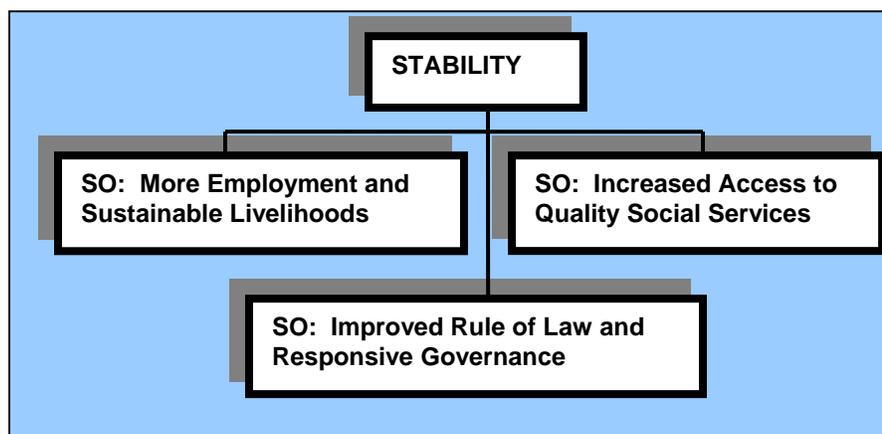


USAID Haiti Strategy Statement FY 2007-2009

I. USAID Country Vision

The USAID Vision for Haiti is succinct: *Stability*. This single word encapsulates key USG strategic interests that reflect the security, social, economic, and institutional spheres of a state that is rebuilding following years of internal conflict. With other USG, UN agencies and international donors, USAID will help Haiti maintain or improve stability so that its citizens can go about their daily lives without fear of violence – be it from political upheaval or violent crime. Assuming physical security can be maintained, USAID will be a visible and leading actor in helping Haiti make progress toward lasting political, economic, and social stability.

Haiti's internal conflict is due to a myriad of historical economic, political, and social factors with short- and long-term dimensions. A succession of governments demonstrated an inadequate ability or will to provide its citizens with basic services or protection. Weak and often illegitimate government institutions contributed to, and in turn were weakened by, corruption and Haiti's chronic and severe underdevelopment of both economic and human resources. This negative cycle has perpetuated Haiti's poverty, political instability and violence.



In this three-year strategy, USAID will address the country's challenges through high-impact programs with visible results. By 2010, more Haitians will be able to support themselves and their families; they will have increased access to primary health services and primary level education; and there will be more responsive and accountable executive, legislative, and judicial branches of government providing increasingly effective governance.

II. Program Rationale

A. Foreign Policy Goals. The Haiti strategy addresses all foreign assistance objectives in the "Rebuilding Countries" category, as elaborated in the *New Strategic Framework for Foreign Assistance* (May 2006): Peace and Security, Governing Justly and Democratically, Investing in People, Economic Growth and Humanitarian Assistance. Haiti is by all measures a rebuilding country, with a 20-year history of political instability; the lowest per capita GDP in the Western Hemisphere; significant social, political, and economic polarization; and a recent increase in violent urban crime. Haiti, in close proximity to the United States, has potential for illegal migration, and its use as a key transit route for narco-traffickers. While not currently a haven for international terrorism, Haiti could become an attractive location if stability is not restored. Haiti frequently receives humanitarian relief due to recurring natural disasters, notably hurricanes and floods. Finally, Haiti has one USG special concern, HIV/AIDS. With the highest HIV prevalence of any LAC country (3.5% HIV prevalence), and is second only to Brazil in the absolute numbers of people living with HIV in the Western Hemisphere. Thus, Haiti is a focus country for the U.S. President's Emergency Plan For AIDS Relief.

The strategy is also cast within the one-year *Strategic Plan for Haiti* of the U.S. Department of State Office of the Coordinator for Reconstruction and Stabilization (S/CRS). The strategy addresses all five major mission elements therein: *Security and Justice Improved, Successful Elections, Functioning Governance Established, Economic Recovery Sufficient to Reinforce Stability, and Improved Coverage of Critical Social and Humanitarian Needs.*

B. Major Development Challenges. Haiti has long been the poorest country in the Western Hemisphere. Growing at 1.9% per annum, Haiti's population of 8.4 million is expected to reach 12.8 million in just 20 years. Continued rapid population growth presents a fundamental development challenge, undermining stability and

the new government's ability to provide basic social services for this teeming population. Haiti's population is disproportionately young, with 58% below 25 years of age and 21% between 15 and 25. This "youth bulge" offers both an opportunity and a challenge to effect positive and lasting change.

Haiti continues to have the worst social and economic indicators in the Western Hemisphere. The mortality rate for children under 5 years of age is 117 and 22.7% are stunted; only 28% of women use any method of family planning; half the population does not have access to clean drinking water; and nearly half the population is illiterate. Less than 35% of first-graders complete primary school. Even less move to higher levels of education, leaving a large percentage of young adults unprepared for adult life, in terms of functional literacy and job skills. Increased insecurity and kidnappings have resulted in greater sexual violence against women, including rapes and abuse among young female victims. Haiti's annual GDP growth rate has been negative for the past 20 years, and current per capita GDP is estimated at only US\$390. Over two-thirds of Haiti's citizens live on less than US\$1 per day. There is extreme income inequality: the poorest 20% account for 1.5% of national incomes and the wealthiest 20% account for 68%, creating social and economic pressures.

Since the end of the 29-year Duvalier dictatorship in 1986, Haitians have suffered through over a dozen government turnovers, including six military regimes, three appointed transition governments and four elected presidencies (only one of which lasted for the full, legal term). The government changes were capricious, almost never the result of transparent or predictable election cycles, and were frequently accompanied by violence and repression of dissenting voices. Key structures of government, including the Parliament and local governments, were not consistently implemented, leaving the governments without the means necessary to represent citizen interest, achieve consensus or provide public goods. Since the resulting regimes were not regularly and predictably accountable to an electorate, most national and local government institutions – which were never strong – have become more corrupt and ineffective further undermining the state's legitimacy.

Due to the political and consequent social instability, since 1994 Haiti has hosted two short-term U.S. military interventions and several longer-term UN peacekeeping forces. The most recent is the United Nations Stabilization Mission in Haiti (MINUSTAH), established in June 2004 after the departure of President Aristide. Acting under Chapter VII of the UN charter, MINUSTAH deploys United Nations troops and police officers plus international and local civilian personnel under a mandate that includes efforts to ensure a secure and stable environment, promote sound political processes and protect human rights. Haiti's army traditionally served as a domestic security force, but was disbanded in 1995. At the same time, the existing civilian police was replaced by a newly restructured national police force. Despite USG and international community assistance, the Haitian National Police (HNP) is not yet fully functional. Violent crime, particularly in urban areas, has increased. This phenomenon has been exacerbated by the lack of effective law enforcement and a functional justice system as well as a significant increase in illegal drug trafficking and use that have strengthened tendencies to pursue political and economic goals through illicit or violent means. Haitian women are suffering disproportionately from the increased crime, with more than 70% of the female population reportedly experiencing some form of violence, 37% of which is sexual in nature. Gangs now control key "hotspots" in the urban slums of Port-au-Prince and major secondary cities, with indications that they are beginning to expand into other areas. A key assumption for the strategy period is that MINUSTAH will continue to complement the nascent HNP.

The political and security crises have been hugely detrimental to Haiti's economy. The once-flourishing assembly sector that employed an estimated 80,000 urban workers, mostly women, in the late 1980s was decimated by the international embargo of 1991-1994 and consequent economic uncertainty. The assembly sector has only recently begun a slight recovery, with a small increase to an estimated 25,000 workers at the end of 2005.

Women are not only the primary workers in Haiti's assembly sector; they also serve in important managerial roles in other parts of the formal economy and are actors in the informal sector that accounts for over 80% of the people engaged in some kind of economic activity. Women are particularly dominant in domestic marketing and transformation of household agricultural produce. The sharp increase in violence against women endangers women's ability to contribute to these vital sub-sectors.

Agriculture – once the backbone of the economy – has dropped to below 30% of GDP. In summary, Haitian agriculture suffers from a system of inappropriate and chaotic land use. The most productive – and rare – flat lands are not used to their full potential and are often lost to housing (frequently slum spread), salinization or land tenure conflict. The unstable hillsides are exploited intensively and haphazardly by peasant farmers for erosive annual crops. This system, coupled with population pressures, leads to the exploitation of more and more unsuitable lands.

Population pressure is also contributing to Haiti's rapidly deteriorating environmental resource base. In 1492, when Christopher Columbus arrived in Haiti, more than 65% of the island was covered with forests. Today, tree cover accounts for just 3% of the land area. Major tree cover was lost when mangos (due to several factors) and then coffee (due to world prices) became unprofitable and thus were cut down in favor of marginally profitable annual crops. In recent years, specialty markets for these tree crops have resulted in some small increases in tree cover. These increases, along with sugar cane planting (for local consumption) and terracing for vegetable cultivation, have stabilized some hillsides.

Haiti is a highly polarized society with significant problems of exclusion in the social, economic, and political realms. The recent election of President René Préval provides a window of opportunity for change to occur. In the three months since his election, Mr. Préval has reached out to opposition groups and demonstrated a strong commitment to a more inclusive government. Through selection of his cabinet and key advisors, he will signal his intent to pursue transparent and effective government. Mr. Préval's administration will need to continue a deliberate strategy of inclusion and transparency in all spheres if government legitimacy and effectiveness are to be consolidated.

C. USAID Development Assistance. This new USAID Strategy Statement builds on over 50 years of USG humanitarian relief and development experience in Haiti. Nonetheless, it differs significantly from past strategies as it refocuses this experience through the analytic lens provided in the *New Strategic Framework for Foreign Assistance* and other key assessment tools that address the key drivers of internal conflict in Haiti. These analyses and their contributions to the Strategy Statement are summarized below.

The installation of the Préval administration marks the resumption of constitutional governance in Haiti. This strategy recognizes that it will take time for the legitimacy and effectiveness of state institutions to improve. There will be setbacks as well as progress, and stability will be uneven and not easily achieved. The strategy is flexible so that USAID may respond to evolving political, social, and economic realities.

The *New Strategic Framework for Foreign Assistance* serves as the primary framework for the new strategy statement. USAID will help Haiti reduce internal conflict and provide the basis to rebuild by addressing key sources of stress and conflict in social, economic and political spheres, notably through creating employment and rebuilding assets for sustainable livelihoods (economic), increasing access to primary health services and primary level education (social), and fostering improved rule of law and responsive governance (political). All interventions will be undertaken to achieve short-term visible and measurable results while still developing the capacity of institutions to sustain results beyond the life of this strategy. See Annex F for a more detailed discussion of how short-term results will lead to longer-term objectives.

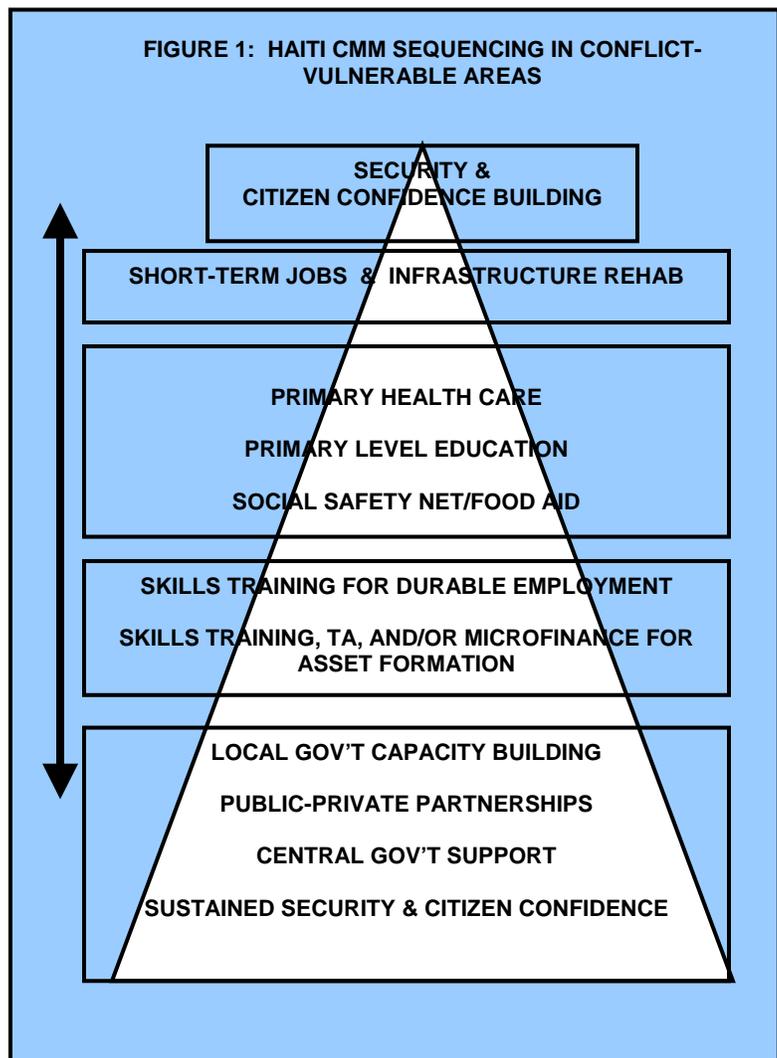
Informed by the analyses summarized below and in Annex E, the new strategy will have greater demographic and geographic focus than the past. There are three vulnerable demographic target groups: 1) children and youth under 25, 2) women, and 3) special concerns groups, such as persons living with AIDS (PLWA), TB patients, and trafficked persons. All strategic objectives (SOs) will address at-risk youth, with different interventions geared to different age cohorts, sexes, residence (urban, rural), and expressed interests. All SOs will target women as participants and beneficiaries, and will be encouraged to identify creative ways to address and respond to violence against women in their respective spheres.

The strategy will also have three broad geographic target areas: 1) Conflict-vulnerable areas, especially the cities and rural sending areas and the hotspots they surround; 2) Targeted watersheds, which will stabilize environmental conditions, mitigate the impact of natural disasters, and create assets and employment; and, 3) other locations that are self-targeting by activity (e.g., regional and district courts, departmental offices, mango processing centers) or provide particular opportunities for impact, such as food insecure and vulnerable populations. The strategy will balance activities that bring short-term benefits with the need to address longer-term issues in all three target areas.

The *2006 Haiti Conflict Mitigation and Management (CMM) Assessment* was fundamental to defining a strategic direction that incorporates a multi-sectoral approach to address the root causes of conflict. The CMM Assessment identified the violent culture and anarchy found in several urban hotspots as a key driver of Haitian instability. It also highlighted a key strategic demographic target, at-risk youth, and emphasized the need to focus on women as particularly vulnerable to conflict. Consistent with the assessment recommendations, USAID will strategically target resources to support stabilization of urban hotspots and other conflict-vulnerable areas; will work to strengthen institutions across Haitian society; and will create jobs and economic

opportunities. Resources will be directed in such a way as to reinforce government leadership and effectiveness in improving the conditions that most directly affect daily life such as social services and access to justice. Institution-building support will be targeted to key decision-making entities as well as incorporated into sector programs. The strategy will also address inclusiveness, including the need to engage youth and women in community decision-making, and it will develop avenues for consensus-building among critical sectors of society while promoting the rule of law.

Figure 1 encapsulates USAID's approach to targeted conflict-vulnerable geographic areas. In highly unstable hotspots, the initial focus will be on creating space in which programs can operate by building citizen confidence and trust through quick, visible community-identified small projects. These will capitalize on a convergence of interest among historically antagonistic groups by responding to community-identified needs. As secure space broadens within the hotspots, and in other areas where security is adequate, USAID will support programs that provide income and productive work through short-term jobs, while building the foundation for longer-term improvements through extensive public works. Programs will work closely with local and national government entities to build their capacity to provide and oversee critical services while reinforcing accountability to citizens. These public works programs will also serve to facilitate an expansion of education, health, justice, democracy, training and economic growth programs. The two-headed arrow in Figure 1 symbolizes the flexibility of these activities, to be expanded or contracted depending on the level of stability and need in a given area. Transforming unstable hotspots will be uneven and require an increase or decrease in activities in a given hotspot based on opportunity and potential to enhance stability. Across all activities in conflict-vulnerable areas, the strategy will work to expand the reach of government and local authorities in providing basic services, including, where appropriate, public-private partnerships. The institution-building elements will themselves further stability and citizen confidence.



USAID also conducted a literature review and undertook an **Assessment of Governance Decentralization & Deconcentration** in past USAID and other donor projects in Haiti. A key finding is that the legal framework for decentralization is absent. Absent the passage of the legal framework for decentralization, USAID should carefully evaluate undertaking a new program and consider supporting only those authorities committed to democratic principles and the development of their areas with active citizen participation. However, if the right political and legal conditions are in place, USAID should consider support to local government capacity building. Key recommendations include the need to take the differing authorities and responsibilities of deconcentrated and decentralized government functions into account. A second key finding is the need to reinforce the legitimacy of elected local government officials and central government staff in deconcentrated ministry offices to expand the reach of government. Steps should be taken to avoid creating project-specific committees to serve as rubber stamps for external partners and project management structures that supplant legitimate local authorities. USAID should foster collaboration between local government agencies and local NGOs, CBOs, and private commercial actors. The findings of the assessment will be applied in USAID's targeted urban conflict-vulnerable areas; the rural watersheds; and in other locations that are self-targeting by activity.

The **Corruption Assessment** played an important role in strategy development. The Assessment highlighted the fact that Haiti's corruption is endemic and systemic and is a major impediment to USAID's objectives of assisting Haiti to achieve economic, social and institutional stability. The Assessment recognized that some progress has been made but emphasized that in order for USAID to achieve its strategic objectives, anti-corruption efforts must be given high priority and work across strategic objectives. Approaches to dealing with corruption generally fall into two categories: 1) enforcement and prosecution, and 2) prevention and education. While acknowledging that both are important, the Assessment recommends that the anti-corruption efforts in Haiti be focused on the latter because vigorous law enforcement, investigation and prosecution are not likely to be successful due to the GOH's lack of resources and capacity to undertake these activities, in addition to the fact that this process would be extremely vulnerable to political manipulation. The strategy will reinforce activities that promote greater transparency and accountability in the public sector to reduce opportunities for corruption, and expand civil society capacity for oversight and monitoring. A primary focus will be on improving capacity for transparent management of resources within targeted government entities.

The **2006 Haiti Gender Assessment** was fundamental to strategy development, highlighting seven key areas for increased attention: 1) Violence Against Women, 2) Legal Reform, 3) Judicial Reform, 4) Overall Governance, 5) Jobs and Livelihoods, 6) Women's Groups, and 7) Inter-Program and Donor Synergy. Given women's importance to the economic and social domains in particular, women are considered one key demographic target group for the new strategy.

The new **Environmental Threats and Opportunities Assessment (ETOA) and related Section 118/119 (Tropical Forest and Biodiversity)** analyses were key to development of the Mission's approach to Haiti's environmental fragility and consequent vulnerability to natural disasters, notably floods. These analyses formed the basis for the Mission's selection of degraded, but potentially productive, watersheds as a second key geographic focus. Haiti's forests and biodiversity remain extremely degraded. Protected forest areas account for just 21,000 hectares (0.7% of land area). The Section 118/119 analysis concluded that the greatest threat to the remaining biodiversity is continued clearing of lands for agriculture, resulting from poverty and depleted soils. The ETOA notes that the primary reasons for environmental degradation are not land tenure insecurity or charcoal production, but 1) the sheer press of mountain farmers and their reliance on the production of annual food crops that cause erosion, 2) extensive de-capitalization of the rural sector, and 3) the overall absence of viable production or livelihood alternatives. Additional environmental threats to populations and stability are caused by overcrowded slum areas which are often located in flood plains. Opportunities to address these issues include the use of market-based incentives that connect soil and water conservation measures to improvements in farmer incomes at a scale large enough (e.g., within a major watershed) to have measurable positive impact.

D. Expected Results. The Mission will pursue its vision of *Stability* through activities to achieve three SOs that are directly linked to reducing internal conflict, increasing the availability of essential social services, and making initial progress to create policies and strengthen institutions upon which future progress will rest. The three SOs are: *More Employment and Sustainable Livelihoods ("Livelihoods SO")*, *Increased Access to Quality Social Services ("Services SO")*, and *Improved Rule of Law and Responsive Governance ("Governance SO")*. These SO statements form the broad results that the Mission plans to achieve. By 2010, Haiti will be more stable and less prone to violent conflict. The provision of basic health and education services will be increased for Haitian citizens through the government's improved use of donor resources and deconcentration. There will be more responsive and accountable executive, legislative, and judicial institutions of government providing increasingly effective governance. In sum, more Haitians will be able to support themselves and their families, and they will have increased access to primary health services, primary level education and strengthened rule of law and community institutions. More specific results are provided in Section IV in the discussion of the individual SOs below.

III. Policy Alignment

A. Conformity with New Strategic Framework for Foreign Assistance and MCA Categories. The above Section II.A. summarizes Haiti's status as a rebuilding country within the *New Strategic Framework for Foreign Assistance*. Section II.C. describes how this framework was used for strategy development.

The three new strategic objectives - *livelihoods, social services and rule of law/governance* - directly address the MCA categories of *Economic Freedoms, Investing in People, and Ruling Justly*. Haiti's 2005 baseline is extremely low for all categories. For *Ruling Justly* and *Investing in People* indicators, Haiti ranks well below

international norms and falls in the lowest quintile for all indicators. Haiti does best with the MCA rankings for *Economic Freedoms*. Although it is still below the median ranking for regulatory quality, cost of starting a business, and days to start a business, it has always ranked above the median for trade policy and fiscal policy, and it moved above the median for inflation as of 2005. USAID assistance is expected to help move Haiti into better rankings on all MCA indicators in the strategy period.

B. Conformity with the Country's MPP. The USAID strategy statement aligns closely with the broad USG goals and objectives outlined in the Haiti MPP: *Stable Conditions in Fragile/Failing States, Economic Growth and Development, Disruption of Criminal Organizations, and Global Health*. USAID will continue as the lead USG agency contributing to other key issues: " *Environmental Stabilization, Electricity, Water, and Justice/Anti-Corruption*. Annex A, Figure 1, provides a graphic which demonstrates these and other linkages.

C. Congressional Earmarks and Directives. In total, Haiti received \$75.3 million in Congressional earmarks and directives in FY 2006. Haiti received US\$47.3 million for the President's Emergency Plan for AIDS Relief (the Emergency Plan). Of this total, USAID manages US\$21.1 million and CDC manages US\$26.2 million. The Emergency Plan continues through FY 2008 and is expected to provide similar or slightly greater levels each year. In addition USAID receives about US\$20 million per year in child survival funding for Haiti and is expected to receive similar amounts during the strategy period. For both Emergency Plan and child survival funds, USAID expects to be able to direct funding to urban hotspots and conflict-vulnerable populations, particularly youth and women.

USAID also has received earmarked Basic Education funding for the past several years. In FY 2006 Basic Education funding is \$5.5 million. The Mission expects similar or higher levels through the strategy and will direct them within the overall strategy to support activities with school-aged children in urban hotspots, the USAID targeted watershed(s), and other locations. In FY 2006 USAID received \$2.5 million earmarked for Higher Education, funds which are not expected to be available in future years.

The FY 2005 appropriations bill directed USAID to "develop a plan for the reforestation of areas in Haiti that are vulnerable to erosion which pose significant danger to human health and safety." In response, USAID will support a multi-faceted program to improve management of critical watersheds, improve rural livelihoods, build sustainable forest management, and reduce the vulnerability of Haiti's citizens to floods and hurricanes.

D. Other USG Assistance and Other Donor Programs. The U.S. is Haiti's largest bilateral donor and has invested over \$420 million in the past two years. The USG has to date provided about 27% of MINUSTAH funding. STATE/INL plans to provide approximately \$15 million/year for HNP training and support through the same period. The U.S. Coast Guard will continue to provide training and support to the Haitian Coast Guard for drug interdiction, and the Drug Enforcement Administration will provide similar assistance to the HNP and related groups. USDA/APHIS plans to maintain the in-country mango inspection, which will contribute to economic recovery. HHS/CDC will remain a valued partner in the President's Emergency Plan for AIDS Relief, with an estimated \$25 - \$30 million/year through FY 2008. Should new Department of Defense resources for security and stabilization become available, these resources should complement all USG efforts in Haiti. USAID has four USAID/W-managed Child Survival grants operating in Haiti, and is also providing regional support to a conflict mitigation program along the Haiti-Dominican Republic border.

USAID is collaborating closely with other donors within Haiti's Interim Cooperation Framework (ICF) for 2004-2006, which has recently been extended to September 2007. Over \$1 billion was pledged to the ICF by 26 bilateral, multilateral and United Nations agencies in July 2004. Donors meet on a monthly basis in Haiti; meetings are coordinated by the UNDP. A six-member ICF Steering Committee, of which USAID is a member, oversees subgroups organized into 20 sectors, each led by a donor nation and an IGOH representative. Principal ICF donors are the United States, European Union, Canada, Inter-American Development Bank, the World Bank and the agencies of the United Nations. Annex D includes more detail on donor disbursements under the ICF and donor coordination efforts by USAID.

During strategy development, USAID actively sought out opportunities to leverage other donor funds. Working through the IFC sector sub-groups, USAID is undertaking site selection for activities to maximize effectiveness. For example, selection of the target watersheds under the Livelihoods SO will leverage advantage from the major infrastructure rehabilitation programs of the IDB and EU. Also, the early focus in conflict-prone urban areas for USAID's short-term jobs creation project complements the World Bank's Community-Driven Development project, which operates in small cities and rural communes. Work in urban hotspots will require close coordination with the security sector work of others. USAID participates in a joint GOH/UN-led sector table on security to ensure complementarity and to avoid duplication in programs. USAID is strengthening coordination with PAHO/WHO in support of the government's initiative to increase attention to family planning and maternal health. USAID will continue to identify leveraging opportunities as activity design proceeds.

IV. Proposed SOs and Program Components

The three SOs are *More Employment & Sustainable Livelihoods* ("Livelihoods SO"), *Increased Access to Quality Social Services* ("Services SO"), and *Improved Rule of Law & Responsive Governance* ("Governance SO"). All SO start dates are August 15, 2006, providing adequate overlap with current SOs to afford program continuity and address immediate needs of the new Haitian administration. SO end dates will be September 30, 2010, 12 months after the last SO obligation in FY 2009. Annex A provides a graphic Results Framework with SOs and Intermediate Results (Figure 2) and SO-Program Component Linkages (Figure 3) for reference.

The portfolio will have three key demographic target groups: children and youth under 25, women, and special concerns groups. It will also have three broad geographic target areas: 1) conflict-vulnerable largely urban areas, 2) targeted watersheds, and 3) other locations that are self-targeting by activity and/or provide particular opportunities for impact, such as food insecure and underserved populations. Four common themes or shared Intermediate Results (IRs) cut across all strategic objectives (see text box) and form the institutional strengthening platform for the strategy.

- IR: More Effective and Inclusive Civil Society
- IR: Legitimate Local Gov't Re-Established and Providing Services
- IR: More Effective Executive Leadership
- IR: Less Corrupt, More Transparent and Accountable Governance

By their nature, most of USAID's activities involve Haitian executive branch technical ministries or agencies at the central level and at deconcentrated, departmental or municipal levels. USAID activities will work to establish more effective executive leadership and oversight in key sectors at these different levels. As legitimate local governments are re-established, USAID will step up support to enable them to provide services. It will be important to harmonize development tactics to ensure common approaches between local government officials and local representatives of national ministries in administering their programs. USAID will continue to work with and through Haitian civil society, with a focus on avenues for citizen (including youth organizations) involvement in government decision making. During FY 2007, the Mission plans to develop simple learning modules on key issues related to at-risk youth, violence against women, and "culture of peace"¹ that can be provided to all such groups across all sectors. As part of its capacity-building work with key civil society and government groups, USAID will address transparency and accountability and thus mitigation of corruption.

SO 1: *More Employment and Sustainable Livelihoods*

Program Components

PC 2: Support Populations at Risk

PC 18: Improve Private Sector Competitiveness

PC 22: Protect & Increase Assets of the Poor

PC 23: Improve Sustainable Management of Natural Resources and Biodiversity Conservation

PC 28: Improve Quality of Workforce through Vocational/Technical Education

Intermediate Results (IRs)

IR: Increased Wage Employment Skills and Opportunities for Vulnerable Populations

IR: Increased Asset Base for Non-Wage and Microenterprise Livelihoods for Vulnerable Populations

IR: Improved Sustainable Management of Natural Resources in Selected Watersheds

IR: More Supportive Business Environment for Micro-, Small, Medium, and Large Enterprises

¹ UN General Assembly Resolution 53/243. Declaration and Program of Action on a Culture of Peace, 6 October 1999.

Rationale & Results: The rationale for the Livelihoods SO is that poverty is a key driver of conflict, particularly in urban zones. The hypothesis is if USAID can address instability at its source by helping to alleviate poverty in key conflict-vulnerable areas, while improving the economic opportunities in other areas, the combination will relieve pressure in vulnerable areas and the potential for conflict will decrease.

To stabilize selected hotspots, USAID will initially focus on citizen confidence building through quick response micro-projects undertaken with local leaders and organizations in conflict-prone areas. In hotspots where security permits or as secure space opens up, and in other rural and urban areas, USAID will support more extensive public works programs that rehabilitate productive (for example, roads) and key social infrastructure (for example, schools, clinics and water and sanitation systems), and that build government capacity while directly involving the local population in decision-making and providing tangible benefits. Public infrastructure rehabilitation will lay the groundwork for expanding economic opportunity and for restarting or expanding basic health and education services. Activities will seek to build on increasing engagement among the private sector by building alliances among the private and public sectors on common goals when appropriate.

USAID will support GOH efforts to create an environment for medium- to long-term economic development by improving the enabling environment for trade and investment-driven employment generation. USAID will work to strengthen public sector institutions, facilitate trade and investment and rebuild private sector links with markets. Emphasis will be on strengthening Haiti's trade capacity through policy and institutional reform both in the Government and the private sector.

USAID will work in urban and rural areas to expand wage-earning opportunities with small and medium enterprises. In this strategic objective, "vulnerable populations" includes the Mission target demographic of youth and women, but also food-insecure households. Asset formation/reformation will be stimulated through expansion of microfinance programs coupled with business and technical skills training, as well as an approach to natural resources in target watersheds that incorporates market-based incentives to improve management. Haiti's PL 480 Title II Cooperating Sponsors will apply Food for Peace commodity and monetization resources to livelihoods improvement in both urban and rural target areas.

To address the needs of undereducated youth (15-24), USAID will provide job skills training in hotspots and other priority areas. The program will also address youth illiteracy, adolescent health, and will provide employment placement support. The program will link to short-term job creation programs, where possible, and will address labor market needs in target zones.

By 2010, tens of thousands of workdays of wage labor will have helped communities in selected conflict-prone urban and peri-urban areas and targeted watersheds to rehabilitate drainage, water and irrigation systems; schools and health clinics; markets and women's shelters; secondary and tertiary roads and small bridges; and to undertake solid waste removal and soil stabilization. Communities, particularly in urban slums, will use and maintain this infrastructure in stable, day-to-day life. Rural and urban women, youth, and food-insecure households will have measurably increased skills and assets for sustainable livelihoods (micro-credit clients; percent increase in crop revenue; etc.), and the number of hectares of land under improved natural resource management will have increased in rural watersheds where USAID is working.

SO 2: Increased Access to Quality Social Services

Program Components

PC 7: Strengthen Public Sector Executive Function (Central & Dept. Offices-Education & Health Ministries)

PC 24: Support Family Planning

PC 26: Improve Equitable Access to Quality Basic Education

PC 30: Prevent and Control Diseases of Major Importance

PC 32: Improve Child Survival, Health, and Nutrition

PC 33: Improve Maternal Health and Nutrition

Intermediate Results (IRs)

IR: More Equitable Access to Quality Health Services

IR: More Equitable Access to Quality Education at the Primary Level

Rationale & Results: The rationale for the Services SO is based on the need to improve Haiti's dismal social indicators as well as the imperative to help the new government provide visible, high-value services to the poor,

particularly those located in unstable urban slums. More than 50% of expenditures among poor households are for children's education, nutrition, and health care. The hypothesis is that if these populations have a relatively rapid improvement in their access to quality health care, including nutrition, and primary education for their children, they will have more confidence in the government and will be less apt to accept violence as a means of change. A corollary hypothesis is that if USAID implementing partners can foster ownership of these health and education services by GOH Departmental offices and private/NGO collaborators, strengthen the capacity of local and national government institutions to deliver services and provide oversight, and involve citizens in setting priorities and holding officials accountable, there is also more potential for the Government to sustain these social services.

By 2010, more Haitians will have access to quality health care, potable water, and education services including in key urban hotspots. In health, USAID will continue to support a large network of NGO partners to provide a basic package of health services – maternal and child health, potable water supply, nutritional supplements and micronutrients, family planning/reproductive health – to households within USAID target areas. The target areas for health services and nutrition cover, but are greater than, the urban conflict-vulnerable and rural watershed areas of Mission focus, and include food-insecure households with children that need nutritional assistance. The USAID health program will increasingly work with the Ministry of Health's departmental offices to establish formal public-private partnerships for service delivery in geographically defined communal health units. This will include building the capacity of departmental offices to oversee services while strengthening accountability to citizens. Haiti's P.L. 480 Title II Cooperating Sponsors will work in maternal and child health, providing nutrition education and food supplements for pregnant and lactating mothers and at-risk children under five. USAID will increase efforts to strategically leverage Global Fund resources to reinforce and extend services to vulnerable populations within USAID geographic target areas. USAID will continue to work on infectious diseases such as TB. While malaria funding for Haiti is uncertain, malaria morbidity could increase, warranting continuing surveillance from the Mission and USAID/W. The Préval administration is placing a high priority on improving access to quality primary education. In concert with other education donors, the USAID education program will support the ongoing rollout of the Ministry of Education's primary school quality improvement program to support the GOH in improving service delivery in this crucial sector. Special focus will be placed on schools serving vulnerable children in conflict-prone urban hotspots, their surrounding areas, and other target zones in rural areas. Building upon successful past USAID investments in primary school quality, such as the development of teacher training materials and interactive radio instruction in grades two through four, a special emphasis will be placed on grade one, where a high level of dropout occurs. In line with GOH strategy to improve access and quality of primary schooling, other features will include an accelerated learning program for overage students, a teacher certification program, and interventions to improve parental participation in children's schooling. A primary school scholarship program will target out-of-school children as well as children at high risk of dropping out. All interventions will be aimed at student retention with an eye to primary school completion. By 2010, USAID will have increased access to schooling and improved student and teacher performance through this comprehensive package of services to primary schools.

SO 3: Improved Rule of Law and Responsive Governance

Program Components

PC 5: Strengthen the Justice Sector (includes Human Rights and Trafficking)

PC 6: Strengthen the Legislative Function (includes Anti-Corruption, Trafficking, and Effective & Democratic Governance of the Security Sector)

PC 7: Strengthen Public Sector Executive Function (includes Elections, Anti-Corruption, and Democratic Governance of Security Sector)

PC 8: Strengthen Local Government and Decentralization

PC 11: Strengthen Civil Society (includes Political Parties, Media, Anti-Corruption, Mitigate Conflict, Populations at Risk (youth and women), and Democratic Governance of Security Sector)

Intermediate Results

IR: More Effective and Transparent Judicial System

IR: More Human Rights Protected

IR: More Effective and Representative Legislature

Rationale & Results: The rationale for the Governance SO is that Haiti's government urgently needs to build its legitimacy and effectiveness, the two key dimensions necessary for a robust state. The stability hypothesis is that if USAID can enhance the effectiveness of Haiti's executive, legislative, judicial, and local government branches, then citizens will perceive them as more representative and responsive to their needs. Government

legitimacy will improve with time. By carefully targeting assistance to key decision-making entities in the executive branch, USAID can help facilitate broader and more lasting improvements to government legitimacy. A well-functioning and representative Parliament that can reach out to and provide citizens nationwide with opportunities to participate in an inclusive fashion, and interact with the executive branch as it effectively makes decisions, will be an important factor in enhancing stability. A strengthened justice sector will constitute a critical step toward stability by reducing impunity for high-level crimes, abuses of executive power, corruption and human rights abuses, while increasing citizen security and public order by ensuring greater access to a more transparent and impartial criminal justice system. Representative local governments with the authorities and tools necessary to provide essential services will ensure responsiveness and accountability to citizens at the local level. Greater transparency in the management of public resources at all levels of government will reduce opportunities for corruption and improve government effectiveness. USAID will also work with civil society to increase citizens' constructive interaction with officials to advocate for policies and services that government can and should provide in a democratic state. A special focus will be placed on civil society organizations serving vulnerable children, youth and women in conflict-prone urban hotspots, their surrounding areas, and other target zones in rural areas.

By 2010, with USG assistance, the three branches of government – executive, legislative, judicial – will function better with improved understanding of, and respect for, the different roles and responsibilities of each. The judiciary will be increasingly independent, with better-qualified and effective personnel. The number of pre-trial detainees and the length of time in pre-trial detention will have decreased. Women's rights will be more routinely protected in courts. The Parliament will represent constituents in formulating and passing legislation. Financial management systems will ensure transparent management of public resources throughout the executive branch. Civil society will more effectively serve vulnerable groups and represent itself through peaceful means. In USAID target areas, violent crime will have decreased, and citizens will be able to go about their daily lives with less fear. If local and municipal elections are held, democratic decentralized government will be re-established and provide services in key sectors.

Two more national elections are scheduled during the strategy period: in November 2007, for one-third of the Senators, and in November 2009, for one-third of the Senators and the full Chamber of Deputies. The next Presidential election is scheduled for November 2010, after this strategy ends. USAID will support and report on election results in the years when elections occur.

V. Monitoring and Evaluation (M&E)

USAID/Haiti revised its Performance Measurement Plan (PMP) in February 2006 to take into account the needs of the transition year when current SOs end and the new SOs start up. Many of these preliminary indicators are relevant to the new Intermediate Results and Program Components listed in Section IV above. Following strategy approval, USAID/Haiti will finalize the indicators and develop baselines and targets for the targeted areas and/or populations involved. The indicators will be aligned to USAID standard indicators for each of the Program Components, as well as the LAC Monitoring Country Progress (MCP) and LAC Strategic Framework indicators.

VI. Budget and Staffing (For internal Use only.)

ANNEXES**A. Supporting Graphics:**

Figure 1: Linkages Of USAID Haiti Strategic Objectives To Other Frameworks

Figure 2: Strategic Mgmt Tool: Results Framework with IRs, including Four Shared IRs

Figure 3: Reporting Tool: Graphic Relating SOs and Program Components (PCs)

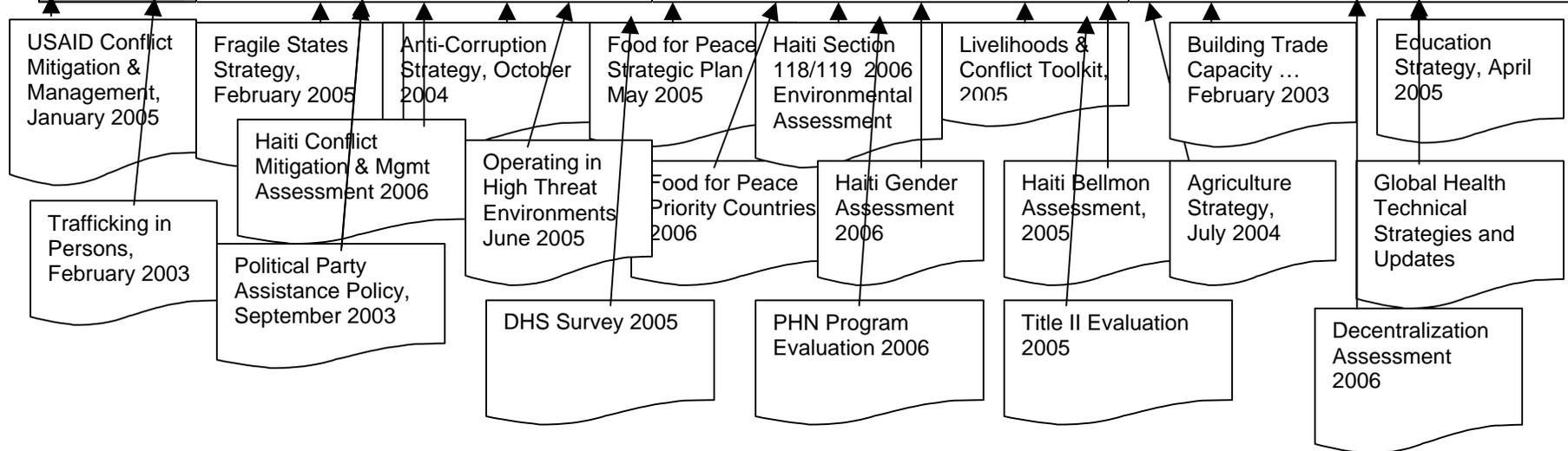
B. Program and Operations Efficiency**C. Alternative Budget Scenarios** (Internal Use only)**D. Donor Coordination and Matrix****E. Summary of Analyses**

1. Summary of Conflict Mitigation and Management Assessment
2. Summary of Gender Assessment
3. Summary of Corruption Assessment
4. Summary of Governance Decentralization and Deconcentration Assessment
5. Summary of Recent Food Security Analyses
6. Summary of Tropical Forestry and Biodiversity Assessment (Section 118/119)
7. Environmental Threats and Opportunities Assessment

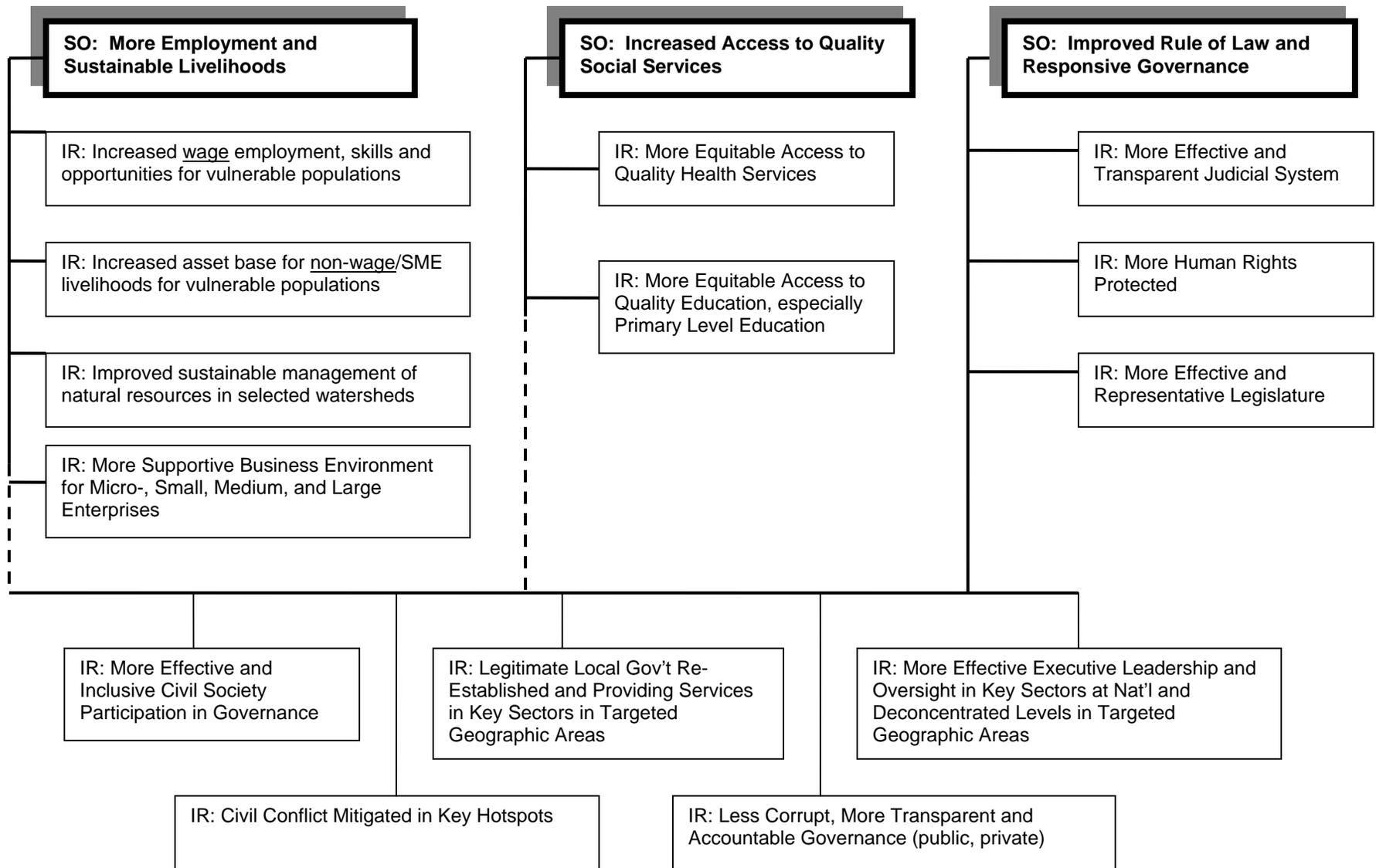
F. How Short-term Results Lead to Longer-term Objectives

ANNEX A, Figure 1: Linkages Of USAID Haiti Strategic Objectives To Other Frameworks

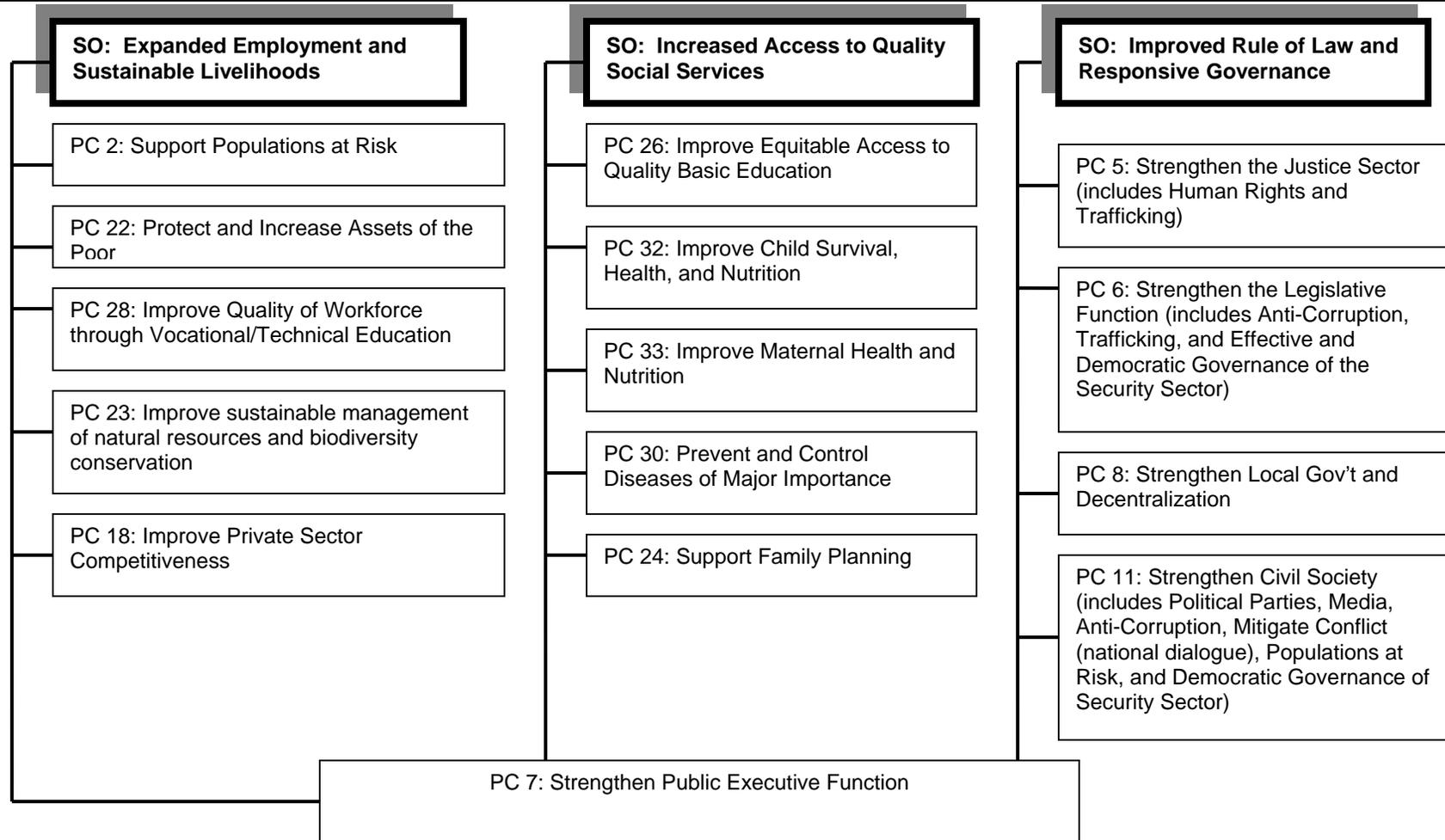
New Strategic Framework for Foreign Assistance	Rebuilding Countries						
	Peace and Security	Economic Growth	Investing in People	Humanitarian Response	Governing Justly and Democratically		
	Prevent/mitigate - State failure - Violent conflict	Assist in construction/re-construction - Key internal infrastructure - Market mechanisms to stabilize economy	Start/restart delivery of critical, social services - Health & education facilities - Building institutional capacity	Address immediate needs of refugee, displaced or other affected groups	Assist in creating/stabilizing - Legitimate democratic government - Supportive environment for civil society & media		
S/CRS Haiti Major Mission Elements	Econ Recovery Sufficient to Reinforce Stability		Improved Coverage of Critical Social and Humanitarian Needs		Security & Justice Improved	Successful Elections	Functioning Governance Established
Haiti U.S. MPP Performance Goals	Stable Conditions in Fragile/Failing States	Economic Growth and Development	Global Health		Disruption of Criminal Organizations	International Public Opinion	
Proposed USAID Haiti SOs 2007-2009	Expanded Employment and Sustainable Livelihoods		Increased Access to Quality Social Services		Improved Rule of Law and Responsive Governance		



ANNEX A, Figure 2: Strategic Management Tool: Results Framework with IRs, including Five Shared IRs



ANNEX A, Figure 3: Reporting Tool: Graphic Relating SOs and Program Components (PCs)



ANNEX B: Program Operations & Efficiency (Internal Use only)

Figure B-1: Key Management Data and Ratios, FY 2007-2009 (Internal use only)

	FY 2007	FY 2008	FY 2009
PROJECTED STAFFING:			
• USDH			
• FSNDH			
• USPSC (including locally hired)			
• FSNPSC			
MISSION-MANAGED PROGRAM RESOURCES (Millions of Dollars)			
• USAID CSH/DA/ESF			
• PL 480 Title II			
• U.S. President’s Emergency Plan for AIDS Relief			
TOTAL OPERATING EXPENSES (Millions of Dollars)			
• Mission-managed			
• Est. Washington-managed USDH Salaries, Post Differential, Danger Pay			
KEY RATIOS	FY 2007	FY 2008	FY 2009
• One Staff = \$ Program Funding			
• One Staff = \$ Operating Expenses			
• \$1 OE (total)– to \$ Program Funding			
• One Staff = # Management Units			
• Average Program \$ per Program Mgmt Unit			

ANNEX C. Alternative Budget Scenarios (Internal Use Only)

Annex C. Alternative Budget Scenarios (text- Internal Use Only)

SO 01: Increased Employment and Sustainable Livelihoods

SO 02: Increased Access to Quality Social Services

SO 03: Improved Rule of Law and Responsive Governance

ANNEX D: Donor Matrix

INTERIM COOPERATION FRAMEWORK (ICF)
Disbursement by Sector and Donor
Period: July 2004 - 31 March 2006

	IDB	WB	Canada	EU	USA	France	UN Agencies	Japan	TOTAL
							*		
1. Political Governance	0.00	0.00	38.39	21.10	75.02	1.49	26.56	1.06	163.62
1.1 Security, Police & DDR			2.38		41.03	0.53	3.91		47.85
1.2 Justice, Prisons & Human Rights			13.99	0.79	11.83	0.96	2.70		30.27
1.3 Electoral Processes and National Dialogue			22.02	20.31	22.16		19.95	1.06	85.50
2. Economic Governance	55.07	22.30	10.76	4.47	28.32	0.98	9.10	0.73	131.66
2.1 Economic Governance	40.03	21.00				0.10	0.64	0.64	62.35
2.2 Reinforcement of Institutional Capacity		1.30	6.00	1.79	22.32	0.06	2.63		34.10
2.3 Territorial Management					2.00		3.03		5.03
2.4 Local Development	15.04	0.00	4.76	2.68	2.00	0.81	2.80	0.09	28.17
2.5 Decentralization					2.00				2.00
3. Economic Growth	28.37	6.88	5.71	28.52	35.93	4.93	3.33	0.44	114.11
3.1 Macro-economic Stability									0.00
3.2 Electricity			0.76	0.23	22.00	0.45			23.44
3.3 Rapid Employment Creation & Micro-finance		4.28	3.69	0.12	5.11	0.22	0.07		13.49
3.4 Private Sector Development/SME				0.13	3.82		0.90		4.85
3.5 Agriculture	10.91		0.10	9.11	4.55	4.24	0.90	0.44	30.24
3.6 Roads & Transport	17.20			14.32	0.45	0.02	0.26		32.26
3.7 Protection & Rehabilitation of the Environment	0.26	2.60	1.16	4.61			1.20		9.83
4. Access to Basic Services	18.45	2.46	58.87	77.85	213.30	12.30	70.65	11.11	464.97
4.1 Emergency Humanitarian Assistance			26.91	12.85	60.47	1.05	20.35	0.61	122.24
4.2 Water & Sanitation	4.88	0.51		52.56	0.50	1.05	0.75		60.25
4.3 Health & Nutrition	3.25	0.43	19.89	0.34	77.90	3.30	23.62	4.30	133.02
4.4 Education, Youth & Sports	7.10	1.19	8.22	9.72	6.87	4.52	19.08	0.75	57.45
4.5 Culture, Media & Communication		0.15		0.40	0.00	1.14	0.92		2.61
4.6 Food Security				1.99	63.16	1.20	5.00	5.45	76.80
4.7 Solid Waste Management		0.18			4.40				4.58
4.8 Urban Development/Slum Improvement	3.22						0.10		3.31
4.9 Social Security & Protection			3.85		0.00	0.04	0.83		4.72
5. Other Themes	5.11	40.00	32.02	9.60	0.00	0.00	2.96	0.24	89.92
5.0 Other Programs			15.70				0.40		16.10
5.1 Technical Assistance							1.36	0.24	1.60
5.2 Arrears Payments		40.00	16.32						56.32
5.3 Basic Economic Infrastructures	5.11						0.20		5.30
5.4 Unallocated				9.60			1.00		10.60
TOTAL GLOBAL	107.00	71.64	145.75	141.54	352.57	19.70	112.60	13.58	964.28
%	11.1%	7.4%	15.1%	14.7%	36.6%	2.0%	11.7%	1.4%	

* United Nations Agencies: UNFPA, UNICEF, FAO, WFP, UNOPS, UNDP

Source: CCI, Pledges 2004, Table of Disbursements, Strategic Coordination Unit Prime Minister's Office, Period July 2004-December 2005 (to 31/03/06), Donor data 31 March 06.

Annex D. Donor Coordination

SO 01: More Employment and Improved Livelihoods

By far the largest donor in this area - touching agriculture, the environment, infrastructure, the environment, and markets - is the IDB. The IDB is heavily invested in irrigation projects in the Artibonite, and is currently preparing a twelve to fifteen million dollar project on the rural supply chain for various agricultural commodities including export crops such as coffee and mangos. This builds on USAID's successful Hillside Agriculture Program. In addition, the IDB is gearing up to invest in the protection of La Visite and Pic Macaya parks and related watersheds. This focus on particular watersheds has been taken into account in selecting the watersheds where USAID will intervene.

The primary donors in private sector programs are: United States, European Union, Inter-American Development Bank (IDB), France, Canada, World Bank, and United Nations Development Program (UNDP). Some of these activities will affect the direction of USAID efforts, such as World Bank/IMF studies on Public Expenditure Management and Revenue leading to a \$25,000,000 project, IDB/World Bank audits of the Parastatal privatization efforts, and an IDB/EU study of the Commercial Code. Where activities are similar, such as in technical assistance in business development for microenterprise and SMEs, microfinance institution-building, credit union strengthening, and work with associations such as chambers of commerce, USAID, and indeed all donors, work very closely to ensure that efforts are not duplicated and are complementary.

SO 02: Improved Access to Quality Basic Services

The majority of donors focus on the primary education sub-sector, and all donors fund institutional strengthening for the Ministry of Education. The principal donors and lending agencies active in the education sector are the United States, the European Union, Canada, and the IDB. The World Bank is planning a grant-funded education project. In vocational education the IDB has a large, nationwide intervention that is just beginning work with 9th grade through secondary school graduates for technical training. The Canadians and the EU target overage learners still in the formal primary system, and, USAID's program targets the most at risk: primary school dropouts and youth who have never attended school.

Donor coordination in the health sector has focused on ensuring that efforts are complementary and leverage resources to priority areas. For example, USAID is working closely with the Global Fund to strategically program HIV/AIDS/TB resources through joint work plans, and has implemented an action plan template for donors, which has reduced duplicate funding. In Maternal and Child Health, discussions have been held with the IDB to target its \$142 million health facilities refurbishment program to the USAID-funded service delivery sites to maximize the impact of each investment. USAID is strengthening coordination with PAHO/WHO in support of the government's initiative to increase attention to family planning and maternal health. Coordination between the Japanese, USAID and UNICEF has enabled the Japanese to focus on support to the immunization cold chain and USAID to provide technical assistance to expand immunization coverage.

SO 03: Improved Governance

Historically, the Justice, Democracy and Governance (JDG) team has actively sought out opportunities to program resources to complement other donor funding. For example, working through the Elections sector sub-group of the Interim Cooperation Framework (ICF), JDG is undertaking elections support initiatives to fill critical gaps in other donor support programs; e.g., support for media and public outreach for the Provisional Electoral Council (CEP). In planning for future support to the Parliament, JDG is collaborating closely with the Government of Canada on a Parliamentary support program that takes advantage of the strengths and priorities of both donors. The structure of JDG's ongoing anti-corruption program is a product of close collaboration between JDG, the Inter-American Development Bank and the World Bank. In the area of Justice, for the training of judges and prosecutors under the umbrella of the Magistrates School, USAID and the French are coordinating to leverage scarce resources. JDG will continue to identify opportunities to leverage as we move into the new strategy period.

Annex E. Summary of Analyses

Annex E1. Summary of Conflict Mitigation and Management Assessment

Political exclusion, widespread youth unemployment, and insufficient access to social services are the hallmarks of Haiti's weak state. The abundance of small arms and Haiti's large population of disenfranchised and underemployed youth provide ample opportunity for manipulation, recruitment, and destabilizing activities by key spoilers including criminal gangs, organized crime, and such political "outs" as former President Aristide, economic elites and the ex-Haitian Army (FA'd'H). With Haiti's history of violent political changes, it is clear that a strong potential exists for grievances, resources, and opportunities to coalesce into a destabilizing mix during critical windows of vulnerability throughout the term of the new Préval Administration.

Haiti has historically suffered from weak governance stemming from an authoritarian political culture and public institutions monopolized by partisan loyalists for personal gain. Still, traditional family and religious networks served as a check on criminality and as enforcers of social norms. However, weak civil society institutions are increasingly being co-opted by political and economic interests and family networks are being eroded by economic need, conditions which are fueling the growing rural exodus and the rise of criminality including kidnappings and the drug trade. Ineffective state institutions provide little counterbalance to these challenges, while the cycle of winner-take-all politics provides continued motivation to manipulate disenfranchised youth and criminal groups for political ends.

This cycle of instability will continue relatively unabated as long as the pool of available economic resources continues to shrink as a result of environmental degradation and the stagnation of economic activities, and the pool of available recruits – unemployed, uneducated, and politically alienated youth – continues to grow. As long as various groups, both the marginalized and the powerful, feel systematically excluded, these ingredients for instability will periodically boil over into violence as various segments of the society pursue extra-legal means to achieve their political and economic ends.

In an effort to address these pressing issues, USAID and the U.S. Embassy should utilize available U.S. government resources to create a comprehensive approach to the problem of instability and, to the extent possible, ensure donor coordination in Haiti.

Recommended Interventions: The overall objective of donor engagement must be to ensure that the root causes of instability are addressed while in the short-term pursuing high-impact interventions to break the cycle of exclusion and ensure stability in the most troubled areas of Haiti. USAID/Haiti is currently pursuing vital strategic objectives related to health, education, economic growth, and governance. These resources should be strategically targeted toward stabilizing "hotspots" and should serve to strengthen institutions across Haitian society; create jobs and economic opportunities; engage youth and women in community participation and decision-making; and promote greater inclusiveness by creating opportunities for building consensus among critical sectors of Haitian society, especially youth and the private sector.

In order to mitigate the impression that the Government of Haiti is inattentive to the needs and desires of its citizens, there should be an immediate, concerted and integrated U.S. government and donor effort to reinforce the Government of Haiti's effectiveness in the "hotspots" of Port-au-Prince (Cite Soleil, Bel Air, Lower Delmas, Martissant) and in Gonaives, Cap Haitien, St. Marc and Petit Goave, and especially among unemployed youth in these areas.

Achieving these goals will require encouragement and pressure by the international community to support broad inclusiveness, as well as directing resources in a way that convinces citizens that the Government of Haiti is taking the lead in improving the conditions that most directly affect their lives – jobs, social services, and security.

Create Jobs and Expand Economic Opportunities: Looming large is the immediate need for widespread employment for vulnerable youth. Infrastructure projects linked to longer-term income opportunities are consistently cited as crucial undertakings, particularly in Haiti's "hotspots". Market-driven vocational training linked to job opportunities and increased access to credit would serve to lessen the isolation of Haiti's youth population and increase opportunities for trade and commerce.

Foster Rule of Law and Security: Providing security and access to fair and impartial justice will be key to establishing the legitimacy of the new Préval Administration, building citizen confidence, and laying the

foundation for infrastructure and development activities. The U.S. Government and donor community should work in concert to seek integrated security sector reform at the national and local level, build community cooperation and confidence, and improve citizen access to justice.

Create Avenues for Citizen Voice and Participation: Given Haiti's history of political and social exclusion and rising public expectations in the wake of President-Elect Préval's election, there is a significant need to develop avenues for citizens to participate in social and political decision-making. Such interventions will be especially critical for integrating previously marginalized and/or volatile groups, such as youth, urban poor, and women into national and local decision-making processes, while creating new opportunities for greater participation and communication.

Strengthen Institutions for Good Governance: Institutions in every sector and at every level of Haitian society often do not have the capacity to manage their affairs or to provide services effectively. Donor support should be targeted to key decision-making institutions while robust institutional development efforts should be incorporated into all sector programs. Assistance must also fortify local governments by incorporating capacity building into all local development programs to ensure that local government officials and local representatives of national ministries play a role in decision-making, oversight, and administration of local development activities. Finally, promoting good governance practices should be an integral part of donor development assistance in all sectors.

Annex E2. Summary of Gender Assessment

Quite apart from questions of equity, any development intervention necessitates the consideration of women and an analysis of their role and activities, both in relation to men and as a population base in their own right. Failure to do so ignores, even further marginalizes, the major portion of the population.

Interventions concerned with human rights, rule of law and the judicial system, governance, legislative and political processes must address women's legal status and current rights since they remain second-class citizens with unequal representation before the law and the State.

The impoverishment of the Haitian population is essentially a process of decapitalization, where in a downward spiral assets must be sold simply to ensure survival. In the traditional system, in ascending order, commercial capital (in the form of agricultural production), small livestock, large livestock, productive trees and land are the primary stores of capital, in order to reverse processes of impoverishment, recapitalization in some form must occur within this basic system. Women's economic activities provide a structural entrée into this household economic system.

Just as in most developing countries, in Haiti focusing on women's economic activities automatically results in benefits to the entire household in terms of nutrition, health, education and general well-being.

Poor urban communities evidence serious signs of a total breakdown of the social order, most apparent in the high rates of violence against women and abuse and neglect of children. In addition to large-scale job programs, targeting female-headed households, especially those with different fathers for their children, would provide a logical point of departure for restoring social cohesion in these places.

Development interventions should not presume appropriate social units for their activities: engagement with local populations should avoid existing patron-client relations in both the economic and political domain and should not assume that conventionally defined communities or neighborhoods are appropriate socio-spatial units. Successful interventions depend on genuine participation by partners and/or beneficiaries.

Women are marginalized in relation to their male counterparts but at the same time exercise a considerable degree of autonomy and independence in the management of a household's resources. A genuine and productive relationship with women and women's groups requires a majority presence of women; some advocacy groups place a limit of no more than 10% males present for their meetings and activities.

Addressing those economic activities which fall within the domain of women through the household per se or through men, either as heads of households or as members of local groups, automatically eliminates women from decision-making and control.

Recommendations and Issues for USAID's Strategic Objectives (in descending order of priority)

- 1. Violence Against Women.** The single most often-cited and emphasized gender issue among women's advocacy groups is violence against women. This is an issue that emerges from dialogue with base groups all the way to the upper classes. The worst violence against women is occurring in urban areas and appears to be related to gangs. Efforts to reduce this violence should be considered a priority issue, especially in the initial six months of the upcoming strategy period.
- 2. Legal Reform.** Primary consideration should be directed to addressing the archaic and discriminatory status of women with the current legal and judicial systems. Support for legal reform should proceed through the two existing mechanisms for doing so: (i) both the Senate's and the Chamber of Deputies' Permanent Commissions on Women, and (ii) providing assistance for the formation of a Women's Caucus within the newly elected Parliament.
- 3. Judicial Reform.** Among the many priorities that fall within this domain, attention should also be given to the discrepancies between already existing law and its practice in the case of women. Assistance for the prosecution of landmark cases, as well as support to legal assistance programs should be included. Serious efforts should be directed to the creation of a system of Family Courts.
- 4. Overall Governance.** At all levels of government, gender awareness and issues attendant to women's rights and status, should be integral to all programs of support, assistance and training.

- 5. Jobs and Livelihoods.** Extensive programs for job creation in urban areas together with improving the business environment should be supported and care taken that jobs which “fit” women’s economic activities be included. In rural areas, livelihood support and development should *primarily* focus on women’s economic activities both within the household economy and the domestic economy as the most as the most effective, and most inclusive, means for redressing the continuing impoverishment of the rural population. In addition, job creation programs which concern infrastructure should include markets and market rehabilitation as integral to infrastructure.
- 6. Women’s Groups.** USAID’s support and assistance should interface at local levels with women’s groups which have a predominance of women among their ranks. To the extent possible, already existing women’s groups should be engaged, from those at the most local level right up to those at the national level. Development and empowerment of women through women’s groups as a vehicle of implementation and education for all sectors, economic, health, education and legal should be the general rule, not the exception. Substantive technical and educational packages, including methodologies for the formation of new groups, already designed, tested and implemented by the various women’s advocacy groups should be incorporated into women-related activities; where relevant, contracts should be let directly to these special interests groups for the development of new technical and educational modules.
- 7. Inter Program Synergy.** To the extent possible, each strategic objective’s proposed activities should be piggybacked on other relevant activities within the Mission’s portfolio through mutual targeting of local women’s groups. Thus microfinance support to women’s health groups and vice versa, food assistance or legal assistance and health services, family planning and educational curriculum development, and so on.
- 8. Inter Donor Synergies.** USAID should identify other donors’ programs targeting women’s issues and seek means to collaborate in that support. Assistance and support to the Ministry on the Condition of Women and Women’s Rights would be a case in point, as would legislative support, judicial reform and national-level women’s advocacy groups.

Annex E3. Summary of Corruption Assessment

Context: Corruption is a multi-dimensional problem in the Haitian society; consequently, addressing this issue is of the highest importance for USAID. Haiti received a score of 1.8 out of 10 and a ranking of 155 among 159 countries in Transparency International's 2005 Corruption Perception Index (CPI) a position that underscores the fact that fighting corruption in Haiti is fundamental to achieving economic, social and institutional stability.

Haiti's endemic and entrenched corruption is contributed to by extremely weak institutional capacity. Both government and non-government institutions lack the ability to reduce opportunities and incentives for corruption through public sector reform and deregulation, support for oversight and watch-dog activities and education of citizens about their roles in preventing corruption. Moreover, oversight of the executive normally carried out by the other branches of government is absent. After a two-year hiatus, the Parliament was sworn in May 2006.² The judiciary is neither independent nor capable. Some progress to combat corruption has been made with the creation of an Anti-Corruption Unit (ULCC) in September 2004, within the Ministry of Finance, the empowerment of the Central Unit for Financial Intelligence (UCREF) within the Ministry of Justice in July 2004, the creation of the Administrative Investigation Commission (CEA) in November 2004, the activation of the National Public Procurement Commission (CNMP) in December 2005, and with the technical assistance currently provided to the Interim Government of Haiti (IGOH) in both the design and implementation of an Integrated Financial Management System (IFMS) within key ministries and other public entities. Nonetheless, addressing corruption is a long-term and continuous process that will take years to lead to the changes in behavior which are needed to make significant progress.

Strategic approach envisioned: The Mission views corruption in Haiti as a major barrier to development and reducing it is a top priority. Approaches will be focused on institutional strengthening in key oversight/control functions, increasing citizen participation and access to information and concentration on developing the capacity of civil society as a constituency for reform. These efforts, which are incremental and preventative in nature, will engender less resistance, and their success will not be dependent on the political will on the part of the GOH. Internally, the Mission will incorporate anti-corruption activities in all program sectors. This would serve not only to protect and maximize the impact of USAID's investment in each sector, but would also expand anti-corruption efforts in the various sectors in which we work. This approach of working across Strategic Objective (SO) teams could also be expanded to include other USG agencies working in Haiti.

Recommendations:

1. Reinforce activities that support anti-corruption reforms in the public sector including:

- Providing technical assistance and support to the Judicial Council (newly created oversight body of the judiciary) to investigate and prosecute members of the judiciary suspected of being corrupt.
- Providing technical assistance to the Anti-corruption Parliamentary Commissions to monitor government corruption and to adopt relevant anti-corruption legislation.
- Continuing the current support to the GOH for the development, in several public entities, of an Integrated Financial Management System that provides the basis for increased transparency and the establishment of internal control mechanisms in government finance.
- Providing support to the Anti-corruption Unit (ULCC), the Financial Intelligence Unit (UCREF), the General Accounting Office (Cour Supérieur des Comptes), and the National Public Procurement Commission through technical assistance aimed at improving their anti-corruption monitoring and prevention efforts.

2. Expand civil society capacity for oversight and monitoring of public financial transactions, as well as outreach and education. External oversight is crucial in order to ensure that information generated through the IFMS, for example, leads to greater transparency and accountability, two critical components to reduce corruption. USAID could support capacity-building activities for community service organizations involved in the World Bank's monitoring efforts, as well as to other organizations. Assistance should include budget analysis and internal management.

² Members of Haiti's 48th legislature took office in May 2006, following February and April parliamentary elections.

Annex E4. Summary of Governance Decentralization and Deconcentration Assessment

Overview: Following the 2006 elections, Haiti entered a critical transition phase following a period characterized by social, economic and political instability. After the announcement of M. Rene Préal as the winner of the elections, the country experienced a period of relative calm. In February 2006, five decrees related to decentralization were adopted by the Interim Government, but not published. They define the mission and operation of the three levels of government collectivities and contain the rules, modalities and principles to facilitate all of the activities of local authorities and its leadership. There is widespread recognition of the importance and legitimacy of those decrees and, if published, they will become the basis for local elections to put in place the full local governing system in the country.

Assessment findings: Despite the rhetoric, little has been done to implement decentralization. The municipalities lack the capacity, funding and authority to function adequately. The complete local government is nonexistent and the selection and nomination of important elements of democratic institutions, such as municipal assemblies, departmental and interdepartmental bodies, local judiciary and permanent electoral bodies that depend on local elections are in the hands of the central government. True progress hinges largely on the revision and publication of the decrees, which in turn depends on the political will of the President.

Lessons Learned: USAID has supported a number of programs aimed at decentralizing fiscal and administrative authority and improving local delivery of public services. Lessons from the past clearly demonstrate that any program to support decentralization in Haiti is fraught with risks that are beyond the ability of the USAID mission to control. Both of the previous local government capacity building projects failed because of unanticipated political crises and unrealistic assumptions of the Haitian government's commitment to decentralization. One important lesson learned is that, unless the necessary laws are adopted, no decentralization and strengthening of local authorities will occur. The Mission should use as a point of departure for any new intervention that stringent conditions precedent be established requiring the approval of the legal framework.

New Opportunities: President Préal is committed to implementing an effective system of deconcentrated and decentralized government. Given this political will to decentralize, the team recommends that USAID immediately provide the government and the National Assembly with technical assistance to draft the necessary laws and carry out the required administrative reforms to establish an effective system of deconcentrated national ministries and truly autonomous local governments.

Because the Mission has already been assisting the Ministry of Health in its deconcentration efforts and due to the expressed interest of President Préal to deconcentrate central government functions at the departmental level, it would be a significant contribution from USAID if the experience gained through the health sector deconcentration process be explained to the transition team. A deconcentration process can be implemented without new legislation, but it needs to be accompanied by training and technical assistance. Well-focused training and technical assistance is needed to enable departmental delegates to fulfill their roles as inter-agency coordinators and the spearheads of local development.

Given the expressed interest of the new government and its political will to decentralize and if all legal requirements are met, the team recommends that a new local government program be implemented. The program should focus on training and material support to enable offices to function at three levels: the department, the commune and the communal section. The program should be active where the watershed protection program will work. In these departments the program must also work with the municipal and communal sections located in the catchment area. In addition, we recommend that the program be implemented in all municipalities where there are now urban hotspots (Port-au-Prince, Les Cayes, St. Marc, Gonaives and Cap Haitien). It will be essential that the new program collaborate and coordinate its activities with other Mission programs, in particular the new community-based economic development program, the new watershed management program and the health services deconcentration program to support deconcentration of activities. In the case of the community-based economic development program, which will be closely linked to the local government program, we recommend that the Mission adopt the model used by OTI in its rapid response community development project.

It is prudent that the Mission have a contingency plan on how to deal with local governments in the event that the proposed reforms and elections do not take place. Given that the over-arching objective of USAID/Haiti's new strategy is stability, there is justification for initiating a focused local government program in the absence of reforms and elections. This program should be initiated whether or not decentralization occurs. Mayors with

capacity, good intentions, and committed to democratic principles and practices and the development of their communities are what are needed, whether they are elected or not. In this case, the project should be limited to municipalities containing hotspots or located in targeted watersheds, and its focus should be to ensure that the local governments are capable of supporting efforts to reduce social tensions and promote democratic practices.

Annex E5. Summary of Recent Food Security Analyses

While a few decades ago Haiti was considered relatively food secure, Haiti's food security situation has become fragile. Lack of food availability, lack of access to food, and food utilization issues have become chronic, structural problems. Haiti is a Low-Income Chronic Food Deficit Country, able to produce less than half of its food needs (39.67% in 2004). Commercial imports, and food aid (at a relatively small percentage between 5 and 7%) have typically, though not always, filled the gap. However, this relatively positive food availability situation is not indicative of the food security of the average Haitian. In fact, the Office of Food for Peace has made Haiti a priority country, one of only 15 countries world-wide eligible for new multi-year programming.

Despite an accelerating population shift to cities, participation in agriculture remains the main source of income and/or food for an estimated 70 percent of the population. The division of family property over time means many individual plots are barely large enough to feed the owner's family in a good year. Crops must be sold to obtain inputs for the next planting, so families cope by eating less of an already inadequate harvest and obtaining fewer and poor quality inputs. Farmers suffer from the absence of a national system of paved roads to connect fields to distribution points, as well as a lack of available credit in order to improve their situation through cash cropping. Thus, nutritional status and income fall from production declines, trapping many in a cycle of poverty. Official statistics indicate that 67% of Haitians earn less than \$1 per day, although anecdotal information indicates that average annual income is around \$200 per year. This cycle of decline is worsened by droughts, tropical storms, and environmental degradation. Surveys have indicated that the potential for erosion on Haiti's hillsides make more than half the territory unsuitable for any agricultural activity beyond trees and pasture. Soil erosion is now widespread, and the threat of flash floods is constant. Estimates of land currently under cultivation range from 10 to 32 percent, and the amount of land being productively farmed is falling rapidly.

The cycle of food insecurity in Haiti is reflected in the fact that for instance, the mortality rate for children under five is 117 out of every thousand, the highest rate in the region, mostly from malnutrition, diarrhea, and respiratory infection. Seventeen percent of children under five are underweight, with stunting occurring at alarmingly high rates (22.7%). Some degree of malnutrition affects nearly half the population. A strong contributing factor is the lack of potable water and water and sanitation facilities, with only 34% of Haitians with access to sanitation, and 71% with access to potable water. Approximately 40% of the population has no real access to primary health care. This means that even if food is available, and can be accessed, the full nutritional value cannot be utilized due to illness.

The P.L. 480 Title II program in Haiti has been strategically integrated and highly complementary to the Mission's development program for the past 15 years. Since 1991, the Mission has supported numerous analyses, vulnerability assessments, massive baseline surveys, and other studies to improve program targeting and effectiveness. Most recently, FEWS NET program in collaboration with the Haitian Disaster Mitigation Authority (CNSA), USAID, and the P.L. 480 Title II Cooperating Sponsors undertook an analysis of Livelihoods Profiles in Haiti (September 2005). This analysis developed 10 "food economy zones" in Haiti and mapped these zones throughout Haiti. It also developed livelihoods profiles for each of the 10 zones, and provides food security vulnerability and risk analysis by income cohort. The profiles are being used by USAID and the P.L. 480 Title II Cooperating Sponsors to 1) improve food aid targeting to the most food insecure households; and 2) improve food security monitoring and famine early warning systems.

The Mission is financing a comprehensive Title II evaluation that will be available in September 2006 to further inform development of the new Multi-Year Action Plans (MYAPs) that will guide the PL 480 program through the strategy period. With complimentary Mission funding, P.L. 480 Title II Cooperating Sponsors are implementing and have the potential to implement projects that deal with livelihoods, infrastructure such as roads and water-sanitation, natural resource management, health and education, with an increased focus on at-risk groups and locations.

Annex E6. Summary of Tropical Forestry and Biodiversity Assessment (FAA Sections 118/119)

Haiti is continually held up as an example of ecological, social, and economic devastation. With recent flooding disasters and political unrest, a newly elected government has a daunting task ahead of it, especially in the area of biodiversity conservation. The major cause of deforestation and biodiversity loss is land pressure due to population growth and degradation of soils, causing the poor to clear and farm increasingly unsuitable land. Major tree cover was lost when mangos and then coffee (environmentally important tree crops) became unprofitable and thus were cut down in favor of marginally profitable annual crops. These factors have since been mitigated and some small increases in tree cover have been seen in recent years due to specialty markets for these tree crops.

USAID's new strategy does not pose direct threats to Haiti's forests or biodiversity. The strategy focuses on stability and addressing root causes of instability, and should positively impact the status of forests and biodiversity. This is especially true in the economic and livelihoods domain as one of the primary reasons for forest and biodiversity loss is the encroachment of poor peasants into high-biodiversity areas in order to eke out just enough for survival.

Recommendations

USAID must be vigilant not to indirectly put additional biodiversity-rich areas under threat by developing the economic base around these last islands of nature. One habitat particularly vulnerable to increased development is the mangrove and coastal wetland ecosystem. Careful attention must be paid to the possible effects of increased agricultural production (from sediment and chemicals) and exploitation for building materials and fuel. Many of Haiti's watersheds drain into these rich habitats and development in lowlands, urban hotspots, and hillsides can have unintended impacts. Particular care should be taken in the proposed JOBS programs in Port-au-Prince, Cap Haitian, and Gonaives due to the presence of mangroves.

USAID Haiti is designing its new three-year strategy (2007-2009) based on the New Strategic Framework for Foreign Assistance, and is mainly concerned with rebuilding the country after an extended period of instability. The proposed enhancement of government capacity especially in the Ministries of Agriculture and Environment will directly address forestry and biodiversity concerns. However, the biggest threat to forests and biodiversity is the combination of poverty, institutional weakness, and the lack of government direction for the management of natural resources. The new strategy does address these threats and therefore meets the most critical needs for biodiversity conservation.

USAID should attempt to link its programs with biodiversity, forest, and general environmental conservation. An example of this is the mangrove conservation requirement recently introduced into the urban-based JOBS program. Additionally, USAID should remain open to targets of opportunity for the promotion of biodiversity and consider funding targeted activities especially where no other donor or entity is active. Two areas that present possible current opportunities are the Forêt des Pins and selected marine and coastal resources.

As most international aid focuses on stabilization, donor, NGO, and government coordination of conservation and natural resource management programs is essential for Haiti if the scarce funds in this area are to have an impact. Thus, support to the proposed National Environmental and Vulnerability Observatory is recommended. This program is chaired by UNDP and will consolidate environmental program data and GIS, taking on the role that USAID-sponsored Watershed Information Service (STAB) program did in the past. USAID can make contributions towards the support of the new National Agency for Protected Areas in coordination with other donors as well as help determine a support strategy for the Forêt des Pins which is not currently in any donor's development plans.

Annex E7. Environmental Threats and Opportunities Assessment (Preliminary Findings)

Congressional Mandate. In 2004 destructive storms inflicted severe flood damage in Haiti. In the wake of these natural disasters, the U.S. Congress enacted legislation requiring USAID to submit a report “setting forth a plan for the reforestation of areas in Haiti that are vulnerable to erosion which pose significant danger to human health and safety.”³ The present review builds on the first stage of the assessment conducted in March 2005. Accordingly, a second independent team carried out a wide-ranging assessment of the Haitian environment, including extensive consultation with the Government of Haiti, other donors, non-governmental organizations, grassroots associations, and private citizens.

Recommendations. At the macro level, the most significant possible action to alleviate Haiti’s environmental crisis would be to create viable lowland alternatives to farming the slopes (including off-farm and agro-industrial employment, assembly industry, and others). At the micro level of hillside cultivation, the most significant possible action would be to shift out of annual food crops in favor of tree crops and other perennials. Soil conservation and protection of the environment are *not* the primary objectives of mountain peasants who do invest in natural resource management (NRM) on Haiti’s slopes; however, farmers adopt such practices when they generate concrete economic benefits. *Therefore, the basic challenge for NRM extension is economic viability – not awareness training, or reforestation for disaster mitigation.*

The highest-order priority for a prospective national-level strategy is to identify Haiti’s most vulnerable landscapes (Watersheds). A closely related exercise is the identification of the most effective NRM, agricultural, and social options for reducing these threats to vulnerable landscapes in ways that take into account the sustainable livelihood interests of the people who live there. Projects and farmers have succeeded in establishing and maintaining trees and conservation works on scattered plots; however, it has proved difficult to treat all contiguous plots within a watershed due primarily to the fragmented character of peasant landholdings.

Base the selection of target watersheds on the following criteria (in order of importance): 1^a) vulnerability of substantial population to flood or landslide disaster; 1^b) presence of productive infrastructure (functioning or able to be rehabilitated) that would be protected or enhanced: Irrigation, roads, etc; 2) low potential for duplication or interference with other donor or project activities; 3) presence of productive land that could be improved and protected as well as market chains (existing and possible); 4) presence of current or possible opportunities for off-farm employment; 5) level of “project mentality” problem we will face; 6) population (and density near river); 7) presence of environmentally important features (forest, mangroves, etc); 8) potential for tourism.

Additionally, take into account the size of the watershed and affected population when deciding where to intervene. The final results of the analysis may point to Haiti’s most populated urban areas as the most vulnerable landscapes; however, at current levels of funding it would be irresponsible to intervene in these areas.

Urban Interventions. There is no macro-level urban planning and development presently underway despite the high risk of natural disaster in urban flood plains. In general, the degree of poverty is higher in rural areas, but the risk of large-scale disaster is higher in urban areas due to the dense concentration of economically marginalized people living in flood plains. This is a high priority sector for more systematic donor assistance. This would also argue for linking upland and lowland watershed and disaster prevention plans.

Discontinuity and Decline of Donor Financing. Donor investments increased significantly in the wake of environmental disasters and the fall of Aristide in 2004; however, donor investments over time have been notably discontinuous due largely to Haiti’s turbulent political environment. Another critical limiting factor in donor impact is a common institutional practice of intermittent financing defined by short-term

³ Bill Sec. 549(e). Destructive storms included Tropical Storm Jeanne in the Trois Rivières and Gonaïves watersheds (September 2004), and the torrential spring rains that damaged critical watersheds of the Massif de la Selle, including Mapou and Fonds Verrette (May 2004).

project cycles rather than a long-term financial and policy commitment to fundamental change. Structural transformations and landscape-level shifts require strong economic incentives and a decade or more, perhaps an entire generation, rather than two- to five-year project cycles.

Micro- versus Macro-level (landscape) Impact. The project orientation of many donor programs results in scattered interventions with limited impact, e.g., an environmental program resulting in widely dispersed micro-projects with no geographic or sector focus. A particular project may well have a genuine, sustainable micro-level impact, but this does not add up to structural change. When the right combination of factors comes together, farmers have invested heavily from their own scarce resources in conservation works and perennials, enabling production of high-value crops resulting in environmental changes at the landscape level.

Good News. There is an availability of a wide range of productive soil and water conservation measures and accompanying expertise. If planning is conducted *based on thorough value-chain analysis* and identification of linkages to natural and social capital building, these well tested measures can be effective. Quantify these linkages as feasible, and identify strengths, weaknesses, and points of entrée in the value chain.

Additional Opportunities. Local markets. The most impressive, self-sustaining NRM investments by small farmers have been motivated by cash crops sold on the internal market (hillside terraces for vegetables, gully plugs for plantains, terracing with sugar cane and pineapples, etc.). There should be further exploration of crop varieties with early and late harvest cycles or slack-season harvests that maximize the market price advantage, building on HAPs work with off-season harvest of yams. Special attention should be paid to the Dominican markets for Haitian commodities including wood products, coffee, and fruit, while also maintaining the major agricultural exports (mango, coco, and coffee).

Drier watersheds lend themselves to renewable energy production including charcoal and other bio-fuels. They also lend themselves to special efforts to promote sylvo-pastoral systems and slack-season production including fruit trees resistant to drought, e.g., mangos and avocados.

In areas with proven potential for fruit crops such as mangos or avocados, special efforts should be devoted to promoting orchards, or orchard-scale planting, rather than scattered trees, including densely spaced fruit trees on adjoining parcels.

Local NRM Planning and Governance. Improved resource management should include the promotion of local NRM governance around specific resources, e.g., mangroves and their role in the protection of local fisheries and local production of sea salt from evaporation ponds. In order to have an impact, efforts to promote NRM governance should target *local-level stakeholders* and a range of local organizational efforts including civil protection committees to assist the effort of government decentralization.

Annex F. How Short-term Results Lead to Longer-term Objectives

The Mission's vision for the new strategy is clear – it is stability. All short-term results will lead to and help provide a stable environment for Haiti. Stability is not just a security issue; it is derived from improved economic conditions, access to quality basic services, and a just rule of law system with democratic governance. In the sense that short-term results will provide stability in three broad SO areas, they will often do so at very basic levels, such as creating short-term jobs to improve the incomes of poor households, opening basic health clinics at the regional level in un-served areas with GOH leadership to provide quality primary health care services, and rehabilitating the central Ministry of Justice building to provide an appropriate venue for judicial branch functioning. As short-term results lead to improved stability, the road map for success in the new 2007-2009 strategy will turn to the effectiveness and legitimacy of the Government of Haiti in the security, economic, political and social sectors – i.e., the USAID Fragile States Framework.

Trust in effective and legitimate government will be a re-visited success for most Haitians; it will come only with time and repeated short-term results. The Mission believes this will be the effect of collaborating with GOH and local Haitian counterparts in all proposed USAID activities in the new strategy. As stability improves, and the government is perceived by Haitians to be more effective and legitimate, the USAID strategy will then turn in the 3rd year (2009) to longer-term sustainable results. The SO goals are carefully worded to project this road map, from stability through effectiveness and legitimacy of local actors (particularly the GOH) to longer-term results.

Concrete examples of the road map from short-term results to longer-term objectives include:

SO 1. More Employment and Sustainable Livelihoods

- USAID's micro finance program will develop and test new products for the ultra poor and other high risk borrowers normally not eligible for lending programs. Access to loans under these conditions could move eligible entrepreneurial workers from short-term wages to self-employment on a small scale.
- The injection of capital into impoverished communities will create opportunities for non-formal job creation that can move someone from direct dependence upon a donor-funded employment program toward self-employment in the informal sector. For example, renovation or rehabilitation of productive infrastructure through labor intensive short term employment programs (expanding the number of stalls in a community market, clearing an irrigation canal, repairing a small bridge on a tertiary road) could create opportunities for increased employment as vendors or as agricultural laborers. It would not be a guaranteed transfer, but the accrued skills are marketable in Haiti. The results of their labor will be improved infrastructure, which can complete marketing chains for many farmers and improve it for others; improved infrastructure will also increase longer-term access to basic services.
- The education and job training program for out-of-school youth will increase access to education and provide much-needed skilled labor in targeted communities. Based on our pilot project informing the new strategy, the business community is very interested in employing these youth, an indication that skilled labor is lacking in Haiti, an obstacle to economic growth. The pilot program has also demonstrated that some of these youth are interested in continuing their formal education; increasing this access will assist Haiti in meeting targets for participation in the Education for All Fast Track Initiative, a high-profile international effort.

SO 2. Increased Access to Quality Social Services

- Building relationships and credibility with the community, NGOs and Ministry of Health (MOH) officials, USAID's assistance is expanding access to quality primary health services; concurrently, USAID will continue to strengthen MOH leadership and increase community involvement with NGO partners to improve the sustaining capacity for critical services to continue over time.
- USAID has worked successfully with the MOH on their plan to deconcentrate basic MOH governance structures to the Departmental level, such as regulating primary health care providers and ensuring quality control. This devolution of authority provides the basis for the government to ensure attention to a minimum package of health care services in all regions of Haiti for the future.
- Part of both basic services and livelihoods is potable water and sanitation. This sort of intervention may be fairly rapidly achieved, and has a cascade positive effect. In schools, studies prove that

attendance improves, as well as completion rates for girls, where sanitation is adequate. In health and food security, clean water improves nutritional status, and ensures that children are ill from water borne diseases less often. This allows wage earners and care givers to be more economically active, and improves household livelihood status. This is also part of the enabling environment—water is a major factor in industrial production, where water infrastructure exists, tourists are more likely to visit, etc.

- Improving the quality of primary schooling will increase student flow through the education system as promotion rates increase in targeted schools, thereby freeing up places for more students to enter school. This will also increase primary school completion rates, allowing Haiti to improve its performance against the education-related Millennium Development Goals.

SO 3. Improved Rule of Law and Responsive Governance

- Support for elections in late 2005 and all of 2006 resulted in Haiti's first democratically-elected President selecting a multi-party Cabinet. A functioning government at all levels can begin to secure peace and order and provide longer-term services. Local and municipal elections are still scheduled for later this year.
- As part of a long-term program of assistance to the newly-elected Parliament, a short-term result that will help establish more effective and legitimate representatives is an orientation program for the Senators and Deputies to better understand their role as public servants and communicate that to their constituencies back home.