

# **TDY Report Interim Government of Haiti**

## **INTEGRATED FINANCIAL MANAGEMENT SYSTEM**

**USAID/M/PMO Assessment Team  
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**Prepared by:  
USAID/M/PMO**



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## 1.0 EXECUTIVE SUMMARY:

As part of its campaign against corruption in Haiti, USAID/DCHA/DG requested the assistance of USAID/M/PMO to evaluate the possibility of implementing an Integrated Financial Management System (IFMS) for the Interim Government of Haiti (IGOH). From November 28 through December 3, 2004 a three person assessment team interviewed the major participants in the IGOH financial sector focusing on identifying high level business requirements and the existing Information Technology (IT) infrastructure.

The team identified a set of recommended activities, stated below and condensed in Appendix C, designed to improve transparency and efficiency of the financial process. These activities are designed to prepare the IGOH, through a series of incremental steps, for the eventual implementation of an IFMS. The assessment team determined that both the current political environment and the disposition of the international donor community were supportive of the proposed activities. Most involved demonstrated a sense of urgency to produce demonstrable accomplishments. This is due to the unstable security situation, particularly in Port au Prince, and the finite duration of the interim government mandate.

The recommendations provided herein will be reviewed by USAID/Haiti and the IGOH. They will then provide USAID/M/PMO with a list of activities they would like to undertake. The USAID/M/PMO Assessment Team will then develop a Terms of Reference (TOR) and an estimated level of effort (LOE) for each of the undertakings, and will provide this information to USAID/Haiti for its review and analysis.

## 2.0 BACKGROUND:

USAID has had some demonstrable successes in addressing and reducing corruption in many countries and in different sectors. USAID/Haiti is interested in identifying the most appropriate best practices from the Agency's experience and applying them to the opportunities that currently present themselves in Haiti. However, it should be noted that most of the "successes" in fighting corruption that we have seen have taken place in a *sustainable development* environment, that is, countries which have significant institutional capacity, are experiencing economic growth and have both political will and an engaged citizenry.

At present Haiti is under a short-term, interim government, the Interim Government of Haiti (IGOH). The institutional capacity of the control and oversight functions (Finance, Audit, Ombudsman, etc.) is marginal, lacking both financial and human resources. Moreover, the oversight of the executive normally carried out by the other branches of government is absent: the Parliament is not sitting, and the judiciary is neither independent nor capable. Therefore, anticorruption strategies which the Mission might wish to support must be appropriate to this institutional environment. That is, they should focus on institutional strengthening, increasing transparency of government and strengthening citizen awareness and civil society capacity. Approaches which depend upon a stronger institutional environment, such as an anticorruption

commission, government ethics program, financial asset disclosure regimes to detect illicit enrichment and comprehensive national anticorruption plans are less advisable.

### **2.0.1 INTEGRATED FINANCIAL MANAGEMENT SYSTEM (IFMS) IN HAITI IN SUPPORT OF ANTICORRUPTION**

In support of enhancing the Haitian capacity to implement a holistic anti-corruption strategy, USAID/DCHA/DG and USAID/Haiti have identified free access to information as the bedrock of transparency and government accountability. However, the government of Haiti must first possess the information requested by civil society in order to provide access to it. Often, the government itself does not actually possess the information that citizens and the media want and need. This is most often the case in the area of financial management.

USAID has offered to assist the government in the design and implementation of an Integrated Financial Management System (IFMS), along with training and the development of improved internal controls. This is an extensive project, requiring a long-term commitment and significant resources and as such the possibility of donor coordination will be explored to the greatest extent possible. However, in order to begin this undertaking, it is necessary to perform a needs assessment to define the scope, requirements, and feasibility of the implementation of an Integrated Financial Management system in Haiti in support of anti-corruption.

## **3.0 OBJECTIVE:**

The purpose of the initial needs assessment TDY was to review and assess the needs, requirements and feasibility of implementing an Integrated Financial Management System for the Government of Haiti in order to increase transparency and thereby reduce the potential for corruption.

During this TDY, the team from the USAID Headquarters in Washington DC Office of M/PMO performed a series of interviews with USAID/Haiti management and program officers and representatives from the interim Government of Haiti (IGOH) in order to examine the situation that currently exists within the Ministry of Finance (MoF) and the IGOH's need for an IFMS, and to perform an initial requirements definition. During their discovery, the team documented their understanding of the following in order to complete their assessment and recommend solutions:

- **People:** The organizational and human resource structure in place to support the MoF and the function of performing integrated financial management for the interim Government of Haiti, including other Ministries and resources related to this activity and other supporting services that would be involved in the broader aspect of Enterprise Resource Management (ERM) which includes integrated financial management.
- **Processes:** The current processes and procedures in place supporting the function of financial management for the IGOH, with emphasis on identifying possible process

changes and/or process gaps to be remedied to provide for the successful implementation of an IFMS.

- **Infrastructure:** The information and communications technology (ICT) infrastructure supporting the MoF and the IGOH. This includes computers, networks, and legacy systems currently in place to support the function of financial management.
- **Policy:** The policies and laws governing the function of financial management and information management for the IGOH, with emphasis on identifying possible policy issues and/or gaps creating obstacles to the proposed implementation of an IFMS.
- **Private Sector/Donor Coordination:** There are a multitude of private sector players and other international donors active in Haiti. The team gave particular attention to donors engaged with the issues of anticorruption and transparency as they relate to financial management and ERM. The team emphasized the identification of complimentary activities and areas for coordination and collaboration.

In the context of the above, the outcome of this analysis provides to USAID/Haiti and USAID/DCHA DG a documented needs assessments, including an initial set of findings and recommendations. USAID/Haiti and the IGOH will analyze these findings and recommendations and identify and prioritize those activities it wishes to undertake. The USAID/M/PMO Assessment Team will then develop a Terms of Reference (TOR) and an estimated level of effort (LOE) for each of the undertakings, and will provide this information to USAID/Haiti for its review and analysis.

## 4.0 FINDINGS AND RECOMMENDATIONS:

Based on a series of interviews with USAID/Haiti management and program officers and representatives from the IGOH, the TDY Assessment Team was able to determine an initial set of findings regarding the current environment within the Haitian Ministry of Finance, and the broader feasibility of implementing an IFMS in the operating context of Haiti. The team then analyzed the findings to develop an appropriate set of recommendations which USAID/Haiti and the IGOH could apply in order to proceed with IFMS implementation.

Although these recommendations center on the provision of an IT solution(s) to address the anti-corruption and transparency concerns of IGOH and USAID/Haiti, their scope is broader in nature, focusing on the IT aspects of the following five areas: people, processes, infrastructure, policy, and private sector/donor coordination. This approach reflects the fact that an IT solution in an of itself will not likely solve issues such as corruption and the need for transparency, nor can IT solutions be successfully implemented in a development context without considering and accounting for the broader paradigm in which they will be implemented and operated. The findings and recommendations are provided below accordingly. Combined, the set of recommendations provides a holistic approach to IFMS implementation necessary for success within the current context.

The recommendations vary in the degree of complexity and level of effort required to execute them and have been classified accordingly. The following provides a generalized description of the varying levels of effort:

- **Low:** Relatively easy to implement in the short term; require a low level of effort; have little or no dependency on other recommendations
- **Medium:** Relatively more complex to begin implementation in the short term; require a medium-term timeframe in which to complete; may require the completion of precedent recommendations/tasks; tend to require more than one interrelated set of activities or tasks
- **High:** Most complex to implement; require a long term approach, commitment and timeframe to complete; may require the completion of precedent recommendations/tasks; requires several interrelated sets of activities or tasks.

Should USAID/Haiti decide to proceed with the following recommendations or a subset thereof, USAID/PMO will develop an associated rough order of magnitude estimate and high-level implementation plan.

## 4.1 PEOPLE:

This includes the organizational and human resource structure in place to support the MoF and the function of performing integrated financial management for the IGOH, including other Ministries and resources related to this activity and other supporting services that would be involved in the broader aspect of Enterprise Resource Management (ERM) which includes integrated financial management.

The need for technical and financial investigation/audit training leads the list of needs in the People category. These two are followed by the need for the IGOH to provide adequate compensation for its employees and the need for improved physical security for all the people of Haiti.

### 4.1.1 TECHNICAL TRAINING

**Finding:** The most consistent human resources need reported during the assessment was the lack of qualified technical support staff. None of the Ministries or agencies interviewed felt they had adequate technical staff to support their existing infrastructure. The shortage of technical staff becomes even more apparent when we combined the fact that all organizations also felt they need significantly enhanced and expanded technical infrastructures. The reasons for this lack of technical expertise can be attributed to two general factors. The first is the lack of technical training provided to IGOH staff. The second is the fact that technically competent individuals can command significantly higher salaries in the private sector than in government service.

These two factors inhibit the availability of technical expertise to the IGOH and then draw what expertise exists toward the private sector.

**Recommendation:** Resources should be directed towards the establishment of an ongoing technical training program for IGOH staff. This would serve to provide the government with a consistent supply of technical expertise and would also serve to attract professionals into government service. It must be acknowledged that many, if not most, of the staff trained will eventually gravitate towards the higher pay of the private sector, but an enhanced capacity in the private sector would also serve the development of a more robust and comprehensive IT infrastructure in the IGOH and Haiti as a whole. It cannot be over emphasized that the success of all IT related activities in this report depends on an adequate supply of trained technical staff to support the enhanced IGOH IT infrastructure.

**Level of Effort: High**

#### **4.1.2 FINANCIAL INVESTIGATION AND AUDIT TRAINING FOR THE ULCC AND UCREF**

**Finding:** The staff of the IGOH Anti-Corruption Unit (Unite de Lutte Contre la Corruption, ULCC) expressed the need for training in the detection of financial fraud and general auditing. Though there are ULCC staff members with financial backgrounds, none felt they had the background to perform financial investigations and audits. In addition they would like to have training in the MoF financial systems: SYSDEP, Asycuda, and Tax Solution.

The Director of the Financial Intelligence Unit (Unite Centrale de Renseignements Financiers, UCREF) of the Ministry of Justice (MoJ) expressed his desire for the addition of audit expertise to the team. He felt they had good investigators on staff, but not financial experts.

**Recommendation:** The M/PMO assessment team recommends that those ULCC staff with financial backgrounds be given training in financial investigation and audits. This would include training in analysis of financial data. It is also recommended that selected members of the ULCC be sent to the MoF to receive user training for the SYSDEP application. Just the presence of ULCC staff at the MoF being trained in SYSDEP will promote the idea that the IGOH is taking steps to fight financial corruption. It is also recommended that selected staff of the UCREF receive training in financial investigation. Additionally, staff with financial expertise should be added to the UCREF team.

**Level of Effort: Medium**

#### **4.1.3 THREAT OF BODILY HARM**

**Finding:** The M/PMO team received several reported incidents where Haitian [Port au Prince] police officers have acted in an unethical manner. Haiti police officers have reportedly entered private dwellings to conduct searches without provocation or search warrants. In the course of these searches residents were forced into isolated sections of the homes while the police seized personal property and valuables with no property control or accountability. In most cases personal property and valuables were never recovered. The M/PMO team was also informed that it was suspected that some police officers supply intelligence information to the dissident rebels on prospective targets for kidnappings and carjacking.

The M/PMO team was informed that the United Nations Peacekeeping Force is predominantly composed of Brazilian soldiers who do not speak French or English. The UN Peacekeepers are

viewed as passive and do very little to investigate, locate and eliminate the dissident threat. The threat of bodily harm has a direct impact on the ability of the IGOH to attract investors and consultation services. This same threat will have a detrimental impact on the M/PMO team's ability to implement effective IT solutions within the IGOH.

**Recommendation:** Work with the IGOH, the Port au Prince Police Force, and the UN Peacekeepers to help formulate a plan to reduce the threat of bodily to private sector and international donor organizations supporting the IGOH.

**Level of Effort: High**

## 4.2 PROCESSES:

This includes the current processes in place supporting the function of financial management for the IGOH, with emphasis on identifying possible process change and/or process gaps to be remedied to provide for the successful implementation of an IFMS.

Generally, the IGOH financial management processes are fragmented and ineffective adaptations of the former government, known as one of the most corrupt governments in the world. There appears to be, however, a sincere desire on the part of the leaders of the IGOH to design and implement new processes that provide the financial oversight and efficiency needed for real reform.

### 4.2.1 INCONSISTENCIES AMONG POINTS OF ENTRIES

**Finding:** The seaport of Port au Prince is by far the most efficient operation of Customs (Agence Generale des Douanes, AGD). It is estimated that AGD collects approximately 21% of the value of the goods imported through the Port compared to as little as 2% at other ports and the border with the Dominican Republic. This is due primarily to the fiscal controls imposed by the contractor Societe Generale de Surveillance (SGS). Though SGS has the mandate to provide this service at all of Haiti's 11 ports, their operations are confined to Port au Prince. It would require minimal effort to extend their operations to Cap Haitien. The increased revenue collections should more than offset the additional costs.

**Recommendation:** Begin the process of expanding the scope of SGS operations to all ports starting with Cap Haitien. SGS should also be considered for operation of Haiti's border with the Dominican Republic. Measures must be taken to provide adequate physical security for all revenue collecting operations.

**Level of Effort: Medium to High**

### 4.2.2 RESULTS BASED BUDGET PREPARATION

**Finding:** Under the former government there was no formal government wide budget preparation process. The IGOH has initiated such a process, but in its first year, implementation has been inconsistent across the various Ministries and agencies. In addition the budgets seem to be created by justifying requested funding rather than by identifying needs and objectives, and estimating the costs of attaining them.

**Recommendation:** It is our recommendation that a process be developed and documented that details the budget building process. The process should be based on first establishing objectives and estimating the cost of attaining those results. A set of basic tools, including a standard spreadsheet, should be developed to help implement the process. The financial staff of all ministries should be trained in the budget creation process.

**Level of Effort: Medium to High**

#### 4.2.3 ROLES

**Finding:** There is a general lack of clarity in the financial process with respect to specific roles and responsibilities. The ambiguity of responsibility concerning the CSC and the Fiscal Inspection Unit is a case in point. This situation will become exacerbated as the various components in the financial management process become more integrated.

**Recommendation:** Clearly establish and document the specific roles and responsibilities of all the organizations involved in the financial process. The requirements gathering process for an IFMS would serve to accomplish this goal.

**Level of Effort: High (see IFMS)**

#### 4.2.4 DISCRETIONARY ACCOUNTS

**Finding:** The SYSDEP family of applications provides an adequate tool set for tracking expenditures when the applications are used. During Fiscal Year (FY) 2004, 60% of spending was done through ‘Discretionary Accounts’. Unlike SYSDEP expenditures, discretionary accounts allowed spending to take place off-line of the SYSDEP applications with justification provided at a later date. In the first quarter under the management of the IGOH administration, discretionary account expenditures have been reduced to 13% of all expenditures. This is still an uncomfortably high percentage, but is remarkable progress when compared to the spending habits of the former government.

**Recommendation:** Encourage the IGOH to continue to eliminate discretionary spending in order to achieve the goal of 6% of total expenditures.

**Level of Effort: Medium to High**

### 4.3 TECHNOLOGY AND INFRASTRUCTURE:

This includes the ICT infrastructure supporting the MoF and the IGOH. This includes computers, networks, and legacy systems currently in place to support the function of financial management.

The IT infrastructure of the IGOH is inadequate to effectively support the activities of a modern state. There are relatively few computers available to the various Ministries and agencies, and fewer still are adequately equipped with current software. There are few networks and a lack of applications to support the processes of government. Those processes that are automated function as discreet entities, fragmenting the workflow and promoting inconsistent and inaccurate data and reporting. The MoF maintains the most comprehensive IT infrastructure in the IGOH.

#### 4.3.1 NETWORK CONNECTIVITY- MINISTRY OF FINANCE

**Finding:** Though it is the best equipped and connected of all IGOH Ministries, there is still a serious lack of network connectivity and communication among of the various parts of the MoF IT infrastructure. There is a network that connects some of the various parts of the Ministry, and some other Ministries and agencies to MoF resources (SYSDEP and FIN), but connectivity is neither universal nor comprehensive. In particular, the lack of connectivity internal to the ADG and Internal Revenue (Direction Generale des Impots, DGI) limits the ability to effectively integrate multiple instances of their core data processing systems, Asycuda and Tax Solutions. Further, neither of these systems is interconnected to the MoF SYSDEP family of applications that tracks expenditures. This situation isolates multiple instances of Asycuda and Tax Solution software from each other and disconnects the revenue generating components of the MoF from the expenditure components. It will not be possible to implement an Integrated Financial Management System (IFMS), or even upgrade current deployments of Asycuda and Tax Solution, until the various components of the MoF IT infrastructure are interconnected.

**Recommendation:** Enhance the internal network connectivity of the MoF and the connectivity to the MoF systems from other Ministries and agencies. This should begin with AGD and DGI. With ADG this should begin with establishing a relatively high speed network connection between the Port in Port au Prince, the Airport in Port au Prince, and AGD Headquarters. These three segments should then be connected to the existing MoF Headquarters network. With DGI, relatively high speed connections need to be established between the three Tax Solution instances located in the Central Office, Petionville, and the Large Taxpayer Unit. This network should then be connected to the central MoF network at MoF Headquarters. In addition special consideration should be given to connecting other autonomous MoF agencies to the central MoF network. Priority should be given to the ULCC and National Port Authority (Autorite Portuaire Nationale, APN). In the case of the ULCC, this would give the anti-corruption unit access to MoF financial tracking systems. In the case of the APN, a connection would provide a cross check between the tracking systems of AGD and the APN.

**Level of Effort: Medium**

#### 4.3.2 NETWORK CONNECTIVITY- IGOH

**Finding:** External to the MoF there is little to no interconnectivity of government organizations. Because they are located in close physical proximity, the MoF has installed a network backbone that provides access to SYSDEP for the Cour Superieure des Comptes (SCS), Ministry of Public Works, Ministry of Plan, Ministry of Public Health, and Ministry of the Interior. This allows the four Ministries to enter purchase requests into the SYSDEP system and to track the progress of those requests. For the CSC, it provides a means to track and control all IGOH expenditures processed through SYSDEP. Other Ministries must send purchase requests to the MoF via hard copy and are not able to track the progress of the purchase requests electronically. As with the MoF, an integrated financial management system can not be deployed until the necessary network connectivity has been established.

**Recommendation:** Develop an overall network architecture for all Ministries and agencies in the IGOH. This architecture would be based on a standard network module that would provide internal connectivity (local area network, LAN), Internet connectivity, and connectivity to other

IGOH networks. Once a standard network module was established, it could be deployed to the various Ministries on a priority basis as resources allowed. Options to explore would be wireless LAN configurations, wireless connectivity between LANs, and Internet access to the LANs. These would help reduce the costs of installation and maintenance by minimizing the amount of wired infrastructure required for network deployment, and would provide additional flexibility in responding to changes in the network deployment.

It is important to note that while the establishment of a government wide network would improve the transparency and efficiency of government operations considerably, it would also provide more and better access for those who would divert government resources. A thorough and thoughtful implementation of security measures at both the network and application levels would be an essential component of the network implementation.

***Level of Effort: Medium to High***

#### **4.3.3 ELECTRICAL POWER**

***Finding:*** It was universally reported that the electrical power available in Port au Prince was not reliable. It suffers from frequent outages, as well as voltage drops and spikes.

***Recommendation:*** Addressing the deficiencies in the local utilities is beyond the scope of this assessment, but it does have a direct impact on the entire IT infrastructure detailed in this document. The salient point is that all deployed IT hardware must be protected, at a minimum by a surge protector or UPS. Any IT hardware that must operate continuously 7/24 must be provided with generators of sufficient capacity to support the equipment during the frequent power outages. While the installation of a generator to support a small IT infrastructure is not particularly expensive or technically challenging, provisions must be made for the reoccurring costs associated with providing fuel and maintenance for these generators.

***Level of Effort: Low to Medium***

#### **4.3.4 UPGRADE EXISTING MOF APPLICATIONS (ASYCUDA AND TAX SOLUTION)**

***Finding:*** The software versions of the primary systems for both the AGD and DGI are out of date.

***Recommendation:*** As an intermediate step between the existing systems and an IFMS, it is recommended that the software for both AGD and DGI be upgraded to current versions. This would require relatively high speed connections between all sites that are currently hosting instances of the respective applications. With both Asycuda and Tax Solution, the separate instances, including current data, would be migrated to consolidated, central instances.

***Level of Effort: Medium***

#### **4.3.4 SYSDEP FAMILY SECURITY AND AUDIT FEATURES**

***Finding:*** It was not clear that the SYSDEP family of software incorporated sufficient application level security to run on a wide area network, particularly if that network included Internet links. Additionally, it was not clear that this software included a basic audit functionality to record the time, date, and user ID of record entries, modifications, and deletions.

**Recommendation:** An analysis should be performed on the SYSDEP family of applications to determine their ability to run reliably and securely on a wide area network, and the level of effort it would take to ensure the applications were secure in that environment. The same analysis should examine the audit capability of the applications and the level of effort it would take to incorporate that capability into the software.

**Level of Effort: Low**

#### **4.3.5 ULCC IT INFRASTRUCTURE**

**Finding:** The ULCC office had only two PCs and no network. There were no IT technicians on staff. There was no provision for access to any IGOH computer system.

**Recommendation:** A network with high speed Internet connectivity should be installed at the ULCC office. All staff should be equipped with a PC, office automation software, and shared, high speed Internet access. Establish a connection between the ULCC and the MoF network and provide access to SYSDEP, CIF, and VL/DL applications.

**Level of Effort: Low to Medium**

#### **4.3.6 UCREF IT INFRASTRUCTURE**

**Finding:** The UCREF IT infrastructure was fairly well equipped, including a small network and a reliable Internet connection. They did lack enough PCs for all their staff and, most importantly, they lack a system by which to record, track, and report on all the notices they are currently getting from the banks. They have a backlog of over 170,000 hardcopy reports from the banks of transactions over \$10,000 US, and are receiving an additional 10,000-12,000 reports every month. They are currently investigating 55 suspicious cases and need an automated system to support those investigations.

**Recommendation:** Supply UCREF with 10-15 PCs for their investigators, and research an automated system to track both their backlog and the ongoing flow of bank transaction records.

**Level of Effort: Low**

#### **4.3.7 PORT AUTHORITY IT INFRASTRUCTURE**

**Finding:** The APN is an autonomous organization attached to the MoF. While it is not directly involved in the MoF revenue collecting and expenditure process, the data it collects could provide an excellent cross reference for AGD collection data. Currently, APN has no network, a rudimentary Internet connection, and older IT equipment.

**Recommendation:** Provide APN with a basic network, including Internet connectivity, 10 new PCs, and enhanced security. Additionally, research and identify an existing or off the shelf Port Management software package.

**Level of Effort: Low to Medium**

#### **4.3.8 MINISTRY OF PLAN IT INFRASTRUCTURE**

**Finding:** The Ministry of Planning (MoP) currently does not have adequate computer or software resources to support its mission. It is the desire of the MoP to receive the necessary hardware/software to perform their day/day operations. It is also the desire of the MoP to receive

funds for training their IT staff. The MoP estimates that \$100,000 is necessary to accomplish the task.

**Recommendation:** It should be noted that most Ministries and organizations in the IGOH have similar hardware, software, and training needs as those of the MoP, ULCC, UCREF, and APN. These organizations are specified here simply because they are the organizations the assessment team interviewed. Though the MoP IT needs are real, the design and implementation of their IT infrastructure needs to be conducted in the broader context of a government wide IT architecture.

**Level of Effort: Low to Medium**

#### **4.3.9 REAL TIME GROSS SETTLEMENT SOFTWARE FOR CENTRAL BANK FEEDING UCREF SYSTEM**

**Finding:** The Central Bank is currently proceeding with the implementation of a system of Real Time Gross Settlement. The connectivity between the Central bank and the commercial banks required to implement the real time gross settlement system could potentially be used to provide UCREF with electronic records of bank transactions in excess of \$10,000 US. If coupled with an appropriate tracking system, this would effectively automate the transfer of transaction records.

**Recommendation:** Work with the Central Bank to analyze the feasibility of providing electronic records to UCREF. Report on the technical, policy, and process issues involved in implementation.

**Level of Effort: Low to Medium**

#### **4.3.10 LOCAL DEVELOPERS, SYSTEM INTEGRATORS AND INTERNET SERVICE PROVIDERS**

**Finding:** Any and all IT implementations must be maintained and sustained locally. While there is local capacity and expertise in terms of application developers, system integrators, and Internet service providers, the extent of that capacity is unclear. The success of any IT related initiative will be determined by the capacity and capability of the local private IT sector.

**Recommendation:** Conduct a market study of IT support companies and consultants to quantify and catalogue the capacity of the local sector to support the proposed enhancements to the IGOH infrastructure.

**Level of Effort: Low**

#### **4.3.11 INTEGRATED FINANCIAL MANAGEMENT SYSTEM (IFMS)**

**Finding:** It is clear that there is a fundamental need for an IFMS to provide transparency and efficiency for IGOH financial processes. The implementation of an IFMS was the clearly stated goal of the MoF from the first day of the assessment. It is equally clear that this would be a major undertaking with many dependencies and intermediate steps. Most of the activities detailed in this report, particularly those regarding the implementation of a network infrastructure, would have to take place before an IFMS could be deployed. This does not mean that the implementation of an IFMS should not be considered. On the contrary, an IFMS should remain the central goal of all the IT related activity focused on anti-corruption. It is only to say that it is a goal to be gained in stages and with realistic expectations. It is also important to move forward with intermediate measures that provide less effective and comprehensive results, but

are more easily attainable. It is not reasonable, for example, to defer improvements to existing software applications in anticipation of the deployment of the ultimate IFMS. The movement towards an IFMS must occur concurrently with a wide variety of incremental improvements to the exiting financial management systems and the IGOH IT infrastructure.

**Recommendation:** Begin the implementation of an IFMS with the requirements gathering process. This will serve two purposes concurrently. First it will provide the business model and system specification for the selection, or development, of an IFMS for the IGOH. Secondly, it will serve to document precisely the specific processes and procedures involved in the financial activities of the IGOH. It is an exercise that will identify weaknesses, redundancies, and inconsistencies in the financial processes. That documentation of processes alone will be worth the cost of the exercise.

**Level of Effort: High**

## 4.4 POLICIES:

These are the policies and laws governing the function of financial management and information management for the IGOH. This includes emphasis on identifying possible policy issues and/or gaps creating obstacles to the proposed implementation of an IFMS.

As with processes, most of the current policies of the IGOH are remnants of the former failed government. Here as well, the current IGOH leadership is committed to reform. The difference in process and policies is that policy is at a higher, more academic level than a process. Process is the method by which policy is implemented. Though policy must proceed process, process does not necessarily follow policy. It is relatively easy to implement the policy of a standard valuation for all Haitian points of entry; it is extraordinarily difficult to implement the processes that ensure execution of the policy.

The implementation of both policies and processes can be greatly enhanced with appropriate information technology. Technology provides levels of standardization, speed, and consistency that is difficult to replicate with manual implementation. Technology makes processes, and therefore policy implementation, more efficient, but if the policy is flawed, the application of technology will only produce a more efficient implementation of that flawed policy.

### 4.4.1 TAX RATE POLICY

**Finding:** Overall, IGOH collects between 7-8% of Gross Domestic Product (GDP) in taxes. This is very low compared to other countries within the Caribbean, who average around 20% of GDP. This is due to a combination of low tax rates and custom duties, and inefficient and inconsistent collection.

**Recommendation:** The IGOH should consider increasing and standardizing its tax rate for imported goods.

**Level of Effort: Medium to High**

#### 4.4.2 DECLARATIVE TAXATION

**Finding:** With the exception of customs duties assessed and collected at the Points of Entry, taxes in Haiti are declarative. Taxpayers must volunteer their tax liability to the Internal Revenue (DGI). In most cases, if they do not report their information each year DGI will remain unaware of its existence. This is particularly true of the small business enterprises and wage earners. In addition, the lack of automation outside of the Large Taxpayer Unit makes it very difficult for DGI to track taxpayers who do not report. There appears to be little incentive to declare taxes and no repercussions if you do not. Not surprisingly most who are not compelled, for whatever reason, to report do not.

**Recommendation:** It is our recommendations that an analysis be performed of methods for identifying potential taxpayers and their estimated liability. The government can then initiate some tax collection regardless of the inclination of the taxpayer to voluntarily report.

**Level of Effort: High**

#### 4.4.3 VALUATION STANDARDS

**Finding:** There are currently no consistent standards in the valuation of goods within the customs process. The most efficient operation, the Port in Port au Prince, applies the valuation most consistently, primarily due to the fiscal controls imposed by SGS. Even there, the valuation standard is out of date and it is estimated that only 70% of potential revenue is collected. Elsewhere, in the other ports and the border crossings, valuation appears an exercise in improvisation and situational ethics. The lack of standard valuation encourages mismanagement and corruption.

**Recommendation:** Formally standardize on the WTO valuation for all points of entry. Though this will not eliminate valuation fraud, it will establish an unambiguous valuation structure against which deviation can clearly be determined. It should be noted that the current version of the Asycuda software used by AGD imposes the current WTO standards on customs valuations.

**Level of Effort: Medium**

#### 4.4.4 CRIMES WITHOUT LAWS

**Finding:** Haitian law is based on the French system of the Napoleonic Code. A basic tenet of this system is that a crime can be committed only if an action violates a specific law. Haitian laws related to technology are few. As technology becomes a larger part of Haitian society and more widely used in the IGOH, new laws need to be written to address the various technology based crimes. One example of the issues involved is the requirement in Haitian law for the presentation of evidence. In the Haitian judicial system there are few who are trained to identify and present digital evidence. Prosecuting for a criminal activity involving technology would be very difficult given the current law.

**Recommendation:** It is our recommendation that legal expertise be provided to assist in the development of new law involving technology. In addition training should be provided to judicial staff in the identification and presentation of digital evidence.

**Level of Effort: High**

## 4.5 COORDINATION:

There is a multitude of private sector players and other international donors active in Haiti. The team gave particular attention to donors engaged with the issue of anticorruption and transparency as it relates to financial management and overall enterprise resource management, with emphasis on identifying complimentary activities and areas for coordination and collaboration.

Of the many countries and organizations currently involved in providing assistance to the IGOH, several are focused on the area of anti-corruption. During the course of the assessment two separate programs (World Bank and International Development Bank [IDB]) totaling \$1M in funding were identified that focused specifically on providing assistance to the newly founded ULCC. This section details the Private Sector and International Donor Coordination issues.

### 4.5.1 LIMITED SCOPE GRANT AGREEMENT (LSGA)

**Finding:** During the entry briefing with the USAID/Haiti the Mission mentioned that they had issued a limited scope grant agreement to purchase hardware for distribution across the Ministries of the Interim Government of Haiti. The purpose of the hardware was to lay the framework for sharing information across the Ministries. An independent consultant from the Washington DC, Mr. Glenn Slocum, was in country conducting a needs assessment and developing a purchase order for the hardware procurement. Mr. Slocum met with the M/PMO assessment team to obtain technical input on his hardware recommendations. The M/PMO team recommended several considerations for inclusion in Mr. Slocum's purchase order to include network equipment, UPS, expanded RAM and other technical input. The M/PMO team also provided Mr. Slocum contact information required to complete the ADS 548 review request. ADS 548 states that M/IRM must review and approve all program-funded IT investments that exceed \$100,000.

**Recommendation:** Mr. Slocum should move as quickly as possible to procure and install the hardware and peripherals. Mr. Slocum will complete the specifications for his purchase order by December 31, 2004. Mr. Slocum will also submit his purchase order and appropriate supporting documents that will enable M/IRM to conduct a complete and expeditious ADS 548 review and approval.

**Level of Effort:** Low

### 4.5.2 PRIVATE SECTOR COORDINATION

**Finding:** During the entry briefing the Mission talked briefly about the private sector anti-corruption group, Business Anti-Smuggling Coalition (BASC). The M/PMO team understood that BASC was looking at movement of money within the government, money laundering, identification of vulnerable areas, investigations, and the corruption aspect of procurement. The team learned very little more about BASC during the assessment period. The M/PMO team needs to know the composition, operating procedures and the authority of BASC. If BASC is an effective anti-corruption organization, then the USAID/Haiti Anti-Corruption Team and the IGOH Anti-Corruption Unit (Unite de Lutte Contre la Corruption, ULCC) should work closely in cooperation with BASC.

The Central Bank of Haiti (BRH) mentioned the completion of a study on lost revenue in Haiti conducted by the private sector group Centre pour la Libre Entreprise et la Démocratie (CLEDE). Mr. William Max Auguste of the Ministry of Haitian/American Chamber of Commerce was identified as the point of contact for this report. The content of this report could help to identify areas when IT can best complement the USAID/Haiti Anti-Corruption Teams efforts.

**Recommendation:** During the follow-up support for USAID/Haiti, the M/PMO team should meet with the BASC unit to clearly understand their charter, organization structure, operating procedures, technical capabilities, and effectiveness in fighting corruption. If BASC is effective, then the M/PMO team should work the USAID/Haiti and the IGOH to implement technical solutions for sharing data and building cases against perpetrators. The M/PMO team should immediately obtain a copy of the CLEDE lost revenue report to assist in planning IT solutions.

**Level of Effort: Low**

#### **4.5.3 CADRE DE COOPERATION INTERMAIRE (CCI)**

**Finding:** The consortium of international donors, Cadre de Cooperation Intermaire (CCI), has pledged almost \$1 Billion in loans and grants to support development in Haiti. CCI participants include the Inter-American Development Bank (IDB), The World Bank (IBRD), The International Monetary Fund (IMF), The European Union (EU), USAID, France, Canada, Germany, Belgium, Japan, and the United Nations (UNDP). The Republic of Taiwan has also pledged donor support to the IGOH but does not participate as a member of the CCI. The CCI funds are vast and the IGOH Ministry of Planning (MoP) is concerned that bilateral agreements with IGOH Ministries and agencies may lead to mismanagement of CCI funds. The MoP is drafting guidelines for IGOH Ministries and agencies to use when requesting CCI funds.

**Recommendation:** Donor organizations should enter bilateral agreements with IGOH Ministries and agencies only when necessary. CCI donors should manage the CCI funds implementations as opposed to relinquishing management control to IGOH Ministries. The MoP feels that the IGOH Ministries lack the integrity, financial accountability, and project management expertise to effectively control investments as great as the CCI pledges.

**Level of Effort: Medium to High**

#### **4.5.4 COMPLEMENT OTHER INTERNATIONAL DONORS INITIATIVES**

**Finding:** The M/PMO team was briefed on a number of loosely coordinated initiatives from the international donor community. The World Bank will issue a technical assistance grant to investigate the IGOH Ministry of Finance (MoF) budget processes and budget management. The World Bank will use the information collected from the investigation to recommend improvements and help the MoF become compliant with international standards for budget process and budget management. The World Bank also has a technical assistance grant to support the ULCC. The World Bank will hire a consultant to advise the MoF on corruption preventative measure; educate/train the MoF staff on ethical and legal violations; and provide limited oversight to the MoF on implementing anti-corruption policies and procedures.

A recent article on the Inter-American Development Bank (IDB) web site states “*On occasion of the first anniversary of the signing of the United Nations Convention against Corruption, on*

*December 2 and 3, 2004, a meeting was held in Washington, D.C. of the African Development Bank's Internal Audit Department, the Asian Development Bank's Anticorruption Unit, the European Bank for Reconstruction and Development's Office of the Chief Compliance Officer, the Inter-American Development Bank's Office of Institutional Integrity and the World Bank's Department of Institutional Integrity.* The IDB is conducting an assessment of the MoF Cour Supérieur des Comptes role in managing financial transactions for the IGOH. The Cour Supérieur des Comptes has been perceived as ineffective in defraying corruption in Haiti. The IDB will make recommendations to increase the effectiveness of the Cour Supérieur des Comptes.

According to the World Bank, the IDB has established a \$500,000 grant agreement with the MoF to support the BASC Anti-Corruption Convention implementation in five areas to include: money movement within the government, money laundering, addressing vulnerabilities in the various finance institutions, assistance with investigations, and corruptions as part of procurements.

The Canada Agency for International Development is working with the MoF to address human resources issues in the Ministry. The Canada AID report of their findings was due the week of December 5, 2004. The M/PMO team has seen no versions of the report nor have we interviewed anyone from the Canada AID. As such, we cannot verify the existence or content of the report.

The Taiwan government has agreed to provide technical assistance to the IGOH in the form of hardware procurements and training. The exact amount and details of the assistance were not provided to the M/PMO team during this assessment.

**Recommendation:** Gain a clear understanding of the commitment and scope for each of the international donor organizations to avoid duplication of efforts. Supplement donor training and policy reforms with IT implementation whenever possible and feasible.

**Level of Effort: Medium to High**

#### **4.5.5 INTERNATIONAL DONOR COORDINATION GROUP**

**Finding:** The IGOH Ministry of Planning (MoP) mentioned the establishment of the Point Focal Group. Point Focal is composed of sector groups of international donors called Tables. The sectors Tables include economics, social/cultural, policy/legal/regulatory, and other areas as determined. The Prime Minister has representation from the various Ministries participating in each sector Table. The sector Tables meet to identify programs and initiatives that can best address the needs within their associated sector.

**Recommendations:** The MoP should play a very active role in coordination for the sector Tables. The USAID/Haiti should have representation in the sector Tables to gain early indicators of vulnerable areas and IGOH needs.

**Level of Effort: Medium**

## 5.0 CONCLUSION:

Based on the needs assessment TDY to Haiti November 29-December 3, 2004 conducted by a USAID/PMO technical team, the context on the ground appears to be appropriate for the implementation of an IFMS in support of increased transparency as a measure for enhancing the anti-corruption agenda. Specifically, the IGOH has sufficient political will for such an implementation and have stated their acknowledgment of the existing challenges as well as their commitment to move forward with such an effort. In addition, USAID/Haiti and a number of other donors are currently engaged in supporting complimentary aspects of the anti-corruption agenda. Successful implementation, however, will require a comprehensive, incremental approach rather than a simple systems software implementation. In the context of Haiti, the criteria for success of an IFMS extend beyond the domain of IT and infrastructure into aspects of people, processes, infrastructure, policies, and donor coordination. The preceding sections of this document provide a high-level set of findings and recommendations structured around these areas of analysis—people, processes, infrastructure, policy, and donor/private sector coordination. USAID/PMO recommends that USAID/Haiti pay consideration to the above recommendations and discern which subset thereof they feel best fits into their program. Should USAID/Haiti wish to proceed with any or all recommendations, USAID/PMO will provide them with more developed and detailed terms of reference, rough order of magnitude cost estimate, proposed schedule, and high-level project/program plan.

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## **APPENDIX A: TEAM MEMBERS AND SCHEDULE**

Michael Austin (USAID/M/PMO)  
 Ralph Parkinson (SRA International)  
 Jeff Street (VIA Consulting)

### **Sunday November 28, 2004**

17h00 Assessment Team arrives in Port au Prince  
 Austin, Parkinson, and Street

### **Monday November 29, 2004**

7h00 – 8h00 Logistics meeting with USAID FM & DG staff  
 Austin, Parkinson, and Street

8h00 – 9h00 Briefing with USAID/Haiti Anti-Corruption Team  
 Austin, Parkinson, and Street

10h00 – 11h00 Entrance Conference with Prime Minister Office  
 Austin, Parkinson, and Street

11h30- 12h30 Entrance Conference with Ministry of Finance, General  
 Direction of Revenues and Customs Officials  
 Austin, Parkinson, and Street

13h00 – 16h00 Logistics, Scheduling, and Assessment work at the  
 Ministry of Economy and Finance  
 Austin, Parkinson, and Street

### **Tuesday November 30, 2004**

8h00 – 12h00 at Ministry of Finance, IT Support Team and Turbo  
 Systems  
 Austin and Parkinson

8h30 – 10h00 at CONATEL  
 Street

13h00- 16h00 at the Anticorruption Unit (ULCC)  
 Austin, Parkinson, and Street

18h30 – 19h30 Meeting with World Bank, Auguste Kouwame  
 Austin, Parkinson, and Street

### **Wednesday December 1, 2004**

8h30 - 11h00 at the Port Authority  
 Parkinson

8h00 - 13h00 at the Customs  
 Street

9h00 - 11h00 at the Ministry of Plan  
 Austin

16h30 - 17h30 Meeting with Deputy Mission Director, JDG Chief, and  
 Glen Slocum  
 Austin, Parkinson, and Street

17h00 – 18h30

Meeting with SGS  
Parkinson**Thursday December 2, 2004**

10h00 – 1h30

at Internal Revenue (DGI)  
Austin, Parkinson, and Street

12h00 – 13h00

Meeting with Glen Slocum and Jan Roc at USAID  
Parkinson

13h00 – 14h00

at MoF Fiscal Inspection Unit  
Parkinson

14h30 - 15h00

Meeting with the Board of the Central Bank (BRH)  
Austin, Parkinson, and Street

15h00 - 16h00

Meeting with the MoJ Financial Intelligence Unit (UCREF)  
Austin, Parkinson, and Street

18h00 – 19h00

Exit Briefing Prep  
Austin, Parkinson, Street**Friday December 3, 2004**

7h15 – 8h00

Exit Briefing with USAID/Haiti Anti-Corruption team  
Austin, Parkinson, Street

8h00 – 8h30

Exit Briefing with Minister of Finance  
Austin, Parkinson, and Street

13h00

Depart to Airport  
Austin, Parkinson, and Street**Scheduled Meetings Not Held**

UNDP, due to security and logistical issues

Sogebank CIO, due to logistical and security issues

La Fondation Heritage pour Haiti, due to logistical issues

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## APPENDIX B: GLOSSARY OF TERMS

<b>AGD</b>	Customs (Agence Generale des Douanes)
<b>APN</b>	Port Authority of Haiti (Autorite Portuaire Nationale)
<b>CCI</b>	Cadre de Cooperation Intermaire
<b>Central Bank</b>	Banque de la Republique d’Haiti (BRH)
<b>DGI</b>	Internal Revenue (Direction Generale des Impots)
<b>IFMS</b>	Integrated Financial Management System
<b>IGOH</b>	Interim Government of Haiti
<b>MoF</b>	Ministry of Finance (Ministre de l’Economie et des Finances)
<b>MoJ</b>	Ministry of Justice (Ministre du Justice)
<b>MoP</b>	Ministry of Planning (Ministre du Plan)
<b>SGS</b>	Contract Customs Controller (Societe Generale de Surveillance)
<b>UCREF</b>	MoJ Financial Intelligence Unit (Unite Centrale de Renseignements Financiers)
<b>ULCC</b>	MoF Anti-Corruption Unit (Unite de Lutte Contre la Corruption)

## APPENDIX C: RECOMMENDATIONS TABLE

Recommendation		Level of Effort
<b>4.1 People</b>		
<b>4.1.1 Technical Training</b>	Resources should be directed towards the establishment of an ongoing technical training program for IGOH staff. This would serve to provide the government with a consistent supply of technical expertise and would also serve to attract professionals into government service. It must be acknowledged that many, if not most, of the staff trained will eventually gravitate towards the higher pay of the private sector, but an enhanced capacity in the private sector would also serve the development of a more robust and comprehensive IT infrastructure in the IGOH and Haiti as a whole. It cannot be over emphasized that the success of all IT related activities in this report depends on an adequate supply of trained technical staff to support the enhanced IGOH IT infrastructure.	<b>High</b>
<b>4.1.2 Financial Investigation and Audit Training for the ULCC and UCREF</b>	The M/PMO assessment team recommends that those ULCC staff with financial backgrounds be given training in financial investigation and audits. This would include training in analysis of financial data. It is also recommended that selected members of the ULCC be sent to the MoF to receive user training for the SYSDEP application. Just the presence of ULCC staff at the MoF being trained in SYSDEP will promote the idea that the IGOH is taking steps to fight financial corruption. It is also recommended that selected staff of the UCREF receive training in financial investigation. Additionally, staff with financial expertise should be added to the UCREF team	<b>Medium</b>
<b>4.1.3 Compensation</b>	Ensure that all salaries for government employees are adequate to support an average family above the poverty level. Ensure wages are distributed regularly and consistently.	<b>High</b>
<b>4.1.4 Threat of Bodily Harm</b>	Work with the IGOH and the UN Peace Keepers to help formulate a plan to reduce the threat of bodily for donor organizations supporting the IGOH.	<b>High</b>
<b>4.2 Processes:</b>		
<b>4.2.1 Inconsistencies Among Points of Entries Recommendation</b>	Begin the process of expanding the scope of SGS operations to all ports starting with Cap Haitien. SGS should also be considered for operation of Haiti's border with the Dominican Republic. Measures must be taken to provide adequate physical security for all revenue collecting operations.	<b>Medium to High</b>
<b>4.2.2 Results Based Budget Preparation</b>	It is our recommendation that a process be developed and documented that details the budget building process. The process should be based on first establishing objectives and estimating the cost of attaining those results. A set of basic tools, including a standard spreadsheet, should be	<b>Medium to High</b>

<b>Recommendation</b>		<b>Level of Effort</b>
	developed to help implement the process. The financial staff of all ministries should be trained in the budget creation process.	
<b>4.2.3 Fiscal Controls</b>	Because they have lost the confidence of the IGOH Financial sector, the CSC should be replaced. New leadership and staff should be assigned, or the organization as a whole should be dissolved and the responsibility and processes of fiscal control assigned to a new organization.	<b>High</b>
<b>4.2.4 Roles</b>	Clearly establish and document the specific roles and responsibilities of all the organizations involved in the financial process. The requirements gathering process for an IFMS would serve to accomplish this goal.	<b>High (see IFMS)</b>
<b>4.2.5 Discretionary Accounts</b>	Encourage the IGOH to continue to eliminate discretionary spending in order to achieve the goal of 6% of total expenditures.	<b>Medium to High</b>
<b>Technology and Infrastructure:</b>		
<b>4.3.1 Network Connectivity- Ministry of Finance</b>	Enhance the internal network connectivity of the MoF and the connectivity to the MoF systems from other Ministries and agencies. This should begin with AGD and DGI. With ADG this should begin with establishing a relatively high speed network connection between the Port in Port au Prince, the Airport in Port au Prince, and AGD Headquarters. These three segments should then be connected to the existing MoF Headquarters network. With DGI, relatively high speed connections need to be established between the three Tax Solution instances located in the Central Office, Petionville, and the Large Taxpayer Unit. This network should then be connected to the central MoF network at MoF Headquarters.  In addition special consideration should be given to connecting other autonomous MoF agencies to the central MoF network. Priority should be given to the ULCC and National Port Authority (Autorite Portuaire Nationale, APN). In the case of the ULCC, this would give the anti-corruption unit access to MoF financial tracking systems. In the case of the APN, a connection would provide a cross check between the tracking systems of AGD and the APN.	<b>Medium</b>
<b>4.3.2 Network Connectivity- IGOH</b>	Develop an overall network architecture for all Ministries and agencies in the IGOH. This architecture would be based on a standard network module that would provide internal connectivity (local area network, LAN), Internet connectivity, and connectivity to other IGOH networks. Once a standard network module was established, it could be deployed to the various Ministries on a priority basis as resources allowed. Options to explore would be wireless LAN configurations, wireless connectivity between LANs, and Internet access to the LANs. These would help reduce the costs of installation and maintenance by minimizing the amount of wired infrastructure required for network deployment, and would provide additional flexibility in responding to changes in the network deployment.	<b>Medium to High</b>

<b>Recommendation</b>		<b>Level of Effort</b>
	It is important to note that while the establishment of a government wide network would improve the transparency and efficiency of government operations considerably, it would also provide more and better access for those who would divert government resources. A thorough and thoughtful implementation of security measures at both the network and application levels would be an essential component of the network implementation.	
<b>4.3.3 Electrical Power</b>	Addressing the deficiencies in the local utilities is beyond the scope of this assessment, but it does have a direct impact on the entire IT infrastructure detailed in this document. The salient point is that all deployed IT hardware must be protected, at a minimum by a surge protector or UPS. Any IT hardware that must operate continuously 7/24 must be provided with generators of sufficient capacity to support the equipment during the frequent power outages. While the installation of a generator to support a small IT infrastructure is not particularly expensive or technically challenging, provisions must be made for the reoccurring costs associated with providing fuel and maintenance for these generators.	<b>Low to Medium</b>
<b>4.3.4 Upgrade existing MoF applications (Asycuda and Tax Solution)</b>	As an intermediate step between the existing systems and an IFMS, it is recommended that the software for both AGD and DGI be upgraded to current versions. This would require relatively high speed connections between all sites that are currently hosting instances of the respective applications. With both Asycuda and Tax Solution, the separate instances, including current data, would be migrated to consolidated, central instances.	<b>Medium</b>
<b>4.3.5 SYSDEP Family Security and Audit Features</b>	An analysis should be performed on the SYSDEP family of applications to determine their ability to run reliably and securely on a wide area network, and the level of effort it would take to ensure the applications were secure in that environment. The same analysis should examine the audit capability of the applications and the level of effort it would take to incorporate that capability into the software.	<b>Low</b>
<b>4.3.6 ULCC IT Infrastructure</b>	A network with high speed Internet connectivity should be installed at the ULCC office. All staff should be equipped with a PC, office automation software, and shared, high speed Internet access. Establish a connection between the ULCC and the MoF network and provide access to SYSDEP, CIF, and VL/DL applications.	<b>Low to Medium</b>
<b>4.3.7 UCREF IT Infrastructure</b>	Supply UCREF with 10-15 PCs for their investigators, and research an automated system to track both their backlog and the ongoing flow of bank transaction records.	<b>Low</b>
<b>4.3.8 Port Authority IT Infrastructure</b>	Provide APN with a basic network, including Internet connectivity, 10 new PCs, and enhanced security. Additionally, research and identify an existing or off the shelf Port Management software package.	<b>Low to Medium</b>
<b>4.3.9 Ministry of Plan IT Infrastructure</b>	It should be noted that most Ministries and organizations in the IGOH have similar hardware, software, and training needs as those of the MoP, ULCC, UCREF, and APN. These organizations	<b>Level of Effort: Low</b>

<b>Recommendation</b>		<b>Level of Effort</b>
	are specified here simply because they are the organizations the assessment team interviewed. Though the MoP IT needs are real, the design and implementation of their IT infrastructure needs to be conducted in the broader context of a government wide IT architecture.	<b>to Medium</b>
<b>4.3.10 Real Time Gross Settlement Software for Central Bank Feeding UCREF System</b>	Work with the Central Bank to analyze the feasibility of providing electronic records to UCREF. Report on the technical, policy, and process issues involved in implementation.	<b>Low to Medium</b>
<b>4.3.11 Local Developers, System Integrators and Internet Service Providers</b>	Conduct a market study of IT support companies and consultants to quantify and catalogue the capacity of the local sector to support the proposed enhancements to the IGOH infrastructure.	<b>Low</b>
<b>4.3.12 Integrated Financial Management System (IFMS)</b>	Begin the implementation of an IFMS with the requirements gathering process. This will serve two purposes concurrently. First it will provide the business model and system specification for the selection, or development, of an IFMS for the IGOH. Secondly, it will serve to document precisely the specific processes and procedures involved in the financial activities of the IGOH. It is an exercise that will identify weaknesses, redundancies, and inconsistencies in the financial processes. That documentation of processes alone will be worth the cost of the exercise.	<b>High</b>
<b>Policies:</b>		
<b>4.4.1 Tax Rate Policy</b>	The IGOH should consider increasing and standardizing its tax rate for imported goods.	<b>Medium to High</b>
<b>4.4.2 Declarative Taxation</b>	It is our recommendations that an analysis be performed of methods for identifying potential taxpayers and their estimated liability. The government can then initiate some tax collection regardless of the inclination of the taxpayer to voluntarily report.	<b>High</b>
<b>4.4.3 Valuation Standards</b>	Formally standardize on the WTO valuation for all points of entry. Though this will not eliminate valuation fraud, it will establish an unambiguous valuation structure against which deviation can clearly be determined. It should be noted that the current version of the Asycuda software used by AGD imposes the current WTO standards on customs valuations.	<b>Medium</b>
<b>4.4.4 Crimes Without Laws</b>	It is our recommendation that legal expertise be provided to assist in the development of new law involving technology. In addition training should be provided to judicial staff in the identification and presentation of digital evidence.	<b>High</b>

Recommendation		Level of Effort
<b>Coordination</b>		
<b>4.5.1 Limited Scope Grant Agreement (LGSA)</b>	Mr. Slocum should move as quickly as possible to procure and install the hardware and peripherals. Mr. Slocum will complete the specifications for his purchase order by December 31, 2004. Mr. Slocum will also submit his purchase order and appropriate supporting documents that will enable M/IRM to conduct a complete and expeditious ADS 548 review and approval.	<b>Low</b>
<b>4.5.2 Private Sector Coordination</b>	During the follow-up support for USAID/Haiti, the M/PMO team should meet with the BASC unit to clearly understand their charter, organization structure, operating procedures, technical capabilities, and effectiveness in fighting corruption. If BASC is effective, then the M/PMO team should work the USAID/Haiti and the IGOH to implement technical solutions for sharing data and building cases against perpetrators. The M/PMO team should immediately obtain a copy of the CLED lost revenue report to assist in planning IT solutions.	<b>Low</b>
<b>4.5.3 CCI</b>	The donor organizations should manage the CCI donor loans and grants as opposed to relinquishing management control to IGOH Ministries. The MoP feels that the IGOH Ministries lack the integrity and project management expertise to be given control over investments as great as the CCI pledges.	<b>Medium to High</b>
<b>4.5.4 Complement Other International Donors Initiatives.</b>	Gain a clear understanding of the commitment and scope for each of the international donor organizations to avoid duplication of efforts. Supplement donor training and policy reforms with IT implementation whenever possible and feasible.	<b>Medium to High</b>
<b>4.5.5 International Donor Coordination Group</b>	The MoP should play a very active role in coordination for the sector Tables. The USAID/Haiti should have representation in the sector Tables to gain early indicators of vulnerable areas and IGOH needs.	<b>Medium</b>

The following provides a generalized description of the varying levels of effort:

- **Low:** Relatively easy to implement in the short term; require a low level of effort; have little or no dependency on other recommendations
- **Medium:** Relatively more complex to begin implementation in the short term; require a medium-term timeframe in which to complete; may require the completion of precedent recommendations/tasks; tend to require more than one interrelated set of activities or tasks
- **High:** Most complex to implement; require a long term approach, commitment and timeframe to complete; may require the completion of precedent recommendations/tasks; requires several interrelated sets of activities or tasks.