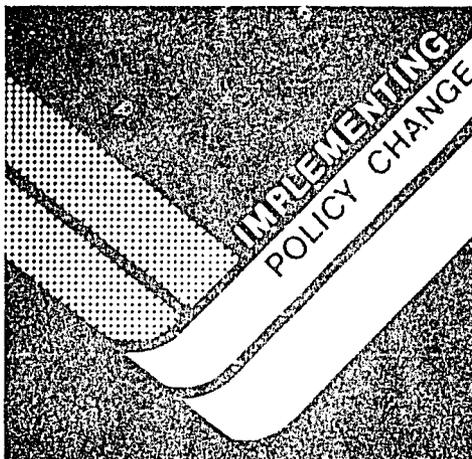

IPC TRIP REPORT: HAITI TRIP NO. 3

June 23 - July 3, 1991

Date

Presented to:
AID/AFR/ARTS/FARA
Washington, DC



Contractor Team:

Management Systems International

(lead contractor)

International Development Management Center

at University of Maryland

Abt Associates Inc.

Development Alternatives, Inc.

United States Agency for International Development
Bureau for Science & Technology
Project #936-5451

IPC TRIP REPORT

HAITI TRIP No. 3

June 23 - July 3, 1991

Summary:

This visit was intended to consolidate IPC's relationship with the USAID/Mission staff involved in the Policy and Administrative Reform (PAR) Project, and with those in the Government of Haiti (GOH) who will be the main clients for and owners of the policy change processes put in place under that project. It was timed so as to reinforce recent information provided to the GOH Prime Minister by the USAID Director about the PAR project--including services from IPC under another anticipated buy-in. During the visit, discussions were to continue as to the appropriate mechanism for project implementation, and the role of IPC in the "bridging phase" as well as later on under PAR.

Since IPC's last visit, the Mayor of Port-au-Prince, had transmitted a request to USAID for assistance in broadening the municipal tax base as part of the newly invigorated decentralization policy of the government. Discussions with the Mayor during the IPC visit led to the identification of seven other potential areas of assistance, at least four of which would be appropriate under IPC. Some of these might spin off into buy-ins to other ST/RD projects.

Discussions with the Prime Minister's staff were held to try to accelerate the process of acceptance and signing of the PAR ProAg. Meetings were also held with the Directors-General of Tax and Customs, respectively. Other meetings with the executive branch of the GOH were abbreviated (MEF) since most ministers had already left on the trip which would end with the CG meeting in Paris. Some meetings with other donors--especially the IMF and UNDP--were held and attended by IPC and USAID staff, while some informal meetings were also held by the IPC Haiti Task Manager, Dr. Alice Morton, with IMF staff, GOH officials and representatives of the Haitian private sector (see list of persons contacted).

Background:

At the end of the last IPC team's visit to Haiti, the team had strongly recommended that the USAID Director meet with key GOH ministers, including the Prime Minister and the Ministers of Plan and Economy and Finance, to discuss the upcoming PAR project and the IPC "bridge" buy-in, so as to facilitate the process of the GOH taking ownership of the PAR and IPC projects. A second recommendation was that a written Aide Memoir be prepared and transmitted formally to the GOH, as requested by the Minister of Plan, outlining the components of the PAR project and the range of services available under it. The team also left a memorandum on next steps to be carried out by the USAID's Policy Specialist to pursue various specific requests or

expressions of interest from key ministries once a mechanism for formal transmittal of such requests had been made clear to the appropriate persons in the GOH--i.e., the Minister of Plan.

The IPC Haiti task manager then kept in touch with Mission staff to try to determine which of these next steps, if any, had been taken, and what the current status of the requests from the GOH was. In fact, a meeting among the U.S. Ambassador, the USAID Director and the Prime Minister took place, at which the PAR Project was briefly discussed. This was to have been followed up with a meeting between the A.I.D. Director and five key Ministers to further discuss the mechanisms for project implementation as well as to improve their understanding of the project's main components, including IPC. A meeting was also planned to take place between the USAID Policy Specialist and the Prime Minister's cabinet chief to discuss the appropriate mechanisms and placement of the PAR project within the GOH.

Unfortunately, the Mission Director did not meet with any ministers about the PAR project after the June 11 meeting with the Prime Minister. At one point, a purpose of this third IPC visit was to have been for the IPC Task Manager (TM) to accompany the Mission Director to a series of meetings with key ministers to show that they were "speaking with one voice" about the services offered under the IPC bridge funding. Since most of the relevant ministers had already left for Europe, and since the Mission Director didn't feel that this was now really necessary, he preferred to have the IPC person and the Mission Policy Specialist meet with the PM's staff to clarify PAR implementation mechanisms.

Key Meetings:

Planning Officer, USAID/Haiti: The prior two IPC team visits had been coordinated by the Project Development Officer in the Mission, Ms. Rosalie Fanale, in conjunction with development of the PAR project paper. Thus, although the teams had met with the Planning Officer, Mr. Downing, who is to be the PAR Project Manager, his involvement up to this time had been relatively minimal in terms of contact with IPC team members. He had largely delegated responsibility for dealing with the teams to the Policy Specialist who is now assigned to the Planning Office, and who will assist in management of the PAR project.

Since the PAR PP was now nearly completed, and a ProAg drafted for signature by the GOH, it now seemed more appropriate for IPC to interact more directly with the PO, as well as with his staff, while at the same time remaining in close touch with the Mission's Deputy Director, who is the chair of the PAR project committee, and who has taken an on-going interest in IPC's activities in Haiti. The IPC Task Manager also expressed the desire to have more contact with the Mission Director, if possible, to become more aware of his view of IPC's role in PAR, including the role of the long-term "senior" IPC advisor he is said to have requested. This series of conversations proved very helpful during this visit.

Prime Minister's Office: The Mission Policy Specialist, Mr. Gabriel Verret and the IPC TM met with the PM's cabinet chief, Marc-Antoine Noel and another cabinet member, Mrs. Françoise Boucart early in the visit. In advance of the meeting, they sent over to the Palace a copy of the two-page Aide Memoir on the PAR project that had been developed for the breakfast meeting with the Prime Minister, as well as an abridged version of the original March memo outlining the requests that the GOH had made for support under the IPC bridge funding.

The meeting developed well, but much time was taken up explaining once again what the PAR project was, what IPC was, how they related to each other, and discussing what might be the appropriate mechanisms for accessing IPC, as well as the appropriate implementation arrangements for PAR. [FYI: A key element in the meeting was the request put forward by the cabinet chief for an update on whether or not the A.I.D. Director would be willing to release from the warehouse the radio equipment used during the elections and dedicated to the eventually recreated CEP. A strong argument was made about the need for the nation to be able to continue to communicate with the state (that is, the government), with other parts of the country and with the outside world. It was asserted that the experience of average Haitians in isolated locations of being able to communicate with the outside for the first time was one of the most important elements in the election process, and almost as important as the elections themselves. The inability of the people to continue to communicate their needs easily to the government was described as a key constraint to continuing the process of democratization.]

In this context, the A.I.D./IPC visitors explained in some detail the major components of the Democracy Enhancement Project, and tried to make clear the distinctions and potential complementarities between that project and the PAR project. [FYI: They both seemed completely unaware of the DEP, so it may be that some PR with the executive is a good idea even though the project--or especially because the project--is with the "independent" sector.]

As far as mechanisms and placement of the PAR project in the GOH were concerned, the question was turned back to us by the cabinet chief, who in a prior discussion had said that locating major management responsibility for the PAR project in the PM's office was not a good idea, since it didn't have a clear internal management structure. On the other hand, Mrs. Boucart made the point strongly that this ministry is the focus for "concertation" among all the ministers and was therefore a good place for the project to have a "decisional" home. For day-to-day management and implementation, they seemed both to agree that the MEF was the right place. For overall coordination, they were not clear whether Plan (with its external coordination role) or the PM's office would be preferable.

As for the IPC "bridge" assistance, the main conclusion was that ideally, there should be a Council of Ministers meeting at which they would agree on a mechanism, and yield a memo that would tell all the ministers that they could go ahead individually and make their requests to A.I.D. (This may be what they do for the ProAg.) However, the cabinet chief indicated that the requests in the March memos seemed

both reasonable and timely, and that there really shouldn't be any constraint in going ahead; waiting for the return of all the ministers from Paris should not be necessary according to his ending statement.

In a telephone conversation the next day, between the cabinet chief and the IPC TM, the former reiterated that in his view, anything "that involved data collection which would ultimately be of assistance either to the GOH or to the USAID" could be started right now. This seemed to be his way of indicating that almost anything in the March memo was ok for an immediate start. Unfortunately, during the rest of the IPC visit, it was impossible to get back in touch with the cabinet chief for further discussions either about this or about PAR or, indeed to answer his question about the radio networks, which is why he had called to begin with.

USAID Director: A useful debriefing took place with the Director after this meeting, and just before his departure for Europe, during which the IPC TM was better able to grasp the Director's own vision of the PAR project than had been the case before, and during which some useful information was exchanged about the Director's concept of the characteristics of the long-term IPC advisor who has been informally requested under the PAR project. A considerable portion of this discussion dealt with the UDAPE Project in Bolivia (and the SAFCO Project, also in Bolivia) which had been raised in discussions with Mr. Gil Diaz, the IMF Representative in Haiti, concerning absorptive capacity in the MEF and the possibility of setting up an in-house "think tank" and topping off salaries (see below). The role of the proposed IPC long-term advisor was seen by the A.I.D. Director as similar to the UDAPE model, although he pointed out that while the model was a good one, the incumbents in Bolivia had never quite worked out. He indicated that the best person to talk to about SAFCO, which is a financial management-oriented project, was Steve Liapis. Gil Diaz had suggested consulting project documentation through Katherine Marshall at the World Bank. At the end of the meeting, Mr. Cohen stressed that he would like IPC staff to feel unconstrained in meeting with him, and indicated: 1) his desire that the ProAg for PAR be translated and transmitted as quickly as possible to the GOH; 2) his agreement that in his absence a meeting could take place that would include the IPC TM to discuss or walk through the ProAg with appropriate GOH staff; and 3) that we should remain in touch with Mr. Gil Diaz about the proposed group of economists that he was proposing under UNDP funding.

Tax Administration: The USAID Policy Specialist and the IPC task manager met with the Director-General of the Tax Administration (DGI) to update potential requests for services under IPC, and to find out whether he had any additional or different priorities from those that would be outlined by the IMF Tax/Customs Mission members who were to debrief a group of donors under UNDP auspices (See memo left with Mission derived from notes on that debriefing.) The DG also presented us with a proposal for a national-level cadastral baseline survey, further to discussions and a written request to A.I.D. from the Mayor's Office. This proposal left out many of the more interesting features of the Mayor's Office proposal but tripled the price. Later, in a telephone conversation with the Mayor, which took place in our presence, the DG of DGI denied that he had made a proposal for this work to A.I.D. in the

sense that he had not made a formal request for funding. [FYI: This DG is also in a somewhat perilous position since he has offered his resignation at least once, and his work is apparently being watched by someone who is an intimate of the President. He has been showing good progress in collecting tax arrears but, as the Mission Policy Specialist points out, you can only do that once. His projections for further collections, in connection with the preparation of the budget have apparently been optimistic, but he has not made available to the MEF the basis for these calculations, according to information received informally from others in the MEF.]

The DG reiterated his priority that both technical assistance and hard- and software be provided to the DGI as a complete package, since one part was useless without the others. He essentially seemed to go along with the priorities stated by the IMF Mission, except that he stressed the importance of tax administration rather than changing tax policy and the tax system, as the first priority.

Customs Administration: Here, we met with the DG, on the same basis as with the DG of Tax Administration, again asking what might differ from the recommendations of the IMF Mission, whether there were different priorities, and also following up on prior meetings to determine what TA requests were still likely to be forthcoming to IPC. The DG was cordial and pointed out that he was glad that the Policy Specialist had come to the meeting since that meant they could discuss his request for computers and radios. He indicated that the World Bank had written to indicate that it would provide funds for a study of Haitian exports, so that we could essentially drop that from our list of requests. The Policy Specialist pointed out to him that if the Fund convinced the GOH to float the exchange rate, the question of the value of exports would become less significant, since the foreign exchange surrender requirement would remain a thing of the past. The DG said that the other requests discussed during our past two visits remained relevant, and an internal committee had reviewed the cv's we had provided during our last visit.

We discussed the mechanism question, specifically, how does the DG make his request for services? (He had a typed letter already prepared.) We agreed that he should make the request through the Minister of Economy and Finance, but if possible speed it along by bringing it to the attention of the PM's office. He indicated that he didn't want to play off the donors among themselves if he could avoid it, preferring to be honest with each and hoping that way he would still get all his needs covered. Regarding the IMF Mission recommendations, he was not pleased with the "pilot" idea of setting up a "free zone" in the south and then putting road blocks for customs collection on the road to Port-au-Prince, and said that this had been expressed to the IMF team. As to the other recommendations, he was essentially for them, but was concerned about infrastructure as a precondition of the ability of the customs service to deliver. We agreed to get back in touch with him after the IMF Mission's debriefing session.

As promised, the IPC TM called him on the phone before leaving Haiti, and he gave her the list of the names of those TA specialists who had been selected by his internal team. These included Ansay (DAI), Bohon, Furst and Covert (Thunder) and

Ewencyzk if she could work on the Bank-funded study. Although we had talked again with him about a series of seminars on decentralizing the service, as before, it turned out that Ben Crosby (MSI) had not been selected. This may have been because the internal committee didn't understand what he had to offer in the context of customs administration per se. It is striking that the DG really appears to have delegated the selection of TA specialists (from French-language resumes prepared for them by IPC) to his staff, under the chairmanship of the Deputy DG. The only change he seems to have made was to add Ansay, who had originally not been selected, since he wanted someone who would be able to oversee all the activities that would relate to training and manpower development, and the Haitian staff, though qualified, would not be able to do this on a full-time basis.

UNDP-Sponsored IMF Tax/Customs Mission Debriefing: The IPC Task Manager accompanied the A.I.D. Planning Officer and Policy Specialist to this multi-donor debriefing, which had been suggested by the A.I.D. Director. The findings and recommendations of the team were essentially those put forward by the Mission team leader during an earlier debriefing session with the USAID Director, but were presented with more fervor and in more detail. The presentation is summarized in a memo prepared by the IPC task manager while in Haiti. What was interesting is that no donor except the French, who were quite protective of the SIDONIA computerized customs and import information system which is currently non-operational, was particularly forthcoming. The IBD representative indicated that if necessary he could do port and customs infrastructure instead of, or in addition to, roads. The French representative also indicated that support might be available for other recommendations, depending on the findings of the "heavy mission" that was coming to Haiti soon. The UNDP Resident Representative later commented that the French rep. was really the only one who said anything about committing resources, and even he spoke very guardedly, so it seemed to her that A.I.D. would have little competition in this area. UNDP is working with the Port Authority and had been asked to postpone its projects there. Now, a consultant was coming to work on the training plan under the Port Authority Project.

Mayor of Port-au-Prince and Executive Secretary, COMUREP: In all, the IPC TM participated in three meetings with the COMUREP Executive Secretary, who is also the cabinet chief of the Mayor, Mr. Evans Paul, and two meetings with the Mayor himself. The second meeting with the Mayor was to introduce Mr. Nezam Motabar, MSI's second consultant under IPC, who will be working with the Mayor's Office for three weeks on revenue generation and allocation--in collaboration with the DGI--and to review a series of proposals that were to be forwarded by letter to the Acting Director of the USAID within the next day or two. (See IPC memo on possible assistance to municipalities, prepared in Haiti.) At these meetings, the IPC TM was accompanied by Frantz Louis, of the USAID's HRO, and in the last meeting, by Policy Specialist from the PO. Also at the first meeting with the Mayor, was Don Kurtz, of the Cooperative Housing Foundation, who had just arrived to be a long-term advisor to the Mayor's Office on solid waste management (FATRA), and who would be trying to provide additional technical assistance support through CHF in the areas of zoning and districting, and land use planning. A number of the revenue-related

requests from the Mayor's Office have grown out of an earlier consultancy under the WASH Project (Mr. Kurtz and Phil O'Rourke).

It is noteworthy how much easier it is to work with the Mayor's office rather than the Executive Branch bureaucracy. This is in part because the Mayor, who is a politician and very bright, has an agenda that he is actively pursuing, both for the greater Port-au-Prince metropolitan area, and in terms of the government's decentralization program overall--throughout the country. Also, unlike the people we have been dealing with in the Executive Branch of the GOH, including ministers, Mr. Paul does not need the prior clearance of anyone else before he makes a request to USAID/Haiti. This makes things much simpler. In part, however, the ease and speed of access and action seem also to be a function of the level of energy and attention paid to the Mayor and his affairs by Mr. Louis of the USAID Mission, who has traveled to the U.S. with the Mayor and his cabinet chief, Mr. Toussaint, and who actively lobbies within the Mission for support to the Mayor's action agenda.

UNDP Resident Representative, Ms. Carrol Long: This meeting was attended by the Mission's Planning Officer, and the IPC TM and had been requested for the purpose of clarifying, if possible, how IPC/PAR could interact with and complement whatever UNDP was likely to continue to sponsor in the areas of administrative reform (under their management development project) and TOKTEN, which provides TA. A broad-ranging discussion ensued, in which the Res. Rep. made clear the historical and contemporary reasons why UNDP was bound to work very closely with the Ministry of Plan, outlined the types of TA that were likely to be provided at the request of that Minister (administrative reform and economics, possibly), and the question of the group of economists that had been proposed by the IMF Res. Rep. In the end, as is conveyed in the Planning Officer's memo on the meeting, the general agreement was that UNDP further explore funding 3-20 medium-term economics advisors, probably Haitians from the diaspora, probably chaired by Prof. Vely Leroy, if the IMF Resident Representative continued to promote this idea strongly. The question asked was whether A.I.D. under PAR could provide some supporting financing, e.g., for computers, training, etc. This would appear to be possible.

Mr. Downing, the PO, explained in some detail that the only long-term advisor under PAR was likely to be the IPC long-term advisor, and gave Ms. Long the broad outlines of the PAR project as currently conceived. We discussed UDAPE as a possible model for what UNDP might fund, and essentially left it that PAR would go on as designed, and collaborate with UNDP's activities wherever possible. [FYI: The possibility that Mr. Philippe Rouzier, who had been in charge of the design of the management development project and some potential economics activities would not return to UNDP after his sick leave was discussed, as was the idea that he might be a possible candidate for the IPC position. Mr. Antoine Ambroise will probably not be available for this position, as he will continue with the Ministry of Plan, supported, perhaps, by UNDP.]

IMF Resident Representative, Mr. Jose Gil Diaz: Thanks to the good offices of friends, and to the fact that the IPC TM had met Mr. Olaf Gronlie of the IMF in

Washington, it was possible to meet several times informally with Mr. Gil Diaz, as well as briefly, with Mr. Gronlie. During these meetings, we discussed UDAPE as a possible model for experimentation in Haiti, the need for in-house advisors and salary support in the MEF, the possible best organizational location for PAR within the GOH, and possible long-term IPC advisors. Mr. Gil Diaz strongly suggested Mr. Gonzalo Afcha, the first director of UDAPE, who is apparently currently working for USAID/Honduras, and also suggested at least one Bolivian economist who had worked in UDAPE. He also suggested that with regard to the overall model for PAR, we should check on the design of the SAFCO project in Bolivia, but indicated that this was an extremely difficult project to manage even when the GOB supported and asked for it, so that replicating it in Haiti would probably be difficult.

Mr. Gil Diaz indicated at the end of our visit, as he was leaving for Washington, that he would work on the scopes of work for the economists (six) and would be in touch with Professor LeRoy to see who would be appropriate candidates. He also indicated that the Fund and the GOH had agreed to continue the postponement of the rest of the standby negotiations until after the CG meeting in Paris, which was good because it took the pressure off both sides.

Meetings That Proved Impossible to Hold:

Despite repeated efforts, it was impossible to have meetings with Remy Montas and Guy Pierre of the PM's staff to follow up on public enterprises and administrative reform, respectively. The Policy Specialist spoke with Mr. Montas, who later failed to show up for the meeting at the PM's Office with Mr. Noel and Mrs. Boucart. We do not know if that was because he was not informed of the correct time or if he was disinvited. Mr. Pierre, who was contacted by phone by the IPC TM, was friendly but elusive, said he had a heavy teaching schedule at CTPEA, and would be traveling soon. He said he would call back but we did not hear from him before the TM's departure. So, on these two key areas of the IPC/PAR agenda, we were unable to make any progress.

Mrs. Boucart, who didn't know about the prior meetings, said that the commission on administrative reform was still a priority, but that it was one of a number of priorities, and that it would take some time before it was finally formed. She made a clear distinction between government clean-up (assainissement) and administrative reform, which she defines broadly, following the broader definition in Brinkerhoff and Goldsmith--including decentralization, which seems to be her particular area of interest. Neither she nor Mr. Noel seemed to know much about the public enterprises commission, and seemed essentially uninterested. They both pointed out, as does everyone else, that the government is busy managing daily events--what we would call crisis management--and has yet to address all of its many priorities.

Outstanding Issues:

Because of problems with the translation process, the ProAg draft was not available in translation by the time the IPC task manager left Haiti on July 3. The hope was that it would be available for transmittal the following Monday. The PAR PP was not yet signed, and various editorial changes were being made. The Director had asked that the location of implementation responsibility in the GOH be removed from the conditions precedent section and placed in the text of the ProAg itself, left blank if necessary, to make sure that a decision from the government would be forthcoming.

In a memo about PAR management, the IPC task manager made some suggestions about how implementation within the GOH--and within the Mission--might best be coordinated. The idea of an inter-ministerial steering committee like the one originally created for PL 480 Title III is proposed, since it seems unlikely that the PM's Office will be able effectively to coordinate actions under PAR across the government. This would also have the advantage of including the Minister of Plan, who traditionally has responsibility for this kind of coordination. Mr. Cherestal, as Secretary General for Donor Coordination in the MOP would be the obvious person to work with otherwise, if the steering committee idea does not fly. However, with the history of other ministries trying to fend off the "ministrations" of the MOP in coordinating, monitoring and evaluating what they are doing, a special committee for the project seems more likely to succeed. Placing project implementation responsibility with the counterpart funds in the MEF alone does not seem likely to provide the breadth of attention and possible inter-ministerial coordination required for the range of policy change that the PAR project anticipates.

At the end of the visit, the PO asked the IPC TM to prepare a "next steps" memo that could be the basis for an understanding on who would do what in the coming five weeks to move the IPC activities along and get the PAR project signed. This memo is attached. We never had a chance to discuss it in detail, but in an informal conversation, it seemed that the Mission staff involved agreed to the tentative schedule of events included in the memo. It was also tentatively agreed that if it really got to the stage where a meeting with the government was probable to discuss the content and structure of the PAR project, the Mission would let the IPC TM know so that she could come down to participate in that meeting if possible, perhaps on her way to the Philippines in mid-July.

No better solution to the problem of consistent communication between IPC and the Mission was found than for the IPC task manager to call relatively early in the morning and hope to find the relevant PO staff in.

Persons Contacted:

GOH:

Prime Minister's Office:

Marc-Antoine Noel, Cabinet Chief
Francoise Boucart, Advisor
Remy Montas, Advisor
Guy Pierre, Advisor

Ministry of Economy and Finance:

Georges Werleigh, cabinet
Franck Lanoix, cabinet
Georges Henry, Studies and Evaluation Division
Katleen Florestal, "
Vladimir Francois, "
Auguste Pachiot, Programming Division
Lanz Van Col, Acting Budget Director

Tax Administration:

Andre Lemercier Georges, Director-General
Renaud Julien, Deputy Director-General
Customs Administration:

Fritz Deshommes, Director-General
Jean M. Louis, Deputy Director General

Mayor's Office - Port-au-Prince:

Evans Paul, Mayor
J. Harry Toussaint, cabinet chief

COMUREP:

J. Harry Toussaint, Executive Secretary

Other Donors:

Jacques Baldet, IMF Tax/Customs Mission Leader
Jose Gil Diaz, IMF Representative, Haiti
Olaf Gronlie, IMF Stand by Negotiating Mission Leader
Carrol Long, UNDP Resident Representative, Haiti

Haitian Private Sector:

Ann Hauge, Agri-Supply

Marjorie Michel, Le Steak Inn

**Patricia Michel Foucault, Kaleidoscope Psychology Centre
and Association of Haitian Psychologists**

Consultants:

Don Kurtz, Cooperative Housing Foundation

Aubert Zohore, Deloitte Touche

Chantal Warzala, CARE

July 2, 1991

TO: Lance Downing
Gabriel Verret, PO
INFO: Franz Herder, A/Dir
FROM: Alice Morton, MSI/IPC
SUBJECT: Next Steps Under IPC/PAR

At Lance's request, I am writing this memo to outline the next steps to be taken by all of us who are involved, in order to try to make sure that the IPC bridge funding is used appropriately and in a timely fashion, and that the PAR project agreement transmittal and signature processes also occur soon, and in such a way that start-up can be as smooth and coherent as possible once the proag is signed.

This memo also should help us to determine which is the best role for each of us who is involved on the USG side--at the Mission level and in IPC--and on the GOH side. So, in a sense, it sets out an idealized scenario for the GOH side of the equation.

To try to make this as clear as possible, I will try to attach an implementation plan chart. In what follows, I am largely leaving out what IPC will be doing with the Mayor's office, since the main Mission contact on this will be HRIO, Frantz Louis, but I would suggest that he be kept in the loop as these various steps are taken, as well as Pat Smith.

July 2 - July 12:

USAID: Gabriel Verret and Front Office, supported by PPI will do the following:

- Get an agreed translation of the draft Proag in shape to be transmitted to the Prime Minister's Office and other relevant Ministers' offices--MOP, MEF, MOC and TPTC if they are to be on a proposed steering committee or board for the project. The target date for transmittal of the draft Proag is July 10.
- Before the ProAg draft is transmitted, will have, if possible, a meeting or at least a phone conversation with the PM himself (or his staff if not possible) letting them know 1) that the ProAg draft is coming on the 10th; 2) that we hope that there can be a meeting to walk through it with the key ministers who will be involved/affected--especially but not exclusively MEF--shortly after the 15th (the 17th?). This meeting, as we discussed with Marc-Antoine Noel and with David Cohen, would allow us to help the GOH recipients of the draft ProAg understand what it really can mean to them in concrete terms, as well as providing an opportunity to help them to focus on the institutional location of the project, and how it will actually be managed in the GOH and in A.I.D.; 3) that we hope signature of the ProAg as amended if necessary, can take place by the end of July at the latest, so that start-up can begin in August, and finally 4) that the IPC bridge funding is still in place and available to address urgent

or baseline matters that arise in the interim, including anything that comes from Paris and needs further elaboration.

Alice Morton/MSI during the same period

- calls Pepe in Washington to discuss the results of meeting with Carroll Long today regarding the IMF proposal with UNDP to bring in a group of diaspora economists, and how IPC/PAR can relate to that effort.
- calls Baldet at the Fund in Washington, as promised, to discuss what the Fund thinks it will want to provide in the way of TA experts for DGI and Customs and how these are funded/options for A.I.D. to support and/or complement this under IPC.
- assesses with collaborating IPC institutions the possibilities for addressing requests that we will hopefully now actually receive from DGI (property tax study), Customs, and perhaps from the MEF itself (maybe brokered by the Fund).
- reports back to PO the results of these conversations in trip report, and gets update on the situation with the PM's office, and the requesting agencies.

July 15-19:

Gabriel Verret, Lance Downing and Franz Herder

- Talk to PM
- Transmit ProAg draft in French to PM's office and other interested ministries
- Schedule review and discussion meeting with these same ministers chaired by PM's Office for 17th
- Hold broader meeting to walk through the ProAg and management issues on the 17th
- Incorporate results into revised ProAg with support of PPI.

Alice Morton/MSI

During this period

- continues to remain in touch with Mission,
- do any more follow-up I can from my end on existing/proactive requests from GOH, especially what we will be doing with the Mayor's Office

- makes herself available if possible and necessary to attend meeting on the 17th in Haiti;

July 22-August 15:

PO through Gabriel Verret

- continues to move ProAg process signing through government,
- makes sure that PP is signed, translated if necessary, and
- that obligation process for IPC buy-in is started If appropriate at this point by preparing PIO/T and remaining in touch with Jeanne North in ST/RD in A.I.D./Washington
- follows up on the administrative reform commission, the public enterprises commission, and other requests/activity areas discussed by IPC teams with GOH to help move along requests. Also, DGI, also Customs if not already formalized.

NB: Here, what to do is already spelled out in the Brinkerhoff Memo of May 16.

Alice Morton/MSI IPC during same period

- makes available for following period if necessary Ms. Julie Konen-Grant of IPC come to Haiti to continue follow-up activities with Ministries under bridge IPC funds along with Gabriel and possibly Brinkerhoff if available..
- Depending on what requests have been made, provides consultants to meet the needs formally expressed from the pool of consultants already identified.
- provides input to ongoing discussion of the structuring of PAR in the government and the management implications for IPC, including long-term advisor.
- if advised of progress on IPC buy-in PIO/T, begins to recruit long-term advisor.

NB: This is the period when Morton will be in Manila, but backstopping can be provided by MSI, as outlined above.

On Morton's return to Washington, perhaps a next management visit can be planned at the end of August by Morton and other appropriate MSI/IPC staff.

Date: May 16, 1991

To : Gabriel Verret, USAID/Haiti
Lance Downing, USAID/Haiti

From: Derrick Brinkerhoff, IPC

Re: Next Steps for the Mission in IPC Buy-In Activity, May-Dec 1991

During the May 5-18 TDY of the IPC team of Morton, Brinkerhoff, and Ewencyk progress was made in moving toward the specifics of TA to be provided to the GOH under the Mission's IPC buy-in. The following summarizes where we stand and what next steps would be helpful for you to take to continue progress. I leave tomorrow (May 17), but Dr. Ewencyk will stay through next week on her own time, though she will undertake several IPC-related tasks. Dr. Morton will be back at MSI on May 27th, and will be in touch with the GOH and the Mission that week.

1. TPTC: Discussions with Franz Varella focused on TA in information systems; we left CVs with him and sent a letter explaining the services available under the buy-in (as well as the PAR project) indicating that a short letter requesting IPC services could be sent to the Mission.

Follow-up step: Call Varella to nudge him re the letter if nothing is received by late next week.

2. Douanes: Meetings with Fritz Deshommes and members of his staff focused on TA and development of terms of reference for a study of exports to compare US and GOH data. We sent a letter, along with CVs, to Deshommes similar to the Varella package, and Dr. Ewencyk has had several meetings to specify the contents of the TOR.

Follow-up steps: Contact Deshommes for follow-up if necessary.

3. MEF: Our meetings with Finance targeted TA and studies. Under discussion for the immediate term are: work with the budget office to improve the ability to generate this year's GOH budget, information systems support, and required "update" studies. As with TPTC and AGD, a letter and CVs have been sent indicating that a request could be made to USAID immediately for IPC assistance.

Follow-up steps: Contact Georges Werleigh and/or Georges Henry for follow-up if necessary.

4. MOP: During the TDY the team extended contacts within the MOP, particularly to the Fonction Publique side of the Ministry. We met with Nelaton Hippolyte, Directeur Organisation et Methodes, and Raoul Baptiste, Directeur Fonction Publique. Unofficially both these directors sent material relating to requests for assistance to USAID via IPC. We met again with Antoine Ambroise and were

introduced to the new DG, Florence Elie. Ambroise confirmed that formation of the Administrative Reform Commission is imminent, and said that Mme. Elie will communicate with us re TA.

Follow-up steps: Obtain Hippolyte and Baptiste documents.

5. Prime Minister's office: We met with Remy Montas and Guy Pierre re the AR Commission. The current structure under consideration is two separate commissions, one for public enterprises with Montas responsible, and one for public administration under Pierre. We had a subsequent meeting on the public enterprise side with Montas, Georges Henry, and a technician from TPTC. The discussion focused more on the specific TA needs of enterprises under TPTC's tutelle than on the organization and functioning of the commission itself.

A planned meeting on the public administration side with Guy Pierre and others did not materialize. Neither did we meet again with the PM himself.

Follow-up steps: Consider having Jim Hradsky meet with Montas and/or Pierre as part of PAR design process.

cc:

Rosalie Fanale

James Hradsky

Alice Morton

Marie-Helene Ewencyk

July 1, 1991

TO: Franz Herder, USAID/Haiti
Lance Downing
Gail Spence
Gabriel Verret
FROM: Alice Morton, MSI/IPC
SUBJECT: IPC and PAR Management Structure

Last week, I had a brief but useful discussion with Lance about the possible ways in which a long-term IPC advisor would interact with the proposed logistics support contractor, and also with the Ministries with which her or she would be in closest association. While at first we were talking primarily at the level of logistics, we also talked about the characteristics of the advisor and his or her actual responsibilities. I found this a helpful conversation, and thought that it should be noted for the rest of us. After that, I have been thinking about the characteristics of this IPC advisor, and taking a sort of informal census among those who may be clients and associates of the individual, to see what is the best sort of "profile".

1. Logistical situation for advisor:

The person will have to interact both with the GOH at an advisory level, and with A.I.D. It is crucial to the success of the IPC project approach that the person have the confidence of the GOH, and be perceived by them as much as possible as their resource rather than as ours. Therefore, we think that the person should have office space in the Ministry of Economy and Finance, if this is indeed where the majority of the PAR project's business will be developed and run. This also has advantages since the person would then be in close touch with the GOH Project Manager and operations officer, and with the funding mechanism that will provide local technical assistance, which should be an important complement to what IPC will be providing.

At the same time, however, we want the person to be able to be as efficient as possible in terms of communications and other logistical support, and to be able to withdraw from time to time from the daily business of the project to reflect on policy issues and the policy implementation process itself. IPC, as we must always remember to point out, has an applied research agenda which must be taken into account under a long-term buy-in of this sort. Also, it is often salutary for an advisor to withdraw from daily implementation activities to see how those being advised get on with the job. Therefore, the advisor should have access to office space outside the ministry, but not in A.I.D. where he or she can interact effectively with MSI by fax and telephone, and with A.I.D. Since the GOH only works about half the day, this is a convenient model, which allows the advisor to interact with A.I.D. after 2:00, from an office where communications and computer and secretarial support are assured. This becomes, in effect, the PAR project office, although it is run by the proposed logistics contractor. Lance used the Sheraton hotel office space pattern in Bolivia as a possible model for here.

2. Organizational Structure for IPC/PAR:

There are a number of ideas that have surfaced in recent discussions within the Mission and between Morton/Verret and people outside the Mission about the possible ways in which the PAR project may be structured. One idea which is classic and may actually work is to form a steering committee for the project within the government. This might be modeled on the committee that used to oversee 117e PL 480 Management Office, and the TA staff of the project then become the secretariat along with the MEF Project Manager and Operations Officer.

Although steering committees and project committees in host governments are often only paper or rubber stamp organizations sometimes they are effective, xxxxxxxxxxxx
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otherwise is missing. When we spoke to the PM's staff last week, they were still saying that the day to day operations of the PAR project should be in MEF, but they also agreed that the PM's office is the place for interministerial discussion and for consensus building in general, along with meetings of the Council of Ministers.

If there is no Administrative Reform Commission set up, a project steering committee, while initially an artificial creation, may provide a venue for the same breadth of discussion, and might then become institutionalized as a commission. I am thinking along the lines of the UDAPE project, where there was a board of directors for UDAPE, although apparently lately it has not met. David Cohen mentioned that in a sense, one of the reasons the UDAPE unit succeeded was that it had political support but also received a certain amount of benign neglect. Here, I think that a PAR project set of activities needs some support and visibility before it would profit from the benign neglect model. So, a board of directors, or a steering committee would be good.

If it is not too ambitious, it would be good if the steering committee or board had at least as ex officio members, representatives of the private sector, and also of the legislature and the local collectivities, so that there would, again, be a venue for the kinds of cross-cuffing discussions and strategic planning/management decision-making that IPC is hoping to foster under PAR, This would, then, in part serve the role that the Comite Mixte used to serve to enhance dialogue between the MEF and the private sector.

3. The Proposed Economists' Group:

The IMF and UNDP are proposing a group of economists (from the Diaspora) that should be created to help the government develop and monitor their macroeconomic policy agenda. There is a preproject document on this which Philippe Rouzier of the UNDP gave us in May, Pepe Gil Diaz is the godfather of this proposal, which is for something approximately like the Brazilian UDAPE unit His idea is to bring six Haitian economists back to Haiti to work in this unit, under UNDP auspices, consulting with Vely LeRoy about whom they should be, IMF does not have the money apparently to pay for this, I think UNDP does, but I am not sure, Gil Diaz is

working on the terms of reference for the positions, and I think that it would be very good for PAR to have some direct involvement in this group formation and or its funding so that there is as much as possible one voice from the donor side working with the MEF and other key ministries on macroeconomic issues, especially to the extent that this is designed as an in-house think tank and to the extent that there is an increasing flight of competent technicians from the Ministry with whom this group would interact. Absorptive capacity may be at an all time low very soon, so we should take care not to spread it too thin.

4. Characteristics of Long-term IPC Advisor:

There is a version of this position description for this person developed by Brinkerhoff of IPC for the PAR PP. The emphasis in our recent discussions is on the "level" of qualifications and experience of the person, as well as his or her communications ability and ability to interact effectively with counterparts, and to turn these interactions into usefully described terms of reference for short and or medium-term TA and other services under the PAR project.

In my discussions over the last week, I have been strongly advised to emphasize the communications ability and "accessibility" of the advisor, at least for the start-up phase, rather than the paper qualifications and track record as a social scientist/manager or economist. This is because the need for clarifying the agendas of the project, and establishing ownership of the project in the government are crucial in the first stage, especially if the macroeconomic content aspect has been or will about to be covered by the macroeconomic group discussed above.

What we need most is someone who has the ability to facilitate the process of the project start-up both at the top, decision-maker attention level (which is the biggest obstacle so far) and at the project structuring and preimplementation level with the MEF--how to set up systems, IQC-like mechanisms, etc., and work with the project staff on the GOH side. If the steering committee idea is accepted, the advisor will need to be very skillful in helping to influence the balance of ministries and ministers or cabinet chiefs on the committee, and the choice of staff to the committee, if any. Agenda setting for the committee will be crucial to some sort of coordinated and collaborative approach to what PAR is there to help accomplish. It seems fairly clear that the person who will help set this up must be knowledgeable and skilled at human interaction and organizational analysis and practice rather than in economic or even management theory, at least in the first instance.

I have also discussed a lot the relative merits of such a person being Haitian, American, or a Haitian from the Diaspora. Most people have recommended fairly strongly against bringing back from the Diaspora someone who has not already been in touch with or working with the government. Someone like Vely LeRoy has the necessary experience, and perhaps the right touch. Maybe Antoine Ambroise at the end of his sabbatical year with Plan would be good, but someone who has been away and out of touch is apparently not likely to succeed. The hypothesis is that such persons, especially if academics, are unable to talk to Haitians in the government

without condescension, and are not able to make their ideas practical. There are also the problems of pay disparities for such people which were addressed but perhaps never resolved under TCT.

Using a Haitian who has stayed, or who has been back for a long time, or the stature of Philippe Rouzier, for example, might be a possibility. He has had access to the new government, is a credible economist, and knows the donor community and how it works. Having worked for UNDP gives him the benefit of a multilateral appeal, rather than a bilateral persons. After he recovers, in September, is about when we would realistically be starting up. I think we would be well advised to see if he would be interested in the job. An additional good thing about him is that he has embraced the administrative reform interest and set of issues for some time, so he is not just oriented to the economic.

The other, more obvious option, is to recruit an expatriate. This is not so easy either. I have thought of young people, people in mid-career but "sufficiently senior" to be credible, and of retired people. I think there are more retired people in the net than those with the other characteristics. One of the options that we discussed with Lance is to give them a try, whoever they are, by bringing them in as short-term TA under the project, and seeing how they fly, bearing the characteristics needed for the LT advisor in mind while assessing their work. This is doable if we actually get our requests from the government in good time, which seems a little more probable than it did a week ago.

We still have a long way to go to get the proag to the government, to discuss it with them, get it signed and get the project set up. IPC is there to provide the link. I am delighted to continue to come back, as many times as necessary, and I hope that the opportunity provided by working with Frantz Louis and the COMUEP will help to keep things on the front burner, rather than leaving them on the back burner.

I will be going to the Philippines if the volcano cooperates around July 20 until around August 15. So, it would be good if we could plan my next input and/or other MSI input before I leave for Manila.