administration of Justice project (521-0238) and the Emergency Economic Recovery program (521-0242), whose implementation has been delayed due to the political environment.

The portfolio has coped with a variety of obstacles, most recently the effects of a renewed economic embargo and the unavailability of fuel, which have threatened implementation. Nevertheless, total project expenditures for the 12-month period ending March 31 were over \$134 million, which is an increase of 32.6 percent from last year. The Mission's mortgage stands at \$78 million, or about two years of the estimated FY 1994 OYB.

USAID plans to restructure its present portfolio into three sector projects that correspond to long-term Mission strategic objectives. Presently, the portfolio encompasses some 40 grantees and 24 sub-grantees resulting in at least 84 separate management units. Restructuring will produce significant administrative efficiencies enabling the program to better adapt quickly to development opportunities as they arise in the fluid political environment. To the extent possible, Mission current and planned activities will become components of sector projects. One of the expected benefits of this approach is to allow for more aggressive and flexible implementation, resulting, *inter alia*, in having resources directed more to development needs and reducing pipeline levels. Project funds would not remain stagnant due to implementation problems associated with one component, but could be shifted easily to other components where performance warrants greater resources. Administrative efficiencies of the new programming would allow USAID more time to focus on substantive development issues.

The first sector project will correspond to STRATEGIC OBJECTIVE #1: Strengthening Democratic Institutions, and would include democracy, justice, and public sector institutional-strengthening activities. The second sector project would include the bulk of our portfolio under STRATEGIC OBJECTIVE #2: Broaden Private Sector-led Economic Growth. This sector would include activities in sectors of agriculture and environment, private sector and community development, and administrative and policy reform. The third sector project will support STRATEGIC OBJECTIVE #3: Protect and Develop Human Resource Base. This sector would absorb all of our health, population, education and training activities. Although activities will be grouped in sector projects that support a specific strategic objective, many current activities such as training and education support more than one strategic objective.

Concurrent with the restructuring of the portfolio, USAID will need to revise and refine its strategic performance indicators (SPIs). As a step in this process, the Mission has generated a Mission-wide evaluation tracking system to monitor the status of the implementation of recommendations from project evaluations and assessments. This information will assist the Mission in coordinating the development of new SPIs and to manage the portfolio by development objective.

Along with restructuring, the character of the Mission's portfolio will change during FYs 1995/96 as we expand bilateral activities. USAID plans to work more directly with the GOH in sectors such as agriculture, education and training, health, planning and policy reform. In this context, we will be exploring new ways of obligating bilateral funding. One possibility is to execute only one, umbrella-like bilateral agreement with the GOH annually according to mutually-agreed, pre-determined needs and available resources. The Mission would then be able to exercise some flexibility in appropriating the obligated funding within the three sector projects according to need and performance.

B. Planned Designs/Re-designs: USAID/Haiti plans eight new starts for FYs 1995 and 1996: Enhancement of the Informal Sector (521-0230); Agricultural Marketing Linkages (521-0231); Development Training and Technical Assistance (521-0247); Integrated Family Health (521-0248); Education for Democracy and Development (521-0249); Economic Recovery Assistance (521-0250); Institution Building (521-0251); and Protection of Natural Ecosystems (521-252). At this time, all of these new starts will be authorized in FY 1995 *except* Education for Democracy and Development (521-0249) and Protection of Natural Ecosystems (521-0252) - which are scheduled to be authorized in FY 1996. In addition, 13 project amendments are planned: Sustainable Resources for Growth and Equity, formerly known as Promotion of Business and Exports, (521-0186); Private Sector Family Planning (521-0189); Incentives to Improve Basic Education (521-0190); Targeted Watershed Management (521-0191); Voluntary Agencies for Child Survival (521-0206); Coffee Revitalization (521-0216); Productive Land Use Systems (521-0217); Awareness and Prevention of Drug Abuse (521-0221); AIDS Control (521-0224); Caribbean and Latin American Scholarship Program II (521-0227); Democracy Enhancement (521-0236); Enhancing Food Security (521-0241); and Economic Recovery Assistance (521-0250). All of these amendments, with the exception of the amendment for the Economic Recovery Assistance program (521-0250), will be completed by FY 1995.

A number of projects are being amended to include sectoral policy reforms and other bilateral activities that will have longer-term impact and address the challenges of a more developmentally-oriented environment. Health and population projects will be amended to increase the life-of-project funding in order to provide additional resources to reactivate activities suspended since the coup. Some of these activities include support and coordination with public sector entities. Project amendments are also required to ensure there is a continuation of assistance while the new health project, Integrated Family Health (521-0248), is under design. Incentives to Improve Basic Education (521-0190) will be amended to complete activities that were suspended and to provide institutional support to the Ministry of Education. Agricultural and environmental activities will be amended essentially to address recent evaluation and assessment recommendations related to the enhancement of sustainability. The Caribbean and Latin American Scholarship Program II (521-0227) will be extended to provide an overlap with the planned follow-on project: Development Training and Technical Assistance (521-0247). Democracy Enhancement (521-0236) may be amended to support the upcoming Haitian elections (see PAP 1851). Sustainable Resources for Growth and Equity (521-0186) will be amended to reflect the changes in the business environment and to better address growth with equity issues. The New Activity Description (NAD) for this project amendment was submitted out of cycle. It was reviewed and approved by the Bureau on March 9, 1994. The Enhancing Food Security project (521-0241) will be amended to link the Title II feeding program closer to maternal and child health care and to extend the Job Creation component. The planned amendment for Economic Recovery Assistance (521-0250) will be designed to provide additional balance of payments support to that provided under the FY 1995 Economic Recovery Assistance program.

All of the above-mentioned initiatives will be carried out within the framework of restructuring the USAID portfolio. The Bureau has already reviewed and approved NADs for Enhancement of the Informal Sector (521-0230), Agricultural Marketing Linkages (521-231); Integrated Family Health (521-0248); and Development Training and Technical Assistance (521-0247). In addition, cable PAP 1508 described the developmental framework for the proposed Institution Building project (521-0251) and therefore, NADs for these activities are not necessary. Though a NAD for Education for Development and Democracy (521-0249) was reviewed and approved last year, due to substantive changes, a new NAD is provided in this Action Plan. NADs are also provided for the following activities: an amendment for Enhancing Food Security (521-0241); and Protection of National Ecosystems (521-0252). A NAD for Economic Recovery Assistance (521-0250) will be provided out of cycle. Also, brief descriptions are provided for each of the planned project amendments and on the PL 480 Title II and Title III Programs for FY 1995 and FY 1996.

In addition, if resources permit, the Mission plans to develop several shelf projects in the areas of energy assistance, rural infrastructure development and privatization. These projects would then be available for authorization when the political environment warrants.

Table 3: USAID/Haiti PORTFOLIO - Project Timeline

Project Number/Title -521	FY 92				FY 93				FY 94				FY 95				FY 96				FY 97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
0062 Special Development Activities																								
0186 Sust. Resources for Growth and Equity																								
0189 Private Sector Family Planning																								
0190 Incentives to Improve Basic Education																								
0191 Targeted Watershed Management																								
0206 Voluntary Agencies for Child Survival																								
0216 Coffee Revitalization																								
0217 Productive Land Use System (PLUS)																								
0218 Expanded Urban Health Services																								
0221 Awareness and Prevent. of Drug Abuse																								
0222 Policy and Administrative Reform																								
0223 Provincial Enterprise Development (HDF)																								
0224 AIDS Control (Abe-Side)																								
0227 CLASP II																								
0230 Enhancement of the Informal Sector																								
0231 Agricultural Market Linkage																								
0236 Democracy Enhancement																								
0238 Administration of Justice (AOJ)																								
0241 Enhancing Food Security																								
0242 Emergency Economic Recovery																								
0245 Seed Production																								
0247 Dvpt. Training and Technical Assist.																								
0248 Integrated Family Health																								
0250 Economic Recovery Assistance																								
0251 Institution Building																								
0640 PTIIC																								
0252 Protection of National Ecosystems																								
0249 Education for Dvpt. and Democracy																								
Total Projects (number) (at end of FY 4th Quarter)	19				20				24				24				24				12			
PACDs	0				0				2				13				1				1			

Pipeline and Mortgage Analysis

Project	Pipeline as of 3/94	Mortgage FY 1995	Mortgage FY 1996
0186 SURGE	1,052,121	6,710,604	5,710,604
0189 Priv. Sect. FP	2,822,966	7,283,197	-0-
0190 Basic Education	2,386,552	5,005,522	-0-
0191 Targ. Watersheds	496,063	903,509	3,509
0206 VACS	5,801,025	3,438,022	-0-
0216 Coffee Revital.	941,262	1,900,000	400,000
0217 PLUS	4,237,486	27,569,967	22,769,967
0218 Exp. Urban Health	2,333,603	2,603,939	-0-
0221 Drug Abuse	304,480	400,000	-0-
0222 Pol. & Adm. Reform	2,700,000	6,300,000	6,000,000
0223 PED	2,804,781	7,642,893	6,142,893
0224 AIDS	1,561,541	9,211,000	7,211,000
0227 CLASP	494,124	187,955	-0-
0230 Enh. of Inf. Sect.	-0-	11,550,000	10,550,000
0231 AGLINK	-0-	12,000,000	10,750,000
0236 Democracy Enhanc.	2,737,370	22,800,000	13,000,000
0238 Adm. of Justice	3,000,000	14,000,000	12,000,000

Project	Pipeline as of 3/94	Mortgage FY 1995	Mortgage FY 1996
0241 EFS/Safeguard	7,171,057	72,986,441	61,986,441
0242 Emerg. Econ. Rec.	8,000,000	-0-	-0-
0245 Seed	1,069,193	-0-	-0-
0247 DTTA	-0-	15,000,000	12,000,000
0248 Int. Family Health	-0-	-0-	80,000,000
0249 Educ.for Dev./Dem.	-0-	-0-	20,000,000
0250 Econ.Rec. Assist.	-0-	30,000,000	15,000,000
0251 Institut. Build.	-0-	80,250,000	50,250,000
0252 Prot.of Nat.Ecosyst.	-0-	-0-	15,000,000

New Activity Descriptions

The following presents New Activity Descriptions (NAD) for Education for Development and Democracy (521-0249), the Protection of National Ecosystems (521-252) and a separate NAD outlining a proposed amendment for the Enhancing Food Security (521-241) project. Also, brief descriptions for expected project amendments are provided.

Project Title	:	Education for Development and Democracy (EDD)
Project Number	:	521-0249
Fiscal Years	:	1996-2000
LOA Funding	:	\$20,000,000 DA, ESF

Strategic Fit with Agency/Bureau Goal: The proposed project supports the Agency and Bureau objectives by creating an educated resource base to contribute to economic growth, encourage democratic and stable governance, stimulate a demand for a better environment and ultimately result in healthier families. The EDD will follow the Incentives to Improve Basic Education (IIBE) project and will focus on improving both public and private sector primary education. According to the landmark World Bank study, *The East Asian Miracle*, "primary education was the single largest contributor to the growth of the high-performing Asian economies." In addition to evidence regarding education's effect on national growth, economists have found evidence at the microeconomic level that education is an exceedingly good investment in people. The evidence linking education, particularly girls education, to family health indicators, including family planning, is extremely strong. Education, particularly of women, is a strong predictor in determining family health and is a cost-effective means to attack health problems. Education creates an indigenous demand for a better environment since educated individuals know how to press their environmental demands on governments and can call governments to public action. Moreover, education encourages democratic and stable governance because only a well educated population can demand accountability and open participation.

Consistency with Mission Strategy

(a) Activity Goal: The goal of the project is to lay a stable foundation for economic growth and democracy by strengthening the country's human resource base through improvements in primary education. Preliminary indicators would be: (1) increased public investment in primary education, and (2) increased percentage of students promoted from primary to secondary school in three years.

(b) Activity Purpose: The purposes of the project are to: (1) increase public sector investment in primary education; (2) improve the efficiency and equity of access to private and public primary schools serving rural and depressed urban areas; (3) enhance the quality of instruction by making teaching more participatory and making the curriculum more relevant by adding a civic education component; (4) develop the private and public primary education infrastructure to enable it to consistently plan and implement improvements in the quality of primary education. Preliminary indicators would include: increased percentage of teachers sufficiently trained; increased percentage of GNP invested in quality improvements of the primary education sector; improved academic performance as determined by measuring trend in national test scores; increased gross number of children enrolled in primary schools.

(c) Project Description: The project will consist of seven components: (1) teacher training, (2) distance education, (3) information collection and management, (4) institutional development, (5) policy dialogue, (6) research, and (7) commodity procurement. Each of the seven interrelated components will provide support to both the public and private sectors. Teachers in both sectors will receive diagnostic training in three modules, as well as training with civics and environmental education. Data collection and management initiated under IIBE will continue to be a priority under EDD, particularly in the public sector. Technical assistance and training will be provided to the Ministry of Education and private associations to support the development of the private and public education institutions. EDD will also strengthen policy dialogue by funding town meetings, conferences and seminars. The project will initially focus on improving the quality and efficiency of the educational system. Once this has been adequately addressed to ensure that students entering the system receive basic skills with average repetition rates, the project will add education access with a special focus on female education.

(d) Poverty Alleviation: The proposed project will directly alleviate poverty by increasing access to education through elevated levels of public sector investment, teacher training and improved curriculum. With illiteracy rates estimated as high as 80% and only one-third of Haiti's children enrolled in primary school, the public and private education sectors require immediate long-term attention. Because public sector investment is currently estimated at approximately 1.5% of GNP, funding will be provided through a mix of project and non-project assistance (NPA), with a distinct emphasis upon planning and policy development conditioned upon performance. Non-project assistance will not only be used to increase public investment in education, but also to encourage policy dialogue and quality investment. For example, approximately 99% of Haiti's public investment in education is for teacher training, leaving just 1% for materials (books, chalk, paper), training and curriculum development.

Project assistance will be targeted to meet the immediate needs of Haiti's primary schools, as identified by the education sector assessment performed under IIBE, and non-project assistance will ensure that decision-makers budget appropriate resources and change policies as needed so that the innovations and practices introduced by USAID (in collaboration with local governments and NGOs) become the norm and are sustained through time. Empowerment of communities and NGOs at the policy level is the best possible contribution to sustainability. By giving policy voice to the previously voiceless, we will directly and immediately encourage greater democracy and pluralism and alleviate poverty.

(e) Dialogue Agenda: EDD will focus on policy dialogue and reform in tandem with targeted project interventions (i.e. teacher training, curriculum development) to assure sustainability. Local NGO policy pressure will be harnessed in conjunction with conditionality to elicit sustainable policy dialogue. Policy dialogue will not only focus on increased public investment (targeting 4-5% of GDP) but improved quality investment. Moreover, the policy agenda will be shaped by the National Education Plan which will be based on policy analysis and public dialogue. USAID is currently providing technical assistance in the development of a national education plan which is expected to be presented by the government in FY 95.

(f) Donor Coordination: Haiti's problems in the education sector are of such a magnitude that necessitate a coordinated effort by the donor community with the active participation of stakeholders. USAID will work in concert with other donors in developing the policy dialogue and targeting our activities in areas that address real bottlenecks. The World Bank's activities were interrupted by the 1991 coup and UNICEF, UNESCO and OAS have only recently begun to support the Ministry of Education's efforts. The education sector assessment funded and completed under IIBE is expected to serve as the basis for donor collaboration under EDD. USAID intends on focusing on its comparative advantage, technical assistance at the policy level, and will coordinate with the multilateral banks on direct capital investment.

Policy and Design Issues:

(a) Sustainability: The project will assist the country to develop a policy environment for educational reform and promote changes in budgetary priorities within the country so that innovations and new practices introduced by reform become the norm and are sustained through time. Medium and long-term programmatic and financial sustainability strategies of the private education sector NGO, FONHEP, will be addressed in the institutional development component.

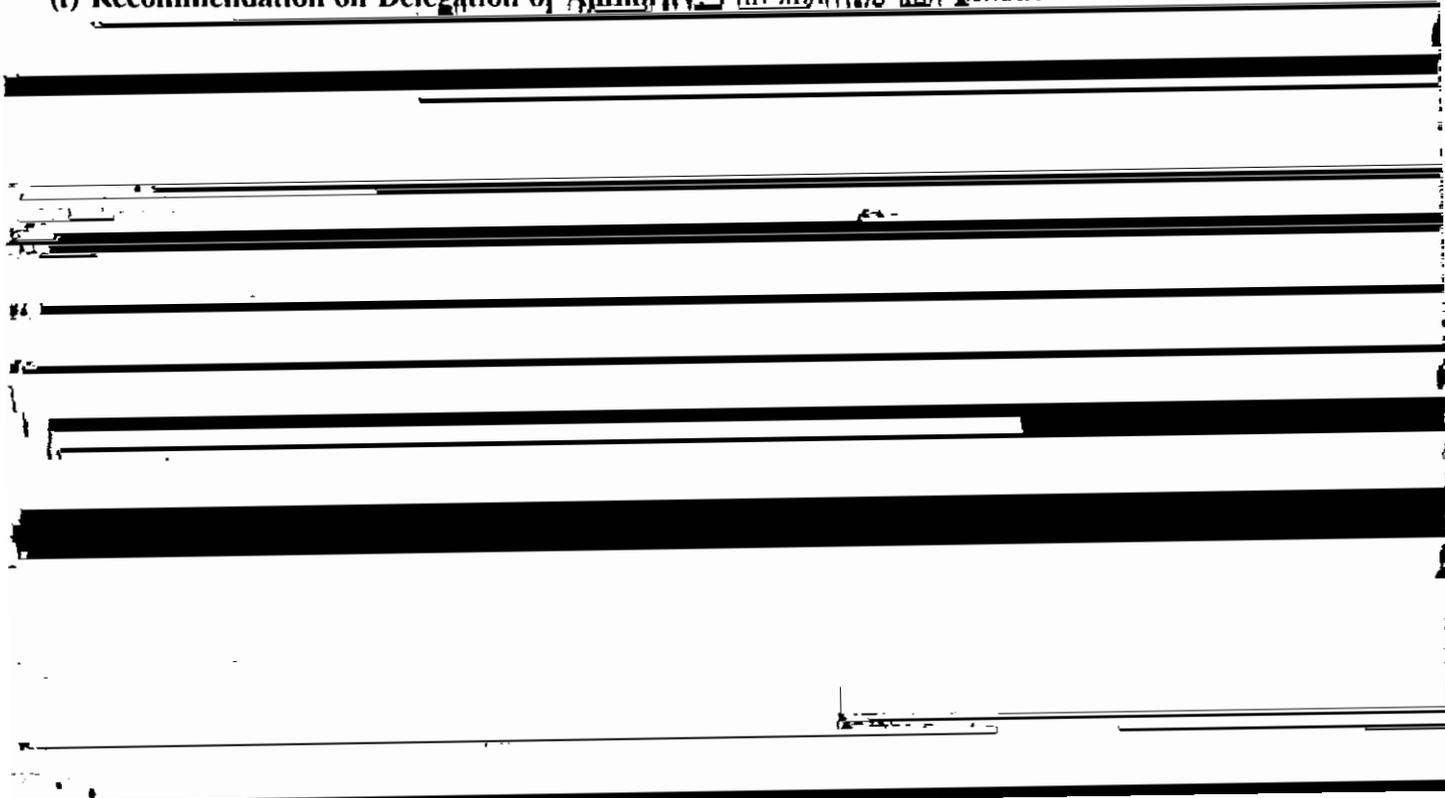
(b) Potential Issues: Given Haiti's fluid political situation, the public sector component of EDD could be in periodic suspension during the life of the project. As a result, increased public sector investment and other project objectives may be delayed. Implementation of EDD's private sector component assumes that FONHEP (Haitian Private Education Foundation) has the financial management capability to assume direct USAID funding.

(c) **Innovative Approaches:** EDD will combine project level assistance with non-project assistance to address problems within the education sector at both the policy and project level. USAID will work in partnership with the GOH as well as the NGO community (FONHEP, CNEH) in identifying the necessary interventions to increase access and improve education in both the public and private sector. USAID will provide technical assistance to the Ministry of Education, enabling the GOH to achieve its objectives identified under the National Education Plan. USAID will also provide targeted assistance consistent with the findings of the education sector assessment to be completed under IIBE.

(d) **Management and Support Requirements:** A high-qualified off-shore PSC education technical advisor will serve as the project manager of the EDD project and will be assisted by a local-hire PSC. Both positions are currently filled and will continue under EDD. To implement the human capacity development strategy outlined in the mission's strategic objectives, one additional off-shore human resources PSC will be added as manager of the Education and Human Resources Division of GDO. No additional management is required.

(e) **Timetable:** The design will begin by evaluating the IIBE project and receiving the results of the education sector assessment being funded in FY 94 by the IIBE amendment. Project Paper will be developed in late FY 95 following development of National Education Plan, using off-shore design team with assistance of staff listed above in 4 (c).

(f) **Recommendation on Delegation of Authority:** Full approval and authorization authority



respond to the problem, this project will address two of USAID's strategic objectives, promoting broad-based sustainable economic growth and protecting the environment.

Relationship to A.I.D. and Other Donor Activities: The project will be designed to replace on a broader scale the Mission's current activity in support of the protection of the natural ecosystem, biological diversity and natural resources management: the Targeted Watershed Management (TWM) project (521-0191). The current project provides technical assistance to farmers living in the Park Macaya buffer zone, to promote ecologically sound agricultural practices, in order to decrease ecological pressure on the Park. The mountaintop forest, known as Pic Macaya is the last natural rain forest in Haiti and a major watershed protecting several rivers which irrigate the rich agricultural land of the southwest.

Activities under the TWM project are implemented by the Union des Cooperatives de la Region du Sud (UNICORS), a local NGO. Since the present phase began in 1992, over 500,000 trees have been planted and 21,000 thousands short-term jobs generated. If this work is halted, degradation of the forest will resume, resulting in irreversible consequences for the ecology of the most productive agricultural region in Haiti. The same fate is befalling all other parks and forests in Haiti. The GOH has neither the will nor the resources to respond. Without organized assistance from abroad, Haiti's forest cover will soon be reduced to near zero, and the resulting loss of topsoil and watersheds will have a catastrophic impact on the environment, economy and food security of the region.

No other donor is currently engaged in any activity to protect the environment in Haiti. A \$27 million environmental project by the World Bank was authorized in 1991, but all planning ceased after the coup d'état of September 1991, and we understand that funds reserved at that time are no longer available. Thus any future World Bank initiative would have to start again from the beginning.

Project Description: The goal of the project is to preserve and protect Haiti's environment against further degradation. The project purpose is to improve the ecological, economic and institutional sustainability of the country's natural resource base by providing mechanisms through which the GOH, the private sector and the Haitian population can cooperate in the national preservation effort. Preliminary performance indicators include the numbers of persons reached by public awareness campaigns, verification of interventions completed in the targeted national parks and buffer zones, and the development and implementation of an approved national strategic environmental plan.

Haiti's natural forests are declining at an alarming rate. In 1923, 60% of Haiti's surface was virgin forests, it had declined to 7% by 1974 and 2% by 1982. Now it is estimated that only a 1% forest cover remains, and by the beginning of the next century, Haiti will be completely deforested, unless immediate conservation measures are taken.

The effects of this devastation will be felt far beyond Haiti and could eventually encompass much of the Caribbean Basin, by introducing regional climatic changes. To prevent this catastrophe, a strategy to preserve and protect critical ecological areas must be developed. A workable plan to manage protected areas and to develop the necessary local institutions is an essential element to the project, to ensure its sustainability in the future. An assault on remaining natural assets will always remain a temptation in a poor country operating at the margin, where short-term gain always seems to take precedence over long-term benefits, even if survival may ultimately be at stake.

USAID/Haiti has already made a substantial investment in environmental protection in Haiti over the last ten years through the Agroforestry Outreach and TWM projects, and currently the Productive Land Use Systems (PLUS) project, without which the present environmental situation would be much worse. While the current Ministry of Agriculture understands the problem and is attempting to address it, the government lacks both the funds and the staff expertise to be effective. A fundamental change of attitude is needed on the part of the general Haitian population to recognize the vital importance of preserving the natural environment for the future, not an easy task when day-to-day survival is a paramount concern. Attitudinal changes cannot be expected to occur overnight and must be orchestrated carefully by public education and information campaigns, aimed at increasing public awareness and pride in the national patrimony.

The main elements of the proposed project comprise:

- Development of a National Strategic Environmental Plan

There has been no systematic effort in Haiti to develop a national strategy to protect the environment and preserve national ecosystems. The GOH has little capability in this area and virtually no resources. Other than USAID activities in the PLUS, Coffee and TWM projects, there is no significant donor assistance to any aspect of environmental protection or planning for such. If any headway is to be made with this daunting problem, a comprehensive national strategic plan must be developed as a guide to future attitudes and actions. PNE will assist the GOH in developing such a plan, providing technical assistance, technological aids (satellite imagery, computer models, etc.), and funding for targeted research.

- Protection and Management of Parks

This component will seek to preserve and/or reinforce Haiti's few remaining natural forests, parks and marine reserves, specifically:

Park Macaya: Haiti's last remaining natural rain forest, located in the Southern Peninsula; this activity will continue the work begun under TWM by UNICORS to provide protection and

rehabilitation of the natural ecosystems in Park Macaya and its buffer zone, but expanded to encompass both the northern and southern slopes of the park.

Park La Visite: Preservation of the only national park in the Western Department, including protection of a major watershed, essential for the inhabitants of the Massif de la Selle.

Marine Parks: To counteract the depletion of reef-associated fish stocks as a result of overfishing, PNE will provide technical and financial support for the establishment of three national marine parks at 1) Ile des Arcadins (Department of West) 2) Baie des Barraderes/Cayemites (Department of Grand-Anse) and 3) Bais d'Aquin (Department of the South).

- Environmental Education and Public Awareness

PNE will work with the public and private sectors to provide education and information to the general public and targeted populations on the economic, environmental and food security benefits of park protection and natural resources management.

In all its elements, the project will reach an estimated 400,000 people. It will reinforce USAID past ecological investment and will set the stage for the implementation of a sustainable environmental strategy in a country where none previously existed.

Planned Implementation Arrangements: The project will be implemented by more than one Haitian non-governmental organization, which will be selected through competitive bidding. Cooperative Agreements/contracts will be awarded to carry out various functions, such as providing technical assistance to farmers, training and environmental education and public awareness programs.

The involvement and cooperation of the public sector in this activity are key factors to its success, since the responsibility for protecting and policing Haitian parks properly rests with the Ministry of Agriculture. Although it does not wish to become involved directly in the implementation of field activities, the ministry's Technical Secretariat for Watershed Management (STAB), created under the Targeted Watershed Management project (TWM), will be responsible for gathering, analyzing and disseminating information on project activities. Furthermore, the project will work with the Ministry of Agriculture to develop a national strategic plan for natural resource management.

A U.S. institution with appropriate environmental experience will assist the local implementing NGOs in 1) developing alternative sources of income and bio-resources for families in the buffer zone and 2) strengthening the capacity of local NGOs to effectively support the integration of bio-diversity conservation with sustainable agriculture and other programs in the buffer zone and core park areas.

A US-based conservation organization (NGO or university) will undertake the research elements of the project. Its main task will be to complete/update the inventory of the fauna and flora, specifically the endemic species of plants and animals of each park.

The Project Paper will determine the most effective mechanism to coordinate the various elements of the project.

Mission Management Role: The project will be administered by a project officer in the USAID/Haiti Private Enterprise and Agricultural Development Office (PADO). The Mission project team approach will apply to this, as well as other projects, to ensure regular interdisciplinary Mission monitoring and attention to any implementation or policy problems that may arise. The Mission project manager will maintain regular contact with NGO implementors and will oversee project activities on approximately a half-time basis. The Controller's Office will process vouchers from project implementors, oversee project budgets and arrange for annual audits.

Policy or Project Issues: The following policy issues will be addressed at the PID and Project Paper stages:

A. Establishment of realistic parameters for the development of a national environmental strategy, requiring judgments on political stability, degree of public support and availability of donor funding.

B. Identification of specific interventions for each park target site, including acquisition of government land for national parks and resolution of land tenure questions.

Design Strategy and Schedule: Among several other documents, "The Stewardship Plan for the National Parks and National Areas of Haiti" produced a wealth of background information and identified several areas and methodology of intervention for a project to correct the environmental problem of Haiti. The Mission will initiate the PID process in early FY 1995, with a team composed to the maximum extent feasible of local environmental specialists, assisted by one or two expatriates, if deemed necessary.

Illustrative Budget (5-Year LOP in \$US)

Parks Protection (Macaya & La Visite)	7,000,000
Marine Parks	1,500,000
Public Education & Information	2,500,000
Research	2,000,000
Development of Strategic Plan (GOH)	2,000,000

Total 15,000,000

Recommendation on Delegation of Authority: Full approval and authorization authority delegated to the Mission Director.

NEW ACTIVITY DESCRIPTION
Amendment to Enhancing Food Security

Project Title: Strategic Assistance through Food and Employment Generation for Urban and Rural Development (SAFEGUARD)

Project Number: 521-0241

LOA Funding: \$100,000,000 (\$40 million previously authorized)
DA, ESF and local currency

Fiscal Years: 1992 - 2000

Appropriation Acct: DA/ESF

Consistency with Agency Policy and Mission Strategy: SAFEGUARD will address one of the Bureau's long-standing mandates to provide emergency humanitarian assistance as an integral process in the promotion of sustainable development. Haiti currently faces a humanitarian crisis in which long-term assistance will be necessary to help significant portions of society recover to the point where the larger development issues can be addressed. Haiti is clearly a transitional country in the midst of political crisis where the timely provision of humanitarian assistance is needed to reinforce its institutions and national order. Significantly, SAFEGUARD will combine its more traditional relief approach with an innovative information gathering and targeting system which will direct both feeding and economic enhancement and employment activities toward the most vulnerable populations. This new approach will enable SAFEGUARD to build bridges towards more sustainable development activities.

Project Goal and Purpose: The goal of SAFEGUARD is to enhance Haiti's food security. As defined in AID PD-19, food security is achieved, "When all people at all times have both physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life." SAFEGUARD is consistent with the Mission policy of protecting and developing human resources and laying the foundation for local economic recovery.

The purposes of the project are threefold: (1) to increase food security for nutritionally vulnerable population groups through direct feeding programs, (2) to mitigate food insecurity through the creation of economic enhancement opportunities designed to rehabilitate the

productive infrastructure base of the country and (3) to improve data collection in order to target Haiti's most nutritionally vulnerable groups and measure program impact. Preliminary indicators based on the tighter link among the purposes include: percentage increase in MCH and Other Child Feeding versus school feeding, percentage decrease in beneficiaries as economic enhancement activities in target areas increase, and nutrition status of target populations maintained or increased.

Impact on Poverty Alleviation: With rapidly increasing unemployment (currently estimated at 60 percent), scarcities of food, and the inability of the poorest of the poor to access the food that is available, SAFEGUARD is being designed to halt this seemingly inexorable downward spiral. Through an overhauled, needs-based, more efficient and dignified system, the food distribution and economic enhancement programs will alleviate hunger in targeted groups, although not poverty, in the short-to-medium term. The Vulnerability Assessment Activity will target the most vulnerable regions and households and suggest appropriate interventions and beneficiary levels. A significant part of the overall strategy to halt the current downward slide is the food assistance program's increased focus on maternal/child health programs, thus targeting food resources directly to the family table. In addition, increased income and employment opportunities for women are envisioned through SAFEGUARD's economic enhancement activities.

Dialogue Agenda: The Mission intends to maintain a close, collaborative relationship with each of the ministries concerned with the strategic planning and implementation of activities for Haiti's food security and relevant research topics, as well as with those ministries with connections to any planned economic enhancement projects. These include the Ministries of Agriculture, Plan, Public Works, and Health. The Government of Haiti (GOH) is struggling at the present time to provide the leadership role they can and must play in dealing with the future of Haiti. Political resolution will not dramatically change the situation in the near-term. A long term commitment on the part of the USG will be needed to help the ministries rebuild an institutional capacity to deal with the enormity of the humanitarian crisis and wide range of development issues facing Haiti. Policy immediately following the September 1991 coup, required that all humanitarian assistance be implemented by non-governmental organizations (NGOs) and private voluntary organizations (PVOs) as the Mission was prohibited from having contact with the de facto regime. With the naming of a Prime Minister by the exiled President, communications have been reestablished with the GOH. Current job creation activities being implemented by NGOs and PVOs are closely coordinated with the relevant ministries to ensure discussions of regional priorities take place, required technical standards are met, and where possible, to take advantage of GOH technical and material support. SAFEGUARD will build on the existing spirit of collaboration with GOH entities.

Donor Coordination: Other major international donors with established humanitarian assistance programs in Haiti meet on a monthly basis with the Mission to discuss on-going operations and planned activities. The group coordinates on area coverage to ensure that no unnecessary duplication takes place. The international donors have expressed great interest in participating with the Mission on the proposed Vulnerability Assessment Activity as well as the

national food security strategy being jointly developed by the Ministry of Agriculture the Ministry of Plan, as they recognize the need for baseline data for the design of their programs. The Mission is well prepared to monitor other economic enhancement projects (for instance, job creation activities) to avoid duplication of effort, facilitate the sharing of good ideas, encourage collaboration where appropriate, and promote GOH coordination.

Project Description: Currently, the Enhancing Food Security Project provides support for PVO operating expenses under the Title II feeding program, supports short-term employment activities and funds the Monitoring Unit and Vulnerability Assessment activities. Under the redesign of this project, SAFEGUARD will incorporate these same activities in an expanded and more comprehensive fashion. It is anticipated that the PVOs currently involved in the feeding and job programs will take an active role in the economic enhancement activities envisioned under SAFEGUARD.

Political unrest and a declining economy have resulted in an emerging class of nutritionally vulnerable people in addition to worsening the food security of the previously vulnerable groups. This potentially productive segment of the population is losing economic access to food. The redesign effort will focus on creating employment opportunities in the productive sector and the provision of other economic enhancement activities for this segment of the population, thus reducing potential feeding program beneficiaries.

The expanded Vulnerability Assessment Activity will allow more tightly focused programming on the traditionally vulnerable population and the emerging economically vulnerable segments of society. This more comprehensive approach will provide a social safety net nationwide. In addition, economic enhancement activities are seen as the mechanism to allow individuals to move out of feeding program into a productive segment of society. Initial indications from the current job program are that the job being created are widely popular and that a household may recapitalize with as little as one member working for a two month period, although the revised program would allow for longer periods of employment. Rehabilitated productive infrastructure creates the potential for local economic recovery and is assumed to have a positive effect on poor households.

Data from the Vulnerability Assessment Activity will reinforce this shift from feeding programs into productive infrastructure rehabilitation and should, over the long term, provide baseline data which can be used to shift traditional food beneficiaries into developmentally-oriented activities.

Sustainability of Proposed Activities: The food distribution portion of SAFEGUARD is clearly not a sustainable activity. Nevertheless, the Mission is actively considering strategies to increase over time the number of beneficiaries being targeted through sustainable economic activities with a concomitant decrease in the level of food assistance required. The current Job Creation Infrastructure Rehabilitation program is sustainable in the sense that the jobs being created are designed to rehabilitate productive infrastructure, which lays the foundation for

local economic recovery. A safety net is being provided through the dignity of work. Given the wear and tear in the national road network, the underdevelopment of tertiary roads, and the deterioration of the country's irrigation canal network, the potential for expanding infrastructure rehabilitation efforts through SAFEGUARD is limited only by the availability of funding.

Potential Issues and Innovative Program Approaches: The Mission intends to explore the possibility of Title II monetization programs to assist the Government of Haiti in dealing with the food deficits currently facing the country. The monetization proceeds would then be dedicated to both assist in the implementation of the food program and provide resources for economic enhancement activities. With an established beneficiary level of approximately 750,000 in the Title II food program, the concept being considered is one of decreasing direct food beneficiary levels to perhaps 375,000 as other economic enhancement activities build to projected levels. Certain of these activities such as a cash-for-work infrastructure rehabilitation project might have the immediate effect of providing increased purchasing power thereby decreasing direct feeding levels. However, the key to lowering long-term food beneficiary levels is predicated on the success of the SAFEGUARD project in identifying the types of activities with the greatest potential for improving the overall economic picture in the most nutritionally vulnerable areas. More direct methods of food assistance would be phased out as these activities bear witness to increasing self sufficiency at the household level.

A crucial tool to SAFEGUARD will be its Vulnerability Assessment capabilities. The program's information gathering and analysis capacity--including its ability to comprehend current coping mechanisms employed in a particular region--will allow for the establishment of the base line data of an area and enable informed decision-making as to the most appropriate response to food insecurity events. Following a negative event, SAFEGUARD will have the ability to process the household and supply data to ensure an appropriate type and level of assistance is provided. During an intervention, a ground-based team will monitor the effects of the type of assistance being employed which will allow for possible mid-term corrections. Finally, an impact evaluation will determine the overall effect of the intervention and suggest steps to be taken in the future.

One of the most important aspects of a combined food assistance/economic enhancement project is the potential for community involvement in both project identification and the priority order in which projects would be pursued. Final approval of any particular project would be contingent on the community being able to identify how the activity would benefit the community over the long term and decrease its nutritional vulnerability.

Another innovation to be given active consideration is one of announcing to selected schools a program which, (1) sets a time limit for their participation in the Title II program, (2) assists schools in phasing-in a requirement for counterpart contributions on the part of the students, and (3) assists the schools in identifying other resources. The above steps are designed to help schools make the transition from operating under the assumption that Title II resources will

always be available for their lunch programs and to put them into a frame of mind that they must become self-sufficient.

The Mission will explore the potential for greatly increased dry distributions to families (especially those with children aged 0-5) so as to reduce the personal humiliation of children and mothers having to go every day to a central feeding center to get a prepared meal. Such a change in distribution methods would require that sound criteria be established to ensure that the impartial selection of beneficiaries takes place. The benefits to this type of distribution are that the logistics are greatly simplified and it puts the food directly in the hands of the needy families. A further logical extension of this would be to incorporate a dry ration for the families of the workers to augment the cash they receive in the job program.

The project proposes to begin purchasing some of the food used for direct distribution from local producers. Instead of certifying with each call forward that the food to be imported will not serve as a dis-incentive to local production, the Mission will in effect be able to certify that the Title II program is in actuality serving as incentive to local production.

Management and Support Requirements: Implementation of SAFEGUARD will require a sustained level of effort that the Mission currently has for the Title II and Job Creation activities. Technical assistance will be required as the Mission moves toward the goal of incorporating Title II resources with the job creation activity.

Timetable and Resource Requirements for Developing the Assistance Proposal: An out-of-cycle project paper amendment of the current Enhancing Food Security Project is needed to effect the changes envisioned in this NAD. The proposed amendment is to be completed by September 1994 with the new activities to go into effect immediately. This will require amendments to the Title II MYOP Updates.

Recommendation on Delegation of Authority: Full approval and authorization authority should rest with the Mission Director.

Illustrative Budget (5 year LOP in US\$)
(\$000)

	FY 96	FY 97	FY 98	FY 99	FY 00	Total
Title II	7000	6500	6000	5500	4000	29000
Jobs	1500	5500	6000	6500	7000	26500
MU/VA	400	400	400	400	400	2000
Staff & Sup	500	500	500	500	500	2500
Totals	9400	12900	12900	12900	11900	60000

* \$9,000,000 already authorized will be used in FY 95 and FY 96.

TOTAL \$60 million + \$40 million authorized FY 1992-FY 1995 for a total \$100 million FY 1992-FY 2000

Project Amendments

Brief descriptions for project amendments are as follows:

1. SUSTAINABLE RESOURCES FOR GROWTH AND EQUITY, 521-0186

See PAP cable 1738 which outlined the proposed amendment to this project, formerly known as Promotion of Business and Exports.

2. PRIVATE SECTOR FAMILY PLANNING (PSFP), 521-0189

A 1993 interim evaluation concluded that, despite major disruptive influences, PSFP is making reasonable and positive progress toward achieving its objective of increasing the availability and effectiveness of family planning services delivery. The 1989 Contraceptive Prevalence Survey showed 10.5 percent of women in union using contraception -- a rate which had doubled since PSFP's inception -- against a LOP target of 16 percent. There were approximately 175,000 new acceptors as compared to a LOP target of 200,000. The cost-per-couple year of protection (CYP) had decreased from about US \$181/CYP in 1987 to about US \$47/CYP in 1993, demonstrating significant returns to early investment and increased cost-efficiencies over time. Finally, all but two of the 33 participating PVOs provide long lasting clinical methods, thus exceeding the target.

The evaluation team also underlined that PSFP is the first AID effort worldwide to undertake social marketing of contraceptives with no commodity subsidy, and it has achieved significant success. The social marketing component had almost reached its project target of 6,000 cycles of oral contraceptives/month at the time of the coup in 1991. When funding was suspended during the subsequent 15 months, the local company maintained sales of over 2,000 cycles/month. With the reinstatement of funding to provide promotional activities, sales rebounded to pre-coup levels.

As with VACS, PSFP requires an amendment to provide bridge financing until the authorization and initial implementation of the Integrated Family Health Project (521-0248). It is imperative that the momentum is not lost through a break in provision of services, particularly at a time when a continuing deterioration of living conditions has begun to strongly influence the family planning decisions of many Haitians. An additional \$6 million will need to be obligated in FY94 and \$2 million will need to be obligated in FY95.

3. INCENTIVES TO IMPROVE BASIC EDUCATION, 521-0190

The purposes of the IIBE project are twofold: (1) improve the quality of instruction, administrative efficiency and equity of access in primary schools serving rural and urban depressed areas; and (2) provide the necessary support for Haitian primary education to organize itself on a more coherent basis and to take ongoing responsibility for quality improvement efforts. The project is essentially being amended to activate the public sector component.

Under this amendment, four parallel activities will be pursued with both the public and private sectors. First, LASER training (Latin and Caribbean Strategies for Education Reform) will be provided to key education institutions (MOE, FONHEP and others) to institutionalize their ability to use the LASER presentation to launch a broad participatory process to build consensus for national education reform. Second, an education sector assessment will be undertaken with participation from a broad spectrum of groups. The assessment will serve stimulate policy dialogue on education reform and serve as the foundation of a National Education Plan. Third, a policy reform support team" will receive in-country training to act as a policy think tank and sales team to market the consensus-based policies. Fourth, a pilot distance education activity combining teacher training with civics and environment curriculum will be supported under the amendment. Teachers will serve as models of democratic behavior through the vehicle of the civics and environment curriculum. Additional activities to be completed under the IIBE amendment include: information management, research analysis and small commodity procurement. To support these expanded activities, the project will be extended two years beyond its PACD of September 30, 1994 and the LOA funding level will increase by \$5 million.

4. TARGETED WATERSHED MANAGEMENT (TWM), 521-0191

An evaluation of TWM is scheduled to take place in May 1994. Protection of Haiti's only remaining rain forest and a strategic regional watershed, The Macaya National Park, is the principal objective of TWM. This watershed serves over 100,000 farm families on the fertile plains that surround Park Macaya. Abandoning these efforts at the PACD of September 1994 would result in loss of bio-diversity and agricultural productive capacity in this region thereby adding substantially to Haiti's already large food deficit. Also, the incomes of thousands of small farmers will be severely affected.

Mission coordination with the World Bank and GOH had resulted in agreement for Park Macaya to be included in the approved \$27 million World Bank-financed National Forest Resources Management Project, implementation of which has been put on hold as a result of the September 1991 *coup d'état*. Given the Bank's inability to disburse against this project until there is political resolution and payment by the GOH of its arrears to the International Financial Institutions, the Mission has decided to extend the PACD of TWM by at least 18 months. This will allow for the development and approval of another generation of environmental activities, thereby constituting a logical follow-on to the TWM project. The cost

associated with extending the PACD of TWM by 18 months will amount to \$900,000 for FY95 and \$300,000 for FY96.

5. VOLUNTARY AGENCIES FOR CHILD SURVIVAL (VACS), 521-0206

A recent evaluation concluded that the VACS project has been remarkably successful in promoting child survival through PVOs during difficult political and economic circumstances. The project seeks to improve the quality of life of young Haitian children by increasing access to child survival services and the capacity of PVOs to provide the services. The evaluation team concluded that nearly all expected outcomes had been achieved, including twenty two PVOs providing CS service delivery, 1.3 million people benefitting from services, 47.6 percent of children under two years vaccinated against measles, and 38.2 percent of Haitian mothers with children under five using oral rehydration salts (ORT).

The VACS Interim Evaluation Survey, based on cluster sampling and conducted by the Child Health Institute, found that DTP3, Polio3, and Tetanus Toxoid vaccination coverage had more than doubled since the project's inception in 1987. This is particularly impressive when one realizes that the 12-24 month cohort which CHI sampled in December 1992 was the 0-12 months cohort during the political disruptions of 1991. ORT utilization was shown to have increased from 14.4 percent in 1987 to 38.2 percent in 1992. These results are a testimony to the effectiveness of PVOs promoting child survival interventions in Haiti.

Due to the unsettled political and economic conditions in Haiti over the life of project, and the deepening humanitarian crisis, VACS has become one of the principal vehicles of the U.S. government's humanitarian assistance program. Given Haiti's continuing crisis, the project requires an amendment to be able to continue to serve U.S. objectives and respond to Haitians' needs. An extension will allow VACS to expand its services to a larger population, including those served by public sector institutions, and improve the quality of its services. It will also allow the Mission needed time to prepare the Integrated Family Health Project (521-0248) which replace VACS and its sister projects, Private Sector Family Planning (PSFP, 521-0189) and Expanded Urban Health (521-0218). Approximately \$6 million will be needed in FY95 and \$5 million in FY96.

6. COFFEE REVITALIZATION, 521-0216

Following 12 months of field operations since its reactivation and redesign, the Coffee Revitalization Project was evaluated in March 1994. The evaluation team reported that despite working in a difficult political and economic environment, this project is achieving its objectives of demonstrating to coffee farmers that there is greater financial gain from improved management of their coffee stands, and leveraging of prices for production inputs and sales of their coffee bean through organization and management of rural associations based on democratic principles. Additionally, this project has successfully shown that it is financially advantageous and practical for poor coffee farmers to market their crop directly to progressive

exporters without having to go through exploitative purchasing intermediaries. From an ecological perspective, coffee cultivation means greater permanent soil cover and drastically reduced soil erosion from steep mountain soils.

Generally, the evaluation team concluded that the Coffee project is successful and considerable progress has been made to implement its various components, e.g., project participants (8,000 farmers in 745 *groupments* and 15 associations), seedling nurseries, improved coffee trees planted, rural processing units functioning, production inputs being supplied by farmer association's rural enterprises, and initiation of a coffee marketing strategy. Noting these positive achievements, the evaluation team recommended that the project be extended by at least 18 months beyond its PACD of February 28, 1995. The Mission has concurred with this recommendation. DA resources for FY95 amount to \$1.5 million, and for FY96 (through August 1996) \$1.2 million will be required.

7. PRODUCTIVE LAND USE SYSTEMS (PLUS), 521-0217

In March 1994, 18 months after reactivation, the PLUS project conducted an assessment to examine the validity of its developmental hypothesis, as well as its implementation approach. The project emphasizes equity, participation and sustainability for reducing the rate of environmental degradation. PLUS couples soil and water conservation interventions with sustainable income generating alternatives for hillside farmers, based on their perceived needs. Secondly, PLUS places priority attention on monitoring and evaluation (M&E) to gain knowledge of farmers needs and to see that those needs are met on a sustainable basis. This is referred to as a farmer-driven implementation approach.

According to the findings of the assessment, PLUS interventions have provided significant financial rewards to project beneficiaries -- using net present values (NPV) of interventions adopted by the 19,000 direct project beneficiaries as of March 1994, farm families have received financial benefits of some \$10 million from having implemented various soil and water conservation interventions.

The PLUS assessment team recommended that the project be extended for five years beyond its present PACD of December 1994 to the end of December 1999. An extension will allow for further dissemination of project interventions within the six Administrative Departments in which the project is presently working, as well as expansion of its geographic scope into the three remaining Departments of the country. Under this expanded implementation scenario, approximately \$4.8 million of DA funding will be required for FY95 and \$5.0 million for FY96.

8. AWARENESS AND PREVENTION OF DRUG ABUSE, 521-0221

The Awareness and Prevention of Drug Abuse project was developed to disseminate information on the dangers of drug abuse and increase the numbers of persons able to carry out awareness and rehabilitation activities. The project addresses a United States Government priority to reduce the supply and demand for drugs in the Americas. The project will build and expand on the activities which have been started by the Association for the Prevention of Alcoholism and Other Chemical Dependencies (APAAC).

An amendment is needed to: (1) extend support for APAAC operating costs for four years; (2) provide additional technical training for two APAAC counselors in communications, counseling and drug abuse prevention; (3) develop a nationwide drug abuse monitoring system; and (4) provide APAAC with a small grants fund to assist schools, community groups, and smaller PVOs to develop and implement drug prevention and education campaigns. Under this amendment the project will be extended by four years and the LOP funding level will increase by \$1 million. The current PACD is September 1994. To support the expanded activities under the amendment approximately \$300,000 will be required for FY95 and for FY96.

9. AIDS Control (Aba SIDA), 521-0224

The Aba SIDA Project seeks to change sexual behavior in order to reduce transmission of the AIDS virus in Haiti. The prevalence of HIV in the country is approaching 10 percent, and virtually all HIV positive persons will develop AIDS and die from AIDS-related illnesses. This pandemic is having a devastating effect on Haiti's human resource base. Aba SIDA seeks to decrease the incidence of HIV infection through education, the social marketing of condoms, and the testing and treatment of sexually transmitted diseases (STDs) which are related to HIV transmission.

According to a evaluation held in February of this year, the project is doing extremely well in light of present conditions. Considering the absence of the public sector structure and an international donor presence, it can be surmised that HIV/AIDS prevention activities in Haiti are maintained in large part as a result of the project. The social marketing of condoms (CSM) has been an unqualified success with over 500,000 condoms presently being sold monthly.

Funds provided under this amendment will: 1) expand CSM to reach rural areas; 2) explore additional approaches for reaching women; 3) identify and access implementing agencies to work with adolescents; 4) fund additional PVOs to expand interventions to cover the southern region; and 5) develop and implement a radio based mass media campaign to reach more people and additional target groups. Approximately \$3 million will be needed in FY95 and for FY96.

10. CARIBBEAN & LATIN AMERICAN SCHOLARSHIP (CLASP II), 521-0227

CLASP II was developed to provide a broad base of community and/or occupational leaders with technical skills, training, and academic education, and an appreciation and understanding of the workings of a free enterprise economy. Priority fields for training include agriculture, education, health private sector development, and democratic initiatives. Despite the political environment, CLASP II has been successful in accomplishing its objectives. The project's current PACD is August 30, 1995.

Under the proposed amendment, CLASP II will be extended by one year to: (1) complete the manpower needs assessment for the new follow-on project, Development Training and Technical Assistance (DTTA); complete the design and pre-implementation arrangements for DTTA; and (3) continue short term and long term training. Under this amendment, approximately \$500,000 of funding will be required for FYs 1995 and 1996.

11. DEMOCRACY ENHANCEMENT, 521-0236

Awaiting Bureau response to PAP 1851 before an amendment can be provided.

12. ENHANCING FOOD SECURITY, 521-0241

See NAD included with this Action Plan.

13. EMERGENCY ECONOMIC RECOVERY (EER), 521-0242

On September 25, 1993, less than four weeks after Haiti's return to constitutional rule with the installation of the Aristide-named government of Prime Minister Malval, A.I.D. signed with the GOH an \$8 million balance of payments support grant intended to contribute toward the rapid liquidation of the \$46 million in arrears accumulated by the de facto authorities since the coup to the three principal international financial institutions of importance to Haiti. The elimination of these arrears would make possible the prompt renewal of project-based, sector, and macroeconomic policy lending and disbursements from the International Monetary Fund, the World Bank and the Inter-American Development Bank.

With the political setbacks of October 1993, and the consequent suspension of the U.S. Treasury-chaired multi-donor Haiti Support Group operation for the arrears clearance, the \$8 million could not be disbursed. They will be needed, however, since Haiti's arrears to the three IFIs had grown to \$60 million as of April 1994, and will stand at approximately \$ 74 million at the end of FY 1994.

All indications are that the Support Group pledges toward the \$46 million of arrears in September 1993 remain valid. Still, an additional \$28 million will be required by the end of

FY 1994 if IFI programs are to play an active role in the post-resolution revitalization of the Haitian economy. Through an amendment to the FY 1993 EER, Mission seeks \$25 million in ESF cash transfer for FY 1994: a) \$15 million to be dedicated to the FY 1994 arrears; and b) the balance to be available to the GOH to service ongoing debt and to strengthen the gourde.

As with the FY 1993 ESF of \$8 million, the Mission will seek no substantive policy conditions precedent since the primary objective is to immediately clear up the arrears to facilitate IFI programs with Haiti. The substantive economic policy issues of interest to the Mission would then be part of the IFI policy programs anyway.

14. ECONOMIC RECOVERY ASSISTANCE, 521-0250

This project will be designed to provide additional balance of payments support to that provided under the FY 1993-94 Emergency Economic Recovery program. A NAD outlining the program will be submitted off-cycle.

C. PLANNED FOOD AID ACTIVITIES

1. PL 480 Title II Feeding Program:

The PL 480 Title II Feeding Program will expand from the approved FY 1994 beneficiary level of 720,000 to approximately 750,000 beneficiaries per year in FY 1995. (If the existing embargo is tightened, the number will rise to a range of 1 - 1.3 million beneficiaries, possibly in FY 1994). The beneficiary level for FY 1996 will drop slightly as the economic access activities allow more nutritionally vulnerable people to eat without being directly part of a feeding program. Employment opportunities, as well as other creative approaches, including Title II monetization will be used to provide a safety net to the nutritionally vulnerable segments of the society. A significant portion of new beneficiaries will be children under five years of age, pregnant women, lactating mothers and other vulnerable target groups. The program will continue to support USAID's development objectives, particularly in child survival and education, and contribute towards closing Haiti's severe food gap. Since October 1992, the PL 480 Title II program has been implemented under the \$40-million/three-year Enhancing Food Security (EFS) Project, which provides management and cost support to three PVO cooperating sponsors. The addition of the job Creation component in FY 1994 significantly broadened the humanitarian assistance element of this project. The Vulnerability Assessment activity, which also began in FY 1994, will dramatically increase PVO ability to target both food and development assistance. In the future, PL 480 Title III local currency generations will continue to be considered essential to meet the ongoing needs of logistics costs.

In addition to EFS project funding, **PL 480 Title II** commodities valued at an estimated \$23 million will be required in FY 1995, and \$25 million in FY 1995.

CARE implements an emergency feeding program in the Northwest providing dry rations for 320,000 people. This program, aimed at the most vulnerable of the population, has been extended for six months. USAID continues to actively monitor health and nutrition indicators, as well as collect market basket price data, and is in the process of establishing a Vulnerability Assessment capability to enable the Mission to plan and quickly adjust the feeding program and respond to changing conditions. One of the first activities will include a joint assessment of the rainfall collection capacity of the Ministry of Agriculture, to start in FY 94.

2. PL 480 Title III Program:

Following the Governor's Island Agreement, AID/Washington approved a one-year FY 1993 **PL 480 Title III** program to support the return of the constitutional government and to enhance food security in Haiti. A \$20 million PL 480 Title III agreement was signed August 4, 1993 by President Aristide and AID Administrator Atwood, donating 49,328 metric tons of wheat flour, a major staple in the Haitian diet.

Despite renewed political instability and the reimposition of the fuel embargo, the objectives of the FY 1993 program have been largely achieved. These achievements include: formulation of a "Food Security Policy" paper by the Ministry of Agriculture; a 20 percent drop and stabilization of the local flour price; GOH facilitation of NGO activities, including Title III funding for the Job Creation Initiative, thereby making up for a major dollar shortfall; GOH submission and USAID approval of a comprehensive plan for restructuring the Office which manages PL 480 and ESF-funded assistance programs. The commodity supplied under the FY 1993 program was successfully sold and distributed through private sector channels, thus enhancing total food availability. Economic access to food is being strengthened through the Job Creation Initiative (15,000 short-term jobs created to date) substantially funded by local currency generations.

In continued support of the constitutional government's efforts to improve food security, and building on the accomplishments of the FY 1993 program, USAID/Haiti has submitted a one-year \$15 million PL 480 Title III proposal for FY 1994. The one-year follow-on program has been designed to link with the FY 1993 program and respond to urgent needs by providing an essential commodity at a stabilized price, while facilitating job creation opportunities and rehabilitating deteriorated infrastructure.

The Title III wheat flour will be imported by the GOH for sale to private distributors. Storage, marketing, transportation and distribution will be through private sector channels. Local currency generations will be owned by the GOH and jointly programmed with USAID/Haiti for activities which complement and strengthen implementation of the Mission's strategy, including food security, logistical support to the Title II feeding program, and short-term job creation.

The Mission will request a follow-on two-year Title III program with \$20 million each for FYs 1995 and 1996.

C. Central and Regional Projects:

The Mission completed an analysis of central and regional projects supporting our portfolio as part of the Semi-annual review for the period ending September 30, 1993. At that time, a total of 28 centrally and regionally funded projects supported the USAID/Haiti portfolio. Most of these activities received funding as buy-ins from our projects. The total estimated value of these buy-ins was \$27 million. Eight of the 28 activities provided funding in addition to that provided as buy-ins. This amount totalled \$4.3 million. There were no central and regional activities which did not support the Mission's strategic objectives or which were beyond the Mission's capacity to manage.

Depending on the office concerned, it is estimated that from 10 to 50 percent of Mission technical staff time is spent in the administration of central and regional activities. Given our current FTE levels, as the program expands this will place an ever-increasing administrative responsibility on the Mission.

Section III Environment

The quality and productivity of Haiti's natural resource base is inextricably linked to the ever increasing pressure to respond to the food needs of a burgeoning population and the lack of alternative economic opportunities. For example, the total area under agricultural production is estimated to be six times the estimated area of "good agricultural land." Problems due to unsustainable land use practices for short-term gains, deforestation due to poorly enforced laws, lack of appropriate policies (e.g., insecure land and resource tenure, price distortions, oligopsonistic market structures) are compounded by high illiteracy, extreme poverty, lack of credit access, weak public institutions, deteriorated and non-functioning rural infrastructure. All contribute to an annual loss of the equivalent of 12,000 to 15,000 hectares of topsoil and stagnating agricultural output. The average holding is two hectares per farmer, forcing thousands of already marginalized farmers to continue to encroach on steeper slopes higher up the mountains to produce food crops on even more fragile soils.

Environmental degradation has been exacerbated since 1986 by the political and economic instability of perpetual political crises. The acute decapitalization in the agricultural sector, especially as a consequence of the protracted economic embargo imposed after the *coup d'état* in September, 1991, has further compounded the increased production and commercialization of charcoal and thus deforestation.

Left unmitigated, the toll of environmental degradation on natural assets and infrastructure takes many forms, including depletion of aquifers and pollution of ground water, loss of soil fertility and forest resources, reduction of river basin flows for hydropower generation and irrigation agriculture, siltation of water bodies, destruction of mangrove and coastal zone ecosystems, loss of bio-diversity, depletion of marine fisheries, loss of lives from flash floods, destruction of bridges roads and irrigation infrastructure.

Haiti's environmental problems also include the improper handling of sewage, liquid and solid wastes. As a result of dysfunctional municipalities, street corners have been transformed into temporary landfills with all the associated health and environmental problems: propagation of virulent germs, proliferation of rodents (disease vectors), clogging of sewer drainage systems and culverts, and expansion of breeding grounds for vermin, etc.

USAID/Haiti is the only donor providing any support for mitigating environmental degradation, and preserving what remains of Haiti's once rich and diverse national patrimony. Equity, participation, sustainability, and impact measurement and evaluation constitute the four underpinnings of the Mission's three environmental-cum-food production activities. In each case, project activities are anchored in the firm belief that rational management, from the small farmer upward, of Haiti's forestry, soil, and water resources through ecologically and economi-

cally sound production practices remains the only path to sustained increases in on-farm productivity and income.

The Productive Land Use Systems project, PLUS (formerly Agroforestry II), is USAID/Haiti's flagship ecological effort. PLUS is the only functioning agricultural extension effort in Haiti. Since its reactivation in October 1992, it has benefitted more than 120,000 people on Haiti's most eroded hillsides. Effective measures to curtail soil erosion and natural resource degradation of these hillside areas are critical to prevent a long-term human disaster. A recently completed assessment of the PLUS project described it as a model field response to the Agency's development pillar of broad based, equitable, sustainable economic growth and recommended that it be extended to the end of 1999.

Today, coffee stands account for the majority of the remaining open canopy perennial tree cover in Haiti. Reactivated in April 1993, the Coffee Revitalization Project seeks to restore the importance of coffee as a permanent hillside tree crop by replacing unproductive, diseased trees with disease-tolerant, high-yielding trees. In March 1994, an evaluation team found that the project was achieving its objectives in terms of beneficiaries (8,000 farmers in 745 groupements and 15 associations), seedlings in nurseries, and improved coffee varieties planted. The evaluation recommended an extension of the project PACD by 18 months to August 1996 and noted the palliative effects of coffee trees on stemming soil erosion and water run off.

The Targeted Watershed Management Project (TWM) reduces encroachment on the threatened habitats of the Macaya National Park, Haiti's only significant remaining natural watershed. This watershed serves one of Haiti's few remaining highly productive agricultural regions. Loss of productive capacity in this region would add substantially to Haiti's already large food deficit and severely affect the incomes of over 150,000 small farmers. The Macaya area, which contains a rich and varied range of flora and fauna, possesses one of the highest rates of biological diversity and species endemism in the Caribbean. An evaluation of this project is planned for May 1994 to review project progress and make recommendations on another generation of environmental activities. The Mission has decided to extend the PACD by at least 18 months to allow for the design and approval process for the follow-on project.

All three environmental projects described above fit into the Mission's Strategic Objective #2 -- "Sustainable Private Sector-led Economic Growth" under Sub-Objective #2B -- "Sustainable growth in agricultural production." Because the USAID agricultural portfolio is truly integrated with environmental protection, it meets the Agency goal of "Environment" as well as "Economic Growth with Equity".

As a temporary response to the unemployment crisis, exacerbated by the trade embargo, the Mission, through the Enhancing Food Security project's Job Creation Initiative, is providing temporary employment in the capital and other major cities in Haiti for the removal of solid waste, unplugging major drainage systems and controlling disease vectors.

Section IV Resource Requirements

A. Program Funding

Whatever the outcome of the ongoing policy deliberations, it is clear that the Haiti assistance program will require a very significant increase in financial resources. This increase far beyond the levels that can be found by reprogramming within currently-projected Bureau resources, and will require that other funding sources in the Agency or elsewhere be tapped.

The FY 1994 funding level includes \$21.0 million DAF, \$6.0 million POP, \$18.9 million PL 480 Title II, \$15.0 million PL 480 Title III, \$12.2 million ESF and additional requirements of \$65.8 million DA and/or ESF, and \$5 million PL 480 Title III.

The FY 1995 portfolio calls for \$33.0 million DA, \$7.3 million POP, \$20.0 million PL 480 Title II, \$15 million PL 480 Title III, \$15.0 million ESF and additional requirements of \$5.0 million PL 480 Title III and \$49.3 million from DAF or ESF.

The FY 1996 budget requests \$36.0 million DAF, \$8.0 million POP, \$20.0 million PL 480 Title II, \$15.0 million PL 480 Title III, \$15.0 million ESF and additional requirements of \$52.7 DAF or ESF, and \$5.0 million PL 480 Title III.

B. Permanent Staffing

The Mission's sharply reduced level of USDH staff is a major constraint. If the U.S. government wants the Mission to make a substantive contribution to policy development and implementation, we must have increased staff to meet the challenge. The heavy work load justifies additional staff now. New demands associated with the deteriorating situation, a projected expansion of existing programs, and additional Washington requirements for inputs could overextend our capacity to provide the quality and quantity of work that these responsibilities require. Through the beginning of September 1993, USAID/Haiti's on-board strength totalled 14 USDH officers, down from the pre-coup level of 21 USDH. On-board staff reached 15 officers only in November 1993. The Mission has been without a Contract Officer since March 1993 and without a Deputy Health, Population and Nutrition Officer since June 1993. Staffing vacancies have limited the Mission's ability to respond to the changing program environment and maintain a minimally acceptable level of accountability.

Three positions were approved in April 1993, but no FTEs were provided. Though the three FTE's were approved recently, authorization for staffing them has been deferred until FY 1995. This is a critical time not only for US policy, but USAID program performance. There is a great deal at stake. We must ensure not only the effective implementation of the current management-intensive program, but also the ability to enable a responsive expansion of the portfolio when indicated. Accordingly, in addition to the 16th position (Deputy Health), for which recruitment is in process, USAID has requested approval (PAP 3410) of the three following positions, listed in order of priority: 1) a Contracting Officer; 2) a General Development Officer to supervise the implementation of the Institution-Building initiative and 3) a Democracy Officer/Regional Legal Advisor with experience in democratic initiatives to help manage the expanding Democracy/AOJ portfolio. The latter USDH position will be particularly important during the sensitive early stages of democratic transition.

With this Action Plan, we are requesting a fourth position: a direct-hire American secretary. The volume of classified documents produced by the Mission has increased dramatically in the past few months. With the installation of an encrypted telephone and classified fax, a cleared American secretary must also be able to manage those systems and handle the materials. The position is too sensitive to be filled by a non-USDH.

B. TDY Assistance

USAID's best estimate of USDH TDY assistance requirements is based on the assumptions used for other sections of this Action Plan. To accommodate a very active program, a large increase in TDY visits is needed for the coming year.

TDY assistance needs could be substantially reduced if the requested permanent positions are approved and filled by FY 1995. For example, when the additional CO, GDO, and Democracy/RLA positions are approved, USAID's requirements for TDY assistance will decrease by ten to twelve person-months in FY 1995.

FY 1994: USAID requests a one-month TDY by a LAC/DPP economist to help develop a PAAD-like document for an additional ESF program to clear arrears. In addition, three person-months of design assistance will be required for the expansion of all components of the Democracy project, with a major elections component. Three months' TDY assistance will be needed to assist in the design of the DTTA project and the amendment of the CLASP II project. The Mission will also need four person-months of TDY assistance by an experienced FHA or LAC/DPP officer to assist with the design of a Food Security Strategy and the PL 480 Title II Food for Work component. A two-month TDY by an experienced DI officer will be required to cover the democracy portfolio during a home leave. Should there be delays in obtaining approval for and staffing the Contracting Officer position, USAID would also require an estimated six months of TDY assistance by a Contracting Officer, starting in FY 1994. Due to a gap between the departure of the current Executive Officer and the arrival of the new one, 6 months' TDY assistance is required for the Executive Office.

FY 1995: The Mission anticipates the need for eleven to 16 person-months of TDY assistance during the next fiscal year. Three months' TDY assistance by a health/population officer is requested to assist with the design of a major integrated health services project. Two months' TDY assistance by an agricultural officer is required to help with the design of two new projects. Two months' of TDY assistance is also required to help in the design/implementation of the EFS Project Amendment. One project design in education (EDD) will require the assistance of a LAC/EHR officer for a total of three months. It is anticipated that the AOJ portfolio will require three months of TDY assistance to design Phase II of the public sector component for the AOJ project. A commodity procurement officer will be needed for approximately 3 months to assist with procurement for GOH institutions and help develop procurement plans for the new USAID projects and amendments.

FY 1996: USAID anticipates a need for one month of TDY assistance to help with a review and update of the Mission's monitoring and evaluation plan in FY 1996.

Summary Program Funding
(in millions of dollars)

Annual Requirements	FY 1994	Additional Requirements	FY 1995	Additional Requirements	FY 1996	Additional Requirements
Development Assistance	20.97	1.00	33.00	3.53	35.13	3.72
Population	6.00		7.28		8.00	
Economic Support Funds	12.23	65.75	15.00	46.80	15.00	50.00
PL 480 Title II	18.94		20.00		20.00	
PL 480 Title III	15.00	5.00	15.00	5.00	15.00	5.00
Totals	73.14	71.75	90.28	55.33	93.13	58.72

USAID/Haiti
OE Funding Requirements
(\$000)

OE/TRUST FUNDED LEVELS By Major Function Code:	FY 94	FY 95	FY 96
U100 U.S. Direct Hire	299.2	350.5	369.1
U200 F.N. Direct Hire	479.9	584.1	732.4
U300 Contract Personnel	1,294.5	1,465.0	1,793.3
U400 Housing	583.8	674.8	746.8
U500 Office Operations	742.6	751.7	814.6
U600 NXP Procurement	343.3**	356.8	347.3
Sub-Total-Core Costs	3,743.3	4,182.4	4,803.5
Total OE/TF Costs			

	Mission Staffing Requirements											
	FY 94			FY 95			FY 96					
	USDH	USPSC	FSN	Other*	USDH	USPSC	FSN	Other*	USDH	USPSC	FSN	Other*
Total FTEs or Workyear	16	12	86	3	20	15	90	5	22	18	92	5
of which Program funded	10	16	2		12	19	3		15	21	3	

* Other = PASAs and TCNs

** Includes \$93,300 for office equipment and vehicles

D. Supplemental OE NXP Procurement

USAID/Haiti has budgeted the minimum NXP procurement required to sustain Mission operations. Although A.I.D. instituted a procurement freeze for FY 1994, the Mission needs \$ 93,300 to purchase LAN components, photocopy machines and vehicles. These components and vehicles must be procured no later than November 1994. The Mission requires additional funding and approval to procure these items during FY 94. If FY 94 funding is not made available, the FY 95 NXP procurement line item must be increased by \$ 93.3 thousand dollars.

Political and economic conditions have eroded the Haitian utility sector and have resulted in a **300 percent increase in the use of generators** in Mission offices and houses. **In March and April 1994** alone, there was **no city power available**. Household generators scheduled for replacement in FYs 1997 and 1998 will be expended within 18-24 months at the current usage rates. The availability, quality and cost of fuel is significantly impacting the Mission's ability to cope with the energy generation from alternate power sources. Fuel prices have surged in the local market from one dollar a gallon in November 1993 to over ten dollars a gallon at the present time. The quality of fuel has always been extremely low. Even with the additional precautions the Mission has instituted to monitor fuel quality, maintenance problems are occurring weekly. If political resolution is reached in the near future, all indicators project that utility services will not improve for years.

The Mission is combating these operating constraints by instituting alternate energy sources. IG/SEC has provided the Mission with a TDY team of experts in alternative energy generation. This team is currently analyzing Mission energy consumption and opportunities for alternate energy production. These alternatives include solar and inverter/battery systems. Preliminary analysis indicates that a conversion to these systems are practical and inexpensive, but will require employees to adopt energy conservation practices. IG/SEC will present a proposal to the Mission by the end of May 1994. Very preliminary estimates are that conversions of power systems are estimated around \$10,000 per residence. Immediate installations of these systems would prevent the rapid deterioration of the generators, extending their life expectancy to FY 1998, and substantially reduce the amount of fuel consumption.

Upon receipt and review of the IG/SEC proposal, the Mission will request additional funding estimated at \$ 250,000 for the procurement and installation of these systems during FY 1994.

TABLE 4: PROGRAM FUNDING TABLE BY OBJECTIVE

Funding Category	FY 94 Estimated	Additional Requirements	FY 95 Requested	Additional Requirements	FY 96 Requested	Additi Require
Development Assistance						
Mission Strategic Objective #1: Strengthened Private Organizations and Public Sector Institutions						
0000 PD&S	288,773		514,028		333,333	
0062 SDA	0		100,000		100,000	
0222 PAR	300,000		0		0	
0236 Democracy	0		300,000		1,000,000	
Subtotal Obj. #1	588,773		914,028		1,433,333	
	588,773		914,028		1,433,333	
Mission Strategic Objective #2: Sustainable Private Sector Led Economic Growth						
0000 PD&S	288,773		514,028		333,333	
0186 PROBE/SURGE	400,000		1,000,000		1,000,000	
0191 TWM	300,000		900,000		300,000	
0216 Coffee Rev.	500,000		1,500,000		1,200,000	
0217 PLUS	2,000,000		2,278,000	2,522,000	3,278,000	1,72
0223 PED	750,000		1,500,000		1,500,000	
0230 Enh. of Informal Sector	450,000		1,000,000		1,000,000	
0231 Aglink	0		1,250,000		1,250,000	
0252 Prot. Nat. EcoSystems	0		0		0	2,00
Subtotal Obj. #2	4,688,773		9,942,028	2,522,000	9,861,333	3,72
	4,688,773		12,464,028		13,583,333	

Funding Category (cont'd)	FY 94 Estimated	Additional Requirements	FY 95 Requested	Additional Requirements	FY 96 Requested	Additi Require
Mission Strategic Objective #3: Strengthen Human Resources						
0000 PD&S	288,774		514,028		333,334	
0190 Basic Education	3,000,000	1,000,000	4,000,000	1,005,522	0	
0206 VACS	5,000,000		3,438,022		0	
0218 Exp. Urban Health	2,700,000		2,603,939		0	
0221 Drug Abuse	0		400,000		0	
0224 AIDS	1,800,000		2,000,000		2,500,000	
0227 CLASP II	150,000		187,955		0	
0241 EFS/SAFEGUARD	2,750,000		6,000,000		6,000,000	
0247 DTTA	0		3,000,000		3,000,000	
0248 Int. Family Health	0		0		7,000,000	
0249 EDD	0		0		5,000,000	
Subtotal Obj. #3	15,688,774	1,000,000	22,143,944	1,005,522	23,833,334	
	16,888,774		23,149,466		23,833,334	
Subtotal DA (a)	20,966,320	1,000,000	33,000,000	3,527,522	35,128,000	3,72
	21,966,320		36,527,522		38,850,000	
Population Fund						
Mission Strategic Objective #3: Strengthen Human Resources						
0189 Priv. Sector FP	5,999,095		7,283,197		0	
0248 Int. Family Health	0		0		8,000,000	
Subtotal Obj. #3	5,999,095		7,283,197		8,000,000	
	5,999,095		7,283,197		8,000,000	
Subtotal POP (b)	5,999,095		7,283,197		8,000,000	
	5,999,095		7,283,197		8,000,000	

Funding Category (cont'd)	FY 94 Estimated	Additional Requirements	FY 95 Requested	Additional Requirements	FY 96 Requested	Additi Require
Economic Support Fund						
Mission Strategic Objective #1: Strengthened Private Organizations and Public Sector Institutions						
0236 Democracy	1,000,000	10,000,000	3,000,000	6,800,000	3,000,000	10,00
0238 AOJ	1,000,000		2,000,000		2,000,000	
0242 Emer. Econ Recovery		25,000,000				
0250 Econ. Rec. Assistance			5,000,000	10,000,000	5,000,000	10,00
0251 Institution Building		30,750,000		30,000,000		30,00
0301 Executive Protection	228,000					
Subtotal Obj. #1	2,228,000	65,750,000	10,000,000	46,800,000	10,000,000	50,00
	67,978,000		56,800,000		60,000,000	
Mission Strategic Objective #2: Sustainable Private Sector Led Economic Growth						
0217 PLUS	132,353					
Subtotal Obj. #2	132,353					
	132,353					
Mission Strategic Objective #3: Strengthen Human Resources						
0227 CLASP II	500,000					
0241 EFS/SAFEGUARD	9,367,647		5,000,000		5,000,000	
Subtotal Obj. #3	9,867,647		5,000,000		5,000,000	
	9,867,647		5,000,000		5,000,000	
Subtotal ESF (c)	12,228,000	65,750,000	15,000,000	46,800,000	15,000,000	50,00
	77,978,000		61,800,000		65,000,000	

Funding Category (cont'd)	FY 94 Estimated	Additional Requirements	FY 95 Requested	Additional Requirements	FY 96 Requested	Additi Require
P.L. 480						
Title II	18,936,200		20,000,000		20,000,000	
Title III	15,000,000	5,000,000	15,000,000	5,000,000	15,000,000	5.00
Subtotal PL 480 (d)	33,936,200	5,000,000	35,000,000	5,000,000	35,000,000	5.00
	38,936,200		40,000,000		40,000,000	
PROGRAM TOTAL (a+b+c+d)	73,129,615	71,750,000	90,283,197	55,327,522	93,128,000	58.72
TOTAL by FY	144,879,615		145,610,719		151,850,000	

Mission Issues

Resources and Flexibility

- **Program Funding:** The planned initiatives, including election support and institution-building, require significant additional resources, beginning this fiscal year. In FY 1994, the additional requirement in DA, ESF and Title III amounts to almost double the operating year budget, and in FYs 1995 and 1996, \$55 million and \$59 million respectively. These figures do not include additional costs that would be associated with emergency expansion of the feeding and health programs, or any additional USG contribution to the UN/OAS humanitarian fuel program required to support them for the duration a tightened embargo. These increases are far beyond the levels that could be found by reprogramming within the currently projected Bureau resources, and will require tapping into other resources in the Agency or elsewhere.
- **Project Design and Contracting Flexibility:** To enable a rapid start-up and implementation of activities, USAID is currently gearing up for project design development, including for those initiatives that will not get underway until conditions change. Having a package of completed designs ready for implementation as soon as they are needed will be essential to the success of U.S. objectives in Haiti. We cannot afford to wait to begin the design process.

Also, in similarly time-sensitive, high-priority situations, e.g., the reopening of the missions in Panama and Nicaragua and the establishment of the N.I.S. missions, AID/Washington authorized a more flexible approach to design and contracting, including the use of Project Memoranda in lieu of full Project Papers and time-limited blanket competition and procurement waivers. This flexibility was key to getting those programs underway quickly. USAID requests similar AID/Washington authorization to streamline program and procedural requirements, and expanded redelegations of authority to the Mission. "Notwithstanding any other provisions of law" authority would be a boon to effective implementation and should be seriously pursued with GC and LPA.

- **Timing of Resource Availability:** Another critical element in program response will be the expeditious receipt of budget allotments. If additional FY 1994 allotments are not received by August 1994, USAID's ability to quickly gear up for post-resolution activities will be greatly impeded. The timing of an eventual political resolution could add another complication. Should resolution occur in September 1994 or early 1995, use of the normal USG budget process to fund new activities would seriously delay start-up. AID/Washington is requested to explore the feasibility of obtaining a timely supplemental appropriation and budget allowances in the event that a political resolution occurs before the FY 1995 budget process is completed.

● **Permanent Staffing:** In recognition of Agency-wide staffing and budget constraints, USAID has limited its staffing request to the absolute minimum number of additional USDH positions required to effectively manage an expanding program, whose humanitarian assistance elements are particularly management-intensive. A total staffing level of 20 USDH positions is needed in FY 1994. With a tightened embargo ahead and the need to simultaneously expand humanitarian assistance and complete design and redesign of critical elements of the portfolio, the additional staff should be on board as soon as possible, particularly the Contract Officer and a cleared American secretary.

Reorientation of Program Implementation

Two critical interrelated factors have hampered implementation since Prime Minister Malval's resignation December 15, 1993: 1) a reimposition of the post-coup policy of confining assistance to a narrow (and shifting) definition of "humanitarian assistance" until a political resolution is achieved; and 2) an avoidance of engagement with members of the Aristide government in Haiti. Unintentionally, both decisions served to undermine the constitutional government's legitimacy, as it struggles to fulfill its mandate under extremely difficult conditions and hostile opposition. Although Malval resigned, he continues to serve as acting prime minister, just as several members of the Cabinet continue to carry out their constitutional functions.

In consonance with the ongoing review of USG policy regarding Haiti, it is time to revisit the definition of "appropriate" assistance and delink the start of such assistance from an eventual political resolution. As demonstrated by examples provided in the FY 1994 PL 480 Title III proposal and elsewhere in this Action Plan, the actual benefits of supporting the legitimate government now have been positive. Transforming this limited engagement into full cooperation, backed with funding where feasible, could have even more far-reaching consequences. It would clearly demonstrate a firm USG commitment to constitutional Haitian authorities and thereby increase their influence as opposed to that of the military and its allies. It could also begin laying the foundation for long-term development.

Promoting Competition

With the exception of the PL 480 Title III program, the Mission's entire active portfolio is managed by NGOs. For the most part, these organizations have played a critical role, not only in implementing USAID projects, but also in the alleviation of suffering and mitigation of economic deterioration during very difficult times. However, the democracy portfolio is moribund. At a time when, given local circumstances, the grantees should be increasing activities to promote human rights and democratic initiatives, they have been active only at the margins. Security concerns, indecision and uncertainty about the context of activities have contributed to this situation, but complacency and an entitlement mentality also appear to play a role. The Mission sponsored a conference in Washington to communicate the need for more proactive engagement and challenge the democracy grantees to develop creative and innovative

approaches to respond appropriately to the current political environment. The results have been disappointing. To promote healthy competition and more positive responses, one alternative would be to put out a Request for Proposal for democracy sector activities. (See PAP 2282). Another method, already employed by USAID, is for the Mission to propose specific, discrete activities or concepts, e.g. a human rights fund.

Amendment to the APAAC Project

At last year's Action Plan review, the NAD for an Association pour la Prevention de l'Abus de l'Alcool et Autres Chimiques (APAAC) amendment was rejected, based on a concern that the program was outside USAID's strategic focus, and that it created an additional management burden. At the time, it was assumed that APAAC could obtain additional funding from other sources and effectively wean itself from USAID support. That decision should be reconsidered.

Though reliable substance abuse statistics are not available, Haiti is a transshipment point for drugs and use is on the rise. As the only public facility of its kind in Haiti, APAAC plays a critical role in promoting drug awareness and treatment of drug and alcohol abuse. Support for this organization is consistent with our present and future program, which seeks to integrate health and family planning services. APAAC provides an essential service with little cost and virtually no management burden. Though other donors are interested in supporting APAAC, they cannot in the current political context. Cutting off support to the organization during these difficult times would result in APAAC's demise and a waste of USAID's \$1.5 million investment to date. Furthermore, it would leave a growing number of Haitians in need of these services with nowhere to go.