

An Historic Opportunity: Haiti

**"The task at hand
is to fundamentally transform
the Haitian State"**

—Jean-Bertrand Aristide

Ambassador of the United States of America

May 30, 1995

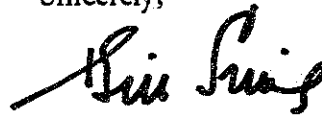
Dear Brian,

The last eight months have been a period of watershed change in Haiti. Since President Aristide's return last October, Parliament has re-opened, the Haitian army has been demobilized, training of a permanent police force has begun, Haiti's arrears to the international financial institutions have been paid and nearly 50,000 short-term jobs per month have been created. Perhaps even more importantly, hope has been restored to a people long exploited by oppressive, authoritarian rulers. Where despair formerly prevailed, there now exists the belief that democracy's return will lead to economic growth and greater opportunities for all Haitians.

Despite these substantial achievements, however, the challenges facing the Haitian people, the international community and ourselves remain daunting. The poorest country in the Western Hemisphere must over the next year hold free and fair parliamentary and presidential elections, set up a competent, credible security force, establish the rule of law, revitalize the private sector and broaden participation in the formal economy. These tasks must be achieved during a period of increasingly limited international resources and before Haiti's economy has had the opportunity to recover from the devastation of the last ten years.

I would appreciate your help, and that of your staff, in making sure that the necessary resources to meet our objectives in Haiti are made available during the next fiscal year. If we do not remain engaged—especially in the key areas of security, justice, private sector development and budget support—we risk jeopardizing the progress which has already been achieved. I thank you for your past support and look forward to working with you in building a democratic, stable, prosperous Haiti. *Kind regards.*

Sincerely,



William Lacy Swing

Director, U.S. Agency for International Development

May 30, 1995

Dear Mark,

In both content and design, I wanted this Action Plan to reflect the unique opportunity the United States has to promote fundamental change in Haiti, change that relates to a redefining of roles for smaller, circumscribed government; for the individual in an emerging civil society; and, for communities working for the common good. The Haitian public generally sees the United States as a credible partner which has the resources, interest and shared vision to help bring this about. We must take advantage of the unique opportunity to break the cycle of poverty and hopelessness which have engulfed Haiti since its independence nearly two hundred years ago. No less important, we must protect the enormous financial investments made over the past three and one-half years as well as the political capital associated with this effort. So far, so good.

Through embargoes and sanctions, a military incursion and the resumption of democratic practices, USAID has responded with a program that has not only supported, but also helped develop, U.S. policy objectives. Of considerable interest to the Agency and the Administration as a whole is the fact that USAID has made a significant contribution to establishing a new peace-keeping formula that appears to be transferrable to other failed countries. All MNF/UNMIH countries, as well as the Government of Haiti, are fully vested in it and have become successful extension agents for it. Moreover, independent analysts can identify, on a comparative basis, aspects of the Haiti experience which could be applied in a multinational context to other conflicted areas.

Building on this, the Action Plan outlines a realistic approach for further advancing Haiti's fragile democracy, to include its public and private institutions, while consolidating and realigning successful activities in accord with Agency re-invention goals. This will have to be accomplished in the context of a withdrawal of UNMIH forces scheduled for March 1996 and diminishing levels of international support for transition initiatives. Here again, energetic leadership and a continued substantial level of financial assistance are absolutely necessary if the recovery phase is to be successful and lead to the process of sustainable development. Therein lies the critical challenge.

Sincerely,



Lawrence Crandall

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Strategy Overview

An Historic Opportunity

There are moments in history when circumstances and events converge to create a confluence of momentum with far-reaching implications. This is Haiti's historic moment.

The United States can help the Haitian people to seize this unique opportunity to break out of the vicious cycle of oppression and poverty that has prevailed for nearly two centuries—to take charge of their destiny and restore human dignity.

The United States economic assistance program fully supports the call by President Aristide to... "fundamentally transform the nature of the Haitian State." Such a fundamental change affects the very fabric of Haitian society, requiring the creation of an active civil society based on the rule of law, the establishment of a fair and equitable justice system, and the formation of a redefined and circumscribed government structure.

A Successful Transition

The first step toward such a transformation was taken with the success of Operation Uphold Democracy, a US-led effort which resulted in the peaceful deployment of the Multinational Force (MNF) in Haiti on September 19, 1994, the removal of the Haitian military command on October 12, and President Aristide's return to Haiti on October 15, 1994. The completion of this task was marked by the transition from the MNF to the U.N. Mission in Haiti (UNMIH) forces on March 31, 1995.

This step was followed, again with US leadership, by a unique, integrated, multi-donor, multi-faceted and innovative transition package of initiatives which has been highly successful in giving democracy an opportunity to take root and in opening new avenues of hope for the Haitian people. This package provides a model which could be applied elsewhere as the peo-

ples of the world increasingly begin the arduous transition to democratic governance so necessary for a long-term process of sustainable development.

USAID has been instrumental in the success of these transition initiatives. It maintained a working relationship with the constitutional Government of

A Successful Transition Package

- The integrated set of transition initiatives included support for:
- restoration of electrical power
- provision of commercial fuel
- reopening of parliament
- demobilization of the Haitian armed forces
- creation and preliminary training of a civilian police force
- re-establishment of the Ministry of Justice
- creation of a provisional electoral council
- promulgation of an electoral law
- empowerment of local government through widespread implementation of small projects
- provision of 50,000 temporary jobs per month
- implementation of a \$15 million food for development program to support food security
- payment of arrears
- initiation of privatization efforts
- large relief effort in response to tropical storm "Gordon"

Haiti, both in exile and in-country, provided it with communications equipment, administrative support and other security measures. The PVO/NGO community was supported with access to fuel and humanitarian shipments; and, the U.S. military contingent was supported with logistical assistance.

This support paid huge dividends. Throughout the entire period of political turmoil, USAID's humanitarian and other relief activities, which provided a safety net that mitigated the impact of severe declines in all sectors, continued. USAID's health activities contributed to a dramatic decrease in the infant mor-

tality and total fertility rates; the emergency feeding program provided a daily meal to 1.2 million people; the education sector is now poised to ensure increased access to education; small entrepreneurs continued to function due to small loans and marketing assistance; and a record number of farmers adopted environmentally sustainable agricultural practices.

The existence and success of these programs provided the base from which the transitional rebuilding process was able to proceed rapidly.

The Immediate Challenges

While the transitional package has so far been extremely successful in ensuring a peaceful transition to constitutional order and the beginning of a resumption of economic activity in record time, over the next two years, Haiti must pass several critical tests. These include:

- the holding of fair legislative and local elections followed by a presidential election;
- acceptance of results of both elections and a peaceful transfer of power to the newly elected leaders at all levels;
- an effective parliament capable of debating and enacting crucial legislation in support of urgent reform requirements in macroeconomic, fiscal, health, population, education and environmental policy;
- the successful deployment of the newly trained police force;
- a visibly functioning justice system, reorganized to assume control of police and prisons;
- the ratification and implementation of enabling legislation for local government, including provisions for revenue generation;
- the involvement of an organized civil society and democratic debate at all levels;

- a redefinition of the role and a beginning of restructuring government away from direct implementation towards a normative and supervisory mode of operation, which includes privatization of public assets and civil service reform;
- a resumption of investment and permanent job creation in the formal and informal private sectors; and,
- the ability to maintain a humanitarian safety net until general economic conditions improve.

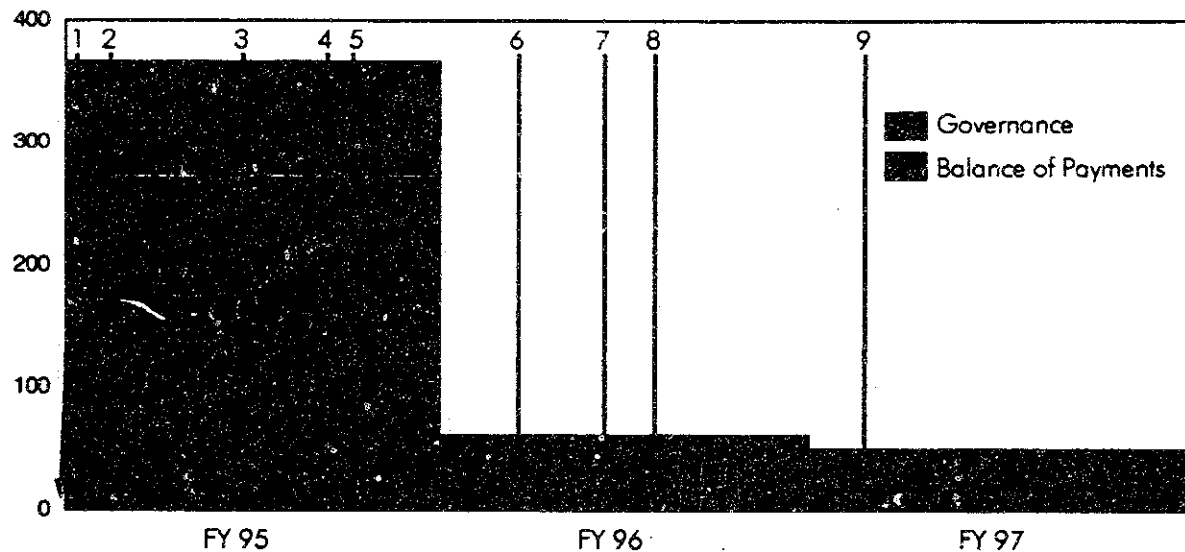
These challenges will have to be met in the context of: a scheduled March 1996 withdrawal of the UN-MIH forces, which are ensuring the security of the country; rapidly decreasing levels of international support for transition measures; a slower than anticipated recovery of the Haitian economy; and, other external factors.

In effect, Haiti will go through a second and, in some ways, more difficult transition in the next year, just at the time that both economic and security assistance are scheduled to drastically decline or terminate. At issue is whether the successor government to President Aristide will be able to consolidate its administration, or even stay in office, without a similar (though reduced) level of effort to the one provided to Haiti to date.

Thus, the major tests of the transition process still lie ahead. U.S. leadership and a substantial level of U.S. financial support are essential. The large investments made in Operation Uphold Democracy, estimated at \$1.2 billion, and the initial rebuilding phase, \$235 million, must be allowed to bear fruit. The year 1996 is not the time for weakened resolve. It is essential that the level of resources for the types of intervention where the U.S. has a comparative advantage remain sufficient to prevent a relapse to political, economic and social chaos.

Balance of Payments and Governance

(Disbursements in Millions of Dollars)



Critical Events

- 1 Arrival of Multinational Force (9/18/94)
- 2 Return of President Aristide (10/15/94)
- 3 Transition to UNMIH (3/31/95)
- 4 G-7 Paris meeting (5/25 to 5/27/95)

- 5 Legislative & local elections (6/25/95)
- 6 Presidential elections (11/26/95)
- 7 Installation of new President (2/7/96)
- 8 Scheduled departure of UNMIH forces (3/31/96)
- 9 Legislative elections during 1997

Source: Donor Commitment - Disbursement Estimates, World Bank, May 11, 1995

A Two-Pronged Strategy

While the challenges that face Haiti are enormous, many of the conditions required for the success of an innovative and dynamic strategy to address them are present:

- the Government of Haiti has shown resolve in undertaking policy reform efforts required to strengthen democratic institutions, restructure the economy, decentralize government services and safeguard the environment;
- the Haitian people are beginning to experiment

with new democratic institutions as elections draw near;

- the United States has established a reservoir of goodwill and credibility and is looked upon to provide the leadership necessary to help manage this transition; and,
- the international donor community has pledged substantial short-term assistance.

An innovative, intermediate action plan is required to consolidate gains over the crucial period of elections, the establishment and first year of a new administration and provide the basis for a longer-term sustainable development process.

To better seize the challenges and opportunities presented by the current situation, the Mission has recently reviewed its program's progress and reformulated its goal and strategic objectives:

- To help Haiti realize its historic opportunity for a transition to democratic governance, economic growth, food security and social well-being, USAID will:
- Foster More Effective and Responsive Democratic Institutions and Empowered Communities
- Facilitate increased private sector employment and income
- Promote Healthier, Smaller and Better Educated Families
- Promote Environmentally Sound Resource Management

This represents a refinement of the current strategy. The fourth strategic objective has been adopted separately to reflect the critical importance to economic growth and sustained development of dealing with the serious environmental crisis. (These objectives and the indicators chosen to measure progress are described in detail in the Performance Review section.)

USAID's strategy for the next 18-24 months, extending into the first year of the newly elected government, is two-pronged:

1 - Bolster Haiti's fragile democracy and resumption of economic activity during a critical period marked by major changes in the political and security environment. These initiatives will also lay a solid foundation for a transformation away from dependence and volatility toward political stability and sustainable economic growth.

This component includes high-impact, visible initiatives which will:

- advance democratic processes and institutions by assisting the Government of Haiti to redefine and

circumscribe the public sector's role, strengthen the justice sector and promote the rule of law, devolve responsibilities and resources to local governments, and expand the participation and strengthen the capacities of Haitian citizens, including the training and reintegration of the demobilized members of the Haitian army; and,

- promote economic recovery, through support for the privatization of public enterprises, policy reform to encourage investment and employment growth, and initiatives to open up credit facilities and business opportunities to marginalized socio-economic groups;

2 - Consolidate and realign successful activities which:

- reorient humanitarian relief activities toward developmental interventions in health, nutrition, food security and education; through policy reform and the design and implementation of comprehensive, participatory sectoral action plans to be sustained by a new public/private sector partnership; and,
- stem environmental degradation and enhance agricultural yields and incomes through the development of a national environmental action plan and the adoption of expanded sustainable agricultural practices.

In order to better focus U.S. interventions within this framework, in the short term, several activities will be ended and others expanded. New initiatives will be consolidated and restricted to those which answer unmet needs and/or offer the greatest promise for impact and sustainability in the mid-term.

The short-term Job Creation Initiative will be incorporated into a World Bank activity scheduled to commence in August. Assistance for drug rehabilitation will be discontinued. Support for elections will be concluded after 1995; and support for new agricultural initiatives will be excluded. Balance of pay-

ments support will be continued and expanded to partially address the IMF-projected shortfalls in FY 1996 and FY 1997. Policy and public administrative reform initiatives will be expanded, and the P.L. 480 Title III program will move to an emphasis on policy reform, enhancement of agricultural production and the financing of developmental projects to improve food security.

The program will implement a decentralized approach to preventive and primary health care. It will replace the traditional feeding program with a developmentally-oriented program, fully integrated with health and productive infrastructure interventions and better targeted to achieve maximum impact. It will also broaden primary school support and access, and provide a flexible vehicle to respond to development training and technical assistance needs through the participation of the Haitian diaspora and other qualified individuals and institutions.

To ensure the achievement of results, strategy implementation calls for continued participation by many partners in the formulation of strategy and the design and implementation of activities.

A Focus on Participation

USAID, because it was unable to work directly through various governments for the past seven years, has developed a strong working relationship with Haiti's large NGO community. The entire program has been delivered through these NGOs who regularly participate in joint strategy development and program implementation working groups.

Due to the intense level of activity and redesign called for by the restoration of democracy, the past year has witnessed not only a dramatic increase in the participation of traditional NGO partners in the design and implementation of new initiatives, but a much expanded circle of new partners, starting with a new and dynamic relationship with the Haitian

Government and other entities of the U.S. Government, but also including a reinvigorated private sector and organizations from the newly enfranchised popular sector, who had not previously interacted closely with USAID.

This high level of consultation and participation of old and new partners was evident in democracy, where new relationships with organized civic action groups and participants in the political process and justice system are being forged; in the formulation of the economic growth strategic objective in collaboration with associations of business people and mixed public/private commissions; in the design of the new food security and health projects with close collaboration of NGO partners, the Government of Haiti and beneficiary focus groups; in the public/private policy dialogue in the educational sector; and in the large number of farmer and micro-business groups whose systematic and constant input helps shape and refocus projects.

In implementing its current strategy, increased collaboration with past partners and new counterparts will continue to be the hallmark of programming and every opportunity will be taken to expand it further by taking advantage of the high level of enthusiasm for and commitment to change now present in the country. Collaborative relationships with other U.S. Government entities such as the DOJ in the justice sector will also be evident and Peace Corps involvement in agro-forestry and health services will be initiated.

As it reinforces its new working relationship with the Government and emerging new entities in Haiti, and as it seeks to increase the participation of the Haitian people, particularly the disadvantaged and women, in the decision-making and developmental process, we will have to develop new sensitivities and take an increasingly critical look at methods of operation as they impact on the level and nature of participation by partners.

Initiatives with Other Donors

Just as the historic processes taking place in Haiti have enhanced the participation of our partners in defining and implementing its activities, exceptional cooperation among donors was also responsible for the achievement of U.S.-led initiatives to develop and implement a post-resolution strategy and program which permitted the immediate delivery of assistance after President Aristide returned to power.

The framework of the Consultative Group, first convened in August, 1994 in Paris to articulate the soon-to-be-restored government's program and support requirements, and which has repeatedly met in various fora, has provided a valuable setting for the coordination of international donor action and the leveraging of USAID resources. Examples include:

- United effort to tighten and enforce the embargo;
- Establishment and deployment of the Multinational Force;
- Transition to UNMIH;
- Concerted effort by the GOH and 14 donors resulting in payment of Haiti's arrears to the IMF, IDB and World Bank;
- Contributions to an Elections Trust Fund administered by the UN Electoral Advisory Unit;
- Participation in the Emergency Economic Recovery Program (EERP);
- Participation in the Multilateral Private Enterprise Program (MPEP);
- World Bank decision to add \$50 million to the USAID model job creation/infrastructure development project to maintain or increase the current level of 50,000 disadvantaged people employed daily for a period of 14 months beyond the expiration of the USAID project; and,
- World Bank, the IDB and the Canadian Government are responding to the USAID commitment

of \$750,000 by adding resources to support development of the National Environmental Action Plan.

Managing for Results

Prior to the restoration of democracy to Haiti, USAID anticipated the urgent need to not only design and fund a complete package of post-resolution activities and leverage other donor resources, but also to redefine relief activities to transition from providing a safety net to developmental ends and to gear up internally, in order to be ready to effectively function in an enormously fluid and fast-paced environment.

- Adopting a proactive approach allowed the Mission to manage the crisis effectively and enhanced its credibility and range of influence through: continued support for humanitarian fuel shipments, establishment of mechanisms for the initiation of humanitarian relief flights, provision of satellite and other communications equipment to the former Prime Minister and other senior officials, and office space and safe-havens to allow the constitutional government to operate in spite of harassment by the de facto authorities.
- Adopting a new management culture emphasized innovation, risk-taking, permission to fail, and team work focussed on problem prevention rather than problem-solving.
- Consolidating projects began to reduce the portfolio from over 20 to six or seven projects more appropriately aligned with the strategic objectives.
- Consolidating operating units from nine to seven, merging Food for Peace with the Health Office to create the new Office of Health, Population and Nutrition to reflected the shift to integration; and merging Program and Project Development into the Office of Policy Coordination and Program Support streamlined and integrated these vital

functions, and highlighted the increased importance of donor coordination.

- Establishing new procedures has improved spans of control, minimized duplication and unproductive oversight, enhanced informal communication and promoted career development while maintaining program accountability.
- Establishing two additional units for the collection, processing, analysis and dissemination of information responded to the need for better qualitative and quantitative analysis of the evolution of the overall situation in Haiti and program performance.

These changes have had a positive effect on program management and operations. Despite the imposition of a devastating embargo; the adversarial relationship with the de facto authorities; a military intervention; and, an institutionally weak GOH. From March 1994 through March 1995 program obligations increased 37 percent, expenditures rose by nearly \$64.5 million (to a total of almost \$210 million) and the program pipeline decreased from 26 percent to 22 percent of cumulative obligations while program size increased dramatically in FY 1995. (Comparison of annual performance for period ending the second quarter of FY 1994 and FY 1995 only.)

Although delays are anticipated in project obligations and realizing expenditures due to the generalized institutional weakness of the GOH, expenditures should increase by 10 percent a year and the pipeline should be reduced to 20 percent in FY 1996, and to approximately 18 percent of cumulative obligations by FY 1997.

While the Mission has started reorganizing itself around strategic objectives and strategic objective teams have been formed, much remains to be done to reorganize structure and processes to more efficiently manage according to these objectives. A man-

agement review will be necessary before this can be fully accomplished.

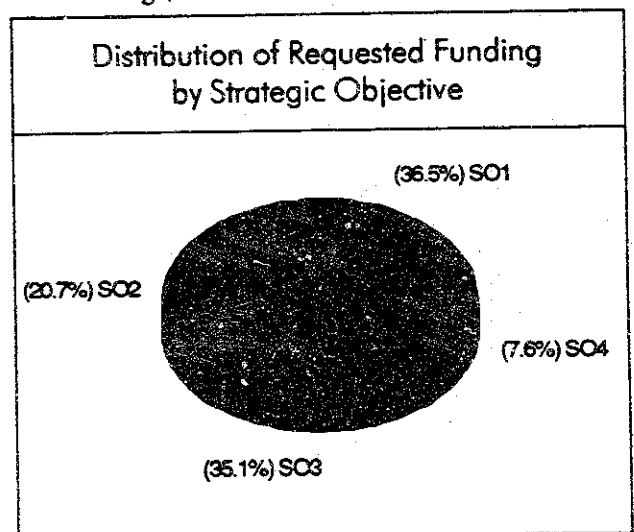
Resource Requirements

Planning for the unknown is difficult during normal periods when one can extrapolate trends and gauged political expectations to arrive at a semblance of what is to come. This historic moment for Haiti comes at a time when there will be a new President and Administration, a new Parliament and local government units. Government will be transformed and roles redefined within society. In short, a period of change in which resource requirements have been identified.

The nature of the program and the need of the hour call for adjustments in resource levels to respond to opportunities in a flexible way.

In FY 1995, the program requires a \$1.5 million increase in DA funds from its current \$182.6 million total funding level all sources, to respond to urgent needs related to shortfalls in funding for job creation and privatization.

The FY 1996 portfolio calls for \$104.4 million ESF funding (\$14.1 million more than the Congress-



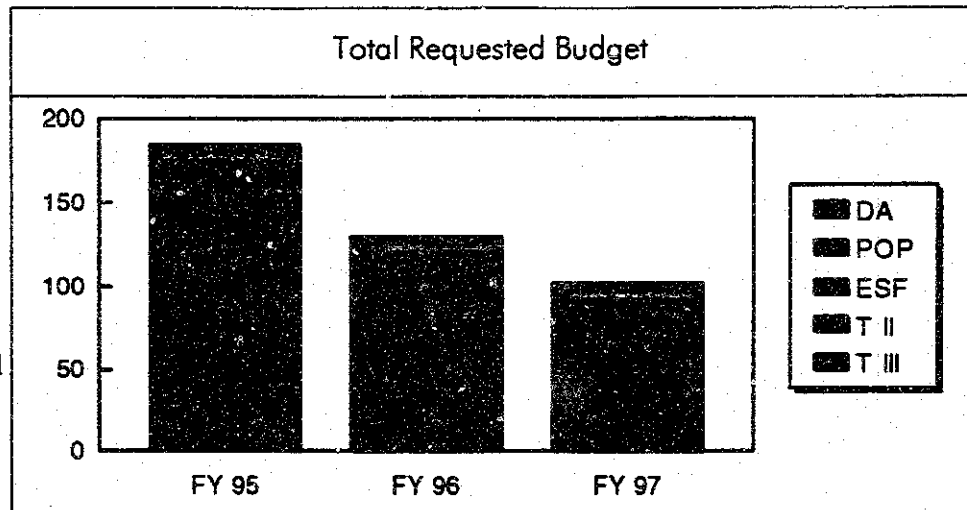
sional Presentation level of \$90.3 million) and \$15.7 million and \$10 million respectively in P.L. 480 Title II and Title III funding. However, should Title III be dropped in this summer's reformulation of the Farm Bill, an additional \$10 million would be required, for a total of \$114.4 million.

Projections for FY 1997 show decreasing levels of funding as the short-term transition requirements end, as illustrated. They call for a total of \$73.9 million in ESF funding and \$18 million and \$10 million respectively in P.L. 480 Title II and Title III funding. As in 1996, elimination of Title III would require an additional \$10 million in ESF.

The FY 1996 funding breakdown illustrated below shows that most of the expanded transition initiatives continue in the first and second strategic objectives related to democracy and economic growth, and the ongoing programs provide a much-needed safety net that will also transition to a foundation for long-term sustainable development in the third and fourth strategic objective areas.

Progress Toward Strategic Objectives

Progress towards the achievement of these strategic objectives over the past year was characterized by losses in a number of key indicators as a result of three years of political crisis and government mismanagement, which culminated, in the last few months of the de-facto regime in a quasi-total embargo, increasing human rights abuses and a continued and accelerated degradation of the social and



economic situation of the country, and by encouraging trends as a result of USAID's ongoing activities and recent transition initiatives which lend hope for fundamental reforms and accelerated positive changes in all sectors.

In Democracy, the picture is one of a large number of spectacular achievements:

- The flame of democracy was kept alight in spite of increasing oppression through support for civil society human rights and civic education actions;
- The democratically elected government was restored and law and order were established;
- The army was disbanded, vetted ex-military personnel retrained, an interim police force was created and a permanent police force is currently in training;
- The Ministry of Justice's capability to administer justice and oversee the new police force and prison system has been strengthened through internal reorganization and the training of 300 judicial personnel;
- An electoral council was established, electoral law promulgated and the election process is in motion;

- Parliament was able to reconvene and pass crucial pieces of legislation in support of democratic and macroeconomic reforms; and,
- Local Government units are beginning to function through the Office of Transition Initiatives' (OTI) small project program.

In Facilitating Private Sector Growth, there are devastating trends due to the embargoes and the last few years of political instability and mismanagement of the economy:

- Over the past three years, GDP per capita fell from \$330 to \$216; private sector investment from 6.7 percent to 1.1 percent of GDP; exports from \$262 million to \$60 million; and formal private sector jobs from 189,000 to 60,000.

These trends are combined with encouraging outcomes of USAID's ongoing activities which mitigated to some extent their negative impacts:

- Notwithstanding a total embargo on exports for several months of the production year, traditional and non-traditional agricultural exports bounced back in 1994. Exports of selected high-value crops (mangos, coffee and cacao) were valued at \$31.2 million last year.
- Five new provincial branch offices were established by the USAID-funded Haitian Development Foundation which continues to provide credit to woman-owned businesses and small and micro-enterprises

There is also the encouraging results of the more recent transition initiatives:

- support to clearance of arrears led to disbursement of credit to Haiti by major lending institutions;
- balance of payments support enabled imports of gasoline three days after the return of President Aristide;
- an average of 30,000 short-term jobs per day have been created and helped rehabilitate productive

infrastructure; and,

- financial support is clearing the way for the privatization of public assets and for the public/private policy dialogue towards an enabling environment for economic growth.

In Fostering Smaller, Healthier and Better Educated Families, here again, the picture is mixed with spectacular successes in preventive and reproductive health:

- Over a period of seven years, the nationwide contraceptive prevalence rate (CPR) moved from 6.5 percent to 18 percent and the total fertility rate (TFR) fell from 6.3 to 4.8;
- Similarly, as nationwide vaccination coverage moved from 36 to 48 percent and the percentage of diarrheal diseases treated with oral rehydration moved from 16 to 30 percent, the all-reflective Infant Mortality rate (IMR) improved from 101/1000 to 75/1000, largely due to the network of over 30 highly dedicated PVOs that have helped USAID deliver its program to over 2 million people;

This is combined with negative trends in nutrition and education:

- the proportion of severely or moderately malnourished children has increased nationally each year to its present 20.4 percent
- in 1994, only one out of three children of primary age were enrolled in school and the number of qualified teachers declined sharply

and a more recent encouraging development in the public sector:

- Dialogue has been initiated with the Ministries of Health and Education towards the definition of comprehensive national policies, the decentralization of services and the adoption of a more normative and supervisory role by these ministries.

In Promoting Sound Environmental Management,

against a backdrop of environmental degradation of catastrophic proportions:

- each year about 30 million trees are lost to 180,000 charcoal makers and about 15,000 acres of arable land are lost; 25 of 30 major watersheds are denuded; and,
- in urban areas, 75 percent of infant deaths, 50 percent of deaths of children one to four years old and 20 percent of all other deaths are due to lack of water and sewer systems.

USAID activities have been successful, despite the political turmoil and logistical difficulties, in expanding the use of environmentally sustainable agricultural practices:

- Last year, Haitian farmers produced, with little access to inputs, an estimated 828,000 metric tons of corn equivalent food grains which represents 91

percent of an average production year;

- Over four million trees (multi-purpose fruit and hardwood species) were planted with USAID support during 1994 despite the political turmoil and logistical difficulties;
- The number of farmers using environmentally sustainable agricultural practices with USAID support was about 60 percent higher than targeted, fostering the beginning of a policy dialogue; and,
- The Ministry of Environment was created and the formulation of a National Environmental Action Plan initiated.

Encouraged by the success of its ongoing programs and of its recent transition initiatives, the Mission is forging ahead to build on these successes and lend its support the formidable challenges currently faced by Haiti.



Members of a farmers' cooperative applying soil conservation techniques supported under PLUS

Performance Report

The basic strategic framework within which programs now operate was developed in 1993, at the height of the political crisis then gripping the country, to cover the period 1995-2000. Since then, short-term strategies have been developed and implemented in response to the rapidly changing circumstances of the Country, culminating in the tightly integrated package of measures undertaken for the restoration of democracy and peacekeeping referred to in the previous section. The goal and strategy have been adjusted to better reflect the current circumstances and opportunities. The reformulated Mission goal now reads:

"To help Haiti realize its historic opportunity for transition to democratic governance, economic growth, food security and social well-being."

Three of the strategic objectives have been restated and an environmental strategic objective has been separated out to highlight the crucial importance of this area in the years to come. The linkages between strategic objectives and program outcomes and the indicators to be used have been modified. The four strategic objectives in support of this goal are:

1. Foster More Effective and Responsive Democratic Institutions and Empowered Communities
2. Facilitate increased private sector employment and income
3. Promote Healthier, Smaller and Better Educated Families
4. Promote Environmentally Sound Resource Management

These objectives are intended to guide the Mission through both the transitional two-year strategy, and the beginning of the sustainable development strategy. The following pages describe the main achievements over the last year and current strategies for each of these four strategic objectives. The achievements and strategies have to be taken in the context of the interim plan. The modified linkages between

program outcomes, strategic objectives and agency goals and summary tables of indicators are included under each objective, in a simplified format.

1. Foster More Effective and Responsive Democratic Institutions and Empowered Communities

Political instability and the quasi-exclusion of the majority of Haitians from the political process, have been the most serious barriers to Haiti's development and have plagued the country since independence in 1804 and before. Effective and responsive democratic institutions are needed to lay the foundation for rule of law and to promote stability and economic development.

Achieving this objective is of vital importance to the success of the peace-keeping mission as well as to success in other program areas. Both require a stable political environment, an appropriate policy framework and legislation, decentralization of decision-making and the full participation of all Haitians.

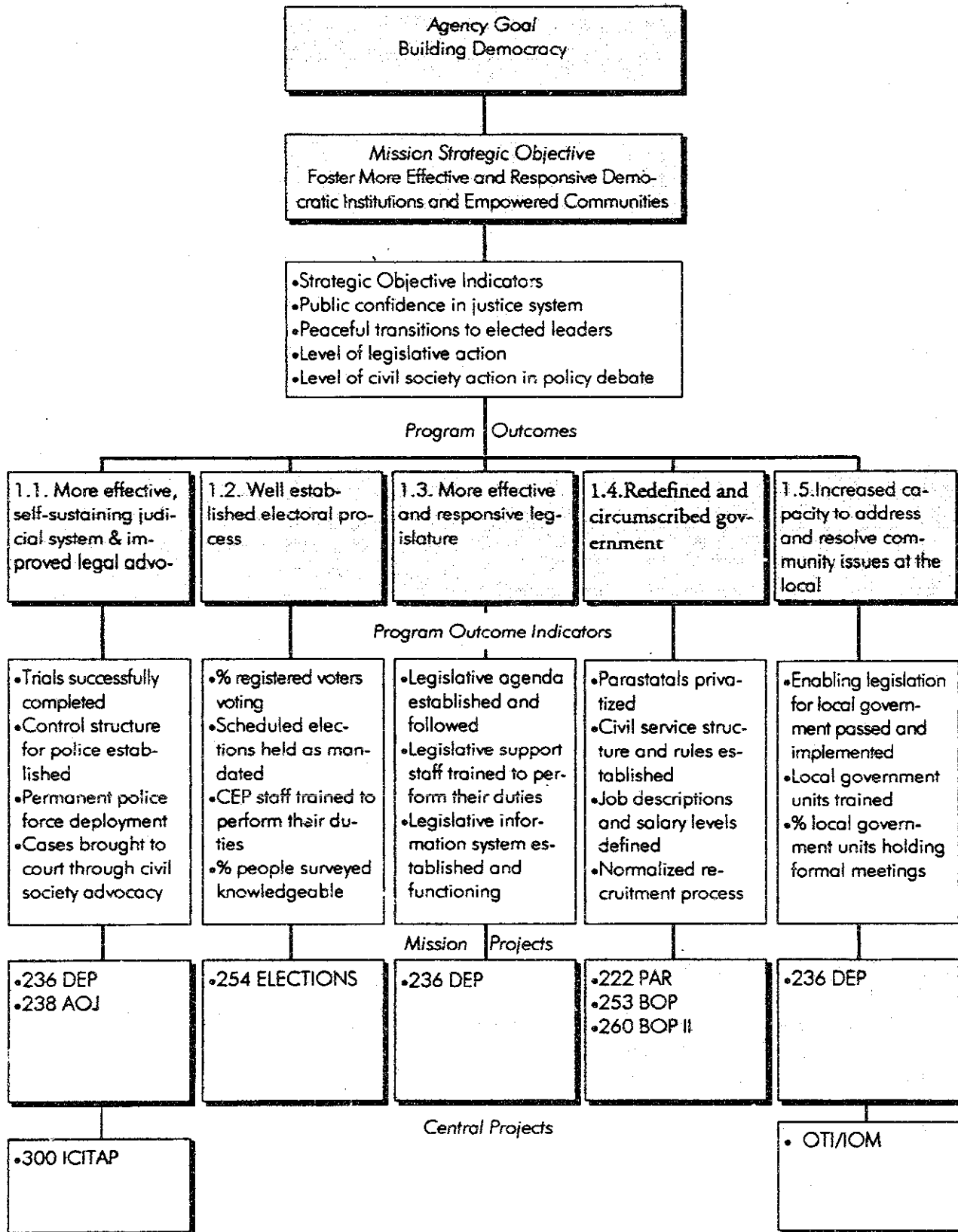
Progress in this area will be measured by increased public confidence in the judicial system, peaceful transitions to newly elected leaders, the level of activity of the legislature, and the level and range of participation of civil society in democratic fora.

Achievement of this objective depends on progress made in each of the following programmatic areas:

- *More effective, self-sustaining judicial system and improved legal advocacy*, as measured by an increase in the number of trials successfully completed, the number of judicial staff trained, Ministry of Justice systems in place, the establishment and operation of a control structure for the police, the number of police personnel deployed, and the number of cases brought to court through civil society legal advocacy.
- *Well-established electoral process*, as measured by training of Provisional Electoral Council (CEP)

• (Continued on page 13)

1. Foster More Effective and Responsive Democratic Institutions and Empowered Communities



staff, percent of registered voters voting in various elections, the holding of elections on schedule as mandated by law and the level of awareness of survey respondents about the duties of elected representatives at all levels.

- *More effective and responsive legislature*, as measured by the parliament following a legislative agenda, parliamentary staff trained, parliamentary information system working, and the level of civil society input into the legislative process.
- *Redefined and circumscribed Government*, as measured by the privatization of parastatals, the establishment of civil service structure and rules, the definition of job descriptions and salary levels and the adoption of a normalized recruitment process.
- *Increased capacity to address and resolve community issues at the local level*, as measured by the existence of enabling legislation for local revenue generation, the number of local government units having received basic training in their functions and in local project planning and implementation, and the level of civil society participation in the local decision-making process.

Performance Review

In the last few months of the oppressive de facto regime, the promise of democracy was kept alive, in spite of frequent attacks on USAID's partners, and through continued support to civil society activities in defense of human rights, access to justice and civic education with a focus on non-violence. Seminal work was also done in analyzing the prospects of local government and in developing local government training materials, and in establishing a working relationship with the newly enfranchised popular movement.

A further important step was made towards the achievement of this strategic objective with the

A Bridge to the Grassroots: the Story of PLANOP

"We are tired of being used by political parties to do their dirty work for them. We have learned that violence does not solve problems. We have come together to organize our action for change in Haiti. Can you help us?"

These were the opening words of members of PLANOP, the National Platform of Popular Organizations, an association of about 140 groups, as they approached PIRE, the main grantee under USAID's Democracy Enhancement Project.

What followed was a long and fruitful relationship. In numerous working sessions, often with the anxious tension of an impending attack by armed thugs of the FRAPH paramilitary group, PLANOP was assisted in defining its vision and its strategy, developing a sound organisational structure and procedures, and learning about the processes of management and accountability. With the help of non-directive technical assistance, they produced lively radio spots and a gripping set of human rights and civic education posters.

Many leaders were persecuted and were obliged to seek asylum in the States. The organisation is still alive and intends to actively participate in the democratic debate while retaining its independence from political parties.

reestablishment of the Constitutional Government in October 1994, the reconvening of parliament which enacted important pieces of legislation, such as an amnesty law which facilitated the transfer of power from the military regime to the legitimately elected President, and legislation laying the groundwork for the establishment of a new police force, for the formation of an electoral council and the holding of subsequent elections, and for decentralization efforts. A temporary electoral council was established and is actively working on the parliamentary and municipal elections to be held in June and the Presidential election to be held in November 1995. Civic education

messages are being broadcast and the initial hesitation of the Haitian people regarding an uncertain electoral process seems to have been overcome. An interim police force of 3,400 vetted ex-military personnel has received short-term training and is providing security with guidance from the international police monitors and a new police academy has been established. The new National Police Force will replace the interim ex-military force by 1996. While politically motivated crimes occur sporadically and robberies are on the rise, systematic human rights abuses and political oppression have nearly ceased. All of these events, taking place in rapid succession, have renewed hope in the democratic process.

The main actions undertaken by USAID over the last year have included support to the reopening of Parliament, demobilization and the training of a police force, the reorganization of the justice system and support to local empowerment.

Two initiatives, undertaken in collaboration with the Office of Transition Initiatives (OTI) and implemented by the International Organization for Migration (IOM) are particularly noteworthy in the rapid-

ity of their response and the crucial role they have played in ensuring a smooth transition and beginning the process of local empowerment and participation. These are the demobilization and retraining of ex-military and a massive effort at mobilizing local government for immediate, simple developmental actions.

Outcomes in the main program areas over the last year are highlighted below.

- *Ensuring parliamentary quorum:* USAID provided finances and logistics to enable the Parliament to start-up.
- *Demobilization:* A total of 3,048 former soldiers have been demobilized. Of these 1,538 are currently undergoing training in 10 vocational skills.
- *Justice:* a nationwide inventory of courts and physical and human resources was undertaken, an emergency training program for over 300 judicial personnel was conducted, and the process of reorganizing the Ministry of Justice and negotiating future directions began. An interim police force is providing security and a police academy has been

The Human Rights Fund

In response to the intensified pace of abuse that marked the last few months of the oppressive military regime, USAID, together with key champions of human rights in Haiti, established the Human Rights Fund. The Fund provided not only a vehicle to help meet the immediate needs of victims of politically-motivated human rights abuses, but also stands as a proponent of respect for human rights.

Through the Fund, more than 2,000 families, comprising well over 10,000 individual beneficiaries, received direct assistance. This assistance came in a variety of forms:

- medical assistance to abuse victims,
- family assistance funding for displaced or disrupted families,
- psychological counselling for victims and their families,
- safe-haven for those in hiding, and
- payment of funeral expenses for victims of politically-motivated murders.

Since the restoration of democracy, the focus of the Fund has changed to include training of trainers for human-rights related education and compilation of information on more than 1,200 cases of abuse.

established.

- *Elections Support:* technical and commodity support was provided to the provisional electoral council (CEP) which is allowing it to arrange for the local and parliamentary elections planned for June 24, 1994 and the presidential elections planned for November 26.
- *Local Government Training and Empowerment:* background information and preliminary proposal for local government enabling legislation have been developed and a first phase of training for local government officials and selected constituents was held in 26 communes. In response to the need for visible and rapid action at the local level IOM has undertaken 717 small local projects designed to address immediate needs and build a sense of local responsibility.
- *Strengthening Civil Society:* A total of 4,600 rural poor were assisted to seek justice through 10 legal assistance offices, 31,000 people were trained in basic legal issues, 140 third-year law students have been trained in legal practice and a 1,000 volume law library was established; 13 volunteer prison monitoring groups have been established; a large number of civic and human rights education materials have been developed and are being diffused; preliminary steps have been taken towards structuring an association of 140 popular organizations and its empowerment for organized non-partisan civic action; and 2,000 families received assistance through the Human Rights Fund.
- the holding of fair local and legislative elections followed by presidential elections;
- acceptance of results of both elections and a peaceful transfer of power to the newly elected leaders at all levels;
- the successful deployment of the newly trained police force;
- a visibly functioning justice system, reorganized to assume control of the police and prisons;
- the ratification and implementation of enabling legislation for local government, including provisions for revenue generation;
- an effective parliament capable of debating and enacting crucial pieces of legislation in support of urgent reform requirements in macro-economic, fiscal, health, population, education and environmental policy;
- the involvement of an organized civil society in democratic debate at all levels;
- a redefinition of the role of government and a beginning of restructuring government away from direct implementation towards a normative and supervisory mode of operation, which includes privatization of public assets and civil service reform; and,

USAID will focus on ensuring the achievement of each of these requirements by helping strengthen democratic institutions and understanding, awareness and commitment to democracy on the part of institutions and society in general.

Expected outcomes in each of the program areas leading to the strategic objective over the next two years are:

- *Judicial System:* judicial staff trained, systems and procedures in place, police force in place and functioning, command structure for police and prisons finalized, access to justice improved through civil society actions;

Priorities and Strategy

While the transition from an illegitimate oppressive regime to the constitutional government was successful and renewed the Haitian people's hope in the democratic process, Haiti, assisted by the international community, has yet to pass critical tests of the stability of this democratic process:

- Electoral Process: CEP staff trained, systems and procedures in place, voter registration and participation levels;
- Legislature: parliamentary agenda set and followed, administrative systems established, staff trained, civil society input;
- Redefined Government: government out of production and commercial activities, civil service structure and rules established, job descriptions and salary levels defined, normalized recruitment procedures; and,
- Local Government: enabling legislation in place, a total of 350 local government units trained, associations established and functioning, projects undertaken, civil society participation in decision-making.

Program Components

This area draws on a wide variety of resources, including those of the Office of Transition Initiatives (OTI) and personnel from the Department of Justice (DOJ). The current mix of program activities includes the Election Support Project, the Administration of Justice Project, the Democracy Enhancement Project, the Planning Assistance grant under the JOBs project, the IOM project, the U.S. Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP), a Balance of Payments program and the Policy and Administrative Reform project.

The Elections Support Project is providing funds and technical assistance through the United Nations to the CEP to help carry out the June/July local elections and an incentive to make the CEP a permanent electoral council by the time of the presidential elections, scheduled for November 1995. This will include training of CEP staff and elections workers, procurement of election commodities and informa-

tion, education and communication programs for popular participation in the elections.

The Administration of Justice (AOJ) project is the Mission's principal vehicle for providing assistance to the Government of Haiti (GOH) to strengthen its justice system. The purpose of the project is to improve the effectiveness, accessibility and accountability of the Haitian justice system. It will help increase access to a fair legal system that is accountable and responsive to all Haitians, no matter what their background. It will also help increase the capacity of Ministry of Justice officials to carry out their duties while guaranteeing respect for political and human rights.

The Democracy Enhancement Project (DEP) has been amended and will concentrate efforts in improving the operational and administrative functions of the National Assembly and will continue to focus on building democratic principles into peoples' everyday lives, through civic education activities and through capacity building with small, grass-roots organizations. DEP will expand its work with local governments, helping them to practice democracy in the administration of their functions in the communities.

The Planning Assistance grant under the JOBs program strengthens civil society by assuring that motivated local leaders have access to advice and limited funds to leverage community efforts to help solve local problems.

The IOM project will meet President Aristide's commitment to provide job training for all members of the former armed forces and will assist the Government with the politically complex task of paying former army personnel the six months training stipend promised upon demobilization in February, 1995.

The ICITAP project will move as rapidly as possible to replace the interim police with a trained National Police Force, possibly achieving as many as 7,000 by March 1996 if the two governments agree

on that number during negotiations now in progress. That total would represent a doubling of the ICITAP target for this period.

A Balance of Payments II program will assist the GOH to meet public sector financial requirements while efforts to mobilize tax revenues are initiated. BOP generated funding would be used to improve financial accounting and management, modernize and streamline the civil service. The Policy and Administrative Reform (PAR) project will directly assist GOH efforts to reform the public administration structure. Beginning with a sector wide personnel inventory and salary surveys in FY 1995, PAR will be available for technical assistance to help rationalize public expenditures.

In privatization, our agenda over the next two years will include support for legal and audit services of parastatals identified for privatization; assistance in the development of tender documents and the convening of bidders' conferences; assistance in providing training opportunities for employees made redundant through privatization; completion of comparative economic analyses; and, the inauguration of public campaigns to explain the benefits of privatization.

1: More Effective and Responsive Democratic Institutions and Empowered Communities

Indicator	Unit	1994	1995	1996	1997
% people surveyed who believe that the justice system is fair	%	N/A	N/A	TBD	TBD
Peaceful transfer of power at local and national levels	Election	N/A	Yes	Yes	Yes
% of laws passed which the legislature has amended significantly	%	N/A	N/A	TBD	TBD
Direct actions (e.g. petitions) taken on policy by civil society orgs.	Number	N/A	N/A	TBD	TBD

PO 1.1 More effective, self-sustaining judicial system and improved legal advocacy

Indicator	Unit	1994	1995	1996	1997
Number of trials successfully completed	Number	N/A	TBD	TBD	TBD
Control structure for police is defined and working	Event	N/A	Yes	Yes	Yes
Cumulative number of permanent police force deployed nationwide	Number	N/A	900	4,000	7,000
Number of clients represented through Civil Society advocacy	Number	4,800	5,000	TBD	TBD

PO 1.2. Well-established electoral process

Indicator	Unit	1994	1995	1996	1997
% of registered voters voting	%	N/A	80%	70%	70%
Scheduled elections held as mandated by law	Event	N/A	Yes	Yes	Yes
% CEP staff trained to perform their duties	%	N/A	N/A	100%	100%
% people surveyed knowledgeable about duties of elected reps.	%	N/A	TBD	TBD	TBD

PO 1.3 More effective and responsive legislature

Indicator	Unit	1994	1995	1996	1997
Legislative agenda established and followed	Event	N/A	N/A	Yes	Yes
Legislative support staff trained to perform their duties	Event	N/A	N/A	No	Yes
Legislative information system established and functioning	Event	N/A	N/A	No	Yes

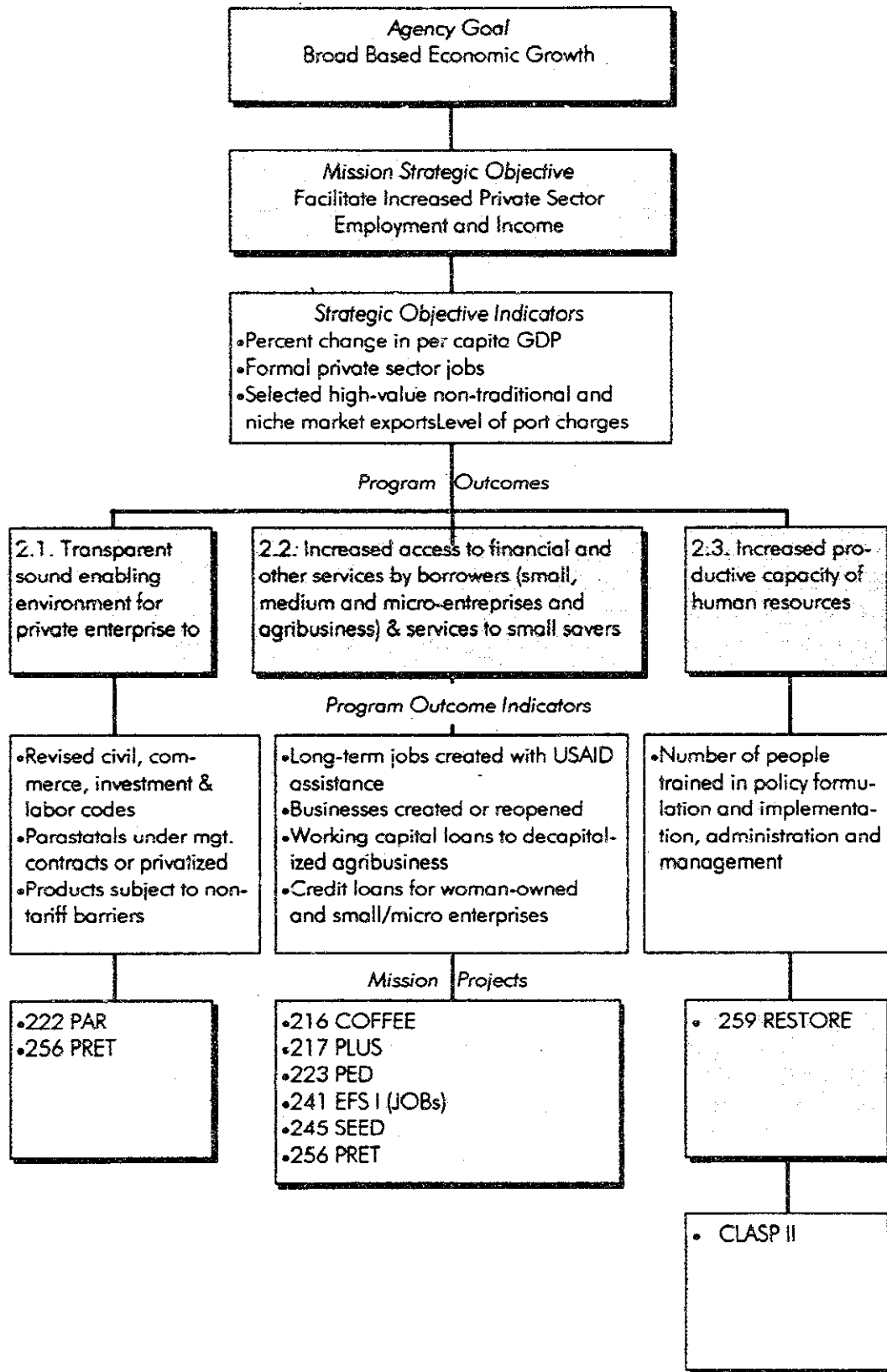
PO 1.4 Redefined and circumscribed Government

Indicator	Unit	1994	1995	1996	1997
Parastatals under management contract or privatized	Number	0	1	7	9
Civil service structure and rules established	Event	N/A	No	Yes	Yes
Job descriptions and salary levels defined	Event	N/A	No	Yes	Yes
Normalized recruitment process adopted	Event	N/A	No	No	Yes

PO 1.5 Increased capacity to address and resolve community issues at the local level

Indicator	Unit	1994	1995	1996	1997
Enabling legislation for local government passed and implemented	Event	N/A	N/A	Yes	Yes
Number of local government units having completed training	Number	0	0	350	350
% of local government units holding formal meetings with grass-roots orgs.	%	N/A	TBD	TBD	TBD

2. Facilitate Increased Private Sector Employment and Income



2: Facilitate increased private sector employment and income

Without notable improvement in the economy and access to opportunities for Haiti's poor, there will be little chance for the democratic transition to succeed. Unless there are tangible benefits seen, the nascent democracy will have little significance for or support from the masses. Small farmers must be assisted to improve Haiti's food security through increased agricultural production; the informal sector and micro-enterprises require assistance if the benefits of the post-resolution period are to be widely shared; given the weak state of productive infrastructure and the formal private sector, assistance is needed to establish a regulatory environment conducive to reactivating agribusiness operations, encourage investment and employment creation; and, the cadre of capable managers and technicians trained in priority public and private institutions must be enlarged.

Progress in this strategic objective will be measured by consecutive annual positive increases in per capita GDP, increases in formal private sector employment and by increases in selected high-value non-traditional and niche market exports.

As intermediary steps leading to the achievement of this strategic objective, the program will seek to achieve the following outcomes:

- A transparent, sound enabling environment for private enterprise to recover and prosper, as measured by reductions in port charges and non-tariff barriers, revised civil, commerce, labour and investment codes, and the privatization of public assets.
- Increased access to financial and other services by borrowers (small, medium and micro-enterprises) as well as to services to small savers, as

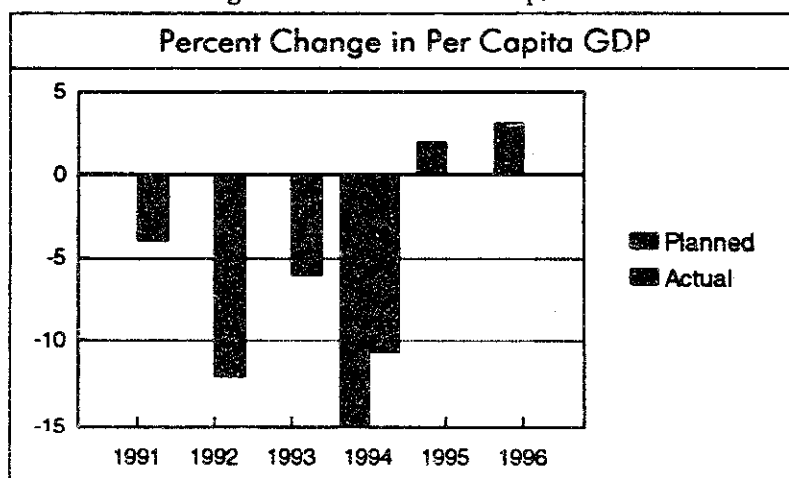
measured by the number of long-term jobs created, the number of businesses created or reopened, the number of working capital loans made to decapitalized agribusinesses, the number of loans made to women-owned businesses and small or micro-enterprises, the number of non-bank institutions and banks providing loans and assistance to micro-enterprises, and the number of branch offices of support institutions offering non-financial services to businesses.

- Increased productive capacity of human resources, as measured by the number of people trained in policy formulation and implementation, administration and management.

Performance Review

As a result of three years of protracted political crisis and accompanying economic deterioration, the situation has worsened: GDP per capita has continued to decrease, losing 11 percentage points in 1994, to reach a low of \$260/person, an estimated 100,000 jobs in the manufacturing and assembly sector have been lost, and many agricultural operations have curtailed operations or remained closed because of a severe lack of working capital.

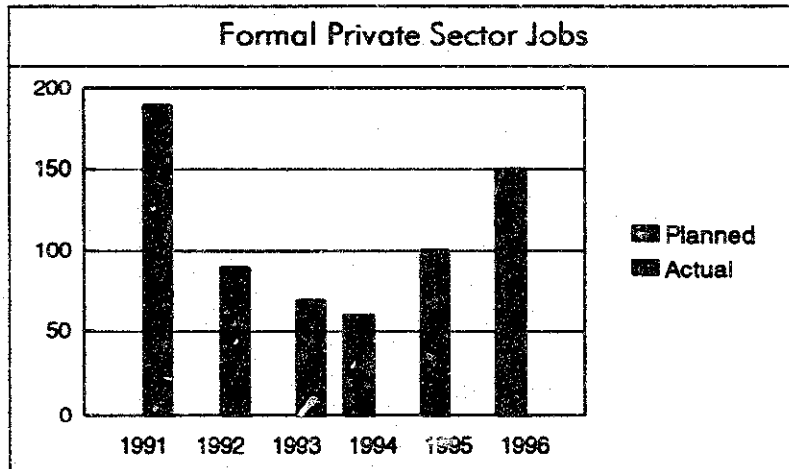
Against this dismal backdrop, our assistance strat-



egy has had significant success to help mitigate the worst effects of economic decline on poor farmers and micro-entrepreneurs, and through an emergency package of post-resolution measures, to help restart the economy and initiate structural reform in record time, as summarized on the next page.

- To generate permanent employment at all levels of the economy, including lower-skilled workers, in whose ranks there has historically been high unemployment.

- To make credit available to a much wider range of small and micro-level businesses, both urban and provincial, which lack collateral and are therefore denied access to formal bank lending.



- To strengthen the institutions of the non-bank intermediaries (NBIs), so that they will quickly reach not only operational sustainability, but also self-sufficiency regarding the acquisition of new capital, thus ending reliance on grant capital financing from donors.

- To upgrade the level and standards of financial intermediation in the banking system by promoting appropriate macro-economic policy measures and legislative changes, and by modernizing

banking practices through technical assistance and training.

- To continue to support the privatization of state enterprises, in order to promote the efficient and cost-effective operation of critical utilities and services, and to reduce and eventually eliminate the inefficiency and corrupt practices which have long characterized these enterprises.
- To establish a permanent dialogue between the public and private sectors on matters of policy which affect business and investment and to promote a spirit of mutual trust and cooperation.
- To widen the range of cadres capable of policy analysis, administration and management through training and contributions of professionals from the Haitian diaspora.

Expected outcomes in each of the program areas leading to the strategic objective over the next two

Current Priorities and Strategy

Despite significant structural problems which will require concerted effort by both the GOH and Haitian private sector, as well as substantial assistance from international donors, Haiti offers a number of solid assets which provide clear and convincing opportunities for investment and economic growth.

Assistance to promote economic growth and strengthen the Haitian private sector over the next two years will address many of the constraints which affect the capacity of the private sector to invest and will build on Haiti's strengths.

These initiatives will be guided by a number of principles and long-term objectives.

- To build confidence in the economy by strengthening the regulatory framework in which business, commerce and investment are conducted.

Facilitating Increased Private Sector Employment and Income Selected Achievements Over the Past Year

- Revitalizing the Government: \$45 million in balance of payments support enabled imports of gasoline three days after the return of President Aristide and the lowering of the price of gasoline from \$15 to \$2/gallon; and a contribution of \$25 million (out of a total of \$83 million) of assistance in payment of arrears has led to \$500 million in credits and new activities by international lending institutions.
- Job creation: an average of 35,000 short-term jobs per day, peaking at 52,000 in May 1995 (for a total of 305,000 person-months) have been created, and 1,038 long-term jobs have been formed under the Provincial Enterprise Development project.
- Rehabilitation of productive infrastructure: repair of 1,000 km of farm to market roads and 1,700 km of irrigation canals and 45,000 hectares of land put back under cultivation under the job creation program
- Support for privatization: the International Finance Corporation (IFC) is providing technical, financial and legal services needed for privatization and had submitted eight options papers for imminent action by the GOH.
- Support Presidential Commission: short-term technical assistance to the analytical process to improve the business and investment climate and develop legislative proposals.
- Continued support to agricultural production: A total of 42,000 poor hillside farmers have adopted conservation and income increasing technologies resulting in \$28 million in Net Present Value financial benefits accruing to 231,000 on-farm beneficiaries.
- Continued credit support: opening of 6 new provincial branches of the Haitian Development Foundation, 1,200 loans to woman-owned and small or micro-enterprises in the provinces.
- Training: A total of 16 individuals received training in the US in various management fields.

years are:

- In promoting an enabling environment for the recovery of private enterprise: reduce port charges by 50 percent, revised civil, commerce, investment and labor codes, at least three parastatals under management contract or privatized, and an elimination of non-tariff barriers
- In increased access to financial and other services by borrowers: the creation of 2,300 new long-term jobs in 1996 and about 4,000 in 1997, the creation or reopening of 60 businesses in 1996 and 100 in 1997, 40 working capital loans to decapitalized agribusinesses in 1996 and 60 in 1997, 1,500 and 2,500 credit loans to woman owned and small micro-enterprises in 1996 and 1997 respectively, six non-bank institutions and banks providing loans and other assistance to small and micro-enterprises, and the establishment of up to 16 branch offices of support institutions providing non-financial services.
- In increased productive capacity of human resources: train 66 individuals in targeted policy development and management fields in 1996 and a number to be determined in 1997.

Achievement of these program outcomes is expected to contribute, in 1996 and 1997 to a four percent increase in GDP per capita, the creation of up to 85,000 new jobs by 1997 bringing the total to 135,000 and to increase the value of selected high-value non-traditional and niche market exports to \$US 50 million by 1997.

Program Components

To reinforce progress in this area and in light of the above priorities, USAID is implementing a new program, the Program for the Recovery of the Economy in Transition (PRET). PRET will begin the integration and consolidation of USAID's private sector portfolio, integrating activities already underway with new activities designed to support the rapid reactivation of the private sector. It is a transitional program involving a short-term stimulus package aimed at restoring and rebuilding both Haitian and foreign investors' confidence in the Government's commitment to revitalize the economy. PRET also supports longer term activities that will promote sustainable employment generation by segments of the private sector that have been stymied by non-transparent policies, a regulatory framework that limited competition and market access and a legal system that denied recourse or contract enforcement. In order to raise employment levels substantially, part of the program will focus on revitalizing agribusinesses and widening the scope of commercial bank lending to include those small manufacturing businesses which are decapitalized and unable to recover without financial stimulus.

PRET will:

- Promote a transparent and sound enabling policy, legal and regulatory environment for private enterprise to recover and prosper in Haiti;
- Increase access to financial services by borrowers (small, medium and micro-enterprises and agribusinesses), as well as services to small savers; and
- Increase the productive capacity (and therefore income levels) of small businesses and micro-enterprises, by providing access to non-financial resources.

USAID will continue to implement activities which will stimulate agricultural production and increase

rural income through the Seed Multiplication Project (SEEDS), the Coffee Revitalization Project (COFFEE), and Productive Land Use System Project (PLUS). While SEEDS will continue to focus its interventions in the southern peninsula (the breadbasket of Haiti), activities under the PLUS and COFFEE projects will be expanded into new areas to reach a broader number of beneficiaries. PLUS and COFFEE will be consolidated under a new project called the Environmental Assistance Package (EAP) to which will be added new activities designed to bolster the Government's institutional and sustainable food production capacities.

PRET activities will also lead to increased small farm incomes due to improved productive capacity of the farmers stemming from increased availability of agricultural inputs through a strengthened agricultural input supply network. This will enable agricultural input suppliers to provide production support services to farmers in isolated rural communities.

In FY 95, local currency funds generated under P.L.480 Title III will be used to support agricultural activities through the Ministry of Agriculture and NGO's. The selected interventions will partially support the decentralization efforts undertaken by the Ministry by providing increased project management responsibilities to local authorities and farmers' associations. Implementation of this program will impact positively on food security, health nutrition and child survival.

The Enhancing Food Security-Jobs project (JOBS) is currently funded through development assistance funds and local currency funds generated by P.L. 480 Title III. Although the JOBS project has very notable achievements since 1994, the main purpose of the project is to provide short-term jobs to infuse capital back to poor people. Given current resources, the project will end the fourth quarter of FY 1995 as the short-term jobs provided by USAID are replaced by

• (Continued on page 25)

Jobs Success Story

Since Haiti's political upheaval in 1991, widespread unemployment and severely damaged productive infrastructure have marked the country's overall economic deterioration. The Jobs Program was conceived as a quick impact, employment creation and infrastructure rehabilitation effort to blunt the rate of decline, to restore people's confidence and hope, and to help create a political climate conducive to national healing and economic recovery. It was specifically designed as a bridge activity to other donors' planned

over 1,000 kilometers of farm-to-market roads, the rehabilitation of over 1,700 kilometers of irrigation and drainage canals, the construction of over 1,000 kilometers of soil conservation structures, and the collect of over 450,000 cubic meters of solid waste.

The secondary impacts of these interventions are enormous. Improved roads have provided access to markets for over 800,000 people. Unclogged irrigation systems have put over 45,000 hectares of land back under cultivation and at least 21,000 additional tons of food have already been produced. Over 7,000 hectares of land was protected through soil conservation measures and almost 800,000 trees planted. In addition, the removal of solid waste from urban areas to appropriate dumping sites has positively affected public health. The specific economic impacts of the major component of the Jobs Program were recently measured by an independent evaluation team which found an impressive Internal Rate of Return of over 50 percent.

Because of this program's documented and clearly visible successes, the Haitian Prime Minister has recently expressed the GOH's intention to adopt the model and to continue creating significant and widespread short-term employment throughout the country. The World Bank has recently pledged up to \$50 million to sponsor these important economic and social activities.

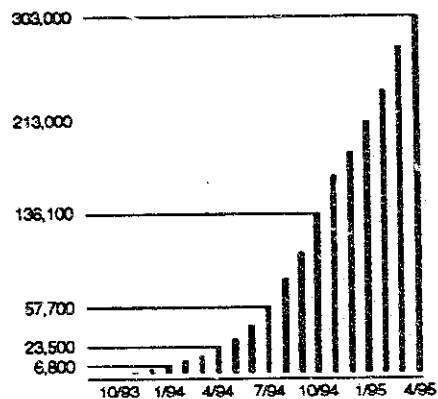
Jobs Sites by Commune



large scale employment generating programs expected to start after political resolution.

Begun in September 1993, the Program has effectively and efficiently evolved to meet many pressing humanitarian, social, and political needs. First and foremost, the program has provided significant levels of employment. Through April 1995, over 300,000 person months of work have been created and over 200,000 individuals have worked benefitting over a million family members. As planned, over 60% of project resources have gone directly to poor families in wages. To date, over \$15 million has been injected into the most hard-hit local economies resulting in significantly increased economic activity in these areas. In addition, specific outputs include the repair of

Cumulative Person-Months of Work Created



employment generated by the Inter-American Development Bank's PURE (employment in infrastructure and agriculture) and FAES (employment in community projects) projects, and by the World Bank's recently announced US\$ 50 million jobs project.

The Policy and Administrative Reform (PAR) project will continue to provide support to strengthening the Government's operational and administrative structure which will have an effect on creating the enabling environment required for private sector recovery.

In the remaining 16 months of the CLASP II project, training activities will continue to be integral to the sectoral programs in democracy and governance, economic growth, agriculture, environment, population, health and nutrition, and women in development. The emphasis, however, will be on short-term technical training in enhancing policy development, administration and management capabilities.

SO 2: Increased Private Sector Employment and Income

Indicator	Unit	1994	1995	1996	1997
Per Capita GDP	% change	-10.6	+4.5	+4.0	+4.0
Formal Private Sector jobs	Thousands	50	80	110	135
Selected high-value non-traditional and niche market exports	US\$ millions	31.2	36	42	50

PO 2.1 A transparent sound enabling environment for private enterprise to recover and prosper

Indicator	Unit	1994	1995	1996	1997
Port Charges per 40 ft. container	\$	740	350	350	350
Revised civil code	Y/N	No	No	Yes	Yes
commerce code		No	No	Yes	Yes
investment code		No	No	Yes	Yes
labor code		No	No	Yes	Yes
Parastatals under management contracts or privatized	Number	0	1	7	0
Products subject to non-tariff barriers (import licences)	Number	7	7	4	0

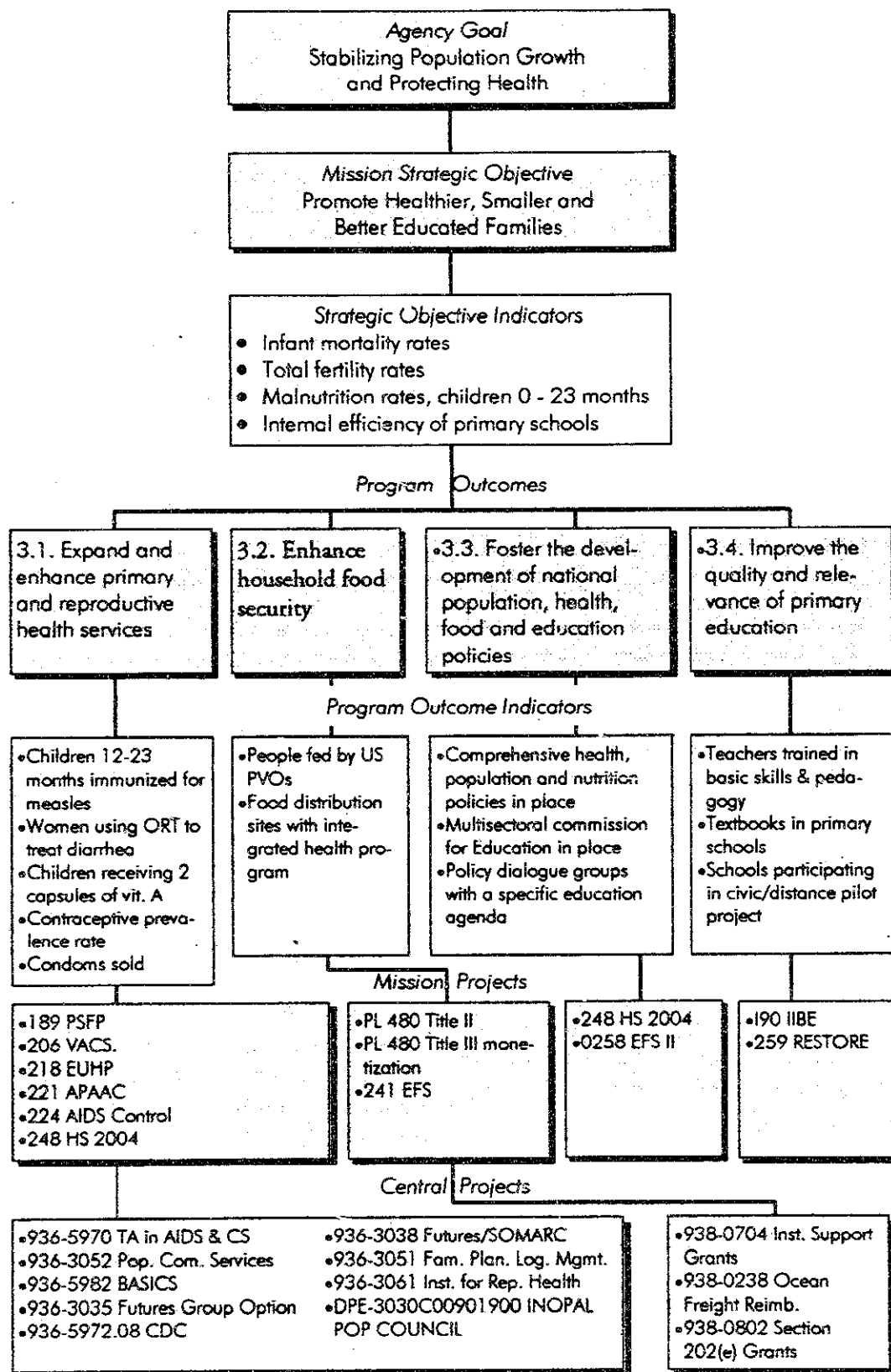
PO 2.2: Increased access to financial and other services by borrowers (small, medium and micro-enterprises) as well as services to small savers

Indicator	Unit	1994	1995	1996	1997
Long-term jobs created with USAID assistance	Number	600	1,200	2,300	4,000
Businesses created or reopened	Number	0	40	60	100
Working capital loans to decapitalized agri-business	Number	0	15	40	60
Credit loans for woman-owned and small/micro enterprises	Number	240	650	1,500	2,500
Non-bank institutions and banks providing assistance to small and micro-enterprises	Number	1	3	4	6
Support institutions branch offices	Number	6	8	12	16

PO 2.3 Increased productive capacity of human resources

Indicator	Unit	1994	1995	1996	1997
Number of people receiving training in targeted fields	Number	16	30	66	TBD

3. Promote Healthier, Smaller and Better Educated Families



3. Promote Healthier, Smaller and Better Educated Families

Realization of the overall goals of social well-being, democracy and economic growth will not be possible if the basic constituent unit of the social structure, the family, cannot participate actively in their achievement. Healthier, smaller and better educated families are better able to participate in civil society, in productive economic activity and in sound management of the natural resource base.

It is of crucial importance that while short-term transition measures are taken to consolidate the new democratic processes and restart the economy, attention should be paid to mitigating the effects on the Haitian family of the last three years' decline and on strengthening this social unit without which gains in the other strategic areas will not be sustainable.

The long-term effect of this strategy will be measured by continuing decreases in the all reflective infant mortality rate and in the total fertility rate and by an improved internal efficiency of primary schools as a consequence of their improved quality and relevance.

As intermediary steps leading to the achievement of this strategic objective, further efforts will seek to achieve the following outcomes:

- Expanded and Enhanced Primary and Reproductive Health Services, as measured by increases in the contraceptive prevalence rate (CPR), immunization coverage, use of Oral Rehydration Therapy (ORT), sales of condoms and children receiving vitamin A supplements.
- Enhanced Household Food Security, as measured by decreases in malnutrition levels, number of people fed as a transitional relief measure, and integration of food distribution with health care services.
- Improved National Population, Health, Food and Education Policies, as measured by the adoption

and implementation of new policies and the establishment of multisectoral commissions and policy dialogue groups.

- Increased Quality and Relevance of Primary Education, as measured by increases in the numbers of teachers trained in basic skills and pedagogy, in the numbers of textbooks in public and private schools, in the number of schools participating in the pilot civic/distance education project and in the number of schools which are participating in community level actions with community organizations.

Performance Review

While the nutritional and educational status of the Haitian family have deteriorated rapidly due to the political and economic crisis of the past years, remarkable progress has been achieved in its health status despite these constraints. A recent demographic and health survey showed that the Total Fertility Rate (TFR) fell from 6.3 to 4.8 in seven years and the Infant Mortality Rate (IMR) improved from 101/1000 to 75/1000 in the same period. Child survival activities were successful primarily due to the strengthening of the network of institutions that support and deliver preventive services as well as the increased integration of standard case management protocols for the treatment of sick children.

On the down side, however, the proportion of children either severely or moderately malnourished has increased nationally over the past few years to its present 20.4 percent level and the nutritional status of pregnant women has also declined over the past three years.

USAID responded to the worsening economic conditions and severe political and social disruption over the past year, by increasing the number of beneficiaries for developmental and relief programs from 600,000 to 1.2 million.

Finally, Haiti's education system, already the weakest in the western hemisphere, has steadily deteriorated since the late 1980's during which time it is estimated that the national literacy rate dropped an estimated 15 percentage points to 20 percent. The current internal efficiency of rural proprietary primary schools is 37 percent (i.e., it takes 16 student years to complete the 6 year primary cycle).

The main actions over the past year have included a continuation of the successful health and population activities, continuation of efforts at improving basic education, reestablishment of the cold chain, a large increase in the food security program and a beginning of dialogue with the Ministries of Health and Education.

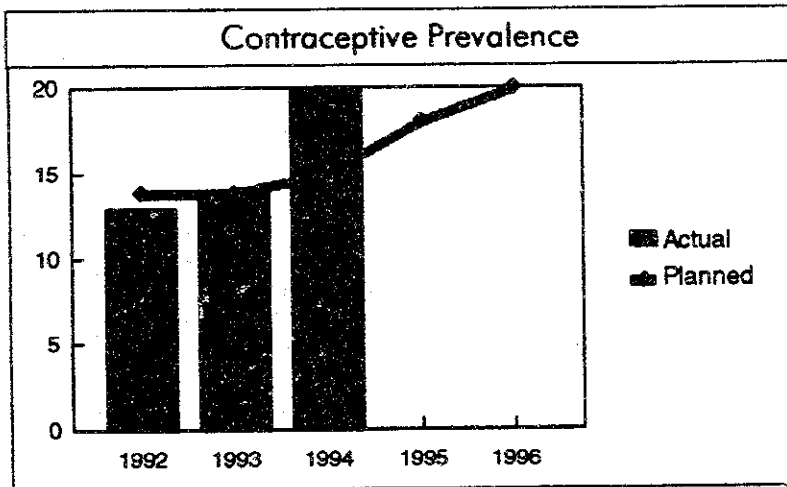
CityMed Saving Women's Lives

CityMed is a network of urgent care centers and small hospitals located in the urban and rural areas of Haiti. This Haitian-directed NGO, which employs Haitian physicians and nurses, provides vital emergency medical care to anyone in need in areas where no other emergency after-hours care exists. With \$1.6 million, USAID helped launch CityMed's safe motherhood program which now includes 5 hospitals and clinics, and treats close to 100 women per day at prices accessible to the poor. Because of CityMed, women like Marie from Mirebalais (a small town of 30,000), who are in need of emergency caesarian sections, are alive and have escaped from becoming another statistic in Haiti's high levels of maternal mortality (450/1000). On a rainy night, Marie was about to deliver her first child, when it became apparent to the attending matron that there was a problem. Because the matron had learned of CityMed's services in a USAID-financed training program, she knew that there was help available for this emergency, and made the arrangements to get Marie to the CityMed clinic. Marie is only one of many Haitian women whose lives have been saved because of CityMed.

Outcomes in the main program areas over the last year are summarized below.

Food Aid Program Delivers Tangible Relief for Tropical Storm Gordon Victims

When Tropical Storm Gordon struck Jacmel in November 1994, thousands of victims would have died of hunger and disease if it had not been for the rapid response of the International Community and the coordination provided by USAID, the U.S. military, Catholic Relief Services and the GOH. More than 30,000 victims had totally or partially lost their homes, their crops and/or their businesses. Among those victims, Mr. Rocher, an agronomist living with his family in the path of the La Gosseline river, typifies the type of immediate assistance offered. This hardworking young man employed by Caritas/Jacmel for more than five years found himself deprived of everything and dependent upon emergency relief and food assistance to survive with his family. The flood waters of the La Gosseline river took everything away, house, furniture, money and even a member of his family. His sister who lived next door with five young children, lost her four-year-old son. But Mr. Rocher is a strong and courageous man. Working with other committed young men, he organized the neighborhood by setting up grass-roots committees. Each family in the Bas-Orangers that still had a roof after the storm agreed to shelter three to five families. The homeless victims would work during the day, trying to retrieve whatever was recoverable from the mud, while the others would cook for them and care for the children. The relief provided by the P.L. 480 Title II emergency food program and the other donated supplies and materials were greatly appreciated. They were equitably distributed to the victims through a central warehouse established right in Bas-Orangers and managed by the grass-roots committees. Mr. Rocher is back at work. In Bas-Orangers, people look up to him and he gives them hope that together they will rebuild their neighborhood.



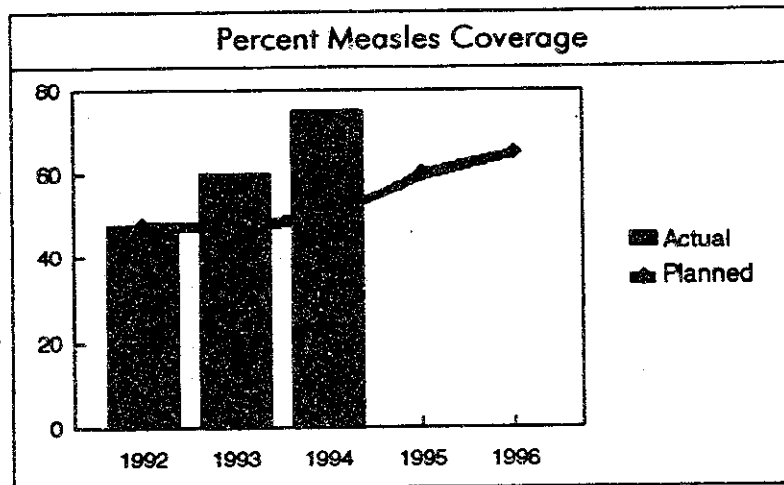
and five interactive radio modules have been developed as part of an environmental and civic education distance education pilot test in six primary schools in three departments. A total of 40 monitors nationwide, maintained monthly contact with 5,500 private primary schools, working with parents and teachers to facilitate the development of community-based school organizations.

- **Enhanced Household Food Security:** the number of people fed through Title II programs increased to 1.2 million and strategic plans were developed with

- **Expanded and Enhanced Primary and Reproductive Health Services:** over 30 US and Haitian PVOs have provided preventive and curative care to over two million people, resulting, within this population, in a CPR of 20 percent, an immunization rate of 75 percent, ORT used in 50 percent of cases of diarrhea, sale of 3.7 million condoms (one in three men has used a condom), and 40 percent of children receiving two Vitamin A tablets/year.

all the PVO cooperating sponsors and, through Title III, the GOH has started to move away from direct relief to more developmental and sustainable household food security approaches.

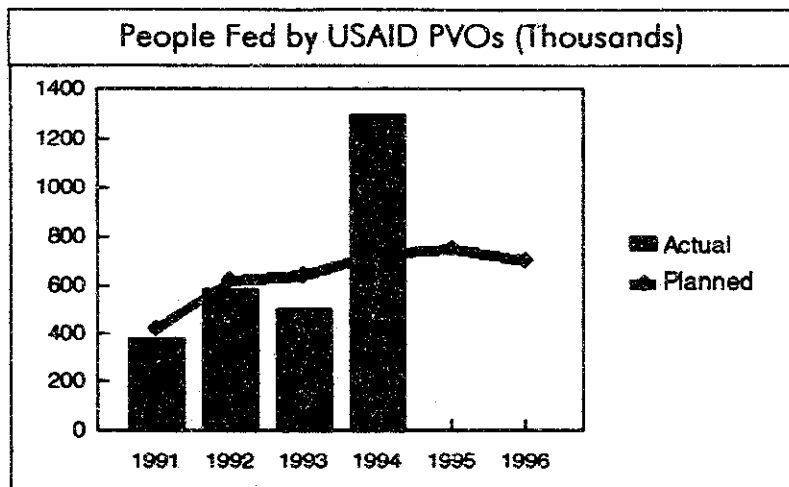
- **Improved National Population, Health, Food Security and Education Policies:** the independent



school sector was organized into 11 associations of schools representing about 1,000 schools; the Ministry of Education created the Bureau Executif whose mandate is to manage and coordinate the National Education Plan; nine conferences have been

- **Improved Basic Education:** improved curricula have become standard in 259 participating primary schools and 72 pre-primary programs, 500 additional teachers and pedagogical advisors have been tested for knowledge and skill using improved tests as part of the ongoing process of determining training needs,

held by the Ministry for the purpose of debating and building consensus for educational reform; a nation-wide education sector diagnosis has been initiated; a social marketing campaign has been



developed and tested in 15 community schools for determination of media utilization in the educational reform process. The Mission has supported the reorganization of the Ministry of Health and will sign the first bilateral social-sector project since 1987: Health Systems 2004.

Current Priorities and Strategy

Current priorities and strategy are:

- to continue support for the network of health PVOs with a focus on reduction of infant mortality (better weaning, improved maternal care, better case management protocols, better accessibility of ORT), total fertility (increased CPR through female education, public sector services, social marketing, community-based distribution and integration of Family Planning with pre-natal care.) and HIV prevalence through continued education and social marketing of condoms;
- more integration of all health programs and support for the Ministry of Health's plan to establish Communal Health Units throughout the country;
- support for the Ministry of Health's restructuring to assume a strong normative and oversight role;

- restructuring of the food program away from emergency relief to development support and its integration in other activities. The new food security strategy aims at enhancing food availability through its agricultural programs supported by Title III funding ensuring access to food through economic reform and employment creation programs; and assuring adequate utilization of food resources through including Title II inputs directly in targeted health, nutrition, education and productive infrastructure programs. This strategy includes providing inputs for

appropriate health/population and food policies; directing health, population and nutrition services to the most nutritionally at-risk groups; targeting formal and informal educational opportunities to girls and women who are the foundation of the household food chain in the Haitian context; and, maintaining food aid resources to enhance productive infrastructure development in rural communities; and,

- continued support for the development of primary schools and their involvement in community level processes, technical assistance in educational planning, administration and decentralized decision making, and policy dialogue with the Ministry of Education and private groups in the context of the National Education Plan.

Expected outcomes in each of the program areas leading to the strategic objective over the next two years are:

- *In Expanded and Enhanced Primary and Reproductive Health Services:* increase by 1997, in served areas, the measles immunization coverage to 90 percent, the use of ORT to 65 percent and the percentage of children receiving two Vitamin A tablets/year to 65 percent; increase the CPR to 35

percent and the annual sales of AIDS social marketing condoms to 5 million.

- *In Enhanced Food Security:* progressively reduce the regular feeding program and terminate emergency feeding by 1997 with the number of people fed reaching levels of 700,000 in 1996 and 1997, reduce the percentage of children 0-23 months at M2 & M3 malnutrition levels to 18 percent by 1996 and 17 percent by 1997, and increase the number of food programs with integrated health activities (targets to be set after baseline survey is done).
- *In Policy Development:* development and implementation by the GOH of at least 1 comprehensive health policy in each of 1996 and in 1997, establishment of a multi-sectoral education commission and 20 meetings per year of policy dialogue groups.
- *In Improving the Quality of Education:* 2,600 teachers trained, 250,000 books to be delivered in 1996 and 30 schools participating in the pilot project in 1996. The numbers for 1997, as well as the number of schools participating in community level projects are still to be determined as a result of the a project under design.

Program Components

The program seeks to integrate activities in health, food and education which had previously been undertaken separately.

Presently, the health portfolio is supporting health and family planning service delivery as well as AIDS prevention activities through the Non Governmental and commercial sectors. Four projects support these efforts: the Voluntary Agencies in Child Survival Project, the Private Sector Family Planning Project, the Expanded Urban Health Project and the AIDS Control Project.

In order to maximize the impact of these projects on sustained development in the health sector, the Mission has consolidated its resources into the new bilateral HS 2004 Project which has as its main components:

- Public sector policy and institutional strengthening to support new decentralized health care delivery systems nationwide.
- Direct service delivery by the Ministry of Health, Non Governmental and commercial providers which operate both through geographically defined community health units (UCS) comprising registered populations, as well as through selected national level programs in immunization, family planning, and AIDS prevention, and nutrition.
- Support services, including information, education and communication (IEC), social marketing, and operations and evaluative research.

It is anticipated that this agreement with the GOH will be signed in June, 1995.

The P.L. 480 Title II and Title III programs, under a new approach, now will mutually support one another. Targeting food insecure populations, the new Title II program will sustain food security accomplishments at the community, peri-urban and rural levels, which were met during the past two years. The Title III program will focus on an increased physical availability of food, improved economic access to food through the implementation of infrastructure development activities in potentially productive areas and improved food production through local currency support for the GOH participation in the PLUS project.

As a step towards enhancing the measurement and monitoring of the Title II program and placing a greater emphasis on nutritional impact greater efforts will be made to promote collaboration amongst food distribution sponsors concerning the composition of maternal and child health programs, more standard-

ized instruments for nutritional surveillance and collaborative development of educational materials as well as greater coordination of nutrition programs with the GOH and non-profit health services supported under the HS2004 Project.

The paper for the Enhancing Food Security II project will be authorized during the 4th Quarter FY 95. It will provide a more comprehensive frame work for obtaining food security objectives and will include components supporting PVO efforts in using Title II resources for developmental purposes. Input from both the LAC and BHR Bureaus has helped the Mission ensure that project design remains consistent with not only Mission strategic objectives, but also all relevant Agency policy guidelines.

Increased levels of education have been associated with improved health standards, lower fertility, increased agricultural production, better employment opportunities, higher individual productivity and a greater sense of empowerment leading to more conscious participation in the democratic process. As such, improvements in basic education are crucial to progress in all other sectors. In light of the current priorities and opportunities in all these areas, the Mission is refocussing its education and training portfolio to have a direct impact on facilitating the transition to a democratic and economically productive society. The current projects in the Education area, Incentives to Improve Basic Education (IIBE) and CLASPII, are being consolidated and redesigned under a new project Reforming Education Services and Technology to Offer Resources to the Economy (RESTORE). If requested resources for FY 1996 are not available for this project, then USAID's education program will have to be terminated or postponed, with detrimental results on the current momentum to rebuild education and other sectors.

RESTORE will strengthen the role of the community based primary school by involving more parents and local organizations in the decision-making pro-

cess, focus on introducing democratic values and structure into the schools, support teacher training at the community level, improve the delivery of education services at the decentralized level, improve management capabilities at all levels and support the educational policy development process.

Education of the Haitian family is also undertaken by projects in other strategic areas. All opportunities to coordinate the development of curricula and the delivery of educational messages in civic and environmental education through the schools will be sought.

SO 3: Healthier, Smaller and Better Educated Families

Indicator	Unit	1994	1995	1996	1997
Infant mortality Rate	Number/1000	75	73	70	68
Total Fertility Rate	Number	4.8	4.7	4.5	4.3
Percent Children 0-23 months at M2&M3 malnutrition	%	20	19	18	17
Internal efficiency of primary schools	%	37	TBD	TBD	TBD

PO 3.1: Expanded and Enhanced Primary and Reproductive Health Services

Indicator	Unit	1994	1995	1996	1997
Children 12-23 months immunized for measles in target area	%	75%	80%	85%	90%
Women in target area using ORT to treat diarrhea in children 0-5 yrs	%	50%	55%	60%	65%
Children in target area who receive 2 Vit. A capsules/year	%	40%	50%	60%	65%
Contraceptive Prevalence Rate in Target Area	%	20%	25%	30%	35%
Aids Social Marketing Condoms Sold	millions	3.7	4.5	5.0	5.0?

PO 3.2: Enhanced Household Food Security

Indicator	Unit	1994	1995	1996	1997
Number of people feed by USAID PVOs	thousands	1,300	750	700	700
Food distribution sites with an integrated health program	%	N/A	N/A	TBD	TBD

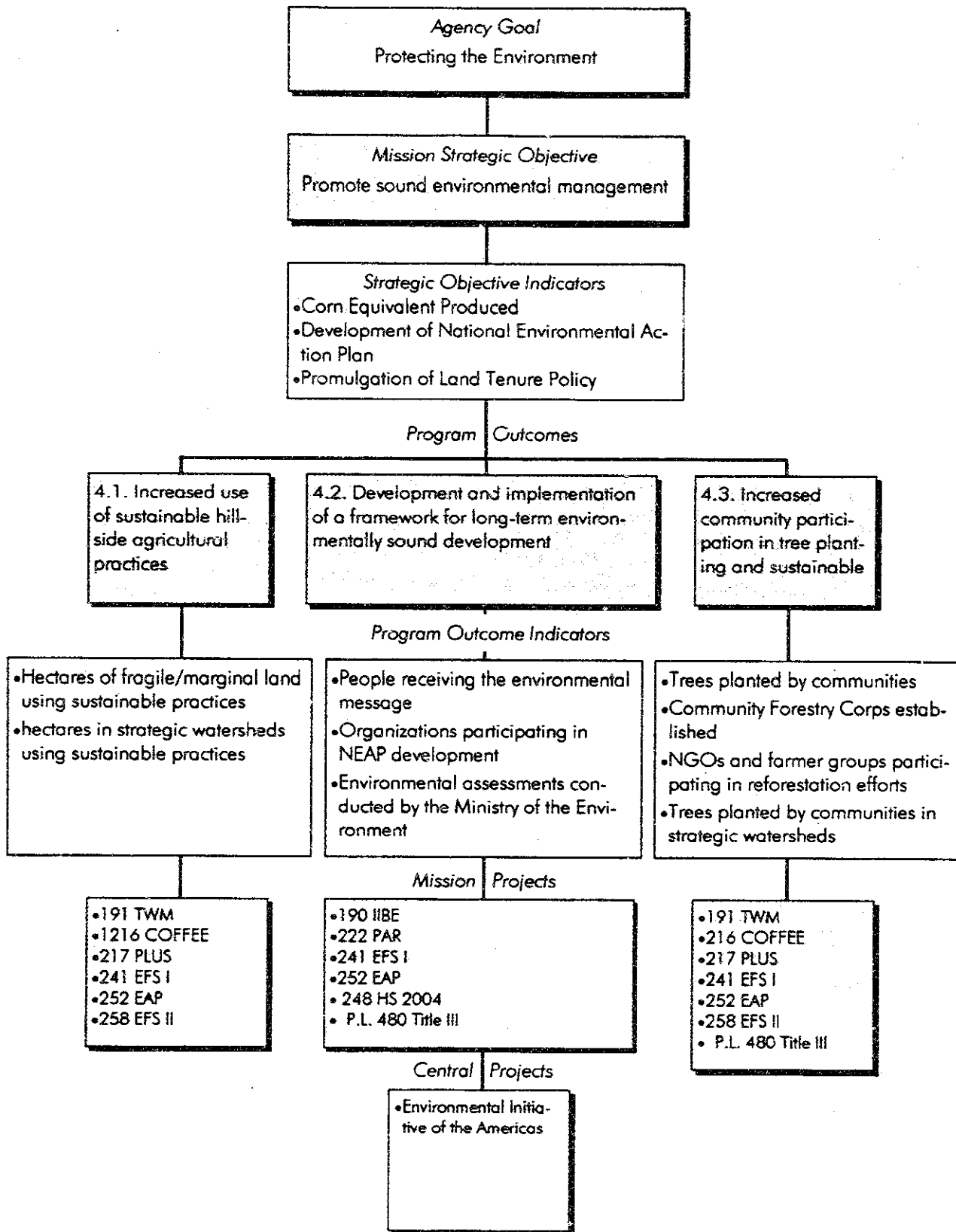
PO 3.3: Improved National Population, Health, Food and Education Policies

Indicator	Unit	1994	1995	1996	1997
Comprehensive health, population and nutrition policies in place	number	0	0	1	2
Multisectoral Commission for Education Plan 2004 in place	Y/N	N/A	No	Yes	Yes
Policy dialogue group meetings with a specific education agenda	number	0	7	20	20

PO 3.4: Increased Quality and Relevance of Primary Education

Indicator	Unit	1994	1995	1996	1997
Teachers trained in basic skills and pedagogy	number	0	2,600	4,000	TBD
Textbooks in private and public primary schools	thousands	0	0	250	TBD
Schools participating in pilot civic/distance education project	number	0	6	30	TBD
Schools participating in community projects with local organizations	number	0	TBD	TBD	TBD

4. Promote Sound Environmental Management



4. Promote Environmentally Sound Resource Management

With only one percent of natural forests remaining, Haiti's extreme environmental problems undermine its short and long-term prospects for achieving political and social stability, food security and sustainable economic development. The intent of this strategic objective is to address the environmental crisis, to reverse Haiti's environmental degradation and ensure sustainable utilization of its natural resources which are fundamental to economic growth.

Progress will be measured by increases in the volume of agricultural production (expressed in metric tons of corn equivalent food grains produced), by the adoption and implementation of a National Environmental Action Plan (NEAP) and the promulgation of a land-tenure policy.

As intermediary steps leading to the achievement of this strategic objective, USAID will seek to achieve the following outcomes:

- *Increased used of sustainable hillside agricultural practices*, as measured by the number of hillside farmers having adopted sustainable agricultural practices, the number of hectares of fragile or marginal lands using environmentally sound agricultural practices, and the number of hectares planted using environmentally sustainable sound resource management in strategic watersheds.
- *The development and implementation of a framework for long-term environmentally-sound development*, as measured by the number of people receiving the environmental awareness message, the level of civic participation (number of groups) in the development of the National Environmental Action Plan, the number of environmental assessments carried out by the Ministry of Environment and the creation of the Institute of Agrarian Reform.
- *Increased community participation in tree planting*,

as measured by the number of trees planted by communities, the number of Community Forestry Corps established to develop innovative agro-forestry systems to manage degraded hillsides, the number of PVOs and community organizations participating in reforestation activities, and the number of trees planted by communities on strategic watersheds.

Performance Review

Progress towards the strategic objective in 1994 has been good despite the embargoes, tropical storms and drastically deteriorated infrastructure. Haitian farmers produced an estimated 828,000 metric tons of corn equivalent food grains, less than the projected 912,000 metric tons. This is 91 percent of an average production year, but still only 57 percent of the estimated total domestic food requirements.

Without interruption, USAID has actively supported environmentally sustainable agricultural activities throughout the period of political instability. The main actions over the past year have been to increase the number of users and acreage of sustainable agriculture in areas targeted by USAID assistance, protecting one of the remaining strategic watersheds, promoting high-value tree crops, supporting the planting of trees, promoting the environmental policy dialogue and rehabilitation of the environment through the temporary jobs program. Outcomes in the main program areas over the last year are summarized on page 2-26.

The number of hillside users of sustainable agriculture reached over 55,000, a much higher level than the anticipated 35,000 leading to an upward revision of targets for the next two years.

The success of Mission efforts to promote environmentally sustainable agricultural practices is well captured by an illustrative success story from the Productive Land Use Systems (PLUS) project.

PLUS — A Success Story

Deforestation and environmental degradation are among Haiti's most fundamental and intractable problems. To counter those problems, two USAID agroforestry projects planted up to ten million trees annually from 1981 to 1989. However, the tree planting approach did not address farmers' need for more immediate economic returns and an incentive to adopt soil conserving and fertility-enhancing land use practices. The Agroforestry II project was redesigned in 1992. The new project title, Productive Land Use Systems (PLUS), underscores the change in emphasis. It is designed to address natural resource degradation by coupling increased food crop production and farm family income to the adoption of sustainable agricultural practices which conserve the environment.

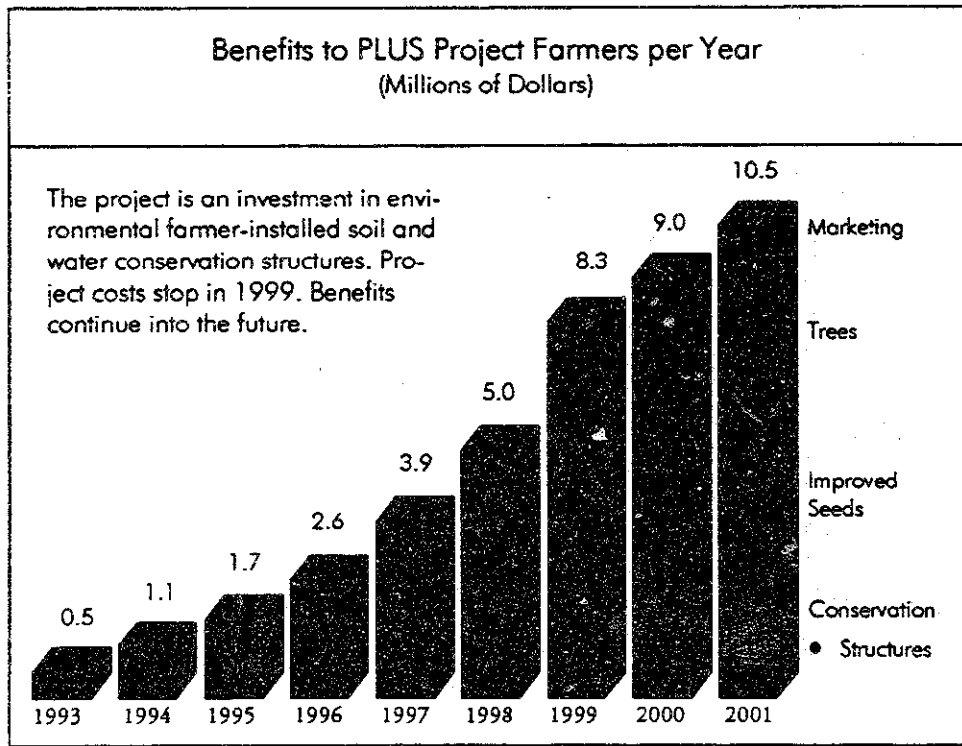
In March 1995, PLUS is reaching more than 40,000 farm families representing over 250,000 rural beneficiaries. The

accompanying graph shows that these families have received benefits or "dividends" of \$540,000 in 1993 plus \$1.12 million in 1994. By 1999, benefits are expected to be flowing at the rate of \$8.3 million per year. By that time, accumulated benefits are expected to total some \$23.7 million. The graph shows the benefits flowing to farmers as "dividends" on this investment and motivating their adoption of conservation farming techniques. It is based on data collected from a series of

case studies of adopting farmers conducted during the initial two years (1993-94) of the project and on a projection of planned implementation through the end of the project in 1999.

As with any environmental project, the return to the investment (project expenditures and farmers efforts) takes place over time. The increasing level of benefits seen in the graph reflects the expected returns to planned investments in the next phase of the project (1995-99). Benefits should continue to flow annually as long as the farmers provide annual maintenance.

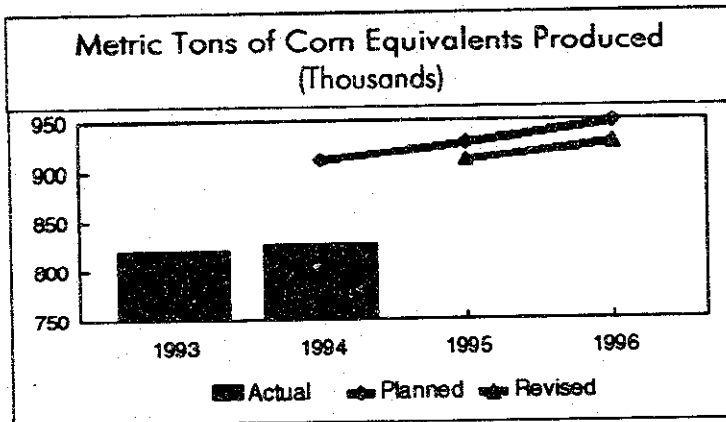
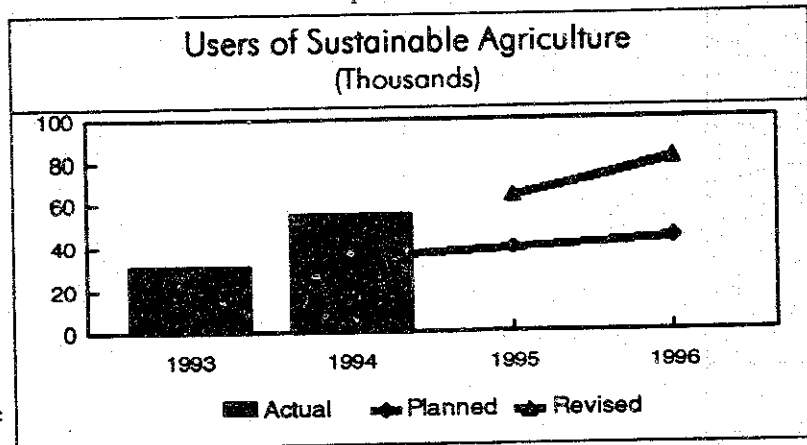
In some project areas, food production is stabilizing and increasing as the risk to moisture stress is declining with the use of Project soil and water conservation techniques. As a result, farmers are willing and able to devote more effort to growing fruit and forest-product trees.



Key Environmental Achievements

- Continued support for hillside sustainable agriculture: in 1994, reached 55,200 farmers and brought 66,000 hectares of fragile/marginal lands under environmentally sound food production systems (9 percent of hillside hectareage now being farmed), much more than the targets of 35,000 farmers and 42,000 hectares;
- Tree Planting: planted over 4 million trees in FY 1994 (multipurpose fruit and hardwood species);

job creation project, undertook solid waste collection and disposal (563,000 cubic meters), drainage



ditch and infrastructure rehabilitation (2,000 km.), rural road repair (1,900 km.) and soil and water conservation interventions (various measurements); and,

- Policy Dialogue: influenced policy dialogue with the new Ministry of Environment by providing technical advice, funding and donor coordination support for the NEAP, a coherent long-range GOH and multi-donor supported action plan that will guide Haiti's sustainable economic development into the next century.

- Promotion of high-value tree crops: created a federation of coffee farmer associations which has for the first time in Haitian history exported 66,000 lbs of a registered gourmet quality coffee "Haitian Blue" to the US which has empowered these small farmers to break the traditional dependence on an exploitative oligopsonistic export system;
- Environmental protection activities: reduced pressure on the last remaining rainforest by extending sustainable technologies to 1,200 farmers and implementing environmental awareness programs for the surrounding communities and schools;
- Rehabilitation of the environment: through the

Curver the longrent Priorities and Strategy

O run, a range of interventions by the GOH, donors, NGOs, and the private sector will be needed to reverse Haiti's environmental degradation and ensure sustainable utilization of its natural resources. These include: macro-economic and sectorial policy reform, institutional development (both government and NGO), sustainable agricultural production, watershed management, bio-diversity protection and management, reforestation, tree crop pro-

duction, urban waste management, environmental education, promotion of energy conservation and efficiency, and long-term national planning. Programming will support several of these areas.

In late 1994, An Environmental Task Force (ETF) evaluated the situation in Haiti and drafted an interim environmental action plan (IEAP) which includes short, medium and long-term proposals for donor assisted activities. During the next 24 months, the Mission will use this IEAP framework to broaden and deepen its environmental program by building upon its current successful integrated approach and recognized leadership among other donors in the environmental area.

Current sustainable agriculture/environmental activities will be continued and expanded based on Haiti's comparative advantage in perennial tree crop production on fragile and marginal hillside lands. All of the current agricultural projects underwent independent evaluations last year. They all received high marks for implementation and impact results under extremely difficult conditions. Recently, these three sustainable hillside agricultural projects were amended, increasing their funding levels and durations for the next two to five years. In addition to the Mission's present portfolio, the ETF proposed a number of emergency activities to be initiated in the short-term, e.g., additional tree planting and urban household pollution prevention activities.

Plans are progressing to complement present and emergency environmental actions with some medium-term local empowerment and institutional type activities to include: a Community Forestry Corps (CFC) program which will potentially involve local community groups, Peace Corps Volunteers, with local and international NGOs; and, development and implementation of the National Environmental Action Plan (NEAP). The NEAP will define and direct future long-term efforts of all the elements in Haitian society and donor community to improve

the environment in which Haitians live and work. The program will continue to support, in collaboration with other donors, the development of a NEAP which will consist of a coherent long-range GOH and multi-donor supported environmental action plan for the next five years within a ten to twenty year perspective. The NEAP would involve a GOH-led participatory process involving NGO, civil society, private sector and donor representatives. The NEAP will identify key environmental problems, propose specific actions to address these which have the concurrence and involvement of all interested parties, and indicate investment requirements. In essence, the NEAP consolidates national consensus and priorities for environmental action into one planning document.

Expected outcomes in each of the program areas leading to the strategic objective over the next two years are:

- *In sustainable growth in hillside agricultural production:* increase the number of users of sustainable agricultural practices to 81,300 in 1996 and 100,000 in 1997; increase the number of hectares of fragile/marginal land using environmentally sustainable agricultural practices to 108,000 in 1996 and 120,000 in 1997 and increase the number of hectares planted using environmentally sustainable resource management in strategic watersheds to 3,600 in 1996 and 6,700 in 1997.
- *In the development of a policy framework for long-term environmentally sound development:* increase the number of people receiving the environmental message to 1.5 million in 1996 and two million in 1997; increase civic participation in the NEAP development to 20 organizations by 1997; and help the Ministry of Environment undertake three environmental assessments in 1996 and five in 1997.
- *In increased community participation in tree planting:* increase the number of trees planted by com-

munities to 5 million in 1996 and 6 million in 1997; increase the number of Community Forestry Corps established to develop innovative agro-forestry systems to manage degraded hillsides to 15 in 1996 and 20 in 1997; increase the number of PVOs participating in reforestation activities to 700 in 1996 and 800 in 1997, and increase the number of trees planted by communities on strategic watersheds to 1,000 in 1996 and 2,000 in 1997.

With the achievement of these programmatic objectives, it is expected that, at the strategic objective level, the number of metric tons of corn equivalent produced will increase to 930,000 in 1996 and 949,000 in 1997 and the NEAP will have been finalized in 1996 and updated in 1997 and a land tenure policy will have been promulgated.

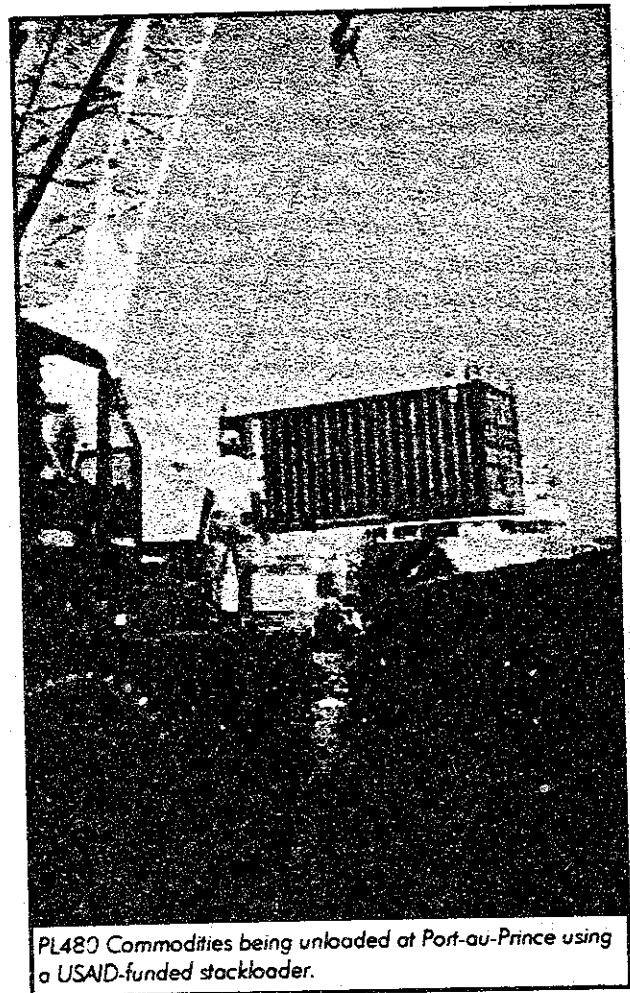
Program Components

The current mix of projects in support of this strategic objective includes the Productive Land Use Systems (PLUS), Targeted Watershed Management (TWM), Coffee Revitalization (COFFEE), Enhancing Food Security (EFS-JOBS), Policy and Administrative Reform (PAR) and the Incentives to Improve Basic Education (IIBE) projects. The Regional Environmental Initiative of the Americas (EIA) project also contributes to this objective.

Environmental activities will be consolidated into one management unit, the Environmental Assistance Package (EAP, 521-0252). EAP will be designed in FY 1996 to replace the numerous similar sustainable hillside agriculture projects with one integrated environmental management package of assistance. The EAP will be composed of components which incorporate aspects of on-going projects, new short-term activities, and proposed medium-term environmental management building blocks. Sufficient flexibility will be put into EAP to accommodate environmental

education/awareness, policy dialogue, and formal institutional/governance capacity building. A New Activity Descriptions in Section 3.

There are numerous other significant ongoing and planned interventions in democracy, governance, health, population, functional literacy, business development, food security and jobs creation which have had or will have a positive impact on the environment. EAP will be managed under a team concept to incorporate and build on the existing and potential synergism of these activities.



PL480 Commodities being unloaded at Port-au-Prince using a USAID-funded stackloader.

SO 4 : Environmentally Sound Resource Management

Indicator	Unit	1994	1995	1996	1997
Corn equivalent produced	1000 MT	828	912	930	949
Development of National Environmental Action Plan	Document	0	draft	final	update
Land Tenure Policy	Document	0	0	draft	final

PO 4.1: Increased use of sustainable hillside agricultural practices

Indicator	Unit	1994	1995	1996	1997
Hillside users of environmentally sustainable practices	thousands	55.2	64.3	81.3	100
Hectares of fragile/marginal land using env. sustainable practices	1000 Ha	66	96	108	120
Hectares planted using env. sust. practices in strategic watersheds	hectares	included above	1,920	3,600	6,700

PO 4.2: The development and implementation of a framework for long-term environmentally-sound development

Indicator	Unit	1994	1995	1996	1997
People receiving environmental awareness message	millions	0	1	1.5	2
Organizations participating in NEAP development	number	0	37	37	20
Environmental assessments conducted by Ministry of Environment	number	0	0	3	5

PO 4.3: Increased community participation in tree planting

Indicator	Unit	1994	1995	1996	1997
Trees planted by communities	millions	4	4.5	5	6
Community Forestry Corps established	number	0	5	20	30
NGO's and farmer groups participating in reforestation activities	number	500	650	700	800
Trees planted by communities in strategic watersheds	thousands	487	500	1,000	2,000

Plans & Requirements

Program Activity Overview

Efforts will continue to consolidate the portfolio in order to take advantage of potential administrative savings, introduce a greater degree of competition for resources and improve overall portfolio management. As of March 31, 1995, our portfolio included 23 activities, including ICITAP, as illustrated in the attached Project timelines (see Table 5 of Annex).

With the addition of Health Systems 2004 and the Program for the Recovery of an Economy in Transition (PRET) in May, we have begun the process of subsuming smaller projects into more comprehensive activities. By the end of FY 1996, the portfolio will number approximately 10 and by mid-FY 1997, no more than seven or eight activities.

We propose four new starts in FY 1996: the Environmental Assistance Package (EAP) project; the Enhancing Food Security II (EFS II) project (a NAD for Enhancing Food Security II project has been submitted off-cycle and is not included in this Action Plan.); a Balance of Payments program; and, the Reforming Education Services and Technologies to Offer Resources to the Economy (RESTORE) project. We also propose an FY 1995/96 Title III program and an amendment to the Policy and Administrative Reform (PAR) project.

Both EAP and RESTORE will serve to further consolidate our portfolio and focus resources in response to opportunities highlighted from recent assessments. The new EFS II project will introduce a phased approach for re-orientating our food distribution activities to be more developmentally focussed. The proposed Balance of Payments program continues much-needed budgetary support to the GOH and provides the portfolio with a tremendous policy reform vehicle to complement reform efforts contemplated within the health, environment and private enterprise sectors of our portfolio while supporting efforts planned under an IBRD structural adjustment

loan package. A continued Title III program will provide much needed resources to support Title II operational costs and GOH development needs while an amendment to PAR will position our program to better assist the GOH to redefine its role by providing necessary resources to meet overwhelming privatization costs and public sector reform needs.

Finally, the portfolio addresses the seven areas identified at the Summit of the Americas as follows:

Invigorating Society/Community Participation

The JOBs Creation Program is providing thousands of poor Haitians with short-term employment while rehabilitating economically productive infrastructure, thus benefitting both the disadvantaged participants and the communities in which they live. Under the Coffee Revitalization (COFFEE) project and the Productive Land Use Systems (PLUS) project, grassroots democratically-oriented farmer associations have been formed and empowered to provide the means to not only increase yields and quality of products, but institute environmentally sound investments as well. Empowering people to take charge of their own reproductive functions through assistance provided under the Health Systems 2004 project is another way in which societies are strengthened under our program.

Finally, activities such as small infrastructure rehabilitation efforts, which are supported through the Office of Transition Initiatives (OTI), are identified and selected with the active participation of local community leaders and residents. In this way, communities develop a strong sense of shared importance in maintaining completed activities within their localities.

Universal Access to Education

Haiti's education system, already the weakest in the Western Hemisphere, has deteriorated since the late 1980s. Our program has long recognized the importance of basic education as a factor in socio-economic development and supports a broad range of goals through the Incentives to Improve Basic Education (IIBE) project and the planned RESTORE, both of which are targeted at increasing access, improving quality, efficiency and overall administration of basic education.

Equitable Access to Basic Health Services

The program addresses this specific initiative in a number of ways. Through its support under the Voluntary Agencies for Child Survival project (soon to be fully incorporated under Health Systems 2004 Project), a central cold chain and essential drug program called PROMESS has been established. PROMESS, under the auspices of the Pan American Health Organization, guarantees childhood vaccines and the availability of essential, generic drugs. Under the PSFP, mobile teams have been established to address the growing demand for longer term more effective contraceptive methods in Haiti.

Strengthening the Role of Women in Society

The role of Haitian women has improved under our program, but clearly more needs to be done. Women have benefitted as loan recipients under PED, as small entrepreneurs within a newly formed economic units such as farmer cooperatives under PLUS and COFFEE and as beneficiaries under family health and child survival interventions under VACS and PSFP. These opportunities have empowered more women and allowed them to exercise their economic and social standing to strengthen their position within society.

Encouraging Micro-enterprises and Small Business

The promotion of sustainable private-sector-led economic growth is a pillar of our program. Significant success has been seen in fostering micro-enterprise and small business development under our Provincial Enterprise Development (PED) project. Loans to small businesses have been channelled through provincial branch offices of the Haitian Development Foundation (HDF). HDF has also begun working with other, smaller micro-enterprise lending institutions, such as the Fund to Assist Haitian Women, providing both lending capital and technical assistance. In addition, we have initiated PRET which will provide capital, technical assistance and training to small- and micro-enterprises.

Partnership for Sustainable Energy Use

The program addresses this initiative under the Policy and Administrative Reform (PAR) project by providing funding to the International Finance Corporation to support efforts to privatize the Haitian public sector utility. Furthermore, certain project sites in the health sector have been designated as models of sustainable energy. For example, two new private sector family planning clinics and two public clinics, designed to be energy efficient, will soon be opened.

Partnership for Bio-diversity

We are the only donor providing support for mitigating environmental degradation and preserving what remains of Haiti's once rich and diverse national patrimony. Equity, participation, sustainability and impact measurement constitute the underpinnings of the Mission's three environmental-cum-food production activities: PLUS, COFFEE and Targeted Watershed Management (TWM) projects (all to be incor-

porated into the EAP project). Effective measures to curtail soil erosion and natural resource degradation of hillsides is critical under PLUS. Under COFFEE, the palliative effects of coffee trees on stemming soil erosion and water run off have been documented. Finally, TWM reduces encroachment on the threatened habitats of Haiti's only significant remaining watershed.

Performance Measurement

The Mission has been restructuring its management system over the past year to correspond to strategic objectives. Technical and support offices have been merged into four offices. Our current portfolio of 23 projects is being restructured into large sectoral projects. Nearly fifty percent of the restructuring is already completed. All of the Mission's health, family planning, and AIDs activities have been consolidated into one project, Health Systems 2004 to support Strategic Objective No. 3. The private sector development activities were recently consolidated into one project, Program for the Recovery of the Economy in Transition (PRET). The PRET project will support Strategic Objective No. 2. Each of these projects as well as planned new projects will include a monitoring and evaluation system that measures progress towards achieving strategic objectives. Below are some examples of activities which address the "core values" of the Agency's re-engineering efforts as described in the Operations Business Area Analysis Report, "Making a Difference for Development."

- *Customer focus:* A qualitative monitoring unit was established initially to gather data to assist the Mission in monitoring the effects of the embargo. The monitoring unit is now being used by the Mission, grantees and contractors to gather feedback on different development activities (e.g., justice reform, privatization, health social marketing, government reform, police reforms, etc.) and to

conduct public opinion polls on the upcoming elections. Under our Enhancing Food Security project, a Food Security Information System has been developed to ensure the program focuses on traditionally vulnerable populations and economically vulnerable segments of society. Two agricultural projects, PLUS and Coffee Revitalization, have sophisticated monitoring and evaluation systems that collect data on a continuous basis on project performance and beneficiaries' satisfaction.

- *Teamwork/partnerships/participation:* After the restoration of the Constitutional Government, the Mission has been actively increasing the participation of partners and clients in the implementation of the Post Resolution Strategy. For the development of the new Health Systems 2004, Mission staff worked closely with the constitutional government in exile and existing health PVOs in the design of this project. In the design of the follow-on project to Enhancing Food Security project, several workshops, seminars, conferences were held with cooperating sponsors and various Haitian Government Ministries to get input for the design and implementation approach of this new project. The Mission has also been instrumental in facilitating the development of a National Education Plan for Haiti. Once again, workshops, seminars and presentations have been held to bring Mission partners, potential beneficiaries, and implementors together to launch a National Education strategy.
- *Empowerment/accountability:* With the development of the new strategic objectives teams, it is anticipated that the Mission will provide greater emphasis on managing for results and will monitor this process through project development, semi-annual reviews, and evaluations, and greater participation from partners and clients.
- *Results orientation:* Each new project is being developed to include definitions of project success

and indicators that better reflect attainment of strategic objectives. The Mission hopes to undertake training for USAID staff that will strengthen our project development and management skills.

folio restructuring process to better reflect strategic objectives and to increase effectiveness in managing for results. The Mission's Policy Coordination and Program Support Office will oversee this transition.

As a result of the April Mission Retreat, Strategic Objective Teams (SOTs) have been established to increase the Mission's effectiveness in managing to achieve specific strategic objectives as outlined in our annual Action-Plans. SOTs will complement and eventually replace individual project teams. SOTs will play a key role in ensuring that the Mission manages its portfolio for results. The teams will behave as project teams in assisting project managers and technical offices in monitoring and evaluating Mission activities. The SOTs will review individual activities in the semi-annual review process to assess their support to project outcomes. The SOTs will review proposed new activities and amendments to assess if these are appropriate and sufficient to accomplish the program outcome. SOTs will also be instrumental and identifying "strategic level" issues for the Mission Director and future program planning documents.

Measurement of Performance

A new set of realistic indicators have been chosen to measure progress towards the redefined strategic objectives and program outcomes. They have all been summarized into one table for each strategic objective, with indications of the current values and the targets for the next two years. These targets will drive the SOTs in their efforts to achieve the selected objectives. In the democracy area and in those related to recovery or transitional measures, these indicators are new and no baseline data is available. In many cases targets will have to be established after preliminary surveys are undertaken.

Because our entire portfolio is being restructured into fewer activities, the Mission's monitoring and evaluation systems are being revised through a port-

Program Management Needs

Program Management Requirements

Operating expense resources must be shifted to meet the LAC Bureau's program priorities and to support the USDH assigned to the field. Operating expense projections, as shown in Table 7, take into account the effects of the joint decision by the Bureau and Mission management to substantially increase from 15 USDHs at the end of FY 1994 to 24 USDHs by the end of FY 1996. The increase in resources, both staffing and OE, are essential in order to maintain the Agency's accountability standards and to insure effective implementation of the program activities underway and those planned during the Action Plan period.

A sizable non-expendable (NXP) procurement budget is required in order to support the increased number of USDHs. It is estimated that each new USDH requires nearly \$50,000 in NXP to function effectively, which includes a substantial expense to provide an alternate energy source to replace what is essentially a non-functioning utility sector in Haiti. In addition, \$265,000 has been budgeted to upgrade the Mission's computer systems. This investment in computer hardware is critical if the Mission is to be ready for the influx of new programs and management tools expected to be generated in Washington during the next six to twelve months.

While the gourde has remained relatively stable against the dollar, there exists considerable inflationary pressure on the Haitian economy due to the expansion of private sector activities, the influx of donor assistance and the need for the GOH to raise revenues. A leading U.S. bank, which prides itself on being a market leader in salary compensation, is facing a 25 to 35 percent salary increase for its local employees due to changes in the market. The GOH has just decreed a 180 percent increase in the minimum wage effective June 1. Ed'H, the parastatal power company, has announced a 20 percent across-the-board rate increase. The last salary scale adjustment

for U.S. Mission employees was made in May 1994. As a result, the Mission is projecting a 30 percent increase in its compensation plan beginning October 1, 1995, in anticipation of a salary survey to be conducted by the US Embassy within the next few months.

Even though the program is expanding, we recognize our responsibility to control costs, given the tremendous pressure the Agency is under to reduce operating costs. We are taking a number of steps to meet that responsibility. The Mission underwent a major reorganization in the last few months with the purpose of improving our operational efficiency and reducing the pressure of even greater increases in USDHs than are currently authorized. The Mission has been and will continue to be very aggressive in making sure costs appropriately charged to programs are not charged to operating expenses. We have installed a hybrid energy system including state of the art solar powered inverter systems in most of the USDH residences in order to curb generator use and cut costs. The system also makes the Mission a major player in the Agency's commitment to energy conservation worldwide. These steps will provide substantial cost savings to the Mission.

Our operating expense projections are based on what can reasonably be anticipated at this point in time. As circumstances change so can our resource requirements.

Resources

Continuation of JOBS Program

The USAID program was originally designed in 1993 as a bridge to the IDB/World Bank (FAES) and World Bank (PURE) job creation programs; however, both are off to a slow start, and the June 1 start date for FAES will not be met. With the issuance of the recent decree raising the minimum daily wage from Gdes. 15 to 36 effective June 1, the USAID JOBS program requires an additional \$4.6 million in order to continue supporting 50,000 daily short-term daily jobs through August.

Since the World Bank has decided to simply adopt the USAID program, using the same program design and major implementing PVO for its activities, the Mission is currently negotiating for the shortfall to be financed either from IDB resources through FAES, or incorporated under the IBRD-financed Jobs program expected to commence by August. Though it appears that funding may be made available from either of these resources, it is not yet certain and its delivery in a timely manner could be problematic.

Two months ago, the Mission identified \$3 million from DA and Title III local currency to respond to the GOH's request to extend the program through August. We cannot once again raid the portfolio to make up for other donors' delays. Pressure should be brought to bear on the IDB and World Bank headquarters to ensure that they fulfill their commitments, failing which the Mission would stop the JOBS program.

Continued Balance of Payments Support

With external grants of almost \$400 million in FY 1995, including U.S. balance of payments support

(BOP) as well as arrears clearance assistance, Haiti faced no balance of payments financing shortfall in FY 1995. In its staff report for this year's Stand-By Arrangement, however, the IMF warns that "Haiti's balance of payments will ... be fragile over the next few years and the public sector financial requirements will need to be met largely by grants and concessionary loans." Even when adjusted for IDB co-financing, unforeseen at the writing of the Fund's Report, of IDA's Structural Adjustment Credit, the balance of payments picture for FY 1996 still shows a financing gap of \$73 million, of which \$35 million can be expected to come from the planned IMF Enhanced Structural Adjustment Facility.

The remaining gap of \$38 million will require continued U.S. balance of payments support if the economic growth, so crucial to political stability in Haiti, is to be sustained. (See FY 1994-FY 1997 Disbursement Table, pg.3). The Mission proposes a balance of payments support grant in FY 1996 of \$15 million and \$15 million in FY 1997 toward the closing of the gap. This will ensure the uninterrupted flow of petroleum products to the Haitian economy, and will contribute to the regular servicing of Haiti's debt to the principal IFIs, whose lending programs to Haiti are expected to remain the linchpin of the longer-term economic recovery effort.

Moreover, efforts by the GOH to mobilize tax revenues, however Herculean, cannot be expected to make up in one year the more than 900 million gourdes (\$60 million equivalent) of budget support being provided in FY 1995 from various bilateral and multilateral donors. The approximately 225 million gourdes to be generated by the proposed BOP assistance will be sorely needed toward the non-Central Bank, and thus non-inflationary, financing of the GOH's shrinking, but still substantial, budget deficit in FYs 1996 and 1997.

Public Sector Recurring Costs

Well-intentioned donors are loading the GOH with layer upon layer of additional public sector salary and related expenses as they compel the GOH to staff up, restructure, or create new capacity in the full range of public services and activities which Haiti needs for its recovery program. Examples include salary increases for teachers, police, judges and doctors, and the construction of additional public schools and health facilities. At the same time, the GOH has had to raise the minimum wage, with the new figure more than double the previous wage.

To date, however, nobody has taken responsibility for helping the GOH to cope with the cumulative impact of this phenomenon. The Mission is taking the lead in this area with a PAR-funded team to be fielded in June to coincide with a complementary Ministry of Public Administration effort funded by the UNDP.

The USG must apply a recurrent cost test to all public sector expansion, including the police, and direct its assistance towards mitigating this serious problem.

Analysis of ICITAP Requirements

Although ICITAP funding levels far exceed those of any other Mission initiative, their budget numbers do not appear to have been subjected to independent analysis outside DOJ. They need to be objectively scrutinized by the same standards applied to complementary programs, such as the Administration of Justice Program, which supports the GOH institution mandated to supervise the new ICITAP-trained police.

If current ICITAP projections are fully funded without this analysis, depending on final OYB levels, other important activities could be adversely affected or even terminated.

Privatization

Need for Unified Commitment

U.S. support for the GOH intent to privatize public enterprises is not uniformly shared by certain bilateral donors, some of whom are interested parties in other arrangements. The inherent difficulties involved, both technical and political, in the privatization process will require resolve and significant technical and financial support from the donor community in order to proceed expeditiously and succeed. Demarches to engage other donor support or non-interference in privatization will avoid delays and other problems. This must be done as a "one voice" approach for all USG efforts.

Funding Requirements and Framework

According to the International Finance Corporation, GOH preparations to privatize several public enterprises are quickly moving ahead, with a contract award for the airport anticipated in June, and bid documents for the port to be ready by September. The parastatal flour mill (Minoterie) may also be leased in June, with a requirement to buy, once legal (i.e., legislative ratification) requirements can be met.

With no financing identified for the next steps on either the GOH supply or private sector demand sides (potential buyers), a quick decision on funding and framework is required to ensure that all players get the maximum benefit out of these fast-approaching opportunities. To date, the IFC privatization activities have been funded through a \$2 million grant under the PAR project, based on the rationale that ridding the GOH of key budget-sapping public enterprises would be a major step toward improved account balances and civil service reform. With the initiation of the PRET project, another

potential vehicle has become available. The Mission will explore the advisability of using one or both projects to support the implementation phase.

GOH Absorptive Capacity

At the Consultative Group Meeting in Paris and the mini-CG at Port-au-Prince, the absorptive capacity of the GOH was repeatedly called into question. It is not clear that the GOH has an agenda shared by all government elements or that it has the appropriate structure, staff capability and implementation procedures to manage the \$1.2 billion pledged at Paris. The Mission is attempting to address this concern, primarily under an amended PAR project, and under planned bilateral elements of the AOJ, DEP, Health Systems 2004, and PLUS projects.

However, donors should be made aware of the additional, and sometimes competing, demands that their programs and visits place on the GOH, which is extremely fragile. Better coordination, consultation and understanding are required on the part of donors so that the GOH does not become overwhelmed, and development efforts are not drowned in paperwork or suffocated by needless procedures.

Potential Requirement for Alternative Resources

P.L. 480 Title III local currency generations have long provided major funding for Title II support costs and the JOBS program. In fact, out of the \$11.02 million generated by FY 1994 Title III program, Title II and the JOBS Program account for \$9.2 million in local currency equivalent. The Title II program is scheduled to receive some \$5 million, and the PLUS project

Two million dollars, from the two-year \$20 million FY 1995/96 Title III program. The GOH is scheduled to receive \$9 million over the same period

for development projects, with a major focus on improving agricultural production. However, the future of the Title III legislation itself may be in jeopardy as the Farm Bill comes up for renegotiation this summer.

The programs that receive Title III funding are essential to improving food security in the most impoverished nation in the Western Hemisphere. If P.L. 480 Title III is terminated, then an additional \$20 million in ESF and DA would be required over the planning period to offset the loss of these resources.

Flexibility

Continuation of "Notwithstanding" Authority

Section 547(a) of the Foreign Operations Export Financing and Related Programs Appropriation Act, Fiscal Year 1995 (P. L. 103-306), dated August 23, 1994, provides that funds made available in Title II of the Act for Haiti may be made available notwithstanding any other provision of law.

Despite progress to date, Haiti remains in a precarious state where urgent and compelling needs require immediate action. Such action, however, would normally be subject to legal obstacles or procedures that preclude or seriously delay assistance. Thus, Section 547(a) authority for Haiti should be continued in the FY 1996 appropriations legislation, as shown by the following examples.

Under the Administration of Justice (AOJ) project, assistance is being provided to improve the penal system and penal institutions. That assistance is possible under an FAA Section 614(a) Presidential Determination notwithstanding any other laws. In addition, other elements of the AOJ project provide

assistance for certain law enforcement activities which are otherwise precluded by FAA Section 660. The Presidential Determination applies to an obligation of \$3 million of ESF funds which will not cover all of the planned activities. We will need to exempt additional funds from the FAA Section 660 prohibitions to fully fund AOJ project activities.

The "notwithstanding" authority also enables USAID to take urgent and immediate actions where necessary. Future obstacles to immediate actions cannot be predicted so that the availability of the notwithstanding authority provides a sensible management tool in delivering urgent assistance.

Haiti is currently subject to sanctions under Section 620(q) of the FAA which requires USAID to cease providing assistance to a country when that country is more than six months delinquent in the payment to the United States of principal or interest on any loan made to that country. The application of Section 620(q) can be waived through a presidential determination that assistance is in the national interest, followed by congressional notifications. Haiti has a waiver in effect through FY 1995.

Haiti is also currently subject to sanctions under a similar provision contained in Section 512 of the FY 1995 Appropriations Act, commonly referred to as the Brooke-Alexander Amendment. The Brooke-Alexander Amendment prohibits USAID from furnishing assistance to a country which is in default for a period of more than one year in the payment of principal or interest on any loan made to that country by the United States. Unlike Section 620(q), the Brooke-Alexander Amendment does not provide for a waiver of these sanctions.

Under these circumstances, in order to continue support for programs in Haiti, USAID must rely on specific exemptions set forth in the relevant appropriations act (such as Section 547(a) of the FY 1995 Appropriations Act which included general "notwithstanding" authority with regard to funds

made available to Haiti or more narrow provisions such as Section 522 of the FY 1995 Appropriations Act which permits assistance to be provided for family planning activities "notwithstanding" the application of the Brooke-Alexander Amendment and Section 620(q) of the FAA) or, failing that, on a waiver under Section 614(a) of the FAA followed by congressional notifications. The waiver under Section 614 requires that the President has determined that furnishing assistance to Haiti is important to the security interests of the United States. The President exercised this authority on June 25, 1993, Presidential Determination No. 93-28, only with regard to funds identified, in the aggregate, as the "Haiti Contingency Fund."

Haiti is currently attempting to have its debt rescheduled through the Paris Club mechanism. If Haiti's efforts are not successful or the rescheduling is not completed before the end of FY 1995, Haiti will remain subject to the foregoing sanctions. Without the benefit of general "notwithstanding" authority comparable to Section 547(a), USAID will be forced to rely on specific exemptions such as those set forth in the FY 1996 Appropriations Act or a presidential determination under Section 614(a), as described above, in order to continue support to programs in Haiti.

Deobligation/Reobligation Authority

Deobligation/reobligation authority is an important management tool that the Mission could use to expedite the consolidation of its portfolio to better address strategic objectives.

Current Agency practice with regard to deobligation/reobligation authority discourages Missions from using it. Funds deobligated from projects cannot be readily reobligated to address critical needs. The current system of using deobligations for the purpose of rescission or other uses outside the control

of the deobligating Mission creates incentives to continue with dated projects and discourages the introduction of innovative amendments or changes to portfolios. A more effective approach would allow Missions to use reobligations within their portfolio to support change and promote performance. This would create an incentive for innovative portfolios and better reflect the Agency's and Mission's strategic objectives. It would also create a healthy competition for resources within the program, resulting in improved implementation performance.

Starting in FY 1996, funds will be obligated by strategic objective, rather than projects, and therefore, we will have the flexibility to transfer funding to activities with the greatest promise and/or performance. Initiating this process immediately would allow Missions to use deobligation/reobligation authority for existing projects to best pursue our strategic objectives.

Mission Management Assessment

At the Mission's request, an AID/W team conducted a Mission Management Assessment in November 1994. Follow-up has not been conclusive, and yet there have been major changes in the environment and personnel assignments in the interim. Also, as the Mission moves to managing by strategic objective, we will need to examine our project data sources and the data presently being collected and modify them to accommodate the data needs of strategic objectives.

In order to negotiate this critical two-year period and maximize results, the Mission needs an updated, more coherent, and tightly-focused management approach that makes the most of all available resources. AID/W is requested to schedule an assessment team as soon as possible.

All ESF Budget

An all-ESF budget in FY 1996 presents opportunities and concerns. On the one hand, it would diminish the problems inherent with programming directives. On the other hand, as problematic as directives can be, they do provide a level of comfort that resources will be made available for specific project undertakings. An all-ESF budget could render the budget to capricious changes and re-programming by non-Agency operatives. A mix of ESF and other categories of funding would provide a better balance of remove at least some possibilities for capricious programming.

Special Reporting Requirements

Section 118 and 119 Tropical Forestry/Bio-diversity Reporting

Because of Haiti's unique geological formation, Haiti contains unique species of flora and fauna. Due to massive deforestation across the country there are only a few remaining places in Haiti that contain significant concentrations of unique plant and animal species and tropical forest. USAID/Haiti's environmental portfolio (through TWM, COFFEE, SEED, and PAR) supports the provisions of Sections 118 and 119 of the Foreign Assistance Act, placing high priority on conservation and sustainable management of Haiti's remaining tropical forests and biological diversity for the long-term benefit of the Haitian people.

Projects supporting these activities have continued to be successful but have experienced implementation delays and difficulties in the past year due to the political crisis and embargo and its effect on the availability and prices of supplies and gasoline. Two new outcomes will be tracked in the action plan directly related to supporting tropical forests and bio-diversity: Area planted using environmentally sustainable sound resource management and trees planted by communities in strategic watersheds. These outcomes have historically been tracked as part of the TWM project for Park Macaya.

Legislation. The Mission supports the newly created Ministry of Environment's development of a National Environmental Action Plan (NEAP) through the PAR project. The NEAP will be developed through a participatory approach involving most Ministries in the GOH, NGOs, civil society, donors, and IFIs and will provide a long-term framework for policy and legislative reform in several sectors affecting the environment over a 10 to 20 year period. The NEAP will identify key environmental problems, propose specific prioritized actions for implementation over the next five years, and indicate

investment requirements. Park and forest protection and management and the preservation of Haiti's coastal resources will be included with the topics analyzed and prioritized in the process of developing the NEAP.

Parks and Protected Areas. The Mission has been involved for years in the TWM project which has provided assistance to mitigate the degradation of the natural resources in the watershed of Park Macaya, both a National Park and the watershed for one of the most productive agricultural regions in Haiti. Currently, the Global Bio-diversity Support project provides technical assistance to a Haitian NGO, *Union des Cooperatives de la Région Sud*.

The purpose of TWM is to slow down or stop encroachment into the park, preserve threatened flora and fauna and provide assistance to buffer zone dwellers in sound resource/food production management systems. Beside activities supporting the Park directly, activities are also designed that provide technical assistance to the farmers in the buffer zone. Some of the major accomplishments (indicators) from the beginning of the project through March 31, 1995 included 966,000 trees planted, 486 gully plugs erected, 1,068 farmers trained, 28,000 farmers receiving additional revenue (through alternative income sources supported by the project), and the implementation of an environmental education awareness campaign through radio messages, conferences, and door-to-door contacts.

Beside the TWM project, the SEEDS and COFFEE projects have also increased the incomes of people in the Park Macaya watershed by providing people access to improved quality seeds and coffee resulting in increased yields and therefore, incomes. The expanded PLUS project will begin an activity in the Grande Anse watershed and has been promoting increasing farmers incomes across the country through an integrating farming systems approach that includes tree planting. PLUS has promoted the restora-

tion and protection of hillsides and tree planting across Haiti.

Major Conservation Challenges. TWM (ending March 31, 1996) was intended to be a bridge project between larger-scale efforts in the past to support Park Macaya and the beginning of a World Bank natural resources project which was to have started in 1991. Due to the political difficulties in Haiti, this World Bank project will not be implemented as originally written but will be redesigned. The content and initiation date of the new World Bank project are not yet known.

After reviewing BSP's efforts to find additional donors, the current status of the World Bank environmental protection project, and GOH priorities, the Mission will consider whether to continue to support activities in Park Macaya at all or target some Park protection/conservation activities into the proposed consolidated EAP project (refer to the EAP new activity description).

Food Security

P.L. 480 Title III

P.L. 480 Title III Programs for FY 1993 and FY 1994 exerted a significant impact on food security, in the context of the three-year embargo and strict economic sanctions imposed by the international community against the de facto regimes. That impact manifested itself through all three cornerstones of food security, i.e., availability, access and utilization.

Availability. The two programs provided 49,300 and 34,400 metric tons of wheat flour, respectively. Wheat flour, processed into plain bread, pasta, dumplings, spicy fried paste etc... has become a major food staple in Haiti over the last two decades, heavily consumed by lower income groups. The

availability of the flour, and its distribution through private sector channels at prices that reflected normal import and marketing conditions helped to roll back speculative prices. Wheat flour prices were stabilized by 20 and 30 percent in 1993 and 1994 respectively.

Access. Both physical and economic access to food were enhanced under the FY 1993 and 1994 programs. Marketing and distribution were designed to attract participation by a wide universe of buyers, including those from the outlying districts, food processors such as bakeries and pasta manufacturers, small and medium size wholesalers, as well as large distributors, thus ensuring that wheat flour was physically and competitively accessible by all types of consumers.

Utilization. Local currencies generated by the FYs 1993 and 1994 programs were jointly programmed with the GOH to provide substantial logistical support to the Title II Feeding program, and fund the labor-intensive Job Creation program targeting the rehabilitation of productive infrastructure.

P.L. 480 Title II

This Program is designed to improve food security both through direct interventions as well as support to other projects being undertaken by both USAID and other donors. The central aspects of both the Title II and the Title III efforts are access, availability, and utilization. The Enhancing Food Security project is designed to provide budget support to both Title II and Title III efforts. This project's goals are to increase food access for nutritionally-vulnerable population groups and to strengthen PVO and Haitian citizen's ability to manage food assistance programs. The second phase of this project is currently under re-design and the new project will be authorized late in FY 1995.

Access. Through both the regular Title II and the emergency Title II programs, supplemental rations have been provided to a total of 1.2 million persons. Because of the political instability since 1991, prior year Title II programs have been aimed at economic and nutritional stabilization, rather than developmental objectives. Efforts are underway to use Title II resources to achieve more measurable development impacts, and the FY 1996 PVO Development Project Proposals demonstrate their strong commitment to this initiative.

The largest portion of the regular program, school feeding, will initiate a more integrated approach in FY 1996. Innovative concepts include breakfast meals rather than serving the food at noon, concerted efforts at curriculum development and standardization, and mechanisms targeted toward increasing the percentage of enrollment and retention of female students. In FY 1996, greater emphasis will be placed on coordinating Title II food with other Mission mother/child health activities. Models standardized along the lines of those already proven will form the basis for PVO health related activities. Food for Work activities, although a relatively small portion of the Title II program, are devoted to enhancing or creating productive infrastructure in the rural areas. Examples of these activities include irrigation and drainage canal cleaning, erosion control measures, and secondary farm to market road repair.

Availability. Predominantly Title III and JOBS with local currency; see other submissions on this topic.

Utilization. The FY 1996 Development Project Proposals (the PVO operating plans for Title II resources) include urban food for work activities with a focus on enhancing sanitation conditions in very poor neighborhoods. Through the construction or reconditioning of public sewage, drainage, and potable water delivery, larger numbers of the target population will receive better and more regular access

to water. In addition, standardizing PVO Title II activities in the health sector will also improve coverage and provide more nutritionally efficient utilization of non-food health services for large portions of the community. Currently, the USAID-supported health program provides a range of activities for an estimated two million persons. Efforts to improve coordination with this ongoing program and existing food distribution systems will result in enhanced nutritional status through greater utilization of appropriate health/nutrition/food inputs.

List of Acronyms

AOJ	Administration of Justice Project	LOA	Life of Activity
CEP	French acronym for Provisional Electoral Commission	MARNDR	Ministry of Agriculture
CG	Consultative Group	MENJS	Ministry of National Education, Youth and Sports
CODAQ	Creole acronym for the Qualitative Monitoring Unit of USAID/Haiti	MNF	Multi-National Force
CPR	Contraceptive Prevalence Rate	MOE	Ministry of Environment
DA	Development Assistance	MOJ	Ministry of Justice
DEP	Democracy Enhancement Project	NAD	New Activity Descriptions
EAP	Environmental Assistance Package Project	NBIs	Non-Banking Intermediaries
EBOP	Emergency Balance of Payments Program	NEAP	National Environmental Action Plan
EERP	Emergency Economic Recovery Plan	NGOs	Non-Governmental Organizations
EIA	Environmental Initiative of the Americas	OAS	Organization of American States
ESF	Economic Support Fund	OE	Operating Expenses
ETF	Environmental Task Force	ORT	Oral Rehydration Therapy
EU	European Union	OTI	Office of Transition Initiatives
FAD'H	French acronym for Haitian Armed Forces (now extinct)	PAR	Policy and Administrative Reform Project
FAES	French acronym for an IBRD-supported organization which administers employment and community projects	PED	Provincial Enterprise Development Project
FSN	Foreign Service National	PL-480	Public Law 480 (Title II and Title III food activities)
FTE	Full Time Equivalent	PLUS	Productive Land Use Systems Project
FY	Fiscal Year (October 1 - September 30)	PRET	Program for the Recovery of the Economy in Transition
GDP	Gross Domestic Product	PSC	Personal Services Contractor
GOH	Government of Haiti	PROMESS	French acronym for an essential drug program under the auspices of the Pan American Health Organization
HDF	Haitian Development Foundation	PSFP	Private Sector Family Planning Project
IBRD	International Bank for Reconstruction and Development, a.k.a., the World Bank	PURE	French acronym for an Interamerican Development Bank activity supporting jobs in infrastructure and agriculture
ICITAP	International Criminal Investigation Training Assistance Program	PVOs	Private Voluntary Organizations
IDB	Interamerican Development Bank	RESTORE	Reforming Education Services and Technologies to Offer Resources to the Economy
IFC	International Finance Corporation	TFR	Total Fertility Rate
IFES	International Foundation of Electoral Systems	TWM	Targeted Watershed Management Project
IFIs	International Financial Institutions	UN	United Nations
IIBE	Incentives to Improve Basic Education Project	UNDP	United Nations Development Programme
IMF	International Monetary Fund	UNMIH	United Nations Mission in Haiti
IOM	International Organization for Migration	USDH	United States-citizen Direct Hire
IMR	Infant Mortality Rate	VACS	Voluntary Agencies for Child Survival Project
IPM	International Police Monitors		

ANNEXES

ANNEX A

Resource Requirements

Program Funding

The Haiti Assistance Program requires a \$1.5 million increase to cover shortfalls for job creation and privatization. These needs cannot be met by reprogramming the current OYB.

- The FY 1995 funding level is composed of: \$51.4 million DA funding, \$9.3 million POP, \$79.4 million ESF, \$32.5 million P.L. 480 Title II, \$10 million P.L. 480 Title III, and additional requirements of \$1.5 million DA funding.
- The FY 1996 portfolio calls for \$90.3 all ESF, \$15.7 million P.L. 480 Title II, \$10 million P.L. 480 Title III, and additional requirements of \$14.1 million ESF.
- The FY 1997 budget requests \$73.9 million ESF, \$18 million P.L. 480 Title II, and \$10 million P.L. 480 Title III.

We did not present a FY 1997 budget applying the various funding levels (75%, 85%, 100% & 105%) to the FY 1996 CP budget. We wanted this presentation to reflect how we can meet our objectives. As shown in the budgets, the program will decrease considerably from FY 1995 to FY 1997. Applying these levels would not allow us to meet our targets.

The following tables are part of Annex A

Table 4a:	Summary Program Funding
Table 4b:	Program Funding by Objective
Table 5 :	LOA Timelines
Table 6 :	Pipeline and Mortgage Analysis
Table 7 :	OE Resource Requirements

TABLE 4a: SUMMARY PROGRAM FUNDING
(In million of dollars)

Funding Category	FY 95 Estimated	Additional Requirements	FY 96 Requested	Additional Requirements	FY 97 Requested
Development Assistance	51.4	1.5	0.0	0.0	0.0
Population	9.3		0.0	0.0	0.0
Economic Support Funds	79.4 *		90.3 *	14.1	73.9
PL 480 Title II	32.5	0.0	15.7	0.0	18.0
PL 480 Title III	10.0	0.0	10.0	0.0	10.0
Totals	182.6	1.5	116.0	14.1	101.9

* Not including OTI for \$3.9 million in FY 95 and \$5.2 million in FY 96

Funding Category		FY 95 Estimated DA	Additional Needs	FY 95 Estimated POF	FY 95 Estimated ESF	FY 95 Estimated PL 480	FY 95 Estimated	Additional Needs Total
I. Mission Strategic Objective # 1: Foster more Effective and Responsive Democratic Institutions and Empowered Communities								
0000	PD&S	254,000						
0222	PAR	5,369,500						
0236	DEP	4,700,000			500,000			
0238	AOJ	7,500,000						
0254	Elections Support	2,100,000			5,700,000			
0300	ICITAP				23,427,000			
Subtotal Obj. # 1 (a)		19,923,500	0	0	29,627,000	0	49,550,500	0
Total Needed			19,923,500	0	29,627,000	0		49,550,500
II. Mission Strategic Objective # 2: Facilitate Increased Private Sector Employment and Income								
0000	PD&S	377,000						
0216	Coffee Revitalization	630,500						
0223	PED	250,000	1,000,000					
0250	Emerg. Ec. Recovery				15,000,000			
0253	BOP I				30,000,000			
0256	PRET	3,000,000						
Subtotal Obj. # 2 (b)		4,257,500	1,000,000	0	45,000,000	0	49,257,500	1,000,000
Total Needed			5,257,500	0	45,000,000	0		50,257,500
III. Mission Strategic Objective # 3: Promote Smaller, Healthier, Better-educated Families								
0000	PD&S	254,000						
0189	PSFP			7,922,488				
0190	Basic Education	4,976,000						
0206	VACS	4,700,000						
0218	Expand. Urb. Health	2,804,512						
0221	APAAC	300,000						
0224	AIDS Control	3,000,000						
0227	CLASP II	258,000						
0241	EFS I	6,213,000	500,000		4,800,000			
0248	HS 2004	583,488		1,416,512				
PL 480	Title II					32,470,000		
	Title III					10,000,000		
Subtotal Obj. # 3 (c)		23,089,000	500,000	9,339,000	4,800,000	42,470,000	79,698,000	500,000
Total Needed			23,589,000	9,339,000	4,800,000	42,470,000		80,198,000
IV. Mission Strategic Objective # 4: Promote Sound Environmental Management								
0000	PD&S	127,000						
0191	TWM	1,000,000						
0217	PLUS	3,000,000						
Subtotal Obj. # 4 (d)		4,127,000	0	0	0	0	4,127,000	0
Total Needed			4,127,000		0	0		4,127,000
Subtotal (a+b+c+d)		51,397,000	1,500,000	9,339,000	79,427,000	42,470,000	182,633,000	1,500,000
Total Needed			52,897,000	9,339,000	79,427,000	42,470,000		184,133,000

* Strategic Objective # 1 does not include OTI for \$3.9 million ESF

Funding Category		FY 96 Requested	Additional Needs	FY 96 Requested	FY 96 Requested	Additional Needs
			ESF	PL 480	Total	
I. Mission Strategic Objective # 1: Foster more Effective and Responsive Democratic Institutions and Empowered Communities						
0000	PD&S	180,000				
0222	PAR	5,000,000	5,000,000			
0236	DEP	4,700,000				
0238	AOJ	3,500,000				
0300	ICITAP	13,000,000	6,755,000			
	OTI					
	Demobilization					
	Local Governance					
Subtotal Obj. # 1 (a)		26,380,000	11,755,000	0	26,380,000	11,755,000
Total Needed			11,755,000	0		11,755,000
II. Mission Strategic Objective # 2: Facilitate Increased Private Sector Employment and Income						
0000	PD&S	120,000				
0216	Coffee Revitalization	1,500,000				
0260	BOP II	12,670,000	2,330,000			
0256	PRET	5,000,000				
Subtotal Obj. # 2 (b)		19,290,000	2,330,000	0	19,290,000	2,330,000
Total Needed			2,330,000	0		2,330,000
III. Mission Strategic Objective # 3: Promote Smaller, Healthier, Better-educated Families						
0000	PD&S	120,000				
0189	PSFP	900,000				
0190	Basic Education	2,380,000				
0218	Expand. Urb. Health	1,750,000				
0227	CLASP II	503,000				
0241	EFS I	1,393,000				
0248	HS 2004	16,340,000				
0258**	EFS II	9,230,000				
0259	RESTORE	4,000,000				
PL 480						
	Title II			15,715,000		
	Title III			10,000,000		
Subtotal Obj. # 3 (c)		38,616,000	0	25,715,000	62,331,000	0
Total Needed			38,616,000	25,715,000		62,331,000
IV. Mission Strategic Objective # 4: Promote Sound Environmental Management						
0000	PD&S	180,000				
0191	TWM	300,000				
0217	PLUS	6,200,000				
0257	Env. Assistance Package (EAP)	1,300,000				
Subtotal Obj. # 4 (d)		7,980,000	0	0	7,980,000	0
Total Needed			7,980,000	0		7,980,000
Subtotal (a+b+c+d)		90,266,000	14,085,000	25,715,000	115,981,000	14,085,000
Total Needed			14,085,000	25,715,000		130,065,000

* Strategic Objective # 1 does not include OTI for \$5.2 million

** Title III expenditures under EFS II (521-0258) will amount to \$4 million

Funding Category		FY 97 Requested ESF	FY 97 Requested PL 480	FY 97 Requested Total
I. Mission Strategic Objective # 1: Foster more Effective and Responsive Democratic Institutions and Empowered Communities				
0000	PD&S	145,000		
0222	PAR	4,930,500		
0236	DEP	4,500,000		
0238	AOJ	2,000,000		
0300	ICITAP	11,000,000		
Subtotal Obj. # 1 (a)		22,575,500	0	22,575,500
Total Needed				
II. Mission Strategic Objective # 2: Facilitate Increased Private Sector Employment and Income				
0000	PD&S	90,000		
0260	BOP II	15,000,000		
Subtotal Obj. # 2 (b)		15,090,000	0	15,090,000
Total Needed				
III. Mission Strategic Objective # 3: Promote Smaller, Healthier, Better-educated Families				
0000	PD&S	195,000		
0248	HS 2004	14,000,000		
0258*	EFS II	9,444,000		
0259	RESTORE	5,000,000		
PL 480				
	Title II		18,000,000	
	Title III		10,000,000	
Subtotal Obj. # 3 (c)		28,639,000	28,000,000	56,639,000
Total Needed				
IV. Mission Strategic Objective # 4: Promote Sound Environmental Management				
0000	PD&S	70,000		
0257	Env. Assistance Package (EAP)	7,500,000		
Subtotal Obj. # 4 (d)		7,570,000	0	7,570,000
Total Needed				
Subtotal (a+b+c+d)		73,874,500	28,000,000	101,874,500
Total Needed				

* Title III expenditures under EFS II (521-0258) will amount to \$2.5 million

Table 5: USAID/Haiti PORTFOLIO - Project Timeline

Project Title	FY 93				FY 94				FY 95				FY 96				FY 97				FY 98		
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3
0186 SURGE																							
0189 Private Sector Family Planning																							
0190 Basic Education																							
0191 Targeted Watershed Management																							
0206 VACS																							
0216 Coffee Revitalization																							
0217 PLUS																							
0218 Expanded Urban Health																							
0221 APAAC																							
0222 PAR																							
0223 PED																							
0224 AIDS																							
0227 CLASP II																							
0236 DEP																							
0238 AOJ																							
0241 Enhancing Food Security																							
0245 Seed Production																							
0248 Health Systems 2004																							
0250 Emergency Economic Recovery																							
0253 Emergency Balance of Payment																							
0254 Elections Support																							
0256 PRET																							
0257 Environmental Assistance Package (EAP)																							
0258 Enhancing Food Security II																							
0259 RESTORE																							
0260 Balance of Payments II (BOP II)																							
0300 ICITAP																							
Total Projects during FY (Number)	17				18				23				24				12				9		
PACDs during FY	0				0				3				12				3				1		

Table 6: Pipeline and Mortgage Analysis

Project #	Title	Pipeline as of 03/31/95	Mortgage FY 96 CP Level	Mortgage FY 96 Per Needs	Mortgage FY 97 Per Request	Mortgage FY 97 Per Needs
0186 ***	SURGE	1,043,121	0	0	0	0
0189 **	Private Sector Family Planning	4,951,713	0	0	0	0
0190 ****	Basic Education	2,797,321	0	0	0	0
0191 *	Targeted Watershed Management	1,487,649	0	0	0	0
0206 **	VACS	8,863,372	0	0	0	0
0216 *	Coffee Revitalization	919,056	0	0	0	0
0217 *	PLUS	3,047,441	0	0	0	0
0218 **	Expanded Urban Health	2,318,796	0	0	0	0
0221 **	APAAC	320,000	0	0	0	0
0222	PAR	1,424,691	9,930,500	4,930,500	5,000,000	0
0223 ***	PED	1,306,299	0	0	0	0
0224 **	AIDS	3,993,092	0	0	0	0
0227 ****	CLASP II	92,203	0	0	0	0
0236	DEP	816,541	10,754,112	10,754,112	6,254,112	6,254,112
0238	AOJ	2,899,401	4,000,000	4,000,000	2,000,000	2,000,000
0241	Enhancing Food Security	13,973,545	0	0	0	0
0245 *	Seed Production	416,075	0	0	0	0
0248	Health Systems 2004	0	31,660,000	31,660,000	17,660,000	17,660,000
0250	Emergency Economic Recovery	0	0	0	0	0
0253	Emergency Balance of Payments	0	0	0	0	0
0254	Elections Support	4,704,042	0	0	0	0
0256	PRET	0	0	0	0	0
0257	EAP	0	43,700,000	43,700,000	36,200,000	36,200,000
0258	Enhancing Food Security II (EFS II)	0	40,770,000	40,770,000	31,326,000	31,326,000
0259	RESTORE	0	16,000,000	16,000,000	11,000,000	11,000,000
0260	Balance of Payments II	0	17,330,000	15,000,000	2,330,000	0
0300	ICITAP	7,000,000	28,000,000	21,245,000	17,000,000	10,245,000
	Total	62,374,358	202,144,612	188,059,612	128,770,112	114,685,112
	OTI					
	Demobilization	1,400,000	0	0	0	0
	Local Governance	5,366,000	0	0	0	0

- * These projects will be consolidated into EAP (521-0257) during FY 96
- ** These projects will be consolidated into Health Systems 20004 (521-0248) during FY 96
- *** These projects will be consolidated into PRET (521-0256) during FY 95
- **** These projects will be consolidated into RESTORE (521-0259) during FY 96

Notes As of May 30, 1995 Pipeline for:
 Elections Support Project (521-0254) is about \$1 million
 Enhancing Food Security I (521-0241) is about \$9.5 million

**TABLE 7: USAID/HAITI OE Funding Requirements
(\$000)**

OE/TRUST FUNDED LEVELS By Major Function Code:	FY95	FY96	FY 97
U100 U.S. Direct Hire	394.5	216.8	312.4
U200 F.N. Direct Hire	531.1	632.1	758.4
U300 Contract Personnel	1,372.0	1,638.5	2,119.4
U400 Housing	654.2	842.3	850.4
U500 Office Operations	1,087.8	1,024.2	1,036.2
U600 NXP Procurement	277.5	523.0	244.6
Total Mission Funded OE/TF Costs	4,317.1	4,876.9	5,321.4
Of which TF Funded	0.0	0.0	0.0

	Mission Staffing Requirements														
	FY95					FY96					FY97				
	USDH	USPSC	TCNPSC	FSN	OTHER	USDH	USPSC	TCNPSC	FSN	OTHER	USDH	USPSC	TCNPSC	FSN	OTHER
Total Authorized Positions	20	16	2	125	1	24	16	2	129	1	24	16	2	129	1
Of which Program Funded	0	14	2	25	1	0	14	2	25	1	0	14	2	25	1

ANNEX B

NEW ACTIVITY DESCRIPTIONS¹

ENVIRONMENTAL ASSISTANCE PACKAGE

POLICY AND ADMINISTRATION REFORM

(Project Amendment)

BALANCE OF PAYMENTS II

**REFORMING EDUCATION SERVICES & TECHNOLOGIES
TO OFFER RESOURCES TO THE ECONOMY**

P.L.480 TITLE III PROGRAM

¹ The New Activity Description for the Enhancing Food Security II project was submitted off-cycle and is not included in this Action Plan.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

- (a) Activity Title: Environmental Assistance Package (EAP)
- (b) Activity Number: 521-0257
- (c) Funding Source: DA/ESF
- (d) Duration: 1996-2002
- (e) LOA Funding: \$45 million

2. STRATEGIC OBJECTIVES AND PROGRAM OUTCOME SUPPORTED

The Mission's assistance strategy encourages development of the potential for long-term increases in productivity. Improving sustainable natural resources management through protecting and sustainably using the environment and natural resource base is a keystone in this strategy for assuring lasting increases in agricultural productivity continued during political instability. This proposed activity supports the Mission's newly established Strategic Objective No. 4 of "Promoting Sound Environmental Management" and directly impacts on all four Action Plan outcomes of this SO: "Sustainable growth in hillside agriculture production", "Development and Implementation of Framework for long-term environmentally-sound development" and "Community Tree Planting." The project will also contribute to helping Haiti realize its opportunity for transition to democratic governance, economic growth, and food security under SO No 2 "Facilitate increased private sector employment and income."

Improving sustainable natural resources management is the core of this strategy for assuring lasting increases in agricultural productivity and farmer income. Rural populations will benefit through reducing transaction costs and increasing food security. Increasing on-farm returns will make farming an economically attractive vocation thus reducing the exodus to the cities. The EAP project will assist democratic governance by using environmental concerns to empower local communities to seek land tenure; economic growth by protecting and promoting the sustainable use of productive natural resources; sustainable food security systems through promotion of income increasing productive land use systems; and, social well-being through the promotion of capacity/institution building, policies analysis and dialogue. As President Clinton said on the steps of the Presidential Palace, "We, your neighbors, your allies, and your friends, will support your efforts to...rebuild and repair your injured land." EAP will contribute to the promotion, development and putting in place the building blocks to help Haiti heal its environment.

3. ACTIVITY PURPOSE

The purpose is to increase local community participation and their capacity to identify, plan, and sustainably manage natural resources use and urban development.

4. ACTIVITY DESCRIPTION

The goal is to increase farm and private sector incomes derived from the sustainable utilization of natural and human resources, while conserving Haiti's natural resource base and addressing its urban-generated waste.

The project will broaden and deepen the Mission's environmental program by building upon its integrated approach and leadership in natural resources. The project will consolidate the funding and management of existing activities in environment, agriculture production, ecosystems management and propose the addition of key new initiatives such as:

(a) Sustainable Agriculture/Environmental activities:

Current sustainable agriculture/environmental activities, which are based on the conservation of the natural resources through the promotion of sustainable agriculture on fragile and marginal hillside lands, will be continued and refined. These include the PLUS, TWM and COFFEE projects. The Mission is currently implementing activities to extend improved land management practices in the Park Macaya watershed. This activity maintains the bio-diversity and contributes to increases in farmer income.

Activities identified as essential to support the project purpose include institutional capacity building through a monitoring program, support to development of the National Environmental Action Plan (NEAP), a tree planting initiative and an urban pollution prevention plan.

i. Institutional Capacity Building: An institutional capacity building component will be added at the national level (NEAP and MOE) and through support to NGOs responsible for local institutional development and ecosystem protection. The project will support the development of a nation-wide environmental monitoring system by training staff members, and setting up a well-equipped monitoring office within the MOE.

ii. Tree Planting: The Community Forestry Corps will team the Peace Corps with local community groups (all kinds especially women groups), NGOs (local and international) and municipalities will be involved in local resource planning, implementation and sustainable management of forestry projects.

iii. Urban Pollution Prevention: The third new initiative, is the \$400,000, three-year, Haiti Urban Pollution

Prevention activity. This activity will receive initial funding from the Environmental Initiative for the Americas (EIA) for fiscal year 1995. This project creates a pilot initiative in Cite Soleil to address household pollution.

iv. National Environmental Action Plan (NEAP): The project will provide continued support to the NEAP policy framework which is being initially funded through the PAR project. The objective is to help the GOH in the harmonization of its laws, policies and procedures related to the environment.

(b) New Activities Ideas: EAP will enable the Mission to initiate new environmental activities or reallocate funding in accordance with the priorities that are either established by NEAP or are appropriate new and/or emergency activities. Criteria for activity selection will be developed in the project paper. Some ideas under consideration follow.

The Mission will consider funding for activities recommended by the NEAP. The Mission anticipates that the NEAP will be completed by the end of 1996 and, as a direct result, process environmental considerations will be incorporated into development assistance programs. Assistance to the Ministry of Agriculture for the implementation of targeted activities to improve land tenure security will include specific activities such as technical, financial and managerial support to the newly created National Institute of Agrarian Reform to initiate the land reform program and begin divestiture of state land. Another area for possible funding is institution-building in the agricultural and agro-industrial sectors. Farmers and agro-industry could both benefit from stronger linkages between the two groups but institutions are weak or missing entirely. Trade associations are in the process of formation. They need technical and management assistance in order to become an effective channel for transferring harvest and post-harvest technology. Access to new or expanded export markets can be facilitated by establishing links with comparable trade associations in the U.S. The creation of a market information service in the private sector, in the existing chambers of commerce, would be highly beneficial.

In addition, an ecotourism activity could be designed in Foret des Pins which will create alternative income for residents in the park buffer zone, thus reducing ecological pressure on the Park. Implementation will assist the public or private sector in setting up a new park infrastructure. Another ecotourism activity could include support to the Marine Parks such as Les Arcadins, Barraderes/Cayemites and Bais d'Aquin to counteract the depletion of reef degradation caused by soil pollution.

5. EXPECTED RESULTS

(a) There will be one million more people involved in innovative farmer-oriented soil conservation, watershed and agro-forestry programs.

(b) Up to 800 more farmer groups created through long term funding to nongovernmental organizations. Farmer cooperation in environmental activities strongly correlates with membership in farmer organizations.

(c) A total of two million seedlings planted per year throughout Haiti by Peace Corps Volunteers working in conjunction with and benefitting from lessons learned from PLUS.

(d) Up to thirty community Forestry Corps groups established with Peace Corps Volunteers to develop innovative agro-forestry systems.

(e) A total of 30 million trees will be planted nationwide; export of \$40 million of tree crops including coffee, mangoes, and cocoa; increase corn equivalent production to 950,000 metric tons; a total of 100,000 hillside users of environmentally sustainable agriculture practices added; an increase of 120,000 hectares of fragile/marginal lands; 12,000 soil conservation structures added; and, an estimated 6,700 hectares added in protected strategic watersheds.

(f) a number of priorities and policy recommendations identified concerning: i) government and public awareness of environmental issues; ii) a national strategy for environmental protection--including institutional changes; iii) specific programs and investment projects; iv) an information system for monitoring the state of the environment; and protection of the public from environmental pollution and hazards.

(g) Skills upgraded in environmental data collection, interpretation, and use information in policy formulation and program management.

(h) Trade associations established in at least three commodity areas, at least two with links to U.S. trade associations. Existing farmer cooperatives strengthened and at least one new organization created. A market information system established which reports daily by radio on commodity prices in the major Haitian markets.

(i) A total of \$50 million leveraged from other donor resources through replicating similar approaches elsewhere in Haiti using the Mission's environmental development model.

6. LINKAGES TO OTHER ACTIVITIES

While the EAP increases farmers incomes through promoting sustainable hillside agriculture, supporting market development, and supporting farmer associations, the PRET project will promote the enabling environment for the private sector and provide financial and some non-financial services to micro-enterprises including farmers. The PAR project will continue to promote reforms which will redefine government and assist the GOH to

upgrade their institutional capability. EAP will also reinforce the more broadly defined civil society development activities under the DEP. The Health Services 2004 project is also linked to economically sound development by promoting proper disposal of sanitary wastes to avoid potential negative health effects. The IIBE project will support an environmental awareness project in several schools throughout Haiti starting with a pilot group.

The major partners are the World Bank, the Interamerican Development Bank, UNDP and the Canadians. Others who are supporting natural resources are the European Union, and FAO. The World Bank is redesigning a major environment project and the IDB has a group of large existing loans for rehabilitation of irrigation and road systems, agriculture, municipal drainage, job creation, and capacity building within the Ministry of Environment. CIDA will provide large grants in a number of environmental areas. UNDP will support the creation of the NEAP, micro-projects in Haiti, and environmental legislation. The EU has plans to support medium and long-term activities.

7. TYPE(S) OF INTERVENTIONS ANTICIPATED AND COST MANAGEMENT EXPECTED FOR USAID

The project will require coordination of various activities by a contractor with a management specialist, an administrative officer and a local contract staff. The contractor will establish a Project Management Unit (PMU) and collaborate with key GOH officials, Mission staff and the PVO/NGO participants. The Mission and the Peace Corps will work together to identify volunteers for selected project activities. The Ministries of Environment and Agriculture, and PMU will be responsible for the day-to-day support and technical management of the project. The PMU will be jointly headed by the GOH project Director, the chief-of-party of the U.S. technical assistance team and the Mission's project manager. The PMU will be responsible for monitoring all technical assistance activities, developing strategies for projecting and assessing impact of project interventions, training activities, and developing annual and life of project work-plans as well as progress reports/studies.

The project will be administered by a current USDH project officer in the Mission's Economic Growth Office who will coordinate and monitor project implementation.

8. DESIGN AND ANALYTICAL WORK

A three-person team will be contracted by the Mission to prepare the EAP Project paper (PP). The team, consisting of an economist/team leader, a community development specialist and an expert in agriculture production based on natural resources, will focus on: the role and impact of community organization, farm goals, environmental degradation, community and private sector participation in financial management, current natural resource management practices and natural resource inputs, agricultural

production, government policy to determine with whom and how the activity will work. The team will look at implementation alternatives for consolidating agriculture, natural resources and environment into one financial package.

Policy Issues:

- How should EAP address the need for a more secure land tenure or land-use rights system which would substantially contribute to meeting the objectives of the project?

- How will the project contribute to the sustainability of local organizations' ability to continue project activities after the NGO no longer supports them?

- How will the project gradually turn some responsibilities over to the GOH?

- EAP brings together a number of elements that are often dealt with separately. What methods will be used to record relevant information and lessons learned and disseminate results to all concerned?

9. PRELIMINARY IDENTIFICATION OF STAKEHOLDERS, PARTNERS AND BENEFICIARIES

Key participants in this activity include MOE and Agriculture personnel, environmental NGOs; the PLUS, Coffee Cooperatives of Haiti; and, TWM project staffs. Primary beneficiaries will include officials and villagers trained and non-governmental organizations supported at the national and local levels.

10. TIMETABLE AND RESOURCE REQUIREMENT

Design of this activity will begin in October 1995 with a planned second quarter FY 1996 obligation of \$1.3 million. The Mission will utilize \$25,000 in PD&S funds for activity design.

11. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND DELEGATION OF AUTHORITY

As the EAP consolidates many already approved activities, it is recommended that the PP be approved by the Mission. Necessary waivers for host country contribution and participant training will be sought.

12. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

Since logframes already exist for all of the individual projects being implemented or under design to be consolidated in the EAP the Mission feels that the overall logical framework should be developed during activity design.

NEW ACTIVITY DESCRIPTION
(Project Amendment)

1. BASIC DATA

- (a) Activity Title: Policy and Administrative Reform (PAR)
- (b) Activity Number: 521-0222
- (c) Funding Source: DA/ESF
- (d) Duration: Currently Authorized: FY 91-96
Proposed Amendment: FY 96-98
- (e) LOA funding: Currently Authorized: \$9 million
Proposed Amendment: \$14 million
Proposed LOA Total: \$23 million

2. STRATEGIC OBJECTIVES AND PROGRAM OUTCOME SUPPORTED

The Policy and Administrative Reform project directly supports the Agency's "Building Democracy" goal through improved effectiveness and accessibility of key democratic institutions and practices, particularly of the Haitian financial system. Specifically, this project amendment will support the Mission's Strategic Objective (SO) No. 1, "Foster more effective and responsive democratic institutions and empowered communities," and Strategic Objective (SO) No. 2, "Facilitate increased private sector employment and income."

3. ACTIVITY PURPOSE

The purposes of this activity are twofold: (1) to put in place an effective and transparent system to allocate and account for government revenues and expenditures; and (2) to increase the capacity of the Government of Haiti (GOH) to plan, budget, finance, provide for and monitor the provision of needed services.

4. ACTIVITY DESCRIPTION

Inefficiency and lack of technical competence have combined to limit the capacity of Haitian government ministries to provide the needed framework for economic and political development in Haiti. This amendment addresses this problem by proposing both immediate and longer term involvement with public administration reform through technical assistance; short-term and long-term training opportunities; limited commodities; and monitoring/evaluation/audit services over a planned two-year period.

The amendment will focus initially on financial reform and control efforts, and on the privatization of key parastatals and

authorities. Later, it will support the rationalization of ministries and civil service reform. By the end of the amendment, GOH financial accountability and transparency will be enhanced; overall capacity to plan, budget, finance and monitor selected services will be strengthened; an appropriate regulatory framework and anti-trust legislation will be provided for privatization efforts; more effective inter-governmental communications systems will be established; and steps to professionalize the civil service will be taken.

This amendment will address:

Financial Reform: In the context of financial reform, the rapid privatization of parastatals and of the management of port and airport operations (collectively referred to as the "democratization of state-owned assets") is directly related to enhancing public revenue and the overall financial health of the GOH. Initial privatization will be accomplished in concert with the International Finance Corporation (IFC) of the World Bank and possibly others.

This activity will assist the GOH to gain financial control of the public sector by managing "choke points" where revenues are collected and expenditures realized. Focus will be on the Ministry of Economy and Finance, including the Budget Office, internal tax administration (DGI), and customs; the Central Bank; and the "Cour Superieure des Comptes," the GOH's auditing entity.

Rationalizing Government: The number of ministries and the relationships among them must be reviewed. Only in this way will the coordination of activities in any sector be shared among concerned ministries.

Revamping the Civil Service: If the GOH is to become an efficient provider of those services expected by the population, it will have to put its house in order: civil service reduction; clear description of jobs and standardization of job categories and pay scale; the elaboration of structures and procedures.

The inputs include:

Technical assistance: The activity is expected to finance approximately 383 person-months of short-term (including local-sourced) and 38 person-years of long-term technical assistance (\$14,457,500);

Training: Short-term and long-term training (\$3,685,000) will be needed to enhance GOH absorptive capacity and sustain the reforms implemented through technical assistance. Given the inadequacies of the GOH bureaucracy, it is anticipated that training will have to be focused on the middle levels, both to assure that the reforms envisioned permeate through the bureaucracy and to assure a certain degree of longer-term impact as those cadres move up the structure.

Commodities: The amendment will finance limited commodities (\$4,857,500) focused mainly on computers, related software and hardware, office furniture, supplies, vehicles and spare parts, and communications equipment. The computer equipment is required for the sustainability of financial reforms introduced under the project.

5. EXPECTED RESULTS

By the end of this amendment:

- (a) GOH capacity to plan, budget, finance, and monitor selected services will be strengthened;
- (b) GOH system of financial accountability will be enhanced;
- (c) An effective inter-governmental communications systems will be established;
- (d) Privatization of the ownership of key parastatals or of the management of their operations will have been advanced; and,
- (e) Civil service will have been rationalized and its capabilities for services delivery improved.

6. LINKAGES TO OTHER ACTIVITIES

As administrative reform is also the hallmark of the Administration of Justice (AOJ) project, close coordination will be required between PAR implementors and ICITAP. As noted earlier, under the newly authorized Program for the Recovery of the Economy in Transition (PRET) project, the IFC is expected to play a role in the privatization of parastatals and port authorities after this project finances the drafting of enabling legislation. In addition, from the recently concluded Donor's Conference on Haiti, there is an understanding that other donors may be interested in participating in the reform of public administration in Haiti.

7. TYPE(S) OF INTERVENTIONS ANTICIPATED AND COST MANAGEMENT EXPECTED FOR USAID

The types of interventions are basically the same as those described in the original PAR Project Paper. This amendment will enhance the original PAR project by providing additional technical assistance to aid in the drafting of enabling legislation and administrative procedures to privatize parastatals and port authorities. In addition, technical assistants and operational experts will work with GOH officials to develop accounting systems and controls which will promote a transparent financial system and assist in the drafting of regulations and manuals which will help ensure sustainability of any new system implemented.

Given current political circumstances, the form and structure of a counterpart organization has not been finalized. However, given the breadth of the intended reforms, their political sensitivity, and the need for active participation and ownership at the highest levels of the GOH, the Mission has discussed with the Prime Minister the desirability of a Public Administration Commission consisting at least of the Prime Minister, the Minister of Economy and Finance, and the Minister of Administration and Civil Service to oversee the public administration reform component; and another composed at least of the Prime Minister, the Minister of Economy and Finance, and the Minister of Commerce and Industry for the economic and financial management and accountability component of the project.

USAID/W would be expected to provide support services to the project in the form of policy guidance; legal advice; procurement and contract services related to centrally-funded activities; and necessary TDY personnel.

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

This activity will assist the GOH reform public administration and provide an opportunity to promote policy development dialogue with the GOH.

There will be several procurement actions dealing with technical assistance in the implementation and evaluation of PAR. All contracting and grant actions will be undertaken by the Mission's Contract Officer.

A significant portion of project assistance (short- and long-term), as well as most training, will be procured under one direct A.I.D. contract.

9. DESIGN AND ANALYTICAL WORK

This project amendment will draw inevitably on A.I.D. extensive and long standing experience in the policy reform area. The involvement and participation of key GOH representatives will be sought at the very beginning of this Project Paper amendment.

10. PRELIMINARY IDENTIFICATION OF STAKEHOLDER, PARTNERS AND BENEFICIARIES

Those who will feel the greatest impact of this project include GOH ministries and institutions, Haitian civil servants and the Haitian people as a whole who will benefit from a more responsible, accountable and efficient public administration.

Foremost among the other donors particularly concerned about the issues of public administration reform and modernization, including the issue of financial management and controls, are: the World Bank, which is developing a \$10 million Technical Assistance Credit to accompany its Structural Adjustment Credit;

the International Monetary Fund, whose technical assistance is especially focused on financial management; the UNDP; and among the bilateral donors, the French and the Canadians.

11. TIMETABLE AND RESOURCE REQUIREMENT

The amendment design will be carried out in-house. Obligation would occur via a Program-specific Grant Agreement with the Government of Haiti. Various subsidiary instruments would be used to channel funds directly to participants in the project. A FY 1996 obligation of \$10 million is requested.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND DELEGATION OF AUTHORITY

It is recommended that the Mission be given the authority to approve this activity. It is anticipated that waivers for Host Country Contribution and participant training will be sought.

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

The logical framework will be submitted along with the Project Paper amendment.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

- (a) Activity Title: Balance of Payments Support II
- (b) Activity Number: 521-0260
- (c) Funding Source: ESF
- (d) Duration: FY 1996-1997
- (e) LOA Funding: \$30 million

2. STRATEGIC OBJECTIVES AND PROGRAM OUTPUT SUPPORTED

In its Staff Report for this year's Stand-By Arrangement, the IMF warns that "Haiti's balance of payments will ... be fragile over the next few years and the public sector financial requirements will need to be met largely by grants and concessionary loans." Even when adjusted for IDB co-financing, unforeseen at the writing of the Fund's Report, of IDA's Structural Adjustment Credit, the balance of payments picture for FY 1996 still shows a financing gap of \$73 million, of which \$35 million can be expected to come from the planned IMF Enhanced Structural Adjustment Facility.

As the chart on page 3 of the Action Plan indicates, the remaining gap of \$38 million will require continued U.S. balance of payments support if the economic growth so crucial to political stability in Haiti is to be sustained. The Mission proposes therefore a balance of payments support grant for Haiti in FY 1996 of \$15 million and \$15 million in FY 1997 toward the closing of the gap.

Moreover, efforts by the GOH to mobilize tax revenues, however Herculean, cannot be expected to make up in one year the more than 900 million gourdes of budget support being provided in FY 1995 from various bilateral and multilateral donors. The approximately 225 million gourdes to be generated by the proposed BOP assistance will be sorely needed toward the non-Central Bank, and thus non-inflationary, financing of the GOH's shrinking, but still substantial, budget deficit in FY 1996 and FY 1997.

The Balance of Payments program supports the Agency's sustainable development objective of encouraging broad-based economic growth by providing balance of payments assistance in support of the Government of Haiti (GOH)'s sustainable development and privatization efforts. The program also supports the Agency's strategic objective of building democracy through improved effectiveness and accessibility of key GOH institutions and practices, particularly improved financial management and accountability, and modernization and streamlining of the civil service.

3. ACTIVITY PURPOSE

The purpose of the program is to help finance the GOH's social and economic development programs, particularly in activities associated with privatization efforts, consistent with program outcomes. Verifiable indicators will be developed in terms of progress on a negotiated institutional, social and economic program implementation.

4. ACTIVITY DESCRIPTION

The Balance of Payments Assistance Program will directly support the same three areas of critical U.S. Government policy interest in Haiti as the recently completed restoration of democracy program: support for democracy, the consolidation of government, and overall, broad-based economic development. The Program's goals are to expand economic opportunity/access and build democracy. Verifiable indicators will include progress on economic policies through tracking of tax revenues as a percent of GDP, GDP growth rate, the number of major parastatals still under GOH control, and other indicators.

Consistent with the goals of democracy and broad-based economic growth, the Program will be designed to: (i) provide balance of payments support needed to sustain implementation of the GOH's programs; (ii) assist in strengthening Haiti's democratic institutions, particularly in redefining the role of government as it relates to privatization efforts.

The ESF dollars will be used to contribute to Haiti's external debt service obligations. Counterpart local currencies will be provided by the GOH and jointly programmed by the Mission and the GOH to provide the budget support that will continue to be needed in FY 1996 and FY 1997 as the improvement in the GOH's tax mobilization apparatus begins to take hold. As may be available, a small portion of this local currency may be used in support of key development projects.

5. EXPECTED RESULTS

(a) Anticipated impact on poverty alleviation, access and participation: The impacts of the GOH social and economic program implementation supported by FY 1995 resources are expected to be consolidated and reinforced by continued balance of payments support.

(b) Dialogue agenda: The major focus of the dialogue agenda and conditions precedent to tranching disbursement will relate to: i) continuation of the privatization agenda begun in FY 1995; ii) trade liberalization; revenue mobilization; and iii) the maintenance of an appropriate social and economic development program. In addition, key sectoral issues associated with the Mission's strategic objectives will be identified and included in the Conditions Precedent and Covenant Sections of the Agreement, as appropriate.

6. LINKAGES TO OTHER ACTIVITIES

Program components may complement the stabilization and structural

adjustment objectives of ongoing GOH programs with IDA, the IDB and the IMF. Program components will be determined jointly by the Mission and the GOH. There will not be any cross-conditionality. ESF program compliance will not be directly linked to any program or policy condition of any other donor.

7. DESIGN AND ANALYTICAL WORK

(a) **Sustainability:** The thrust of the policy focus of the program is to support sustainable development and associated structural adjustment. The program directly supports the GOH's social and economic programs.

(b) **Potential issues:** The GOH has substantially complied with economic and sectoral conditionality in the past, but may be reluctant, for political reasons, to move as rapidly on the certain matters on the economic agenda as might be judged optimum.

(c) **Linkages to Global Bureau resources and LAC regional programs:** Directly supports LAC's response to PDD-14.

(d) **Management and Support Requirements:** Monitoring of compliance with economic programming will be done by permanent and PSC staff of the Office of Policy Coordination and Program Support, and will not require additional OE or project financing.

8. TIMETABLE AND RESOURCE REQUIREMENTS

A PAAD will be developed early in FY 1996 and forwarded to the Bureau for review. The PAAD will be developed by the permanent staff of the Mission.

9. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND DELEGATION OF AUTHORITY

Development of the PAAD will be coordinated in Haiti. Given the extensive shared experience on the part of both the Mission and USAID/W on past BOP activities, it is recommended that USAID/W review and approve general areas for policy reform, but that the PAAD and final policy matrix be approved by the Mission.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

- (a) Activity Title: Reforming Education Services and Technologies to Offer Resources to the Economy (RESTORE)
- (b) Activity Number: 521-0259
- (c) Funding Source: DA/ESF
- (d) Duration: FY 1996-2001 (5 years)
- (e) LOA Funding: \$20 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

Because of the linkages inherent with education and training, this proposed activity supports all of the Mission's strategic objectives with primary focus on Strategic Objective (SO) No. 2 and 3. The importance of basic education and training are well established factors in socioeconomic development. Increased levels of education have been positively associated with improved health standards, lower fertility, increased agricultural production, better employment opportunities, higher individual productivity and a greater sense of empowerment leading to participation in the democratic process. Basic education is also seen as a key factor in a nations' adaptability to social political change. Training and technical assistance are effective mechanisms to ensure the strengthening of human and institutional capacity necessary for development. Efforts to increase and strengthen human and institutional capacity will be measured through the following program outcomes:

- (a) A cadre of capable managers and technicians trained in priority public and private institutions, industries and other sub-sectors.
- (b) Selected diaspora and other professionals contribute to strengthening the human capacity and resource base in Haiti.
- (c) Strengthened community based schools that stimulate debate and discussion concerning democratic values and structures.
- (d) A primary education system creates citizenry through increasing opportunities for more children to benefit from a quality primary education that transmits fundamental skills, promotes civic consciousness and improves the overall quality of life.
- (e) An improved local capacity and expertise in management, administration and policy development that strengthen institutions, and or community based organizations.

3. ACTIVITY PURPOSE

The purposes are to: increase the Haitian participation in the transition to a strong civil and productive economic society through more efficient and socially active primary schools; facilitate Haiti's transition to a stable functioning democracy and economy by supporting the training of skilled human resources; and provide priority short-term technical assistance to the public and private sectors.

4. ACTIVITY DESCRIPTION

Haiti's education system remains the weakest in the western hemisphere which significantly undermines the Haitian peoples' ability to undertake and participate in the democratic transformation of society. Building upon the successes of the Incentives to Improve Basic Project (IIBE), RESTORE will strengthen the role of the community based primary school by involving more parents and local organizations in the decision making process. The school itself should represent as much as possible a mini-democracy. The more than 9,000 elementary schools spread throughout Haiti together represent the largest system of community based institutions which uniquely spark the passion of the Haitian parents who sacrifice their most precious and limited resources to afford their child's attendance. It is time now to introduce democratic values and structure in all aspects of Haitian life, beginning with elementary school, where students have the potential to begin from the first year to discuss, value, propose and decide so that individuals acquire a cooperative aspect in implementing tasks. The IIBE process has made significant achievements in transforming the traditional school organization and encouraging the whole school to be organized as a democratic community. RESTORE will also facilitate stronger linkages between the schools and other community organizations, and continue the application of rapid response interventions that target teachers, students, and community members in civic, health and math education. Support to teacher training, organizational development at community levels, and civic education using multi-channel learning will continue to be provided.

Capable management in government and business will be crucial in the coming months and years as Haiti continues through transition to a new world order. Emerging from its oppressive historical past it is evident that the lack of human capacity threatens Haiti's ability to succeed in the transition to democracy. Developmental training and management will provide a mechanism for rapid and practical skills development. A broad field of management development encompasses academic education as well as practical training and addresses generic management skills, (planning, control, coordination, personnel, organization, and strategic focus) as well as function-oriented management skills in marketing, production, accounting, inventory, finance, or other operational areas. A broad range of training mechanisms, such as academic education, short-term training; on-the job training; technical assistance; consulting; and pre-service, in-service, and in-plant training will be implemented. Training programs must be refined to meet the needs of different employers, including government, large business, and small businesses.

A preliminary indicator would be the number of additional trained and highly skilled individuals and institutions participating as decision-makers in selected development sectors.

Haiti lost large numbers of its best trained and most entrepreneurial citizens during the Duvalier years and this outward flight has since continued. To help counteract that loss, the project will train Haitians in areas that support the Mission's projects and strategic program objectives. A multisectoral training needs assessment will be conducted to analyze human resource constraints. While participants will come from all socio-economic levels of society, the project will aim to expand political and economic participation by training regional and community leaders, particularly those from socially and economically disadvantaged segments of society. Training and technical assistance will be provided to influential leaders and potential leaders at the central, regional and municipal levels of government. Local training will target women and focus on areas best-suited to tailor, in-country delivery, such as negotiating skills, conflict resolution and ethics, and those areas that require large numbers of beneficiaries in order to have a sustained impact, (e.g. management, financial management and accountability). It will also enable the Mission to quickly respond to off-shore training opportunities in new fields or cross-cutting issues, such as Women in Development. Scholarship cost-sharing will be explored whenever feasible for academic and technical training in the United States, third countries and locally.

The technical assistance component will be a flexible mechanism to support the Mission's program and strategic objectives. It will include a program to attract highly qualified expatriates of Haitian origin to serve as advisors in technical, administrative, management fields and in policy formulation, in both public and private sectors. The objectives of this approach are twofold: first, to encourage a transfer of knowledge and permanent technical expertise which would contribute to both the short and long-term development of Haiti; second, to reintroduce expatriate Haitians who, through long exposure to functioning democracies, have acquired a good understanding of democratic and free-market economic values, and can share those experiences and values with their fellow citizens.

5. EXPECTED RESULTS

- the human capacity of sector ministries and private sector will be strengthened in the areas of management, policy development, administration, finance, and technical knowhow.
- primary schools will be more efficient and organized in delivery systems.
- the primary school plays a significant role as a community based institution
- improved delivery of education services at the decentralized level

- there will be a increased awareness on gender equity as a result of targeting aspects of girls education
- civic education curricula will be adopted in participating private/public primary schools
- public/private sector institutions will be strengthened by on-the-job training and technical assistance
- improved capacity in planning, finance and management of short- and long-term projects and activities of public and private sector institutions

6. LINKAGE TO OTHER ACTIVITIES

This new activity will include efforts to maintain and increase donor collaboration and commitments. Lessons learned from the CLASP II program will be applied to this new activity particularly with respect to the targeting of women and disadvantaged groups. Sustainable development objectives for Haiti are severely constrained by low levels of human capacity development, under investment in people and lack of opportunity for full participation in the society. Strengthening the public and private sectors will require a major emphasis on development training and on-going technical assistance as they support the specific goals and objectives of the beneficiary institutions. RESTORE compliments the other activities of the Mission, particularly in the sectoral areas of democracy, justice, environment, agricultural and economic growth.

7. DONOR COORDINATION

The Mission is among the leading donors in education together with the World Bank, the Interamerican Development Bank, and UNICEF. Canada and UNESCO have also been very active in the sector. In the recent CG recent meeting on education, all donors agreed to coordinate their efforts to provide support to the education sector by strengthening both public and private education institutions. A World Bank mission education team participated in the Consultative Group's donor meeting held recently in Port-au-Prince. The team will return to Haiti in July to begin the preparation of a Basic Education project where the focus will be school rehabilitation, teacher training and textbooks. The World Bank project will not be ready for implementation before 1997. The InterAmerican Development Bank (IDB) has resumed its activities under the Extension of Primary and Normal Schools Project (EXENP). This project will focus on the completion of the school rehabilitation component. The Canadians are supporting rehabilitation of selected vocational schools rehabilitation.

8. TYPES OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

The Mission plans to enter into a contract with a U.S. Consortium of institutions who will be required to form linkages with Haitian

institutions such as FONHEP. A contract will be competitively awarded and is anticipated to occur in March-April 1996. A possible bilateral agreement with the MENJS will be considered as apart of the design effort. The activity will be managed directly by a project-funded Manager and supported by two project-funded LT advisors (local U.S.). In addition it is projected that short-term technical assistance will be needed. Utilizing central buy-ins and Indefinite Quantity Contracts will be considered as viable support mechanisms.

9. POLICY AGENDA AND PROPOSED IMPLEMENTATION

The Mission's policy dialogue agenda with the MENJS would focus on the following:

- policy reform of education (e.g. teacher certification requirements, requirements for school legitimacy; curriculum standardization)
- education finance - percentage of MENJS budget directed at other than administrative)
- reconciliation of MENJS personnel - reduce phantom teachers, create job descriptions, hold personnel accountable

10. DESIGN AND ANALYTICAL WORK

(a) **Required Analyses:** The Mission will undertake a critical analysis of the manpower availability in both public and private sectors at the mid-management level. A careful analysis of how best to strengthen the targeted institutions and the feasibility will be done and counterparts will be identified for possible collaboration with the U.S. consortium of institutions.

(b) **Implementation Approach:** Given potential resource constraints, the RESTORE design will include a phased-implementation approach so that if future year resources are not made available, the project could be terminated after the completion of a distinct developmental phase that would include meaningful impact toward meeting strategic objectives.

(c) **Key Stakeholders, Partners, and Beneficiaries:** Key participants in the development and implementation of this activity include: The Ministry of National Education, Youth and Sports (MENJS), the Haitian Foundation for Private Education (FONHEP); education NGOs and institutions; private sector industries; executive branch of the GOH, Office of the Prime Minister, the donor community, and the public in general. The first four groups will be integrally involved in the preparation of design components that will be integrated into the PP. Due to the nature of the activity, all groups will be direct or indirect beneficiaries.

(d) **Participation Plan for Activity Design:** The Mission will collaborate with the partners listed above, as well as representatives of the Global and LAC Bureaus, to produce a concise initial design document.

11. TIMETABLE AND RESOURCE REQUIREMENT

Development and design of this activity is currently underway. The Project Paper will be presented to USAID/W for review and approval with an obligation totalling \$4 million projected for the second quarter FY 1996.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND ACTIVITY AUTHORIZATION AUTHORITIES

It is recommended that the Mission be given the authority to approve this activity. Necessary waivers for host country contribution and participant training will be sought.

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

The linkages between activities supported, other Mission-supported activities and the SOs and POs supported by the activity will be presented in a logical framework to be developed during activity design.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

- (a) Activity Title: P.L. 480 Title III Program
- (b) Activity Number: N/A
- (c) Funding Source: P.L. 480
- (d) Duration: Fiscal Years 1995 & 1996
(2 years)
- (e) LOA Funding: \$20 million

2. STRATEGIC OBJECTIVES AND PROGRAM OUTCOME SUPPORTED

(a) **Relationship to Agency and Bureau Goals:** The proposed FY 1995/1996 P.L. 480 Title III Program will build upon the accomplishments of the FY 1993 and FY 1994 P.L. 480 Title III programs in helping the newly restored constitutional government of Haiti to address its improving but still chronic food security problems. In barely seven months since its restoration, the Government of Haiti (GOH) has achieved remarkable progress in the implementation of its 1993-1995 Food Security policy. However, given the advanced degree of degradation of the Haitian economy, further exacerbated by the widespread devastation caused last November by Hurricane GORDON, positive impact on food insecurity will require several more years of support through the Title III program.

The continually declining per capita food production, coupled with Haiti's inability to purchase sufficient food abroad due to increasingly negative trade balances, have resulted in a greater dependency on concessional food aid. Commodities provided under the program will therefore increase the aggregate amount of food available, especially in the most food deficient segments of the Haitian population.

Local currencies generated will support the implementation of the Title II feeding program which targets vulnerable population groups and will constitute a major funding source for the rehabilitation of productive infrastructure that has seriously deteriorated during the three years of international economic embargo, especially food production activities, farm-to-market roads and the rehabilitation and protection of Haiti's natural resource base.

(b) **Mission Strategic Objectives and Program Outcomes:** The program will significantly contribute to help Haiti improve its level of food security by:

- i. providing an important proportion (about 30,000 metric tons for FY 1995) of the Country's need for wheat flour, a major staple in the Haitian's diet at all socio-economic levels,

thereby increasing the availability of food and neutralizing or preempting local price distortions;

ii. increasing the incomes of large numbers of disadvantaged Haitian families by providing short-term employment opportunities through the programming of most of the local currencies generated to the implementation of the GOH segment of the Labor-Intensive Job Creation and Infrastructure Rehabilitation Program, thereby increasing their access to food; and,

iii. providing significant logistical support to the Title II Feeding Program, thereby ensuring optimal food utilization by the neediest.

In addition, this program is expected to:

- maintain and enhance the sense of hope and confidence in the democratic process that has been unambiguously demonstrated at the community level during the implementation of the Jobs Creation Program;
- measurably increase agricultural production and productivity as a result of the rehabilitation of irrigation and drainage canals, the promotion of improved food production technologies and the protection of Haiti's natural resource base;
- provide the Mission with the necessary leverage to encourage the GOH to continue the application of recently decreed temporary reform measures and the elaboration and submission to the new Parliament of legislation relative to the liberalization of its trade policy and modernization of the land tenure system;
- improve the nutritional status in farming areas through increased food production, since even poor farm households are currently net purchasers of food;
- ensure a timely linkage with the take-off of other donor's development assistance programs, especially the multilateral organizations.

3. ACTIVITY DESCRIPTION

(a) Management Responsibilities:

Within the GOH, the proposed program will be managed by the P.L. 480 Title III Management Office (MO), a specialized semi-autonomous entity attached to the Ministry of Planning and External Cooperation. Consistent with reform measures stipulated in the FY 1993 and 1994 P.L. 480 Title III Agreements, the GOH undertook the restructuring of the MO, with technical assistance provided by the RONCO Consulting Corporation. It is anticipated that by August 1995, the Mission and the GOH will have ascertained that all necessary procedures and systems

are in place and functional for the responsible management of resources provided by the program.

The program will be managed by the Office of Policy Coordination and Program Support (PCPS), which has responsibility for the P.L. 480 Title III Program and local currency management, and ensures Mission-wide involvement in local currency programming and implementation through the Mission Local Currency Programming and Implementation Committee (LCPIC). Progress towards policy reforms will be the responsibility of PCPS, in conjunction with technical offices. Financial oversight is assured by the Financial Management Office through the monitoring of the workload generated by local currency monetized programs.

(b) Commodity Sales:

The Program will seek to maintain the tradition of equitable distribution, broad geographical coverage, diversity of purchasers, including small buyers and those from the provinces, thus ensuring widespread availability with the corresponding price stabilization effect.

For the FY 1995 tranche, the commodity will be sold at prices agreed upon by the Mission, the MO and the GOH Ministry of Commerce & Industry. These will be non-subsidized prices that reflect normal commercial conditions for procurement and transportation of wheat flour imports. Receipt, storage and distribution of the commodity will be made through private sector channels. Building on lessons learned from the FY 1994 P.L. 480 Title III program, in 1995 delivery to buyers will be effected at RONCO's secure warehouse located in the Shodecosa Industrial Park Complex. The tasks of invoicing qualified buyers, collecting sales proceeds and their timely deposit in a special, separate bank account in Port-au-Prince will be handled by a separate division within the MO.

(c) Local Currency Programming:

As indicated in the attached Policy Reform Matrix, the table illustrates the uses to which the local currency funds will be programmed. These uses reflect a preliminary dialogue with the GOH P.L. 480 Title III Executive Council. As a special note, water and soil conservation and erosion control activities supported under the Productive Land Use Systems project and conducive to enhanced agricultural production and productivity receive significant attention in both years of the program.

(d) Policy Reform Measures:

The Program will seek to provide incentives to the GOH to continue and propose legislation to institutionalize its progress on two fronts that have been identified as constraints to greater food security:

- a trade policy that removes all quantitative restrictions, simplifies the tariff regime for imports and sharply reduces the tariff schedule on agricultural

imports/exports; and,

- drafting and submission to the Parliament of legislation on a new land tenure policy, resulting from a national consultation of representatives of various groups that have a vested interest in Haiti's land tenure problems.

4. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS

The key stakeholders in the proposed program will be the GOH, through its P.L. 480 Title III Executive Council and P.L. 480 Title III MO, sectoral government Ministries, a network of NGOs and private sector firms that will participate in the implementation and supervision of project activities, with the Haitian people as the ultimate beneficiary of increased availability of and enhanced access to food, rehabilitated productive infrastructures and, above all, a growing and entrenched sense that the democratic system of government can and has responded to their legitimate needs and aspirations.

5. TIMETABLE AND RESOURCE REQUIREMENT

A formal Program Proposal will be submitted to USAID/W by the end of May 1995. All design work will be completed by the Mission based on P.L. 480 Title III guidance, lessons learned from the implementation of previous programs and further dialogue with GOH counterparts.

6. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL AND DELEGATION OF AUTHORITY

We request USAID/W authorization of this activity in Fiscal Years 1995 and 1996. No waivers requiring USAID/W approval are anticipated.

**FY-1995 & 1996 P.L. 480 TITLE III PROGRAM
ILLUSTRATIVE LOCAL CURRENCY BUDGETS
FOR : FY 1994, FY 1995 & FY 1996**

CATEGORY	AMOUNT (millions of \$US)		
	FY 94 (est.)	FY 95 (est.)	FY 96 (est.)
Jobs - GOH - (1)	\$0.99	\$3.05	\$4.48
Jobs - GOH - PADF	\$2.30		
Jobs - PADF	\$4.90		
Planning Assistance - Local Govt.	\$0.34		
PLUS Project - Nat. Res. Cons.		\$1.00	\$1.00
Title II	\$2.00	\$2.93	\$1.50
USAID/Mgmt	\$0.10	\$0.10	\$0.10
Program Administration	\$0.40	\$0.92	\$0.92
Total :	\$11.03	\$8.00	\$8.00

Exchange Rate: 1 US = 14.5 Gles

(1) : For Bids through Private Sector & NGOs

(2) : Through PADF

POLICY REFORM MATRIX FOR THE FY 1995-96 HAITI TITLE III PROGRAM

ISSUES	OBJECTIVES	ACTIONS ADOPTED PRIOR TO THIS AGREEMENT	BENCHMARKS TO BE MET DURING THE:	
			FIRST YEAR	SECOND YEAR
<p>1. Trade Policy</p> <p>The GOH trade policy distorts the allocation of resources in the agricultural sector in favor of import substituting crops – primarily food crops – and against export crops such as coffee. From a food security point of view, this causes consumers to pay higher prices for basic food items. Since even poor farm households are net purchasers of food, it has a negative impact on poor, rural as well as urban, households. These protectionist policies also have a negative effect on (1) producers of agricultural exports, mostly small farmers and (2) the environment, since the protected import substituting commodities are short-cycle crops whose production on the hillsides hastens the erosion process whereas growing coffee is ecologically sound.</p>	<p>To contribute to improved food security by eliminating the remaining trade policy induced price distortions affecting the agricultural sector, which will contribute to increased agricultural production, productivity and rural household incomes.</p>	<p>The GOH has indicated that it plans to simplify its tariff regime during 1994/95 and reduce its tariffs to a range of 0-15 percent with rates at the upper end of the band applicable to final consumer goods. Quantitative restrictions which were still applied to seven agricultural products have been suspended by the Parliament until March 1995 when the plans are to eliminate them.</p> <p>As legislative elections which were to be held December 1994 have been postponed to June 1995</p> <p>The problem is that, although the objective of the last trade policy reform (the one in 1986) was to liberalize the country's international trade regime, it ended up granting special protection to import substituting agricultural products, including corn, sorghum, rice, beans and flour.</p>	<p>1. The GOH presents evidence that it has applied all the temporary quantitative restrictions and tariff reductions voted by the last Parliament on agricultural products. (DATE TO BE NEGOTIATED)</p> <p>2. The GOH presents evidence that it has adopted a new tariff regime in which (1) the tariff schedule is simplified, (2) tariffs are reduced to a range of 0-15 percent, and (3) the tariffs applied to agricultural products fall within a range of 0 to 10 percent. (DATE TO BE NEGOTIATED)</p>	<p>1. The GOH presents evidence that it has maintained its commitments to the trade policy reforms included as benchmark 1 and 2 in the first year.</p>

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<p>2. Land Tenure</p> <p>Lack of tenure security constrains increased agricultural investment and productivity. It is one of the biggest constraints to improving food security in Haiti over the longer-term. Although individual land property rights are recognized in Haiti, the amount of land that complies with all necessary legal requirements is exceedingly small. Instead, compliance with full legal formalities has been replaced by an informal system with partial legal compliance which provides some degree of tenure security. The lack of legal titling, however, prevents access to formal financial markets which has constrained farmers' ability to increase their investments and to adopt technical changes. And lack of tenure security also has a negative environmental impact, because it discourages on-farm investments such as terracing and tree planting. More importantly, the modernization of agriculture will require that traditional family/community based economic relations be extended to market type relationships which require well defined/enforced property rights to function effectively.</p>	<p>To contribute to improved food security over the longer-term by encouraging the government to bring together representatives of the various groups with an interest in land tenure issues from government ministries, PVOs, NGOs, academics, farmer groups, etc. to discuss the country's land tenure problems and to develop some consensus as to what should be included in a national land tenure strategy for the government.</p>	<p>Land tenure reform is an integral component of the GOH's strategy for economic and political development. The country's new constitution mandates the creation of a National Institute for Agrarian Reform, which the GOH appears willing to establish, and responsibility for activities related to land tenure questions is distributed among a number of Ministries. There is little sense within the GOH now for how to address the complex and geographically diverse nature of the tenure problems in the country, and these problems have been pushed to the back burner by other, more immediate problems.</p>	<p>The GOH develops a SOW for and holds a national convocation on land tenure designed to bring together representatives of the various groups that have a vested interest in the country's land tenure problems in order to enable these groups to participate in the development of the government's new land tenure policy and its implementation strategy. (DATE TO BE NEGOTIATED)</p>	<p>The GOH drafts and submits to Parliament a legislation on land tenure that reflects the policy and implementation strategy developed during the national convention on land tenure. (DATE TO BE NEGOTIATED)</p>