

Haiti: Poverty Reduction Strategy Paper—Progress Report

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Haiti – Update on the Reconstruction, Growth and Poverty Reduction Strategy

I. THE AFTERMATH OF THE EARTHQUAKE AND OTHER NATURAL DISASTERS

1. **2011 was the year of political and administrative transition.** The shift from the emergency phase following the earthquake to the recovery phase is in progress, albeit slower than planned due to the protracted electoral agenda and the ensuing domestic political crisis that left the country without a new government for more than 5 months.
2. **The destruction caused by the earthquake was significant.**
 - The human impact is immense. Roughly 1.5 million people, i.e. 15 percent of the national population, were directly affected. According to the national authorities, more than 300 000 died and as many were injured. About 1.3 million people were living in temporary shelters in the Port-au-Prince metropolitan area. Over 600,000 people have left the affected areas to seek shelter elsewhere in the country.
 - The destruction of infrastructure is colossal. About 105,000 homes were totally destroyed and over 208,000 were damaged. More than 1,300 educational institutions and more than 50 hospitals and health centers have collapsed or are unusable. The country's main port cannot be used. The Presidential Palace, Parliament, law courts, and most ministerial and public administration buildings have been destroyed.
 - Although environmental indicators were already at warning levels, the earthquake has put further pressure on the environment and natural resources, thus increasing the extreme vulnerability of the Haitian people.
 - The March 2010 Post-Disaster Needs Assessment (PDNA) estimated overall damages and losses at US\$7.8 billion (or 120 percent of GDP in 2009) and reconstruction needs at almost US\$11.5 billion, of which \$3.2 billion were needed in the first 18 months. In addition, hurricanes and a cholera epidemic struck in the second half of 2010, further exacerbating the destruction. The private sector suffered extensive damages and losses of US\$5.7 billion, including housing (US\$2.3 billion in damages), commerce (US\$639 million), private education (US\$437 million), industry (US\$342 million), food (US\$330 million) and transport (US\$316 million).
3. **The international community responded very favorably.** At the March 2010 pledging conference in New York, international donors pledged \$5.6 billion in support of the Action Plan for National Recovery and Development of Haiti (PARDH) for 2010-2011 and almost \$12 billion in the longer term. By March 2011, aid flows had reached over 67 percent of the pledges announced a year earlier. Of the US\$5.6 billion promised by end 2011, the top 30 donors had approved \$3.2 billion, including US\$1.1 billion in debt relief and US\$2.1 billion in the form of project and program financing at the end of June. To date, over US\$1

billion of the project financing has been disbursed and spent by the Government or agencies on the ground.¹

II. THE ACTION PLAN FOR NATIONAL RECOVERY AND DEVELOPMENT OF HAITI

4. **The Action Plan for National Recovery and Development of Haiti (PARDH) was presented to the international community at the UN conference in New York in March 2010.** The plan presents immediate responses to the losses and damage caused by the earthquake, but also outlines a number of key initiatives for creating the conditions to tackle the structural causes of Haiti's under-development. The PARDH is built around four key pillars:

- *Territorial rebuilding.* This first pillar includes identifying, planning and managing new development centers, stimulating local development, rebuilding affected areas, implementing economic infrastructure required for growth (roads, energy and communication), and managing land tenure, in order to protect property and facilitate the advancement of large projects Under this pillar, we have already identified eight programs, costing about [xx billions].
- *Economic rebuilding.* This second pillar which, along with developing key sectors, aim to modernize the various components of the agricultural sector, providing an export potential in terms of fruits and tubers, livestock farming and fishing, in the interests of food security; develop the professional construction sector with laws and regulations relating to earthquake-resistant and hurricane-resistant materials and implementation and control structures; promote manufacturing industries; and organize the development of tourism. We have already identified eight programs under this pillar, costing about [xx billions].
- *Social rebuilding.* This third pillar prioritize a system of education guaranteeing access to education for all children, offering vocational and university education to meet the demands of economic modernization, and a health system ensuring minimum coverage throughout the country and social protection for the most vulnerable workers. Nine programs have already been identified, costing about [xx billions].
- *Institutional rebuilding.* This fourth and last pillar immediately focus on making state institutions operational again by prioritizing the most essential functions; redefining our legal and regulatory framework to better adapt it to our requirements; implementing a structure that will have the power to manage reconstruction; and establishing a culture of transparency and accountability that deters corruption in our country. Seven programs have already been identified, costing about [xx billions].

¹ Pledges are monitored by [the Office of the UN Special Envoy to Haiti](#).

5. **The PARDH is divided into two phases.**

- The first covers 18 months and focuses primarily on reconstruction activities. Key priorities are to improve accommodation for the homeless; to return pupils to school and students to university and vocational training centers; to prepare for the next hurricane season in the summer; to pursue efforts to restore a sense of normality to economic life, especially by creating large numbers of jobs through high-intensity work, by guaranteeing stability in the financial sector and access to credit for SMEs; and to continue to reorganize state structures. During this period, it will be necessary to work on development strategies and plans for selected new economic centers; to pursue action in favor of equipping reception zones for those who have been displaced by the earthquake; and to set up an electoral process to avoid constitutional gaps.
- The second stage has a time horizon of ten years, allowing it to take into account three programming cycles of the National Strategy for Growth and Poverty Reduction

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III. RECENT DEVELOPMENTS

6. **Much progress was made since the earthquake,** Reflecting cooperative efforts between our government, the donor community, and civil society. However more efforts need to be done to increase efficiency through better coordination and improved country's capacity.

- *Macroeconomic developments.* After a 5.1 percent decline in 2010 mainly attributable to the impact of the January 12 earthquake, real GDP grew in 2011 by an estimated 5.6 percent. Construction, manufacturing, and services picked up significantly last year by 7 percent, 4 percent and 7.7 percent, respectively. Average inflation remained in check in the single digit levels. Credit to the private sector has picked up. Revenue performance has been strong and the external position has strengthened. Merchandise exports increased by 36 percent reflecting a higher-than-expected effect of the improved market access to the US under the HOPE/HELP initiatives. Transfers and foreign direct investment inflows were also somewhat higher-than-envisaged and the overall balance of payments recorded a surplus of 2.3 percent of GDP, against a programmed deficit of 3.5 percent of GDP. Consequently, the build-up of international reserves continued and at end-December 2011, gross international reserves reached US\$2.1 billion (5.3 months of imports).
- *Displaced persons.* In July 2010, 1.5 million Haitians were living in camps. Today, the number is down to 520,000. Some of them have gone to the 100,000

transitional post-quake shelters that have been constructed, or the more than 21,000 permanent homes that have been repaired or built so far. Temporary shelter programs are winding down to make way for neighborhood repair and reconstruction programs

- *Debris:* More than half of the 10 million cubic meters of rubble generated by the earthquake has now been cleared. Over 20% of this debris has been recycled in the manufacture of non-structural building materials.
- *Education.* There are now many more children in primary school than before the earthquake. Over 80 percent of the children of families still living in camps are going to school. As a result of tuition waivers financed by the World Bank, Canada and the IDB, about 180,000 children attended schools that were open during the 2010-2011 school year, though some were in makeshift shelters.
- *Health.* Hospitals and health centers are being repaired and constructed. A national cholera alert system is now functioning. Child immunization rates today are significantly higher than they were at mid-decade.
- *Roads and infrastructures.* Hundreds of kilometers of new roads have been constructed. The international airport Mais Gate is under rehabilitation while a new international airport is being built in Cap-Haitien, the second largest city of the country to support the development of a new industrial and touristic area. *Agriculture.* Agricultural production which has been stagnant in 2010 has increased at a of 1% rate in 2011. Efforts are done to improve access to seeds by farmers and for better water management and the promotion of fishing through the construction of several lakes.
- *Employment.* Since the earthquake, more than 300,000 temporary jobs have been created as part of high labor intensive *cash-for-work* programs. A recently-inaugurated industrial park in the north-east of the country will offer employment to 20,000 Haitians.

7. **The pace of the reconstruction and the recovery were slower than planned.** This was attributable to a range of factors, including weak capacity, the domestic political crisis and the absence of a central coordination. International experience shows that reconstruction after major natural disasters takes many years. While new capacity was created, there is a need for further efforts in this area as well as increased coordination and prioritization, in particular with regard to urban planning, housing reconstruction standards, infrastructure, schools, and hospitals, and network distributions, human resources development and access to financing and training for business development.

REPUBLIC OF HAITI

APRIL 2011

MINISTRY OF PLANNING AND
EXTERNAL COOPERATION

EXECUTIVE SECRETARIAT OF THE
INTERMINISTERIAL
COORDINATING AND
MONITORING COMMITTEE FOR
THE IMPLEMENTATION OF THE
DSNCRP

FINAL REPORT ON THE
IMPLEMENTATION OF THE FIRST
NATIONAL GROWTH AND
POVERTY REDUCTION STRATEGY
(2008-2010 DSNCRP)

MAKING THE QUANTUM LEAP

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MAKING THE QUANTUM LEAP

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List of abbreviations

AIDS	Acquired Immune Deficiency Syndrome
ARV	Antiretroviral
BCG	Bacille Calmette Guérin (tuberculosis vaccine)
BDS	Education Departmental Office
BRH	Bank of the Republic of Haiti
CAP	Priorities Arbitration Committee
CBO	Community-based Organization
CCB	Donor Advisory Committee
CCPC	Communal Civil Protection Committee
CDGRD	Departmental Risk and Disaster Management Committee
CFI	Investment Facilitation Center
CICSMO	Interministerial Committee for Implementation Coordination and Monitoring
CII	Interministerial Investment Commission
CLPC	Local Civil Protection Committee
CNE	National Equipment Center
CNGRD	National Risk and Disaster Management System
CNI	National Investment Council
CNMP	National Procurement Commission
CNRA	National Administrative Reform Commission
CONFESJES	Conference of Ministers of Youth and Sports
COSI	Strategic Investment Orientation Council
COUN	National Emergency Operations Center
CPM	Commune Phare Majeure
CSAFP	High Council for Administration and the Civil Service
CSCCA	High Accounting and Administrative Disputes Office
CTD	Departmental Technical Committee
DDE	Departmental Education Directorate
DDGC	Detailed Large Projects Paper
DPC	Civil Protection Directorate
DSNCRP	National Growth and Poverty Reduction Strategy Paper
DSNO	Nord-ouest Health Directorate
DTM	Diphtheria/Typhoid/Malaria
ECLA	Cultural, Reading and Cultural Activity Center
ECVH	Survey on Living Conditions in Haiti
EFACAP	Primary School and Learning Support Center
ENAPP	National School of Administration and Public Policies
ENTS	National Sports Talent School
EPPLS	Government Enterprise to Promote Social Housing
EPT	Education for All
FAES	Economic and Social Assistance Fund
FHF	Haitian Soccer Federation
FIA	Accelerated Initial Training

FIJ	Youth Integration Fund
FIOP	Identity and Project Operation Form
GAC	Group and Community Association
GDP	Gross Domestic Product
GRD	Risk and Disaster Management
GSB	Groupe Sante Bet
HCR	Community reference hospital
HIPC	Heavily Indebted Poor Countries
IHSI	Haiti Statistics and Data Processing Institute
INARA	National Agrarian Reform Institute
IOM	International Organization for Migration
LNSP	National Public Health Laboratory
MAP	Matrix of Priority Programs
MAP	Priority Activities Matrix
MARNDR	Ministry of Agriculture, Natural Resources and Rural Development
MAST	Ministry of Social Affairs and Labor
MCC	Ministry of Culture and Communication
MDG	Millennium Development Goals
MEF	Ministry of the Economy and Finance
MENFP	Ministry of National Education and Vocational Training
MICT	Ministry of the Interior and Territorial Authorities
MJSAC	Ministry of Youth, Sports and Civic Action
MJSP	Ministry of Justice and Social Protection
MPCE	Ministry of Planning and External Cooperation
MSSP	Ministry of Health and Social Protection
MTBF	Medium-Term Budgetary Framework
MTCTP	Mother-to-Child Transmission Prevention
MTEF	Medium-Term Expenditure Framework
NGO	Nongovernmental Organization
OMRH	Office of Human Resources Management
ONPES	National Poverty and Social Exclusion Laboratory
OSAMH	Morne L'Hôpital Supervision Office
PAGE	Economic Governance Support Program
PARDH	Action Plan for the Recovery and Development of Haiti
PARQUE	Program to Support Strengthening the Quality of Education
PBG	Policy-based Grant
PDL	Local Development Program
PDNA	Post Disaster Need Assessment
PDT	Tourism Master Plan
PIP	Public Investment Program
PLAP	Priority Action Plan
PLIP	DSNCRP Priority Investment Plan
PLWHA	People Living with HIV/AIDS
PMS	Minimum Package of Services

PNAP	National Early Warning Program
PNH	National Police of Haiti
PNLS	National AIDS Program
PREH	Haiti Economic Strengthening Program
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction and Strategy Paper
SCDCSMO	Departmental Subcommittee for the Coordination and Monitoring of Implementation
SCTICSMO	Technical Subcommittee for the Coordination and Monitoring of Implementation
SECICSMO	Interministerial Executive Secretariat for the Coordination and Monitoring of Implementation
SGS	Société Générale de Surveillance
SNCRP	National Growth and Poverty Reduction Strategy
SPGRD	Permanent Secretariat for Risk and Disaster Management
SQP	Participatory Qualitative Monitoring
SRP	Poverty Reduction Strategy
STI	Sexually Transmitted Infection
TDC	Departmental Consultation Table
UCS	Communal Health Facility
UEP	Study and Programming Unit
UNCTAD	United Nations Commission on Trade and Development

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FOREWORD FROM THE PRIME MINISTER

The final report on the implementation of the first National Growth and Poverty Reduction Strategy Paper (DSNCRP) that we have the privilege of submitting to the nation is the result of the efforts the government has made in an extremely difficult context, especially with the 2008 food crisis, the natural disasters, primarily the hurricane damage in 2009, and more particularly the January 12, 2010 earthquake, which seriously diminished the expected results that were to help us obtain sustainable growth and thereby share the benefits among the 72 percent of the population living in poverty.

“Making the Quantum Leap” by promoting a strong dynamic to achieve the Millennium Development Goals: give the country a modern economy, strengthen all the institutional components of the government, and make our cultural creativity available to spur national development. These were and are the challenges to be met.

The first annual report on the implementation of the DSNCRP (2007-2008) was published in February 2009 and highlighted the change in the country’s macroeconomic and social situation and the principal accomplishments; it also analyzed the operation of the systems for coordinating and monitoring its implementation. The January 12, 2010 earthquake that struck the country created a new situation, not only because of the extent of the damage and losses estimated at nearly US\$8 billion, but also due to the fact that the paralysis of the Haitian public administration has temporarily stopped the work of preparing the second annual report that covers 2008-2009. It is in this context that a decision was made prepare a final report on implementation for the years in which the DSNCRP was put in place (2008-2010), taking into account the results achieved and the partial evaluation of its performances.

The situation that the January 12, 2010 earthquake created gave the government the opportunity to bolster the vision statement of a long-term development that aims to make Haiti an emerging country by 2032. In this context, and over and above the management of the emergency situation that the earthquake created, the government plans to continue its program to structure development using the DSNCRP and other papers as a basis. To this end, it is necessary to ensure that the Haiti Action Plan for Recovery and Development (PARDH), launched in March 2010, which will cover a period of twenty (20) years, and that the DSNCRP will be aligned with it. Here, it should be noted that the PARDH is based on four main areas: Territorial Reform, Economic Reform, Social Reform and Institutional Reform.

I repeat the remarks I made when the PARDH was launched in March 2010 at the New York Conference on Rebuilding Haiti: *“We must act now, but with a clear vision of the future. We must agree on a short-term program and create the mechanisms that will make it possible to develop and implement detailed programs and projects that will solidify the activities over a period of ten years. This plan is divided into two periods: the immediate, which lasts 18 months and consists of the end of the emergency period and the preparation of projects to trigger a bona fide renaissance; and the second period over a*

period of nine (9) years, which will include three programming cycles of the National Growth and Poverty Reduction Strategy.”

The preparation of the second-generation DSNCRP must necessarily leverage the conceptual, strategic and operational accomplishments of the first DSNCRP and take into account the detailed plan of the major areas for reforming Haiti, which continues to be the reference strategically speaking. The defects found in the implementation system for the first-generation DSNCRP must be corrected as well, and this must be part of the series of measures to strengthen the chapter on the operational and institutional framework in the DSNCRP II.

My government is fully aware of the difficulties to be overcome to put the country on a path to sustainable growth and overcome the widespread wait-and-see policy that is the result of our lack of confidence in ourselves. The government is hopeful that this common vision of an emerging country by 2032 will propel us onto the international scene with obvious results commensurate with the hope of improving the living conditions of our fellow citizens.

Therefore, I deliver this report to you for your analysis and assessment for better ownership of the results obtained over the implementation period of our first Poverty Reduction and Growth Strategy.

/s/

Jean Max Bellerive
Minister of Planning and External Cooperation

Prime Minister

EXECUTIVE SUMMARY

Following a broad-based participatory process that lasted more than three months and included the representatives of various government and civil society stakeholders in the country's ten (10) geographical departments, the government of Haiti prepared a National Growth and Poverty Reduction Strategy Paper (DSNCRP). This paper is considered the unifying framework for the country's development program. This paper served as a guide for preparing the priority sectoral development plans and public investment programs. It is: (i) a tool for coordinating government action and making it consistent to stimulate the partnership among the different stakeholders; (ii) an instrument for mobilizing resources and prioritizing national development programs around clearly defined objectives, along with performance and impact indicators; and (iii) leverage to promote the development of the territorial authorities through local governance.

The three years of implementation of the National Growth and Poverty Reduction Strategy took place in an environment that was less favorable than expected. Unpredictable factors interfered with the desired results and objectives. Natural disasters, mainly the damage from the hurricanes in 2008 and the infamous January 12, 2010 earthquake, seriously hampered the results expected during the implementation of the DSNCRP. The damage caused by Hurricanes Fay, Gustave, Hannah and Ike caused damage to the agriculture sector, to infrastructure and production, estimated in general at about 15 percent of gross domestic product (GDP). The January 12 earthquake reversed all the accomplishments and caused damage and losses estimated at about 120 percent of GDP, with the consequence of a 5.1 percent drop in growth for 2009-2010 according to the preliminary estimates of the Haiti Statistics and Data Processing Institute (IHSI).

Through the tax and fiscal policies that were implemented, government finances recorded satisfactory results over the last three years despite interferences that hampered the performances which the tax administrations had expected as well as the results projected for developing poverty reduction activities. Thus, budgetary revenue increased from 23.197 billion gourdes in 2006-2007 to 26.848 billion in 2007-2008, for a 16 percent increase. Actual spending of 26.984 billion gourdes in 2006-2007 rose by 14 percent to 30.856 billion in 2007-08. This performance continued in 2008-2009 with an 11 percent increase in tax revenue, to 29.881 billion gourdes, and a one percent drop in spending, which stood at 30.616 billion gourdes.

In 2009-2010, the trend continued despite the sudden drop-off in the tax administrations caused by the earthquake and the stoppage of activities of many businesses that pay taxes and contributions. However, the growth of tax revenue was down by 5 percent, amounting to 31.425 billion gourdes. Budgetary spending continued its increase with 26 percent growth to rise from 30.616 billion gourdes in 2008-2009 to 38.709 billion gourdes in 2009-2010. In fact, the expenditures that finance investment projects using Public Treasury resources more than tripled, from 2.574 billion gourdes to 11.408 billion gourdes for the same period, or 343 percent.

In the end, the tax deficit as a percentage of GDP, offset by external grants, was harnessed at around 3 percent during the three years in which the DSNCRP was implemented. During this period the monetary authorities carried out a conservative monetary policy, not only to preserve but also to strengthen the stability of the financial system, transparency, and the effectiveness of monetary policy. Policies and measures were adopted to maintain domestic and external monetary stability while lowering inflation, controlling monetary financing, and the exchange rate was stable. Thus, a relative stability of the gourde was noted.

As for poverty reduction, funds from the Public Treasury were allocated to the various government expenditure items, taking into account major items such as employment, food security, energy supply, transportation, sanitation, drinking water, health, education and social protection. During DSNCRP implementation, funds for poverty reduction accounted for about 44 percent of the funding total.

The macroeconomic objectives that were adopted in the DSNCRP during the 2008-2010 period projected: an average real GDP growth rate of 4.0 percent; an inflation rate of less than 10 percent; and a budget shortfall of one percent of GDP. The political, economic and social challenges during the implementation of the first-generation DSNRCP were considerable. In the aftermath of the January 12 earthquake, national production was destroyed, human capital was weakened, the national landscape lay in ruin, public security was weakened, and finally, the failed and nearly destroyed public institutions necessitated urgent and organizational measures.

The macroeconomic performances expected during the period under consideration did not occur. The results sought in terms of growth were not achieved. The outlook for recovery was 4.5 percent of GDP for fiscal year 2008/2009, but the period was heavily affected by both domestic and external risk factors inherited from 2007-2008. Still, through the efforts that were made and the activities that were carried out through the post-hurricane emergency program that the government implemented, Haiti stayed the course with positive growth of about 2.5 percent of real GDP for fiscal year 2008-2009, and growth accelerated in the subsequent years to reach the 4.5 percent goal in the strategy. The inflation rate was harnessed at less than 10 percent. The exchange rate remained steady at about 40 gourdes per dollar.

Reforms in terms of governance and fiscal management went hand-in-hand with the implementation of the DSNRCP. In fact, through the set of measures initiated in 2004, the country was initially able to reach the decision point and then the completion point, which gave it access to mechanisms to lighten its debt. The Haitian authorities thus set in motion a series of activities to undertake these reforms based on quantitative and qualitative performance criteria. In this regard, significant progress was made.

Thus, the initial trigger was the use of a participatory process to prepare the National Growth and Poverty Reduction Strategy (DSNCRP) and to implement it, along with a macroeconomic stabilization policy that was another challenge based on the performances that were achieved. The principal macroeconomic aggregates changed positively in the

three years of the program. Major structural and social reforms were undertaken as well, in particular in the areas of economic governance, public finance, and debt management. Project financing in accordance with the DSNCRP objectives and pillars amounted to 71 percent, 89 percent and 92 percent respectively of total funds for the Public Investment Programs (PIP) for fiscal years 2007-2008, 2008-2009 and 2009-2010. These figures show a clear improvement in the government's taking this urgent necessity of improving economic growth and poverty reduction into consideration.

Moreover, 15 percent of the project funds that are under the DSNCRP pillars are from domestic sources and 85 percent are from external sources for fiscal year 2007-2008; the figures are 14 percent and 86 percent for fiscal year 2008-2009, and 19 percent and 81 percent for 2009-2010. The increase in domestic sources expresses the government's will to pay for projects that promote growth and reduce poverty, especially since the delayed arrival of aid pledged after the disasters that hit the country. The funding made available throughout the implementation period demonstrates the government's genuine will to grow the country and fight poverty, since these funds increased steadily over the three years of the DSNCRP.

According to the DSNCRP objectives, 157 indicators were identified to monitor and evaluate the activities carried out as part of this strategy and the MDGs. These indicators are divided into four types and deal with the measurement of the results/secondary effects of development (87 indicators), based on resources injected (16 indicators), and outputs obtained or activities generated (40 indicators); the impact expected in terms of economic growth and improved living conditions for households were measured using 14 indicators.

In the analysis, emphasis was placed on the "physical" indicators that were *produced* and operational, such as building and rehabilitating roads and buildings and strengthening structures. The funds were in fact spent at the sector level. Some immediate results are visible, while others are difficult to see. One of the reasons reflects the fact that some expenditures fulfill strategic functions while others show passive/negative features. The performance of some government expenditures is due to the fact that for some time the government of Haiti has been successfully strengthening its administrative management standards, with an improvement in budget preparation procedures and the implementation and strengthening of the National Procurement Commission (CNMP), etc.

In this context, it is already possible to predict that it will be difficult for the country to achieve most Millennium Development Goals for Development by 2015. The Haiti Recovery and Development Action Plan (PARDH), prepared by the government after the earthquake, and the Detailed Large Projects Paper (DDGC) now in preparation, are strategic planning tools that will guide the country on a new path. Their objectives of rebuilding the country on four levels—territorial, economic, social and institutional—will surely give a new boost to achieving the MDGs.

The DSNCRP focuses on partnership in that it encourages the coordinated participation of bilateral programs, multilateral organizations and nongovernmental organizations in a

comprehensive program to reduce poverty and create wealth. This framework promotes greater openness in preparing public policies. In preparing this document, the government of Haiti sought to more systematically include the traditionally marginalized groups, the private sector, civil society and the poor, thereby reflecting the community's consent and the support of the above-mentioned stakeholders.

The opinions that were collected from a perception survey carried out in 2009 include not only the levels of satisfaction or evaluations of the beneficiary populations solely on a project; they cover all the projects carried out in the communities and regions. The evaluations are drawn from the corpus that the DSNCRP prepared based on the objectives. The components of this corpus that guided them are: income, employment, health, food, drinking water and sanitation, legal and citizen identity, access to justice, access to security, education, literacy, and the level of women's participation.

Satisfaction with regard to the availability of and access to basic social services and the quality of these services is deemed poor (68.9 percent of the evaluations).¹ Dissatisfaction is greater with regard to income and buying power, and nearly 96 percent of the evaluations consider that lack of activity, unemployment and especially skyrocketing prices have made it impossible to improve living conditions.

The people's evaluations do however reveal pockets of satisfaction. The level of satisfaction is high in terms of the gender equality issue. For 86 percent of the evaluations, the inclusion of women is satisfactory and already considered an accomplishment. With regard to the priority diseases such as tuberculosis and AIDS, the level of satisfaction is very high. The treatment of infected persons is perceived by the people as an excellent situation, and 88 percent of the citizen evaluations agreed with this. These evaluations point to a certain improvement in access to basic education. The citizens state that they perceive that the authorities are doing a better job of managing this sector.

The citizen's evaluations presented here should be taken at their fair value with regard to the expectations of these populations. However, the shocks that were Hurricanes Hannah, Gustave, and Ike (and the January 12 earthquake) do not accurately judge the effectiveness of the activities carried out over the last three years in the country under the DSNCRP. The minor advances were quickly offset by these natural disasters. However, they are nonetheless indicators that the policymakers should use to implement the precautionary principle for a better second-generation DSNCRP.

The institutional system for implementing the DSNCRP was analyzed from the standpoint of its strengths and weaknesses. This analysis generated an evaluation and better understanding of the relevance and effectiveness of the system for implementing and monitoring/evaluating it in the context of the DSNCRP and to identify its defects, weaknesses and strengths. Proposals for solutions were also made to improve the current

¹ 2008, 2009 and 2010 surveys.

system for coordinating, implementing and monitoring/evaluating the DSNCRP to include them in the document for preparing the next generation of the DSNCRP.

In light of the observations collected on the operation of the structure and the systems for coordinating and monitoring the implementation of the DSNCRP, a new institutional arrangement was recommended. This institutional arrangement, which is the mechanism for coordinating and monitoring the implementation of the National Sustainable Growth and Poverty Reduction Strategy, has the following objectives in particular: evaluate the directives on sustainable growth and poverty reduction at the national, sectoral and regional levels or by area of activity; set the schedule for preparing and adjusting the national sustainable growth and poverty reduction strategy; review and validate the results of the preparation work and work to readjust the national sustainable growth and poverty reduction strategy; review and validate the periodic implementation reports; recommend general or specific studies necessary to improve the policy components; examine and validate the system for monitoring and evaluating the national sustainable growth and poverty reduction strategy; and propose contracts of objectives with the private sector and civil society. This arrangement includes agencies and authorities.

The preparation of the DSNCRP II must necessarily leverage the conceptual, strategic and operational accomplishments of the previous exercises performed on implementing the principles of the Paris Declaration, the Brussels Action Program for LDCs, and provisions that pertain to the principles of the International Engagement on Cooperation in Fragile States.

It remains obvious that the ability to work out the monitoring and evaluation of implementing the DSNCRP still needs more fine-tuning. Given the issue of data availability from the sectoral ministries, it was possible only to evaluate the inputs while noting that the changes in the allocation of budgetary resources from the Public Investment Program are so minimal that the range of evaluation was very small. Therefore, the required arrangements must be made to properly frame the issue of evaluating the results of the DSNCRP above and beyond the inputs.

CONTEXT

After a participatory process that lasted nine (9) months, Haiti prepared a National Growth and Poverty Reduction Strategy Paper (DSNCRP), validated at the National Forum in September 2007, adopted by the government in October 2007, and approved by the Bretton Woods institutions in February 2008. With this participatory process on which its legitimacy is based, the DSNCRP is the government's framework of reference for developing the economic policy for growth and poverty reduction. In this regard, it serves as a guide for preparing the priority sector development plans and public investment programs, and is: (i) a tool for coordinating and ensuring the consistency of government action to stimulate the partnership among the various stakeholders; (ii) an instrument for mobilizing resources and prioritizing national development activities around clearly defined objectives that include performance and impact indicators; and (iii) leverage to promote the development of the regional governments through local governance.

The government agreed to prepare an annual report on the progress of implementing the activities in the National Growth and Poverty Reduction Strategy Paper (DSNCRP). This report is to review the available investment programs; report on the degree of resource mobilization from the development partners and the government; and analyze the outcomes for each actor by pointing out the performance factors and constraints.

Moreover, it is to prepare a statement of execution of the policies, programs and projects (PPP) in the DSNCRP; analyze the trends in indicators for monitoring the SCRCP; analyze the procedures for implementing and monitoring the DSNCRP by highlighting the results and constraints; analyze whether the guidelines are taken into account, in particular the cross-cutting issues of gender, decentralization, participation and transparency in implementation; analyze and evaluate the degree of development partner alignment with the DSNCRP in terms of preparing support and assistance programs; analyze the degree of alignment of civil society organizations with the DSNCRP by highlighting the results that have been achieved, the performance factors and the constraints; and prepare recommendations for the ongoing implementation and revision of the DSNCRP.

The first annual report on the implementation of the DSNCRP (2007-2008) was published in February 2009 and highlighted the change in the country's macroeconomic and social situation and the principal accomplishments; it also analyzed the operation of the coordination and monitoring systems for its implementation.

The January 12, 2010 earthquake that struck the country created a new situation, not only because of the extent of the damage and losses estimated at nearly US\$8 billion, but also due to the fact that the paralysis of the Haitian public administration has temporarily stopped the work of preparing the second annual report that covers 2008-2009. It is in this context that it was decided to prepare a final report on implementation for the years in which the DSNCRP was put in place (2008-2010), taking into account the results achieved and the partial evaluation of its performances.

INTRODUCTION

Following a broad-based participatory process that lasted more than three months and included the representatives of various government and civil society stakeholders in the country's ten (10) geographical departments, the government of Haiti prepared a National Growth and Poverty Reduction Strategy Paper (DSNCRP). This paper is considered the unifying framework for the country's development program. This document, which deals with the period from 2008 to 2010, is based on three pillars supported by specific and cross-cutting policies: *Pillar I, The growth vectors*: agriculture and rural development, tourism and infrastructure; *Pillar II, Human development*: education and vocational training, health, water and sanitation; *Pillar III, Democratic governance*: justice, security, and local governance. The *specific and cross-cutting policies* are: food security, persons with disabilities, youth and sports, gender equality, land-use planning, the environment and sustainable development, risk and disaster management, social protection, building government capacities, urban development, and culture.

The strategy paper, which aimed to be “a first important step to the desired quantum leap,” included a Priority Activities Matrix (MAP) and Priority Investment Plan (PLIP). The country perceived the DSNCRP as the principal instrument for expressing its vision of change and its prospects for change and development. From the outset, the strategy has been implemented in a difficult institutional context. In December 2009, an independent analysis determined the strengths and weaknesses of the current systems for SNCRP coordination. Through this approach, which the MPCE initiated, the government intended to pave the way for reflection on the conceptualization of a second-generation DSNCRP (DSNCRP II).

The January 12, 2010 tragedy occurred while this process was underway. Moreover, the implementation of DSNCRP I and the preparation of DSNCRP II were necessarily suspended, so that it was obvious that the foundation for national development had to be reexamined. Despite the tragic event of January 12, 2010 and its consequences for governance, the government of Haiti maintained its option for the DSNCRP as a melting pot for its development activities. Thus, the Prime Minister and the Minister of Planning and External Cooperation (MPCE) stated in February 2010, at the launch of the post-disaster needs assessment (PDNA):

“Today, the Minister of Planning and External Cooperation is seeking to share the government's vision with you. I am beginning with these remarks because we are not really proposing a new vision. This new vision was already proposed in the DSNCRP and, through the different general policy statements that my predecessors made, reflects my vision as well.”²

Nonetheless, it is true that the situation gave the government the opportunity to strengthen the statement of a long-term development vision that seeks to make Haiti an emerging

² Excerpt from the February 18, 2010 address for the launch of the PDNA (Post Disaster Needs Assessment).

country by 2032. In this context, above and beyond the management of the emergency that the earthquake created, the government plans to continue its work to structure development using the National Growth and Poverty Reduction Strategy Paper (SNCRP) and others. To this end, it is necessary to ensure that the Haiti Recovery and Development Action Plan (PARDH) launched in March 2010, that is supposed to be for a period of 18 months to ten years, and the DSNCRP, are aligned. Here, it should be noted that the PARDH consists of four major areas: Territorial Reform; Economic Reform; Social Reform; and Institutional Reform.

Today, the process of preparing the DSNCRP II is beginning more directly. In fact, as indicated in the foreword to the PARDH: *“We must act now, but with a clear vision of the future. We must agree on a short-term program and create the mechanisms that will make it possible to develop and implement in detail the programs and projects that will solidify the activities over a period of ten years (PARDH, Foreword, page 3). This plan is divided into two periods: the immediate, which lasts 18 months and consists of the end of the emergency period and the preparation of projects to trigger a bona fide renaissance; and the second period over a period of nine (9) years, which will include three programming cycles of the National Growth and Poverty Reduction Strategy.” (PARDH, p. 5)*

Therefore, the PARDH addresses the *Large Projects for the Recovery and Development of Haiti (Grands Chantiers)*. After the New York Conference, the government undertook the preparation of a detailed version of the paper. It was thus established that the detailed version of the Large Projects for the Recovery and Development of Haiti will guide the public effort over the coming years and, more specifically, the development of the next DSNCRPs. For this reason, the principal input for preparing the DSNCRP II is the detailed vision of the Grands Chantiers. As early as December 2009, by examining all the systems for managing the DSNCRP I, a certain number of major and glaring institutional, systematic and operational deficiencies were updated, and it was necessary to deal with them in their entirety to plan for moving toward a second-generation DSNCRP that was supposed to adopt and comply with good practices in poverty reduction strategies.

This report consists of eight (8) chapters. Chapter I presents the macroeconomic situation in the three years of DSNCRP implementation, the trend in budgetary expenditures for reducing poverty, the macroeconomic objectives, macroeconomic performances, the reforms that reached the completion point, the status of the debt after the completion point, and the macroeconomic and poverty reduction performances.

Chapter II examines programming and budgetary execution to verify their consistency with the Priority Action Plan (PLAP) in the DSNCRP and the execution of the projects in the 2007-2010 Priority Investment Plan (PLIP). Chapter III presents the implementation of the DSNCRP for each pillar. Chapter IV traces the reform policies implemented in all the sectors.

Chapter V presents the results of the DSNCRP through the change in the product indicators, the Millennium Development Goals, and the retroaction of the population in terms of the projects in the DSNCRP. Chapter VI develops the activities of the management, coordination, monitoring and communication arrangement for implementing the DSNCRP, taking into consideration the different strategic and operational levels, both sectoral and departmental.

Chapter VII presents the strategy for preparing the second-generation DSNCRP through a methodological framework and a schematic diagram of the internal logic for the next DSNCRPs in a long-term vision. Finally, Chapter VIII discusses the findings that can improve the implementation of future generations of DSNCRPs and facilitate achieving the objectives.

CHAPTER I: MACROECONOMIC FRAMEWORK

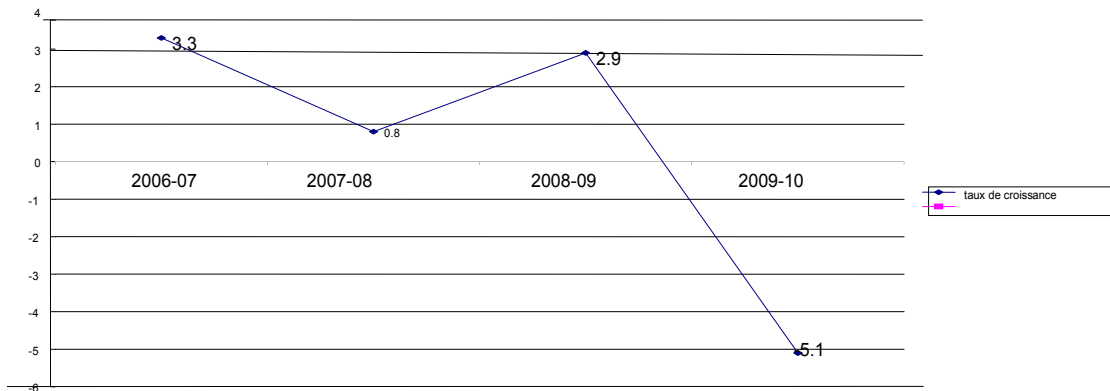
1.1. MACROECONOMIC SITUATION DURING THE THREE YEARS OF DSNCRP IMPLEMENTATION

The three years of implementation of the National Growth and Poverty Reduction Strategy took place in an environment that was less favorable than expected. Unpredictable factors interfered with the desired results and objectives. Natural disasters, mainly the damage from the hurricanes in 2008 and the infamous January 12, 2010 earthquake, seriously obstructed the expected results.

1.1.1 – OSCILLATING GDP

Although in the first half of fiscal year 2007/2008 the principal indicators performed well, in the second half the economy dealt with domestic and external factors from the outset. In fact, the change in prices for food and oil products in the international market had serious repercussions for the domestic market. Moreover, Hurricanes Fay, Gustave, Hannah and Ike caused considerable damage to the farming, infrastructure and production sector in general and affected GDP by 15 percent. Thus, the outlook for growth had to be revised downward. The GDP growth rate was just 0.8 percent in 2007-2008, well below the 3.7 percent initially projected.

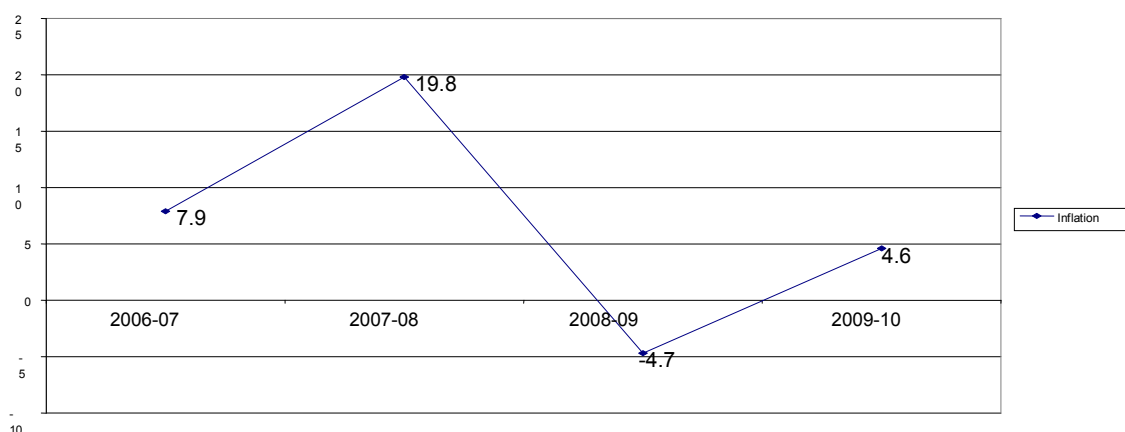
By contrast, 2008-2009 should be considered the best year for implementing the DSNCRP. Although it continued with the aftermaths inherited from the previous year, it ended with an estimated growth rate of 2.9 percent. This trend continued in 2009-2010, which also started off well. According to projections, the stabilization process of the national economy that began in 2009 would continue and have positive impacts on poverty reduction. Unfortunately, all hope vanished early in the second half of the year. Indeed, the January 12 earthquake reversed all the trends. The various destructions and economic losses were evaluated at roughly 120 percent of gross domestic product. Consequently, GDP fell. According to the preliminary estimates of the Haiti Statistics and Data Processing Institute (IHSI), the growth rate was -5.1 percent in 2009-2010. By affecting all sectors of activity and by causing hardship for all the economic agents, the earthquake had a profound impact on the poverty indicators and therefore the activities to fight poverty were themselves called into question.

Graph 1: Change in the real GDP growth rate between 2007 and 2010

1.1.2 - INFLATION UNDER CONTROL

Year-on-year, the inflation rate was 7.9 percent in 2007 before it suddenly accelerated considerably in 2008. Beginning in March, due to the combined effects of higher commodity prices in the international market and a drop in domestic supply due to the natural disasters that struck the country, the inflation rate peaked at 19.8 percent. The explanation for this spike in the general level of prices is found primarily in the “food” and “beverages and tobacco” items. These two items account for more than 50 percent of the consumer price index. The result was a significant deterioration in household purchasing power in a country in which 55 percent of families already live in extreme poverty with less than 40 gourdes per person per day.

However, prices plummeted early in fiscal year 2008-09. The inflation rate, which was 18.0 percent year-over-year in October, fell to 1.0 percent in March 2009. And, since May, the trend has been negative at about -4.7 percent in September 2009. This slowdown in prices continued until November 2009. However, prices turned around during fiscal year 2009-2010 with an average inflation rate of 4.6 percent. This moderate increase is explained by the increase in the prices of the “food” and “housing” items, which account for more than half of household spending. Domestic and external factors contributed to this change in prices.

Graph 2: Change in the inflation rate year-over-year between 2007 and 2010

1.1.3 – SATISFACTORY RESULTS FOR PUBLIC FINANCES

Despite interferences that hurt their performances, public finances recorded satisfactory results in the last three years, in terms of tax administration as well as the control of government spending. Tax revenue rose from 23.197 billion gourdes in 2006-2007 to 26.848 billion in fiscal year 2007-2008, for a 16 percent increase in these resources. This performance continued in 2008-09 with an 11 percent increase in tax receipts that amounted to 29.881 billion gourdes.

At the same time, actual budget spending of 26.984 billion gourdes increased by 14 percent to 30.856 billion in 2007-08. The result was a budget shortfall equal to -5 percent of GDP. For 2008-2009, government expenditures were roughly 30.616 billion gourdes. Compared to the previous fiscal year, they were off by 1 percent. Consequently, the deficit fell by about 10 percent.

Despite the damage the earthquake caused in tax administrations and the stoppage of activities of many businesses that pay taxes and make contributions, the trend in revenue improvement remained steady in 2009-2010. Although a certain slowdown was observed in the growth of tax revenue, an amount of 31.425 billion gourdes was recorded. Moreover, it should be noted that action was taken quickly to have the tax institutions resume their work and to make them operational once again to the extent possible. These government entities returned to a certain state of normalcy in terms of the ability to manage government services.

However, budgetary spending resumed its increase, rising from 30.616 billion gourdes in 2008-2009 to 38.709 billion in 2009-2010, so that the increase was 26 percent. This rise is justified by the many urgent interventions carried out after January 12, 2010. Indeed, spending on investment projects that the Public Treasury financed more than tripled, up

from 2.574 billion gourdes to 11.408 billion gourdes, for a 343 percent increase. The budget deficit, offset by external grants, was ultimately brought down to -3 percent of GDP during the three years in which the DSNCRP was implemented.

1.1.4 – A CONSERVATIVE MONETARY POLICY

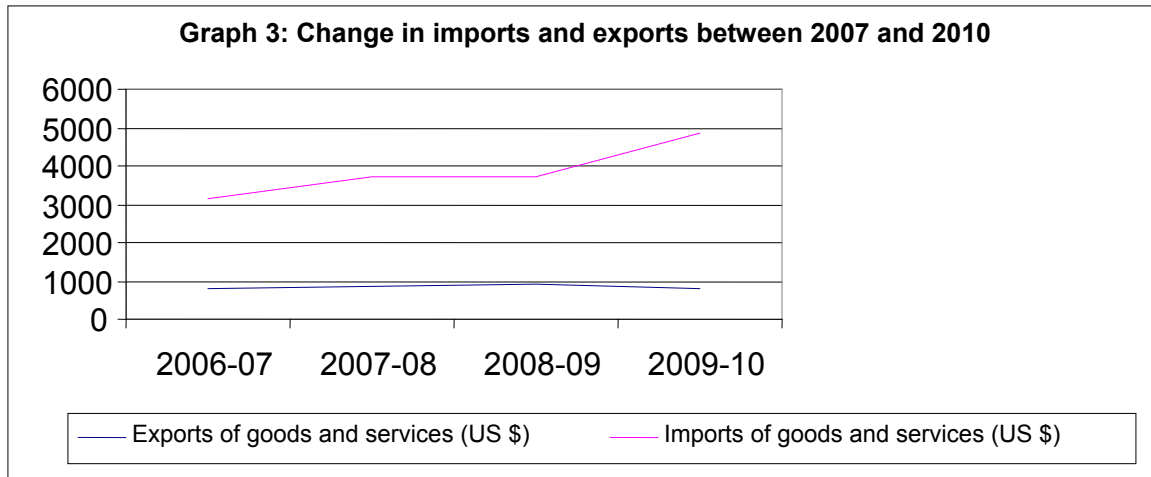
During this period, the monetary authorities carried out a conservative monetary policy to preserve not only the stability of the financial system, but also to strengthen the transparency and effectiveness of monetary policy. Policies and measures were adopted to maintain domestic and external monetary stability by lowering the inflation rate, controlling monetary financing, and having a stable exchange rate. Excessive growth in base money was avoided as well with the same goal of protecting the economy from inflationary pressures.

Thus, the gourde was relatively stable between 2008 and 2010. The exchange rate was remained stable at roughly forty gourdes (40 gourdes) to the US dollar, with periods of pressure and lulls. In 2009-2010, after an increase in value due to transfers, the exchange rate remained below the bar of 40 gourdes per one US dollar until the end of the fiscal year.

The BRH managed interest rates conservatively while keeping in mind the objective of making the terms for accessing bank loans more flexible. Thus, with the slowdown in interest rates in 2009, the principal policy rates for BRH Treasuries for the different maturities were revised downward once again by the Central Bank, as was done early in fiscal year 2007-2008, although rates were gradually increased in the second half of the year due to domestic and external pressures. In fact, in early 2010 interest rates on BRH Treasuries changed to 2 percent, 3.5 percent and 5 percent for maturities of seven days, 28 days and 90 days respectively (they had been 5 percent, 6.5 percent and 8 percent from 2008 to 2009). However, real interest rates remained high throughout the period under study, which hampered investment and job creation.

1.1.5 – A DETERIORATION IN THE CURRENT BALANCE

The current account, offset by transfers, showed a slight deterioration, manifested in a small increase in imports and nearly stagnant exports between 2007 and 2009. However, the situation worsened after the January 2010 earthquake because imports nearly doubled, rising from 2,804.2 million dollars to 4,075.8 million in 2010, causing a drop in the current balance of goods and services to 3,273.3 million.

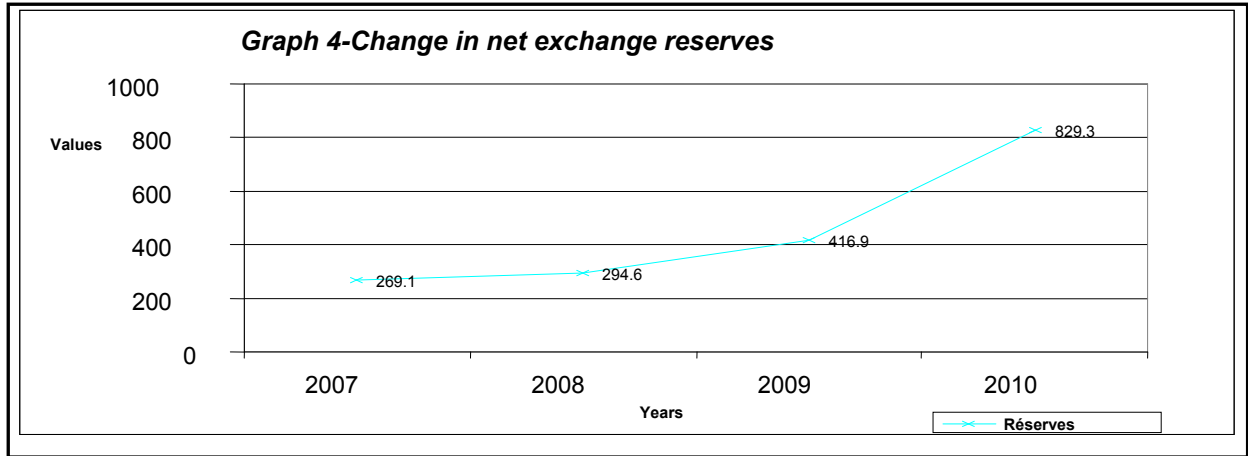


1.1.6 - A CONSIDERABLE INCREASE IN NET FOREIGN ASSETS

The growth in foreign assets during these last years has thwarted the development of domestic economic activities and proves that the economic agents preferred to invest their money in the foreign market for higher yields. For this reason, the only way to jump-start the economy was to create productive jobs and increase the people's buying power. The increase in foreign assets is thus an indicator of the weakening and deterioration of the productive base as well as the overall business climate over these last years because a favorable environment has not developed to raise the level of confidence necessary for private investment.

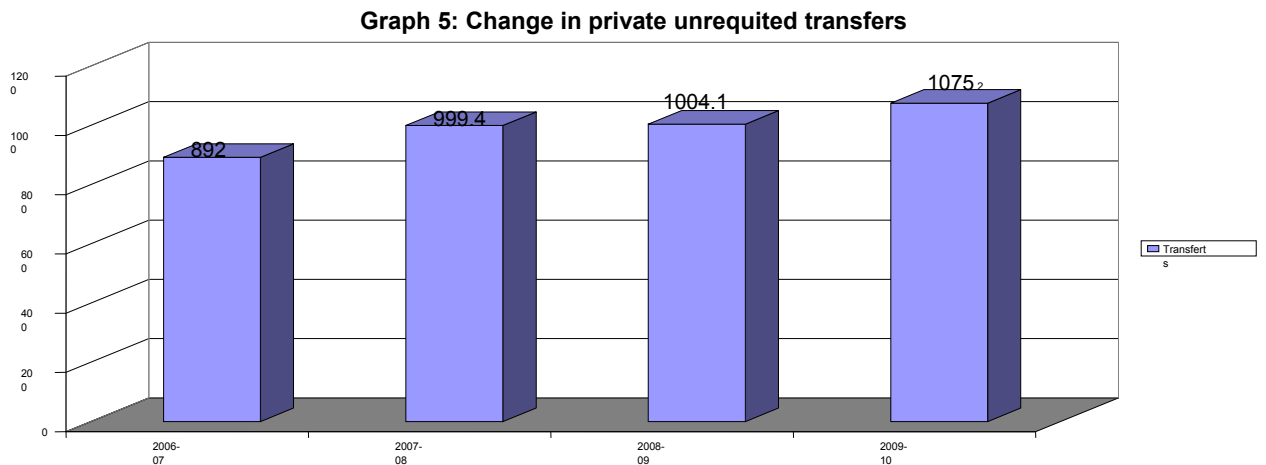
1.1.7 – CONSOLIDATED NET FOREIGN EXCHANGE RESERVES

Gross reserves soared between 2008 and 2010, up from 707.8 million dollars in 2008 to 947.5 million dollars in 2009 and to 1.676 billion dollars in 2009-2010. Net BRH exchange reserves continued to perform well throughout the 2007-08 fiscal year. At a total of 259.01 million dollars in September 2007, they reached 293.57 million dollars in September 2008, a level higher than the target in the Poverty Reduction and Growth Facility Program (PRGF), which is 289.2 million dollars, or 2.6 in months of imports of goods and services. In fiscal year 2008-2009, reserves reached 416.91 million dollars and in 2009-2010 they climbed to 829.31 million dollars. It should be emphasized that since October 2009, net foreign exchange reserves calculated as months of imports using the new methodology in the Technical Memorandum of Understanding (TMU) amounted to 2.8 months in 2008, 3.7 in 2009 and 4.8 in 2010.



1.1.8. PRIVATE UNREQUITED TRANSFERS ARE RISING

Private unrequited transfers that the Central Bank recorded amounted to 999.44 million dollars in 2007-2008 and the trend remained good. They reached 1,004.14 billion dollars in 2008-2009 and 1,075.19 billion dollars in 2009-2010, for growth rates of 4.7 percent and 7.1 percent respectively from one period to the next; this stabilized the level of household consumption after the earthquake.



1.1.9 – LENDING FAILED TO STIMULATE THE PRIVATE SECTOR

Lending is an investment factor that can create jobs and improve household buying power. As a consequence, it can reduce poverty. Over the last three years, lending grew considerably, both in gourdes and dollars. When the sum of credit granted in gourdes as of September 2007 is compared to the same date in 2008, a net increase in lending of roughly 26 percent was noted in one year, rising from 8.343 billion to 10.571 billion. This trend continued into 2008-09 with 11 percent growth or 11.714 billion gourdes, although a certain slowdown was noted. However, the trend changed in 2009-2010 because lending in gourdes slowed in the five months after the

earthquake and did not begin to rise again to the level prior to January until June 2010. In fact, lending in gourdes resumed gradually and stood at 12.624 billion gourdes in September 2010 for an average annual increase of 7.7 percent compared to September 2009. Of this lending, the public sector absorbed a considerable portion, amounting to over 75 percent.

Lending in dollars, by contrast, showed an overall upward trend, from 518 million dollars in September 2008 to 563 million in 2009, for an 8.7 percent increase. However, it fell in 2010 to 476 million dollars (-18.3 percent) at the end of the year. In conclusion, lending to the private sector, which grew significantly in 2008-09 by 14.7 percent, fell considerably, by 7.9 percent, in 2009-2010.

Table 1: Change in the principal macroeconomic variables between 2007 and 2010

	2006-07	2007-08	2008-09	2009-10
GDP in real terms	13,508	13,622	14,015	13,307
Nominal GDP	220,110	250,590	266,904	267,030
Population	9,602	9,761	9,923	10,085
Real GDP growth rate	3.3	0.8	2.9	-5.1
Nominal GDP growth rate	19.7%	13.8%	6.5%	0.04%
Average annual inflation rate	14.8	14.5	-4.7	4.6%
Year-over-year annual inflation rate	7.9%	19.8 %	-4.7%	4.7%
Total revenue as a percentage of GDP	10.6%	10.0%	11.2%	7.3%
Total expenditures as a percentage of GDP	11.8%	11.6%	11.5%	11.6%
Tax shortfall as a percentage of GDP	3.0%	2.9%	2.8%	2.0%
Public investment rate	26.5	24.5	23.4	26.2
Net lending to the public sector (millions of gourdes)	8,343.0	10,571.0	11,714.0	12,624.0
Exports of goods and services (US\$)	779.2	832.9	929.6	802.5
Imports of goods and services (US\$)	-2,384.5	-2,853.8	-2804.2	-4,075.8
Trade balance of goods and services	-1,605.3	-2,020.9	-1,874.6	-3,273.3
Gross reserves in millions of US\$	544.7	707.8	947.5	1676.5
Reserves in months of imports	2.3	2.6	2.8	4.8
Net exchange reserves (US in millions)	269.1	294.6	416.9	829.3
Private transfers received from abroad (MUS\$)	892.0	999.4	1,004.1	1,075.2

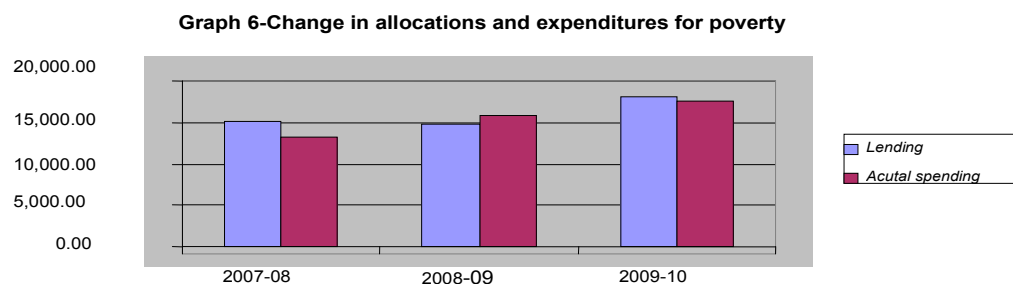
Source: Ministry of the Economy and Finance (MEF), Bank of the Republic of Haiti (BRH), Haiti Statistics and Data Processing Institute (IHSI)

I.2 - CHANGE IN BUDGET EXPENDITURES FOR REDUCING POVERTY

With regard to the commitments the government of Haiti made as part of the Paris Club, a system to automatically monitor public spending specifically for poverty reduction was set up through the general budget. The choice of the areas for intervention was based on the functional classification of budget expenditures. Budget funds from the Public Treasury were allocated to

different items according to the major objectives such as employment, food security, energy supply, transportation, sanitation, drinking water, health, education and social protection.

In 2006-2007, 31 percent of budget spending excluding external financing for projects and programs was used to implement activities that were to contribute to poverty reduction. The result was that 8.868 billion gourdes in budget funds were disbursed this year out of a total of 9.860 billion. These amounts came from the operating budget in the amount of 5.781 billion gourdes and 3.088 billion came from the investment budget.



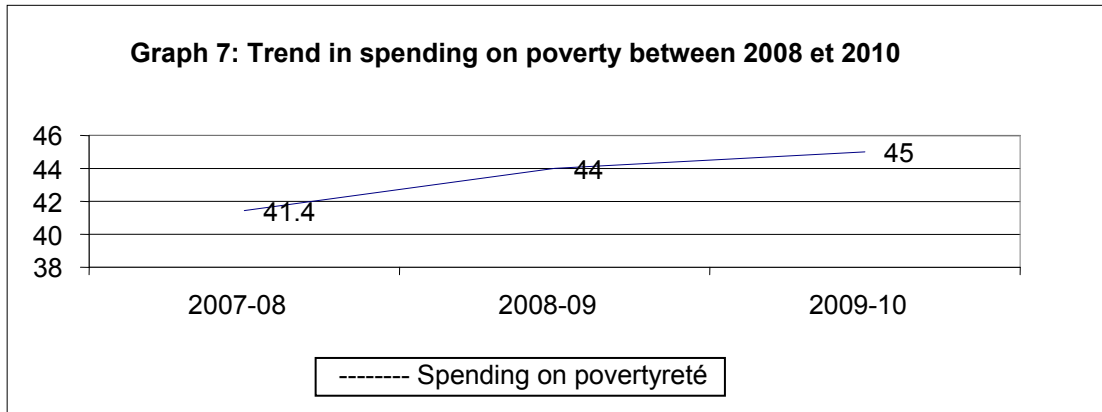
For poverty reduction, an amount of 15.141 billion gourdes was credited in the budget for fiscal year 2007-2008. Of this amount, 71.83 percent was used, or 10.876 billion, 7.372 billion of which was in the operating budget and 3.503 billion was in the investment budget. This amounts to a high execution rate for the authorities.

This increase in spending used to reduce poverty continued until 2010 with an allocation of 18.06 billion gourdes, for growth in funding of roughly 19.6 percent. Of this amount, 97.4 percent was spent. This situation attests to the government's will to fight poverty. However, a comparative analysis shows that the increase in funding was about 35 percent, while the increase in spending was 22 percent.

Table 2 – Change in funding and spending to fight poverty in the years 2008 to 2010
(millions of gourdes)

	07-08 FUNDING	07-08 SPENDING	08-09 FUNDING	08-09 SPENDING	09-10 FUNDING	09-10 SPENDING
Employment	69.404	84.478	271.127	261.824	2,024.857	1,938.395
Food security	804.577	1,133.268	721.258	644.813	868.674	821.687
Energy supply	2,200.081	2,540.268	4,018.994	4,417.061	2,957.467	2,891.137
Transportation	2,082.554	713.921	429.395	452.940	559.392	546.557
Sanitation	454.268	447.786	347.411	399.803	422.609	417.110
Equipment and housing	354.954	233.688	276.452	207.115	833.713	831.767
Drinking water access	51.451	37.452	27.326	23.404	24.487	23.550
Health	1,723.002	1,597.701	1,730.000	1,773.109	1,849.651	1,840.480
Education	6,110.331	5,329.784	5,870.930	5,508.697	6,146.604	5,960.435
Social protection	1,291.027	1,016.526	1,160.241	1,346.538	2,418.911	2,365.465
Total spending/poverty	15,141.650	13,134.875	14,853.136	15,035.303	18,106.367	17,636.585
Total funding/spending/Public Treasury	35,925,942	31,755,255	41,558,212	34,496,947	41,290,712	39,589,679
Percentage of spending on poverty in total spending	42.1%	41.4%	36%	44%	44%	45%

Source: Ministry of the Economy and Finance, Directorate General of the Budget (DGB), Ministry of Planning and External Cooperation, SE/DSNCRP



Moreover, the more detailed review of spending based on the breakdown of spending into operations and investment also reveals a recurring theme in the areas the poverty reduction program covers.

The prioritization of current over capital expenditure seriously interferes with the sectors' ability to achieve the objectives with regard to the reduction of poverty and social marginalization. The example of the education sector shows the full extent of the problem. Although this sector received major resources from the Public Treasury during the implementation of the DSNCRP, the increase in financial resources was absorbed by personnel expenses, as the figures show for fiscal years 2007-2008 and 2008-2009, for which the operating expense to financing ratio is 34.24 percent and 0.9 percent for the ratio of investment spending to financing. The same was found for 2008-2009, with ratios of 35.7 percent and 1.4 percent respectively. The situation is no different for the health sector, for which over 10 percent of funding is used for operating expenses and less than 1 percent for investment expenses. This overview indicates that expenses should be reallocated with greater emphasis on investment spending to carry out the programs that more directly affect the most disadvantaged groups.

Table 3: Percentage of operating spending and investment spending in the total allocation

	Ops/funding (07-08)	Invest/ funding (07- 08)	Ops/funding (08-09)	Invest/ lending (08- 09)	Ops/lending (09-10)	Invest/lending (09-10)
Employment	0.56%	0%	1.52%	0.26%	0.88%	0.6%
Food security	6.1%	1.3%	2.91%	1.4%	1.9%	2%
Energy supply	16.7%	0.03%	30%	0.2%	12.0%	0.6%
Transportation	0.3%	4.4%	0.4%	2.7%	0.19%	1.06%
Sanitation	2.1%	0.8%	2.14%	0.53%	0.8%	0.5%
Equipment and housing	0.3%	1.2%	0.35%	1.04%	0.23%	0.15%
Drinking water access	0.08%	0.15%	0.10%	0.05%	0.07%	0.03%
Health	9.7%	0.88%	11.85%	0.08%	6.7%	0.1%
Education	34.24	0.9%	35.7%	1.4%	19.5%	0.44%
Social protection	6.0%	0.7%	8.5%	0.56%	3.8%	0.4%
Total	76.2%	10.5%	92.96%	8.25%	46.2%	6%

Source: Calculations made using MEF data

Table 4: Annual change in actual spending to fight poverty (in percentages)

	06-07 SPENDING	07-08 SPENDING	07-08 CHANGE	08-09 SPENDING	08-09 CHANGE	09-10 SPENDING	09-10 CHANGE
Employment	552.967 %	84.478	-655%	261.824	310%	1,938.395	740%
Food security	445.684	1,133.268	254%	644.813	-43%	821.687	27%
Energy supply	13.021	2,540.268	1,951%	4,417.061	174%	2,891.137	-65%
Transportation	548.23	713.921	30%	452.940	- 37%	546.557	21%
Sanitation	281.769	447.786	59%	399.803	10%	417.110	4%
Equipment and housing	1,524.367	233.688	- 652%	207.115	12%	831.767	402%
Drinking water access	11.488	37.452	69%	23.404	-2%	23.550	0.6%
Health	1,142.719 %	1,597.701	28%	1,773.109	36%	1,840.480	4%
Education	4,134.820	5,329.784	23%	5,508.697	49%	5,960.435	8%
Social protection	213.206	1,016.526	499.6%	1,346.538	176%	2,365.465	75%
Total spending/poverty	8,868.266	13,134.875	48.1%	15,035.303	38.2%	17,636.585	17.3%

Source: Calculations made using data from the Ministry of the Economy and Finance, General Directorate of the Budget (DGB), Ministry of Planning and External Cooperation, SE/DSNCRP

Table 5: Percentage of operating and investment spending in total spending

	(07-08) Spending- Ops.	(07-08) Spending- Invest.	Spending- Total	(08-09) Spending- Ops.	(08-09) Spending Invest.	Spending- Total	(09-10) Spending-Ops.	(09- 10) Spending- Invest.	Spending- Total
Employment	84.478		84.478	221.824	40.000	261.824	402.280	1,536.115	1,938.395
Food security	927.700	205.568	1,133.268	432.573	212.239	644.813	430.789	390.899	821.687
Energy supply	2,535.268	5.000	2,540.268	4,387.061	30.000	4,417.061	2,669.137	222.000	2,891.137
Transportation	43.617	670.304	713.921	54.723	398.217	452.940	42.836	503.722	546.557
Sanitation	326.884	120.902	447.786	318.441	81.361	399.803	205.645	211.466	417.110
Equipment and housing	49.083	184.605	233.688	52.115	155.000	207.115	54.767	777.000	831.767
Drinking water access	13.589	23.864	37.452	15.404	8.000	23.404	15.938	7.612	23.550
Health	1,463.947	133.754	1,597.701	1,761.109	12.000	1,773.109	1,676.455	164.025	1,840.480
Education	5,184.964	144.821	5,329.784	5,303.357	205.339	5,508.697	5,243.647	716.787	5,960.435
Social protection	913.753	102.773	1,016.526	1,261.975	84.563	1,346.538	1,073.410	1,292.055	2,365.465
TOTAL	11,543.284	1,591.591	13,134.875	13,808.583	1,226.720	15,035.303	11,814.904	5,821.680	17,636.585

Source: Calculations made using MEF data

In conclusion, spending to reduce poverty during the three years of DSNCRP implementation did not yield the expected results in terms of their impact on poverty reduction.

1.3 – MACROECONOMIC OBJECTIVES OF THE DSNCRP FOR 2008 - 2010

The macroeconomic objectives adopted in the DSNCRP for the period from 2008 to 2010 projected overall: an average real GDP growth rate of 4.5 percent; an inflation rate under 10 percent; a budget deficit of about 1 percent of GDP; and an exchange rate of about 40 gourdes.

1.4 – MACROECONOMIC PERFORMANCES FOR THE DSNCRP IMPLEMENTATION PERIOD

The political, economic and social challenges to be met during the DSNCRP implementation period were significant, such as devastated national production, weak human capital, damage to the country, weak public security, and finally, the failure of the public institutions and the fact that they were nearly totally destroyed in the January 12 earthquake. These challenges made it necessary to prioritize the urgent and structuring measures. The macroeconomic performances expected during the DSNCRP I implementation period were not fully met due to unpredictable factors. The results that were sought in terms of growth were not achieved.

1.5 - REFORMS THAT REACH THE COMPLETION POINT

Governance and fiscal management reforms accompanied the implementation of the DSNRCP. Since 2004, the country has engaged in a series of reforms to modernize public finances and to implement poverty reduction and growth facility programs (PRGF). The performance requirements for the reforms are consistent with the Heavily Indebted Poor Country (HIPC) initiatives and the Millennium Development Goals (MDGs). It has been necessary to make decisions with respect to trigger point status regarding the

achievement of the objectives in each phase of the reform. Quantitative and qualitative performance criteria were set and satisfactory progress was made in this regard. Once these reforms are completed, the country will be eligible for forgiveness of its external debt.

This reform involves several branches of the administration. Each branch was to make arrangements to meet the commitments and achieve the goals. In addition, it was necessary to build a modern economy and make a dynamic administration, one that meets the needs of the citizens. The Haitian authorities therefore implemented a set of actions to complete these reforms.

First, the decision point was reached in November 2007, and thus the country was eligible for interim external debt relief resources. To this end, the first trigger was the use of a participatory process to prepare the National Growth and Poverty Reduction Strategy (DSNCRP). The implementation of this paper was accompanied by a macroeconomic stabilization policy that was another component of the issues based on performances achieved. Thus, the principal macroeconomic aggregates changed satisfactorily during the three years of the program. Major structural and social reforms were undertaken as well, particularly in the areas of economic governance, public finance, and debt management. Haiti reached the completion point in June 2009 as part of the initiative for Heavily Indebted Poor Countries (HIPC), supported by the Poverty Reduction and Growth Facility program (PRGF).

1.5.1 – PUBLIC FINANCE AND ECONOMIC GOVERNANCE REFORMS

The fiscal management reforms continued during the three years in which the DSNCRP was implemented. The goal was to prepare and execute the budget, mobilize government revenue, manage cash flow, control and audit the accounts of the central administration, monitor public spending used to reduce poverty, publish quarterly reports on the expenditures executed over a period of at least six months before the completion point, adopt a new government procurement law in line with international best practices, and enact a law on asset reporting.

1.5.1 – STRUCTURAL REFORMS

The tax administration and customs were strengthened through structural reforms.

First, the improvement and the establishment of customs checkpoints in the different communes should be emphasized, as well as the installation of ASYCUDA III. Customs checkpoints were set up in Ganthier, Morne à Cabri and Terrier Rouge. The ASYCUDA World System is installed at Toussaint Louverture Airport and the ports of Port-au-Prince and Saint Marc. The system will gradually be extended to the ports of the provincial cities that are on the list of HIPC triggers. The equipment is available to operate the system in the provinces, but some buildings require repair. SGS has begun operations in the provincial cities where customs documents are required.

Second, the strengthening of the tax administration led to expanding the use of the central taxpayer database in the Port-au-Prince area and to recording in this database all the taxpayers identified in the tax centers of Cayes, Miragoâne, Saint Marc, Port de Paix,

Cap-Haitien, and Fort Liberté. The central taxpayer file that aims to improve income tax yields is used for four (4) major taxes in the provincial cities—specifically, tax registration, vehicle registration, driver’s licenses and registration cards. The earthquake also affected the central database, but it was rebuilt and is operational. The computerized taxpayer identification system in the departmental tax directorates is operational.

1.5.1 – DEBT MANAGEMENT

Regarding debt management, all information on the external and local debts in foreign currency was centralized in 2009. The finalization of the SYGADE software installation was completed. Quarterly external debt reports were published on the Ministry of the Economy and Finance (MEF) website. However, the system was affected during the earthquake. This system will strengthen MEF capacities in the area of preparing strategies for external financing, negotiation, and analysis of the risks associated with the new financing.

1.6 – STATUS OF THE DEBT AFTER THE COMPLETION POINT

The debt stock, and in particular the external debt stock to international creditors, has fallen since the completion point was reached in June 2009. The corollary was the fall not only in the outstanding external debt, but also in debt service. In fact, the outstanding external debt dropped considerably, from 64.736 billion gourdes in 2007-08 to 35.399 billion gourdes in 2008-09, and to 7.951 billion gourdes in 2009-2010. Debt service was down as well. For the same years it was down from 1.889 billion gourdes to 1.490 billion gourdes and to 546 million gourdes respectively. However, outstanding debt and internal debt service combined continued to rise. The internal debt increased from 21.113 billion gourdes in 2007-08 to 36.780 billion in 2008-09, to reach 47.773 billion gourdes in 2009-2010. However, after the external debt escalated in 2008-09, when it reached 2.691 billion gourdes, it fell by nearly 50 percent to 1.407 billion gourdes in 2009-2010. Consequently, total debt service was down significantly, by 46.7 percent in 2010, so that a larger share of financial resources could be directed toward programs to reduce poverty. Ultimately, total outstanding debt fell by 22.8 percent in 2010.

Table 6: Outstanding debt and debt service before and after the completion point
(millions of gourdes)

	2007-08	2008-09	2009-2010
External outstanding debt		- 54.6%	-445 %
Internal outstanding debt		74.2%	30.0%
Total outstanding debt		-15.8%	-22.8%
External debt service		-21.1%	-63.4%
Internal debt service		1,185%	- 52.3%
Total debt service		198%	-46.7%

Source: Ministry of the Economy and Finance/Treasury Directorate

N.B.: The outstanding external debt was calculated based on the exchange rate at the end of the period for 2008, 2009 and 2010.

Table 7: Change in outstanding debt and debt service as a percentage after the completion point

	2007-08	2008-09	2009-2010
External outstanding debt		- 54.6%	-445 %
Internal outstanding debt		74.2%	30.0%
Total outstanding debt		-15.8%	-22.8%
External debt service		-21.1%	-63.4%
Internal debt service		1185%	- 52.3%
Total debt service		198%	-46.7%

Source: Percentage calculated using data from the Ministry of the Economy and Finance/Treasury Directorate

CHAPTER II: BUDGETARY PROGRAMMING

II.1 – PROGRAMMING

The national growth and poverty reduction strategy is based on three pillars: Pillar 1 – growth vectors; Pillar 2 – human development; and Pillar 3 – democratic governance. These pillars are supported by specific and cross-cutting policies and strategies. In the priority program matrices of the DSNCRP there are 20 general objectives, 95 specific objectives, and 396 priority courses of action.

II.1.1 – LINKAGE OF THE 2008- 2010 BUDGET WITH THE LINES OF ACTION IN THE DSNCRP

Government budgets could be only partially linked to the Priority Investment Plan (PLIP) in the DSNCRP during the three (3) years of implementation of the National Growth and Poverty Reduction Strategy. This is explained by the fact that, on the one hand, when the DSNCRP was being prepared, some actions, and in particular the programs and projects financed through international cooperation, were mostly in the process of being implemented; and, on the other hand, the new projects in the DSNCRP PLIP, even though there were few of them, had no documentation available to assess their eligibility according to the criteria that the Executive Secretariat of the Interministerial Coordinating and Monitoring Committee of the DSNCRP adopted. Finally, the 2008-2009 Emergency Program to respond to the weather events delayed the implementation of certain projects designed to meet the country's poverty reduction and growth objectives.

To evaluate the implementation of the 2008-2010 DSNCRP, the strategy adopted was to identify in the Public Investment Programs (PIPs) all the projects that could be included in the growth and poverty reduction objectives and to distribute them among the DSNCRP pillars, as well as the specific and cross-cutting policies and strategies. The following table presents the division of investment funds by pillar for the period under consideration.

Table 8: Breakdown of investment funds according to the DSNCRP pillars

DSNCRP PILLARS	FISCAL YEAR 2007-2008 ALLOCATED FUNDS			FISCAL YEAR 2008-2009 ALLOCATED FUNDS			FISCAL YEAR 2009-2010 ALLOCATED FUNDS		
	TOTAL NR	TOTAL ER	NR+ER	TOTAL NR	TOTAL ER	NR+ER	TOTAL NR	TOTAL ER	NR+ER
PIP FUNDING FOR THE DSNCRP PILLARS	5,159,067,753	29,699,697,979	34,858,765,732	5,600,793,540	34,691,457,003	40,292,250,543	9,863,366,427	42,205,363,421	52,068,729,843
PILLAR 1: GROWTH VECTORS	4,512,672,464	22,453,097,946	26,965,770,410	3,008,476,071	14,424,551,874	17,433,027,945	4,039,756,198	22,840,466,355	26,880,222,553
PILLAR 2: HUMAN DEVELOPMENT	646,395,290	7,246,600,033	7,892,995,322	221,250,000	10,645,613,089	10,866,863,098	516,480,000	12,057,352,533	12,573,832,533
PILLAR 3: DEMOCRATIC GOVERNANCE	587,735,050	1,543,105,824	2,130,840,874	9,000,000	1,582,392,953	1,591,392,953	327,000,000	1,903,867,054	2,230,867,054
SPECIFIC+ CROSS- CUTTING POLICIES AND STRATEGIES	2,016,644,120	8,426,578,850	10,443,222,970	2,362,067,469	8,038,899,087	10,400,966,556	4,980,130,224	5,403,677,479	10,383,807,703
NR/TR			15%			14%			19%
ER/TR			85%			86%			81%
TOTAL PIP			49,234,273,188			45,101,448,460			56,497,819,616
DSNCRP/PIP FUNDING			71%			89%			92%

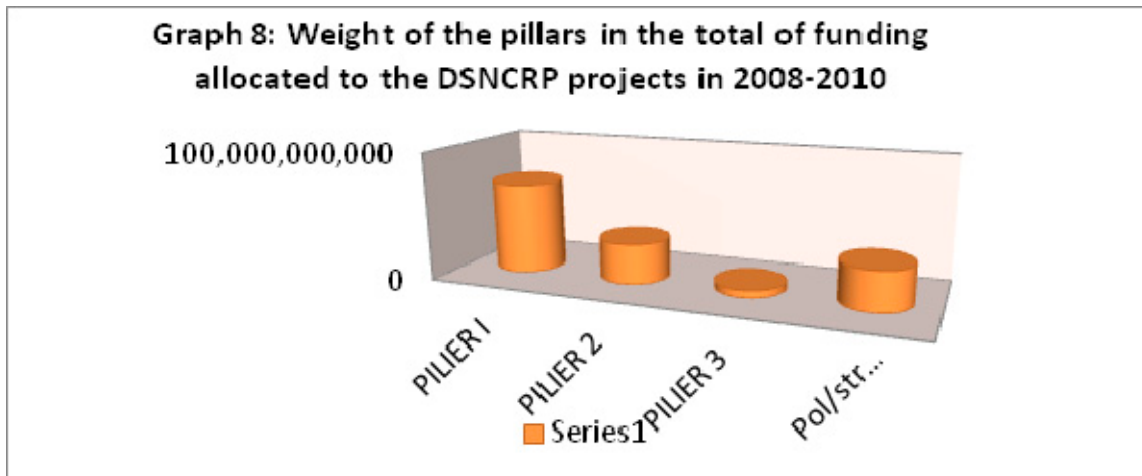
II.1.2 - ANALYSIS OF BUDGETARY PROGRAMMING BY PILLAR

Project financing is consistent with the objectives and pillars of the DSNCRP and accounted for 71 percent, 89 percent and 92 percent respectively of total funding for the Public Investment Programs (PIPs) for fiscal years 2007-2008, 2008-2009 and 2009-2010. These figures show a clear improvement in the government's taking into account of this urgent necessity of improving economic growth and reducing poverty. Moreover, the source of the funding allocated to the projects that is part of the DSNCRP pillars are as follows: 15 percent from domestic resources and 85 percent from external resources for fiscal year 2007-2008; 14 percent from domestic resources and 86 percent from external resources for fiscal year 2008-2009; and 19 percent from domestic resources and 81 percent from external resources for 2009-2010. The increase in domestic resources reflects the government's determination to effectively take charge of the initiatives that promote growth and poverty reduction, especially since the aid that was promised after the disasters that hit the country has been delayed.

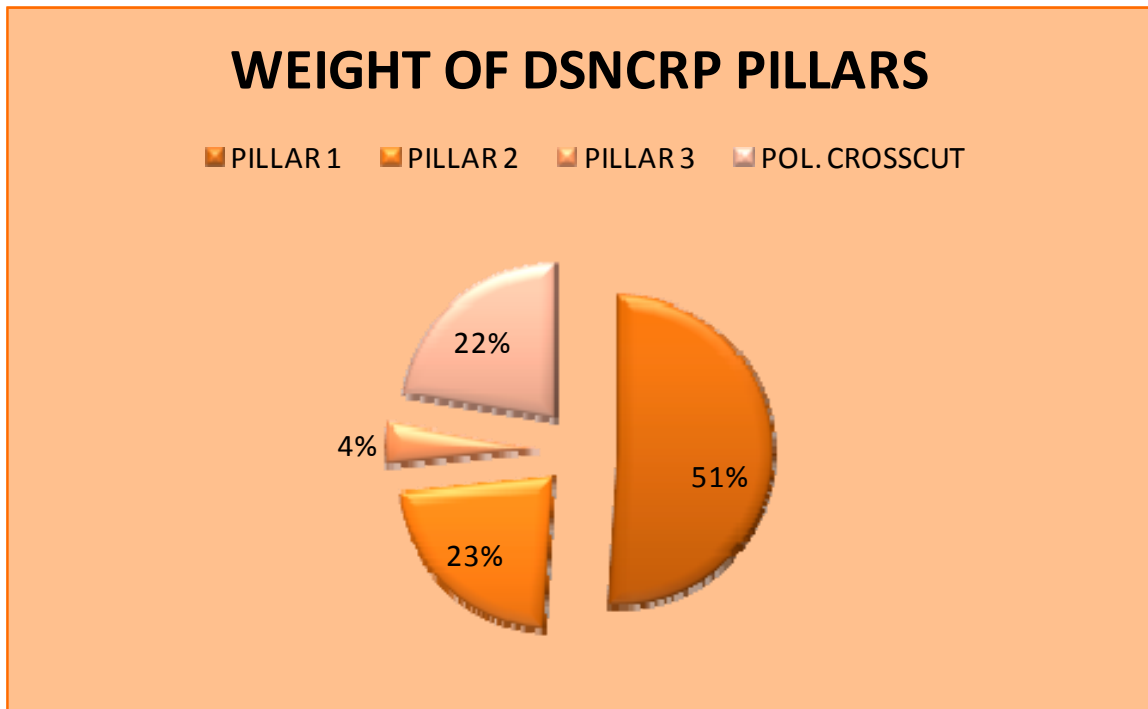
The following graph shows the growing change in investment appropriations for interventions that are part of the DSNCRP objectives compared to the other interventions included in the Public Investment Programs for the period. In fact, these appropriations were 27 percent in 2007-2008 and rose to 32 percent in 2008-2009 and to 41 percent in 2009-2010.

The weight of the pillars in investment funding was 43 percent for Pillar I, 27 percent for Pillar II, 4 percent for Pillar III, and 26 percent for the specific and cross-cutting policies and strategies respectively.

Graph 8: Weight of the pillars in the total of funding allocated to the DSNCRP projects in 2008-2010



Graph 9: Weight of the pillars in the DSNCRP



Most of the investment funding is distributed in Pillar 1. This is due to the fact that road infrastructure and agricultural production were given priority since they were seriously affected by the natural disasters the country experienced in 2008.

The efforts of the Technical and Financial Partners (TFPs) and the Public Treasury (PT) for the initial budget after the January 12 earthquake increased the share of the social sectors in Pillar II and agricultural production in Pillar I. This in fact changed nothing in the trend observed since the first year of implementation in terms of the preponderance of investments for Pillar I.

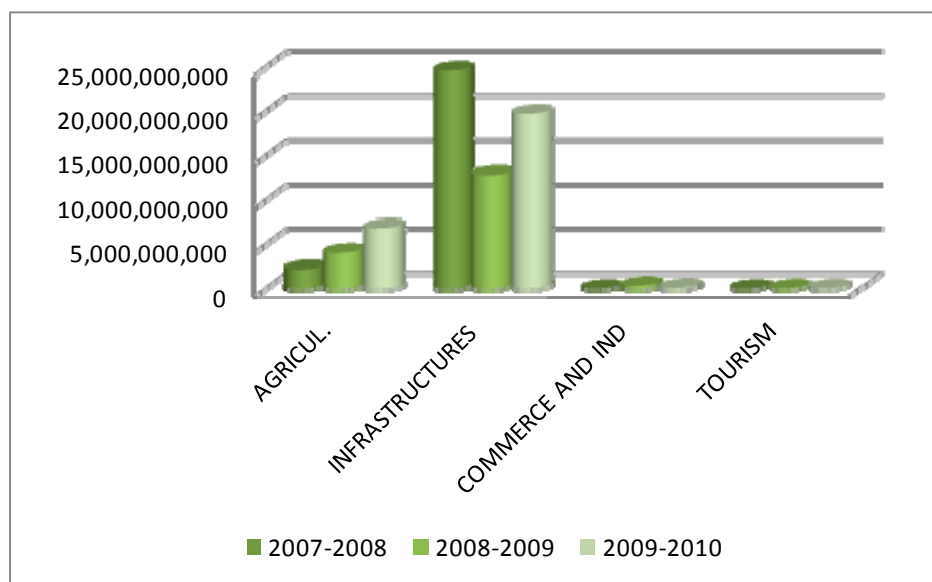
II.1.-3 – WEIGHT OF THE SECTORS IN PROGRAMMING FOR BUDGETS LINKED TO THE 2008-2010 PLIP

Pillar I: Growth vectors: a growth strategy that combines the necessity for growth with poverty reduction based on four key areas or growth vectors: agriculture and rural development; infrastructure modernization; commerce and industry; and tourism.

Table 9: Pillar I: Growth vectors

DSNCRP PILLARS	FISCAL YEAR 2007-2008	FISCAL YEAR 2008-2009			FISCAL YEAR 2009-2010		
	TOTAL FUNDING ALLOCATED	NATIONAL RESOURCES	EXTERNAL RESOURCES	TOTAL FUNDING ALLOCATED	NATIONAL RESOURCES	EXTERNAL RESOURCES	TOTAL FUNDING ALLOCATED
TOTAL FUNDING	34,858,765,732	5,600,793,540	34,691,457,003	40,292,250,543	9,863,366,422	42,205,363,421	52,068,729,843
PILLAR I: GROWTH VECTORS	26,965,770,410	3,008,476,071	14,424,551,874	17,433,027,945	4,039,756,198	22,840,466,355	26,880,222,553
AGRICULTURE	2,230,551,528	271,810,657	3,804,005,194	4,075,815,851	1,485,927,069	5,411,083,209	6,897,010,278
INFRASTRUCTURES	24,615,773,382	2,707,904,838	10,164,571,142	12,872,475,980	2,442,829,129	17,275,589,946	19,718,419,075
COMMERCE AND INDUSTRY	66,445,500	10,250,000	373,548,500	383,798,500	61,000,000	94,393,200	155,393,200
TOURISM	53,000,000	18,510,576	82,427,038	100,937,614	50,000,000	59,400,000	109,400,000
WEIGHT OF PILLAR I	77%			43%			52%

Pillar I is the leader in funds allocated to the Public Investment Programs (PIPs) for the years in which the growth and poverty reduction strategy was implemented, with 77 percent, 43 percent and 52 percent respectively of total funding for fiscal years 2007-2008, 2008-2009 and 2009-2010. This drop observed in funding allocated to the sectors in this pillar is accounted for by the crucial importance of meeting the needs of the victims of the weather events and disasters the country experienced in 2008-2009 and 2009-2010.

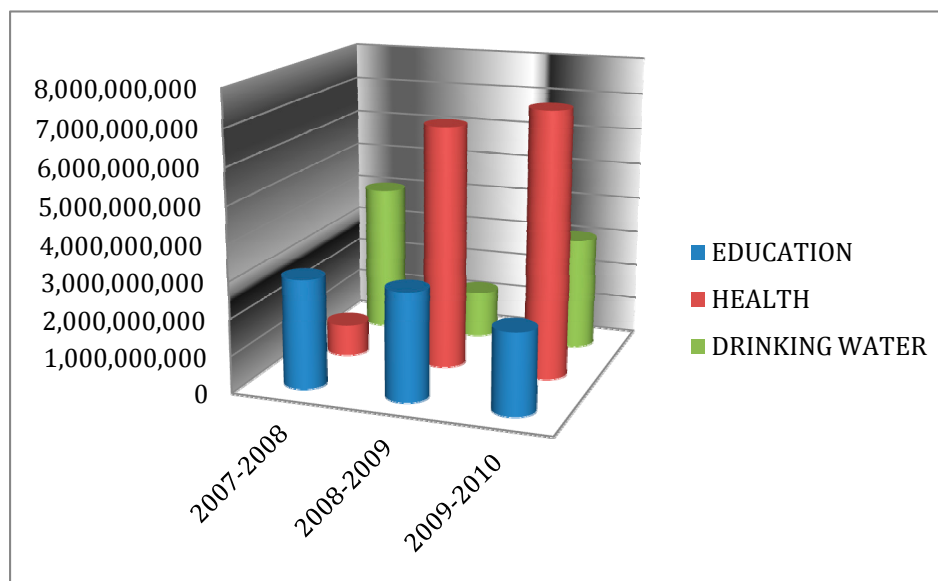
Graph 10: Trend in funding allocated by sector

Pillar II: Human development based on a significant improvement in the availability of opportunities, including the social services offered to the people so that they can develop to the best of their abilities.

Table 10 – Pillar II: Human development

DSNCRP PILLARS	FISCAL YEAR 2007-2008	FISCAL YEAR 2008-2009		FISCAL YEAR 2009-2010			TOTAL FUNDING ALLOCATED
	TOTAL FUNDING ALLOCATED	NATIONAL RESOURCES	EXTERNAL RESOURCES	TOTAL FUNDING ALLOCATED	NATIONAL RESOURCES	EXTERNAL RESOURCES	
TOTAL	34,858,765,732	5,600,793,540	34,691,457,003	40,292,250,543	9,863,366,422	42,205,363,421	52,068,729,843
PILLAR II: HUMAN DEVELOPMENT	7,892,995,322	221,250,000	10,645,613,089	10,866,863,089	516,480,000	12,057,352,533	12,573,832,533
EDUCATION AND TRAINING	2,966,067,005	204,750,000	2,734,242,071	2,938,992,071	310,480,000	1,909,823,831	2,220,303,831
HEALTH	859,180,528	16,500,000	6,646,671,668	6,663,171,668	188,000,000	7,074,109,620	7,262,109,620
DRINKING WATER AND SANITATION	4,067,747,790		1,264,699,350	1,264,699,350	18,000,000	3,073,419,082	3,091,419,082
WEIGHT OF PILLAR II	23%			27%			24%

Pillar II is in second place for funding allocated to the 2008-2010 PIPs with 23 percent, 27 percent and 24 percent respectively, with the health sector having the largest portion of funding allocated in the last two (2) years of implementing the strategy.

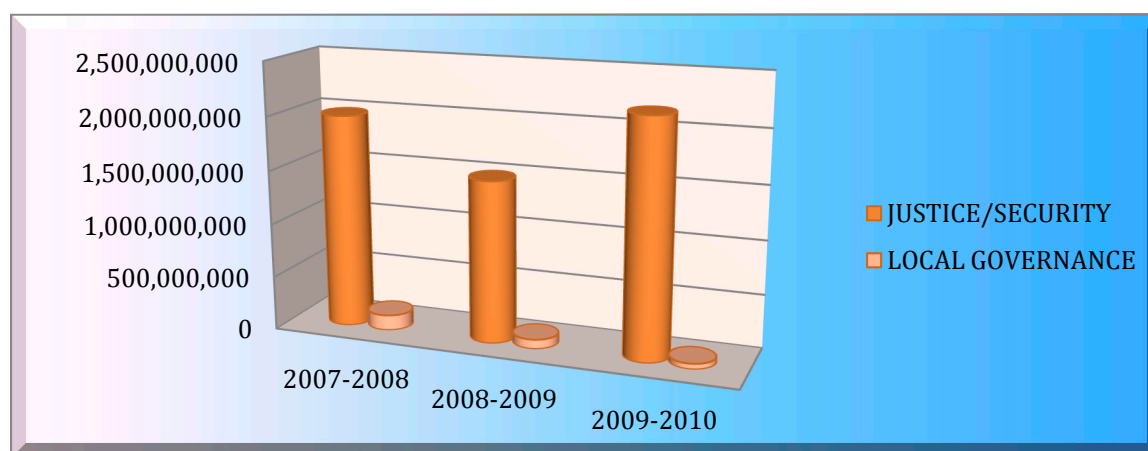
Graph 11: Change in funding allocated by sector of Pillar II

Pillar III: Democratic governance, with the priority of establishing the rule of law, more particularly with regard to justice, security and local governance. The implementation of an equitable legal system, a functional judiciary, and a general climate of security are essential conditions for growth and reducing poverty.

Table 11: Pillar 3: Justice and security/local governance

DSNCRP PILLARS	FISCAL YEAR 2007-2008	FISCAL YEAR 2008-2009			FISCAL YEAR 2009-2010		
	TOTAL FUNDING ALLOCATED	NATIONAL RESOURCES	EXTERNAL RESOURCES		NATIONAL RESOURCES	EXTERNAL RESOURCES	TOTAL FUNDING ALLOCATED
TOTAL	34,858,765,732	5,600,793,540	34,691,457,003	40,292,250,543	9,863,366,422	42,205,363,421	52,068,729,843
PILLAR III : DEMOCRATIC GOVERNANCE	2,130,840,874	9,000,000	1,582,392,953	1,591,392,953	327,000,000	1,903,867,054	2,230,867,054
JUSTICE AND SECURITY	1,988,840,874	9,000,000	1,494,192,953	1,503,192,953	277,000,000	1,903,867,054	2,180,867,054
LOCAL GOVERNANCE	142,000,000		88,200,000	88,200,000	50,000,000		50,000,000
WEIGHT OF PILLAR III	6%			4%			

Pillar III accounts for 4 percent of all the specific and cross-cutting pillars and policies for the 2008-2010 period.

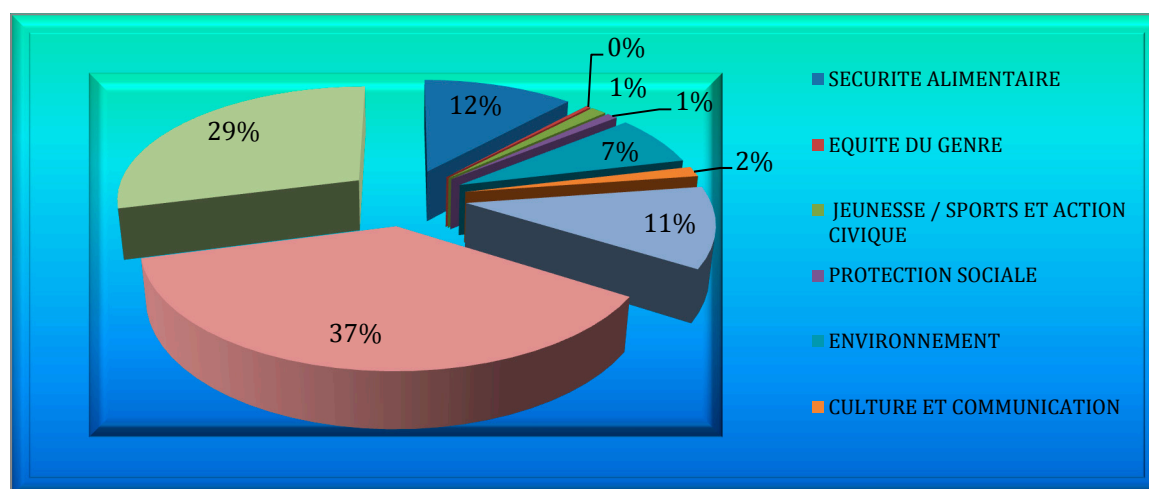
Graph 12 – Change in funding allocated by sector

In Pillar III, the justice and security sector accounts for 94 percent of allocated funding. This sector receives considerable support from external cooperation through their projects to support the National Police of Haiti.

Specific and cross-cutting policies and strategies that are for food security, taking care of people with special needs, youth and sports, gender equality, the environment and sustainable development, risk and disaster management, culture, land-use planning and urban development, and building government capacities.

Table 12: Annual breakdown of funding by pillar

DSNCRP PILLARS	FISCAL YEAR	FISCAL YEAR 2008-2009			FISCAL YEAR 2009-2010			
	2007-2008	TOTAL FUNDING ALLOCATED	NATIONAL RESOURCES	EXTERNAL RESOURCES	TOTAL FUNDING ALLOCATED	NATIONAL RESOURCES	EXTERNAL RESOURCES	TOTAL FUNDING ALLOCATED
TOTAL		34 858,765,732	5,600,793,540	34,691,457,003	40,292,250,543	9,863,366,422	42,205,363,421	52,068,729,843
SPECIFIC AND CROSS-CUTTING POLICIES AND STRATEGIES		10,443,222,970	2,362,067,469	8,038,899,087	10,400,966,556	4,980,130,224	5,403,677,479	10,383,807,703
FOOD SECURITY		130,713,440	5,200,814	1,822,500,000	1,827,700,814		1,722,138,000	1,722,138,000
GENDER EQUITY		25,000,000	19,577,000	41,800,000	61,377,000	24,000,000		24,000,000
YOUTH/SPORTS AND CIVIC ACTION		207,880,000	64,000,000	0	64,000,000	110,000,000		110,000,000
SOCIAL PROTECTION		114,200,000	37,243,101	51,978,550	89,221,651	65,000,000		65,000,000
ENVIRONMENT		1,367,889,304	30,305,257	347,126,986	377,432,243	69,214,618	389,642,968	458,857,586
CULTURE AND COMMUNICATION		191,600,000	5,000,000	61,645,300	66,645,300	146,000,000	34,680,800	180,680,800
RISKS AND DISASTERS		423,350,134	5,000,000	2,141,365,946	2,146,365,946	360,000,000	572,054,560	932,054,560
LAND-USE DEVELOPMENT		4,075,727,204	1,413,241,297	497,268,805	1,910,510,102	3,920,915,606	1,662,616,111	5,583,531,717
OTHER CROSS-CUTTING POLICIES AND STRATEGIES		0	0	0	0	0	0	0
WEIGHT OF POLICIES AND STRATEGIES		30%			26%			20%

Graph 13: 2008-2010 Specific and cross-cutting policies and strategies

In conclusion, the analysis addresses investment funds and not expenditures incurred, because the information available on disbursements/expenditures incurred pertains only to the projects that the Public Treasury financed. Yet, roughly 70 percent of the Public Investment Program is financed by bilateral and multilateral donors. The implementing agencies do not report disbursements for the projects these donors finance to the Ministry of Planning. Moreover, the poor implementation of the projects the Public Treasury

finances is generally explained by the fact that most of the projects are not documented; in other words, there are no technical documents. The result is that the provisions estimated and programmed are generally below actual costs, and therefore this affects the sectors' absorption capability. However, the funding scheduled over the entire implementation period demonstrated the government's genuine desire to aim for growth and fight poverty, since they showed a steady increase in the DSNCRP over the three years. It is important to underscore that other projects that seek to achieve the growth and poverty reduction objectives and that are in the PIP are reported in the total of the specific and cross-cutting policies and strategies. Total funding volume allocated to them amounts to 37 percent.

CHAPTER III: IMPLEMENTATION

Two major events significantly shaped the implementation of the national growth and poverty reduction strategy. First, it should be noted that in the first year of implementation a series of projects in the process of implementation continued. Most of them were not completely the same as the priorities identified in the DSNCRP priority action matrix.

Furthermore, after the series of four hurricanes that struck the country in 2008, the country had barely recovered when the January 12, 2010 earthquake practically halted many efforts made to achieve growth, reduce poverty and successfully make the quantum leap to promote the attainment of the Millennium Development Goals, give the country a modern economy, strengthen all the institutional components of the government, and make our creativity and historical and cultural heritage available to spur national development.

Despite these three years of events and inconveniences of all types, many programs were begun to address a certain number of challenges. By pillar and sector, this report presents the background (2007), the general objective, the expected situation, performance indicators, and a brief account of the most important achievements of each sector during the three years in which the first-generation DSNCRP was implemented.

III.1 – PILLAR I: GROWTH VECTORS

The growth strategy that incorporates the requirement to reduce poverty is based on four (4) key areas or growth vectors:

- **Agriculture and regional development**
- **Tourism**
- **Commerce and industry**
- **Infrastructure**

III.1.1 - AGRICULTURE AND RURAL DEVELOPMENT

BACKGROUND

Agriculture has always been the backbone of the Haitian economy and in the past made significant contributions (90 percent, 80 percent, and 70 percent) to incoming foreign currency. For about the last four decades, with the arrival of the subcontracting industry, the rural exodus, the deterioration of the environment due to deforestation and the excessive pressure on farmland, its relative importance has decreased considerably. Its

contribution to GDP is currently estimated at about 25 percent. Haiti is able to meet only 50 percent of the country's demand for grains.

This sector is facing a set of structural and economic constraints, some of which can be mentioned here: the small size of farms: an average of 1.2 ha per farm; land insecurity that is a disincentive to land development or optimal management; the low level of technology in farm management; the poor infrastructure coverage, in terms of harnessing water, transportation, harvest processing and packaging; insufficient support from the authorities characterized by a low investment budget which causes 96 percent of agriculture promotion to be dependent on international cooperation (Ref. 2008/2009 PIP); the inadequate organization of associations of producers, making it impossible to obtain economies of scale in the organization of production, processing and marketing; the lack of interest by the financial sector in agriculture, making the rural credit system nonexistent as well as insurance coverage of farming; and the nearly annual decapitalization of farms due to weather events.

Despite it all, agriculture is still the most secure sector in the Haitian economy, contributing in both good and bad years 125 million dollars in foreign currency to the country, and 38 percent of incoming foreign currency for exports. Agriculture employs 50 percent of economically active labor overall and provides 80 percent of jobs in rural areas. It is appropriate that it is the first base of Pillar I, growth vector of the national economy in the National Growth and Poverty Reduction Strategy Paper (DSNCRP). Based on the foregoing statements, it is therefore important to revitalize Haitian agriculture. The comprehensive DSNCRP framework may be the channel that leads to such prospects.

GENERAL SECTOR OBJECTIVE

The general objective of the sector is to promote modern agriculture that creates wealth and protects the environment to achieve food security for all and improve the standard of living for farmers.

EXPECTED SITUATION

The implementation of the programs in the National Priority Action Plan of the DSNCRP that pertain to agriculture and rural development requires injecting funds. By doing so, we hope to: make land secure, resulting in better farm management; improve the availability of water, inputs, tools and equipment for farms; increase the added value of production; improve the people's food security, in other words, in the long run produce food in sufficient quantity and quality at an affordable and competitive cost; increase the availability of products of animal origin by promoting livestock, sea fishing and aquaculture; improve the income of male and female farmers and the income of all the stakeholders in the sector, from production to processing and up to packaging; and reduce damage caused by weather events.

PERFORMANCE INDICATORS

The performance indicators of the sector that were selected are: decreased or avoided land conflict, resettled farmers, inputs and tools distributed, volume and value of farm

production, area of protected drainage basins, rehabilitated irrigation systems, and incomes of farmers.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

The assessment of achievements is brief and addresses the priority actions that were adopted through the programs and projects that were implemented during the period.

Regarding the “Rehabilitation and Protection of Drainage Basins and the Improvement of Land Management,” the following achievements should be mentioned: the treatment of 460 km of ravines; and the reprofiling and protection of about 20 km of river beds.

In the area of “Promoting Agricultural Production Industries” we note the following: 217 trstakeholders and 40 rotary tillers were distributed in the different agricultural regions of the country; 400 irrigation pumps were installed for farmers in the different production areas; 100 associations of irrigators were recapitalized; plowing tools were provided to 43 CBOs; farmers were supplied with 120,000 metric tons of fertilizer; 6,000 metric tons of bean seed; 1,500 metric tons of corn seed; and 800 metric tons of sorghum seed, all at a subsidized price. These seeds were used to plant 20,000 hectares of land. More specifically, for two strategic crops for the country (*rice and beans*): production more than doubled in the three years of the DSNCRP; rice increased from 77,000 in 2007 to 160,000 tons in 2010, and bean production rose from 50,000 to 85,000 tons for the same period. This farm production support was especially intense after the four hurricanes in 2008 and produced a net increase in production in 2009 that the FAO estimated at an average of 25 percent of the production of agricultural commodities.

“Livestock Promotion” was chosen as a priority action and its accomplishments can be summarized as follows: drug subsidies to support an immunization campaign. Thus, 1,100 vials of subsidized drugs were distributed and 1,053,076 animals were immunized; 28,000 hardy layers were distributed to farmers, along with 90,190 day-old chicks, 8,000 goats and 155 production units of 155 meat-producing chickens were installed in the urban periphery.

For “Rehabilitation and Hydroagricultural Improvements,” the following accomplishments can be mentioned: water was placed in 106 perimeters special areas totaling 57,000 hectares; 2,126 km of canals and drains were flushed out and reprofiled; about 30 dams were rehabilitated and made operational, covering 5,000 hectares; irrigation pumps were repaired and made operational. The 106 special areas that were filled with water exceed by more than three (353 percent) the number of irrigation systems planned and cover almost seven times (354 percent) the area that was targeted. The kilometrage of drain canals flushed out was 254 percent higher than planned.

In the area of “Development of Sea Fishing/Aquaculture Development,” the following achievements are of note: 5,302 fishermen from 27 associations were equipped with fish aggregating buoys.

III.1.2 - TOURISM

BACKGROUND

After several years when Haiti and Cuba were the pioneers and leaders in the region in tourism, the decline of this business sector began in the late 1960s and the early 1970s. At that time, cruise ships stopped visiting the country, which was catastrophic for the souvenir and crafts business. The decline movement accelerated into the 1980s. In that period, several flagship hotels closed in the capital and in the major cities of the provinces. Investments have been made in the sector and it appears that a recovery has begun. In 1995-1996 the government observed the impacts of the tourism business in the countries of the region, and launched the Tourism Master Plan (PDT) with UNDP assistance. What is the status today?

The Tourism Master Plan (PDT) has not been implemented. The level of investment in the sector continues to stagnate due to a lack of clear incentives. Even though an Investment Code was submitted, voted and enacted (in which tourism is included as an eligible sector), the number of visitors fluctuated with the political turbulence and warnings issued by the largest countries that bring in foreign currency. The lodging situation for tourists is equally catastrophic, with fewer than 1,000 guest rooms. According to estimates, the country is able to accommodate 730,000 visitors. The stumbling blocks continue to be primarily a lack of coordination of governmental authorities to implement the sector policy.

GENERAL SECTOR OBJECTIVE

This objective is to make tourism one of the levers for development to benefit the people.

EXPECTED SITUATION

The expected situation following the projects that were selected at the sector level can be described as follows: sustainable and equitable development for the sector; ownership of the heritage by the people; increased direct international investments; partnerships with the private sector and local inhabitants; and the number of direct jobs created.

PERFORMANCE INDICATORS

The performance indicators the sector selected are as follows: Four priority zones studied and developed, priority sectoral tourism sites and platforms developed, increased supply of lodging/hotel capacity, positive user perception of the quality of tourism, improved basic and hospitality infrastructure, an increase in the number of extended-stay tourists and cruise ship passengers, and the number of direct jobs created.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

Regarding the priority program entitled "*Develop a support system for local tourism activities: crafts, restaurants, lodging, guides, hotel training,*" we note the following accomplishments: more than 75 managers and manager assistants were trained in hotel management; about ten male and female trainers obtained international certification; they were from the four priority areas (Nord, Ouest, Sud, and Sud-est), which gave them the

skills to design, develop and evaluate tourism and hotel training programs; over one hundred journalists from the four priority areas received specialized training in tourism as part of the public tourism awareness project.

The following accomplishments can be linked to the priority program entitled “*Promote a decentralized dynamic for tourism:*” approval by the Interministerial Investment Commission (CII) of 15 projects that consequently received incentives for 32 applications for investments in tourism that were received; continuation of institutional strengthening for the Jacmel local government to support tourism; official opening of the Labadie Quai on December 3, 2009, which made Haiti competitive relative to the other countries of the region that have the capacity to accommodate Genesis generation ships. The presence of this ocean liner in Haiti means an increase in arrivals of cruise ship tourists and consumer demand for new products linked to the Labadie circuit.

III.1.3 - COMMERCE AND INDUSTRY

BACKGROUND

After the decline that occurred between 2001 and 2004 due to the political crises, growth in production resumed beginning in 2005. However, this situation varies considerably from one branch of activity to another. Thus, GDP for agriculture today only accounts for 25 percent of national production and it is decreasing, except for export products and fruit in particular. With the liberalization of the economy that began in the early 1980s, Haitian agricultural products must compete with imported products. By contrast, the processing industries, which lost ground from 1996 to 2001, have increased over the last five (5) years.

The manufacturing sector, by contrast, has increased its share of added value and accounts for 15.6 percent of real GDP in 2002. The “manufacturing industries” and “construction and public works” subsectors are the largest in terms of contributions to added value, and each accounts for more than 7 percent. For the “manufacturing industries,” it appears that activity is resuming for the assembly sector after the substantial drop in production between 1999 and 2003. Several factors negatively affect the sector’s competitiveness; they include: the high cost of the factors of production, especially energy and imported raw materials; the poor productivity of labor and machines, the poor quality of certain products due to the use of inadequate manufacturing methods and processes; the deficient management of businesses; and the high level of financial costs. Some production industries, however, have comparative advantages that can be converted into competitive advantages.

For commerce, the trade liberalization policy, far from fostering growth, caused the decline of local industry, which, due to foreign competition, caused agro-industrial companies to be converted into commercial companies that import consumer goods. Today, the global crisis generated by the soaring prices of food and oil products has accelerated the downturn in the Haitian economy. Since Haiti is a net importer of these products, it is particularly affected by this crisis that has resulted in a considerable rise in the cost of staples at the national level.

GENERAL SECTOR OBJECTIVE

The general objective of the sector is to make commerce and industry levers of sustainable development that directly benefit the population.

EXPECTED SITUATION

The expected situation was described as follows: improve the statutory and regulatory framework of commerce and investment; strengthen the institutional capacities of the Ministry of Commerce and Industry; improve the competitiveness of certain businesses in the textile and agro-industry sector; improve infrastructure in the area of standardization, quality control and weights and measures; facilitate and promote private and direct foreign investment; win

market shares and seek out other markets; revitalize light industry and crafts; and improve business sector governance.

PERFORMANCE INDICATORS

The sector adopted the following indicators: Agro-industrial production in volume and value; number of newly created SMEs; investments in the commerce and industry sector; and number of jobs created in the sector.

BRIEF ASSESSMENT OF THE ACCOMPLISHMENTS

As part of promoting and facilitating investment, it should be noted that in 2007 the Investment Facilitation Center (CFI) was created. Its activities seek to simplify the administrative procedures and facilitate investments and investment monitoring. The programs focus on the following points: facilitation; assistance to businesses and entrepreneurs; dissemination of information and targeted promotion; monitoring the documentation of the Interministerial Investment Commission (CII); prospecting and training missions in Haiti and abroad; etc.

With the new administrative measures that eliminate certain stages and develop a compliance form, the recording and publication process for joint stock companies now takes 30 working days in the Ministry of Commerce and Industry.

As part of improving the governance of the business sector, several corrective measures have been taken in conjunction with the different stakeholders involved in the sectors that are related to investment. The following can be mentioned: extending the period of validity of the income tax clearance for export companies; permit renewing the income tax clearance starting in the second month before the third month expires; simplify the form for applying for incentives; and improving the merchandise control procedure by Société Générale de Surveillance (SGS).

III.1.4 - INFRASTRUCTURE

BACKGROUND

Sustainable development and the creation of wealth depend essentially on basic infrastructure such as: roads, electricity, ports, airports and telecommunications. This infrastructure, which should attract direct foreign and domestic investment, is severely lacking. With about 3,700 km of roads, roughly 80 percent of the national road network is in poor condition. Major investments are required to improve the level of service and reduce the operating expenses that users have to pay. The ports are the principal opening to the outside world and the country only has two (2), with seventeen (17) cabotage ports, a few of which accommodate traffic for foreign trade. Most of this infrastructure is obsolete or in disrepair; in no case is it able to ensure the availability and efficiency of services nor the safety of lives and property. The country has two airports with international flights and five airfields open to domestic traffic. The international airport is the only one that has navigational aids, beacons and a runway that meets international standards to accommodate long-range aircraft.

As part of the National Growth and Poverty Reduction Strategy, infrastructure development is one of the priority areas of government intervention since it supports growth. Through its different entities, the MTPTC also hopes to provide urgent responses to the devastating effects of the series of the last hurricanes.

GENERAL SECTOR OBJECTIVE

The general objective of the sector is to improve the people's access to basic structuring services and infrastructure as a development vector.

EXPECTED SITUATION

The expected situation is as follows: develop regional potential to further a stronger and more competitive Haitian economy; rebalance the national territory by opening up large regional metropolitan areas; ensure territorial continuity by building and renovating civil engineering structures; rehabilitate and protect existing infrastructure; protect the environment; improve the transportation networks; and strengthen the electricity infrastructure.

PERFORMANCE INDICATORS

The indicators the sector adopted are as follows: index of access to basic socioeconomic infrastructure; linear systems of rehabilitated/maintained roads; kilometers of roads built; number of inhabitants of rural areas who live less than 2 km from a road passable in all seasons compared to the total rural population.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

Regarding the “Institutional Strengthening” priority program, the following can be noted: acquire equipment for the National Equipment Center (CNE) and the regional equipment centers; and repair public works and transportation equipment.

The following accomplishments can be linked to the priority program entitled “Programs to Fight Poverty:” Rehabilitate Urban and Rural Roads and Drinking Water Supply Systems:”

For the interurban network, the projects rehabilitated: **240.8 km** of national roads, or **25 percent of the supplementary network** that was repaired to good condition (Titanyen- Xaragua, Grand Goâve - Miragoâne, Miragoâne - Aquin, Port au Prince - Mirebalais (entry to the city of Mirebalais), Miragoâne detour, la Mort – Ouanaminthe intersection); **30.6 km** of departmental roads, or **2.3 percent** of the supplementary network that was repaired to good condition (Port Salut -Port à Piment). New roads totaling **103 km** (Titanyen- Seau d'eau, Carabet - La Chapelle, Lascahobas - Ti fond, Belladère - San Pedro, Hinche - Pandiassou - La Haye, Casale - Cabaret) were built to create alternatives to the existing roads, for an increase in the entire road network of about **3 percent**.

Civil engineering structures: Built five (5) major bridges (Pont Bayeux, Pont Lascahobas, completion of Pont Barque, Pont de Torbeck, Pont sur la Rouyonne) and two culverts (Dalots Gressier and Petit Frères); five (5) fords (Gué sur La Thème, Gué d'Ennery, Gué de Montrouis, Gué de Chalon, and Gué sur la rivière Gauche); three (3) bridges (Pont de Mon-trouis, Pont Limite, Pont sur la rivière de Port à Piment) and two (2) culverts (Mariani) to provide seamless travel in the country after the four (4) hurricanes in 2008.

The accomplishments in terms of air transportation were: (i) the construction of the new terminal in Jacmel; (ii) groundbreaking for building a new international airport in Cap-Haitien to serve the North Region of the country; and (iii) placing in service three jetways at Toussaint Louverture Airport.

In the electricity sector, the accomplishments were the rehabilitation of the power plants of Varreux, Péligre, Carrefour, Port-de-Paix, Hinche and Petit Goâve, and the installation of three (3) oil-fired power plants (one 30 MW unit in Port-au-Prince, one 15 MW unit in Cap-Haïtien, and one 15 MW unit in Gonaïves). The highlight of the period from 2006 to 2010 was a significant increase in power generation. Installed capacity, which was 133.5 MW in 2007 for an available capacity of 61 MW, climbed to 192 MW in December 2009 for an available capacity of 107.2 MW, which was a 43.82 percent increase in installed capacity and a 75.74 percent jump in available capacity.

III.2 – PILLAR 2: HUMAN DEVELOPMENT – PRIORITY FOR BASIC SOCIAL SERVICES

Human development depends on a significant improvement in the availability of opportunities, including social services, offered to the people so that they can develop to the best of their abilities. These are:

- **Education and vocational training**
- **Health**
- **Drinking water and sanitation**

III.2.1 - EDUCATION AND VOCATIONAL TRAINING

BACKGROUND

Due to the recent disasters caused by the last hurricanes, the already overwhelming situation of the education sector has brought about serious consequences for this sector and has accentuated the structural problems of internal efficiency and fairness that it was already facing, not to mention the problems in terms of the sector's governance. Many schools were seriously damaged and about 30 were completely destroyed. Schoolteachers and principals suffered losses as well. The socioeconomic situation of families worsened further; in addition, school access became difficult for many children and even impossible immediately. School supervision has become nearly impossible in some areas because the roads are impassible.

GENERAL SECTOR OBJECTIVE

The general objective of the sector is to improve access to preschool, primary education and vocational training.

EXPECTED SITUATION

The sector expects to improve access to education, improve the quality of education, strengthen the governance of the education system, improve external efficiency, and improve equity in terms of access to education in general.

PERFORMANCE INDICATORS

The sector adopted the following performance indicators: Net admission rate in the first year of primary school, crude enrollment rate in the first and second cycles of primary school, the net enrollment rate in secondary school, the pass rate of students for the official examinations, high ratio of students per teacher, a high

ratio per class (first and second cycles of primary school), index of access to basic education, percentage of qualified teachers (first and second cycles of primary school), and percentage of nonpublic schools recognized by the government.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

From 2007-2008 to January 2010, the programs of the Ministry of National Education and Vocational Training were divided into three (3) major components: improvements in access, improvement in quality and strengthening sector governance.

Improvements in access: A certain number of programs were undertaken, including:

Creation and supply of new seats in preschools. The Center for the Protection of Young Children in Aquin provides its services to about one hundred children.

Creation and supply of new seats in primary schools. Through a tuition grant begun in 2007, 140,000 children from the first to the third year of elementary education received seats in 2010. For fiscal year 2009-2010, about 1,223 schools received the grant. At the same time, support was provided to several hundred parents to facilitate their children's access to a nonpublic school. More than 100,000 benefitted from the effects of this program.

Rehabilitation and construction of basic school infrastructure. Construction began on eighteen (18) EFA-CAPs. Roughly 75 schools were renovated or rebuilt through the Emergency School Reconstruction Project (PURES) and the Project to Support the Reconstruction of Educational Infrastructure (PARIE). Likewise, the Economic and Social Assistance Fund (FAES) was used at nearly 80 schools, ten of which had to be rebuilt and 50 of which required repair or maintenance work. Seventy (70) communes were reached under this program.

Secondary school construction and rehabilitation. About 50 secondary schools are currently being built with financing from the Bureau de Monétisation with implementation by the FAES.

Moreover, major natural disasters seriously thwarted government of Haiti efforts to achieve the Education for All (EPT) objectives. Confronted with this situation, eleven (11) schools were rebuilt and 38 were renovated, in addition to support for school kits, teaching materials, uniforms, equipment, tuition grants, school cafeterias, etc. About 150 school sites received hangars from the FAES and USAID through the Haiti Education Reform Support Project (PHARE). These structures were enlisted for nearly 500 schools for a total of 250,000 students using the school consolidation strategy with double shifts in the areas affected by the earthquake. With support from the United Nations Children's Fund (UNICEF), nearly 450 school sites, for a total of 1,500 schools, received tents in the areas affected with appropriate structures to accommodate almost 350,000 students. Tents and tarpaulins were also used to house many migrant or displaced students for a total of 115,000 students in all the hosting departments. It should be mentioned that there were many projects for installing temporary accommodation structures for about 1,500 schools by other education partners such as Save the

Children, Plan de parrainage, Concern, Terafund, World Vision, Finn Church Aid, etc.

In terms of improving the quality and requalification of teachers and principals. As part of the *Program to Strengthen Education Quality and the Accelerated Initial Training Program (FIA)*, over 2,300 teachers in training through ten departmental education directorates have already received their bonus as determined under this program. Using reality lessons, 1,700 student-teachers were trained. Currently they are in the second vocational training session in 14 teacher training institutions.

Regarding the New Secondary School, lesson plans were prepared for the second and third years. Information and training sessions were held with the officials of 158 schools involved in the pilot phase of the project. Moreover, modules were prepared for the second and third year of the New Secondary School by professionals in the field hired by the MENFP. Teaching documents were disseminated en masse in the 158 schools involved in the pilot project in October and November 2009.

A French-Creole teaching guide was prepared.

The XO Project: "One laptop per child" is continuing. In quantitative terms for 2009-2010, roughly 10,000 laptops were distributed to 9,500 students, 400 teachers and 200 management employees of different levels. These students attend about 40 schools broken down as follows: Kenscoff (10 schools), Thomazeau (4 schools); Jacmel (13 schools); and Lascahobas (12 schools).

In terms of training for teachers and management personnel, the PARQUE Project provided more than 50,000 person/hours of training, both on-site and at the central level. Servers were acquired and teaching materials and dedicated teaching software were developed for the schools. In addition, alongside the project, and as part of the experimental year, about 40 graduates of the Training Center for Basic Education (CFEF) worked in the schools that participate in the project and they were trained in digital subjects applied to education.

Through its "*Internal Effectiveness*" Project, the MENFP began building ten (10) new school inspection offices (BDS) that are operational, and ten (10) new school inspection offices are currently under construction. Moreover, 1,930 educators were trained and teacher contracts were implemented and finalized in 210 schools; and 200 school inspection offices and area offices were outfitted.

Education system reform. An Operating Plan to upgrade the sector was prepared and provides for: (i) *one* national school accessible to all Haitian boys and girls, regardless of gender and place of residence, according to the profile that we are seeking and according to our culture and our values; (ii) an education and training system that is commensurate with the needs of the country's economy; (iii) quality education supported by a common base of knowledge, knowhow, self-management skills and etiquette together and taught by skilled male and female educators; (iv) an education system with strengthened and improved governance at all levels,

gradually enlisting the contribution of the territorial authorities for basic education, including early childhood and preschool.

III.2.2 - HEALTH

BACKGROUND

The health situation in the country is of great concern and requires swift and urgent action to improve the people's health in the 565 communal sections as shown in the country's principal health indicators. According to the Mortality, Morbidity and Use of Health Services Survey (EMMUS IV), the maternal mortality rate rose from 523 to 630 per 100,000 live births for the period from 2001 to 2006. This situation is troublesome and even unacceptable in a context in which treatment techniques to eliminate this scourge are known. The child mortality rate, which was 81 per 1,000 live births, fell substantially over these last years and is now about 57 per 1,000, yet it is still the highest rate in the Caribbean and Latin America. The causes of child mortality are primarily diarrhea, acute respiratory infections, and malnutrition.

The latest surveys on HIV-AIDS showed that three percent of Haitians are infected with the AIDS virus, which is still the leading cause of mortality among infectious diseases in Haiti. The incidence of new smear-positive pulmonary tuberculosis cases is 180 per 100,000; this puts Haiti in eighth place in the countries of the world with the highest incidence of tuberculosis. Nontransmissible diseases also play an important role in the deteriorated state of the people's health. Among these diseases are diabetes, cardiovascular diseases, tumors, etc. As for diabetes, the prevalence rate varies from two to eight percent. Cardiovascular diseases are widespread among the people of Haiti. According to a survey performed by the Haiti State University Hospital, the prevalence rate for admissions is 40 percent. For tumors, the number of persons affected is on the rise. A retrospective study performed at a hospital in the country showed that of the 20,000 specimens tested, 21 percent showed a tumor pathology. The Minimum Package of Services (PMS) was implemented to offer quality care to the people according to the level of institutional complexity, but access is still limited for geographical, economic, cultural and social reasons.

GENERAL SECTOR OBJECTIVE

Promote a modern health system that vulnerable groups find easy to access.

DESCRIPTION OF THE EXPECTED SITUATION

In an effort to provide universal services in all the health institutions, the PMS is evaluated and revised upward to obtain more qualified personnel and a more standardized technical support system. The government must extend health care to all categories of patients and prepare and implement a social protection policy in the country, especially in the poorest communes in the country. Furthermore, through the MSPP, the government must commit to designing a social security

policy for people who are not covered and who account for about 40 percent of the population, and do so by improving the supply of care and ensuring equitable access.

PERFORMANCE INDICATORS

Some of the indicators that the sector adopted should be mentioned: the maternal mortality rate; the infant-child mortality rate; the infant mortality rate/HIV prevalence rate among pregnant women between 15 and 24 years old; the percentage of women infected with HIV-AIDS; the vaccine coverage rate for the EPI target diseases; the percentage of deliveries assisted by skilled health care workers; the percentage of the population in the advanced stage of HIV-AIDS being treated with antivirals; the number of communal health units with the minimum package of services; the average cost of health services; the percentage of cases of tuberculosis detected and treated; the primary health services access index; the percentage of health facilities and administrative structures of the MSPP with trained and skilled staff; and a standard technical support system to provide health services.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

As part of building the health sector's institutional capacities, the MSPP has undertaken several activities that address the following:

Training throughout the country of: 52 social service students; 357 mothers and fathers clubs, 530 birth attendants in the health institutions; educational sessions on the signs of complication in 149 institutions; systematic awareness of women who deliver in hospitals and maternity centers of the importance of postnatal consultations; train 213 staff members (physicians, nurses, laboratory technicians, assistants and health workers to treat malaria (Nord-ouest; train 15 laboratory technicians in microscopic Dx for malaria (Sud); provide 99 institutions with the malaria education guide (Sud); and provide 43 institutions with microscopes, laboratory inputs and TB drugs (Sud).

The health information system was used to update the list of the country's health institutions and to prepare the health statistics for 2007, 2008, and 2009; reenergize the work of the SIS subcommittees (financial resources, service statistics, drugs and inputs); supply seven health directorates with HIV/AIDS program data collection tools (Artibonite, Nord, Nord est, Nord Ouest, Nippes, Sud, Ouest); disseminate the map report of projects for Behavior Change Communication and Community Mobilization (BCC/CM); and hold a follow-up meeting with the METH team, LNSP and PNLs to standardize the supervision tools.

Health infrastructure. During the period the MSPP began to set up health infrastructure throughout the country.

Rehabilitation: As part of the Government Emergency Program, 33 dispensaries and health centers were rehabilitated in five departments in the country. The MSPP worked in Artibonite: rehabilitate/expand and modernize the internal medicine unit of hospitals; build pediatric units, internal medicine and CMCC (Charles Colimon

Medical Center of Petite Rivière de l'Artibonite; repair and expand the BAHON Dispensary (Nord); upgrade the Limonade Public Health Center (Nord); upgrade the Orthopedics Unit of the HUIJ (Nord), and rebuild the HUIJ archives; renovate the Jérémie Hospital Laboratory (G-anse); rehabilitate the dialysis and internal medicine unit in Hôpital justinien du Cap (Nord); renovate the Trou du Nord Hospital (75 percent) (Nord); renovate the Boucan Carré Health Center (Centre); strengthen Hôpital Sainte Croix in Léogane; renovate the Beaudin Dispensary in Petit Goâve; establish a rehabilitation center and prosthesis manufacturing facility in Milôt; renovate Grande-Rivière du Nord Hospital and accredit the center in the reference hospital; renovate the Dondon Health Center (fence, building repair, equipment, etc.).

Construction: Additional work: build/renovate structures at the Isaie Jeanty Maternity Center (MIJ) (Ouest); build/renovate Hôpital de Grand Goâve (Ouest); build the HUEH Dermatology/Urology (Ouest); build an administrative block at the Petite Rivière de l'Artibonite Medical Center; build the Plaine de l'Arbre Health Center; build the Passerenne/Ennery Health Center; build the Grand Vincent Dispensary (MDM support) (G-Anse); rebuild the Saint-Raphaël Health Center as a reference hospital; build a community reference hospital (HCR) in Saint Louis du Nord (N-Ouest); build a HCR in Bassin Bleu (N-Ouest); build a health center in Gressier (Ouest); build a hospital for respiratory diseases in Sigueneau (Ouest); build three health centers in the south; build 12 health centers in Artibonite; build and/or renovate 21 health blocks in the different communes of Nord department; build an incinerator in Saint Marc and an incinerator in Gonaïves; build a health center in Caracol and in Grand Bassin (Terrier Rouge/N-E Commune Section). The MSPP continued to build comprehensive diagnosis centers in Grande Rivière du Nord, l'Anse à Veau (Nippes), and in Trou du Nord.

Rehabilitation of specialized hospitals: the MSPP rehabilitated the Cayes Sanatorium and an antenatal clinic in Cayes;

Strengthen communal health facilities (UCS): The MSPP/BID Project developed six functional UCSs throughout the country. Meanwhile, the concept changed to make room for the arrondissement health units. The UCSs are operating, especially in Artibonite.

Strengthening treatment of the priority diseases (tuberculosis, malaria, HIV/AIDS, filariasis, etc.). The programs involved: mass distribution of lymphatic filariasis drugs and intestinal parasites and insecticide-treated nets (over 8,000 in Nord, Nord-Ouest, etc.) malaria treatment protocols; IEC materials and treatment algorithms in the health institutions; treatment of breeding grounds; training for physicians nurses (35), laboratory technicians (50), assistants (75), and health workers.

HIV/AIDS and STI treatment. The principal accomplishments are: treatment for Prevention of Mother to Child Transmission of HIV/AIDS (PTMCT) for 35 percent of women who tested HIV positive and their newborn; screened 30 percent of children born to HIV+ mothers according to the treatment norms of the health institutions; provided a steady supply to four institutions of inputs and drugs for

PTMCT; offered palliative care for 85 percent of PLWHA and ARV treatment for patients in five institutions; psychosocial treatment for *55 percent of PLWHA* at voluntary testing and counseling centers (counseling, psychological support and post-test clubs) at the five institutions.

Reduce the rate of maternal-infant mortality. Steady supply to *80 percent of the institutions* of drugs, materials and inputs for treating complicated diarrhea, systematic weighing of children 1 to 4 years old in *25 institutions and mobile clinics*; daily immunization sessions for children less than one year old with BCG, Polio, measles, and DTM in *80 percent* of the health institutions; monthly supply of vaccines and inputs to 100 percent of institutions that provide immunizations.

Contraception prevalence. The MSPP set up 61 distribution posts for contraceptives around the health institutions in Nord; it also held nine mobile clinics per quarter to offer long-lasting methods.

III.2.3 – DRINKING WATER AND SANITATION

BACKGROUND

Haiti is facing major challenges in the drinking water and sanitation sector. In particular, access is very poor, quality is questionable and the public institutions are still very weak despite external aid and the stated will of the government to strengthen the institutions of the sector. Nongovernmental organizations play an important role in the sector, especially in rural areas and in the disadvantaged neighborhoods. In rural areas with towns, the networked systems are often in very poor condition; either they provide no water at all or they provide water only to persons who live near the source, and those who are at the end of the line have no service. In nearly all the urban areas, the supply of drinking water is sporadic. There is little reliable data on water quality.

GENERAL SECTOR OBJECTIVE

The objective is to improve and provide access to health, sanitation and drinking water supply services.

EXPECTED SITUATION

The expected situation of implementing the priority actions adopted in the area of drinking water and sanitation can be summarized as follows: improve access to primary sanitation services; improve water quality; and increase the rate of coverage of drinking water supply and sanitation in urban and rural areas.

PERFORMANCE INDICATORS

The indicators the sector adopted are as follows: indices of access to running water; indices of access to primary sanitation services; connection rates to the water network in rural areas; percentage of the population with access to a source of drinking water; and the rate of the population with access to adequate sanitation facilities.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

Projects for the *rehabilitation, strengthening and building water and sanitation infrastructure in rural and urban areas* have begun, in particular: creation of a National Drinking Water and Sanitation Directorate (DINEPA); drinking water and pilot infrastructure networks for sanitation in Limonade and Trou du Nord are under construction; the rehabilitation of the SAEP in Cap-Haitien, Fort St. Michel and Petite Anse is 88 percent complete and 100 percent complete in the city of Cayes. Emergency projects for the distribution network in the aftermath of Hurricane Hanna, in L'Estère, Desdunes, St. Michel de l'Attalaye, Port-de Paix and neighboring communes.

Drainage of surface runoff: treatment of breeding grounds in the communes (DSNO); drainage of canals and filling of ponds (Nord); availability of inputs for water treatment; availability of sanitation materials and equipment.

III.3 - PILLAR 3: DEMOCRATIC GOVERNANCE

The National Growth and Poverty Reduction Strategy involves several types of governance, including political, economic, social, cultural and environmental. Given the current situation in the country, the governance component of the DSNCRP places priority on establishing the rule of law, and more specifically justice and security. The implementation of an equitable legal order, a functional judiciary, and a general climate of security are essential conditions for growth and reducing poverty.

Democratic governance encompasses the following areas:

- **Justice**
- **Security**
- **Local governance**

III.3.1 - JUSTICE AND SECURITY

BACKGROUND

The situation of the justice and public security sector is characterized primarily by: faulty case-management procedures; overpopulation in the prisons due to the high rate of prolonged preventive detention and malfunctioning courts; the obsolescence and insufficiency of most of the buildings that house the courts, the prosecution offices, police stations, penitentiaries and the building that houses the central administration of the ministry; insufficient skilled human resources, particularly managers in the PNH and magistrates; inadequacy of most laws, and the Code of Criminal Investigation in particular, at a time when modern communication techniques make borders disappear.

GENERAL SECTOR OBJECTIVE

Provide a favorable environment for swift and sustainable development through accessible, credible, efficient and competent justice, and a registry office so that each citizen can have his own personnel identity to have a legal identity.

EXPECTED SITUATION

The sector expects a certain number of accomplishments, including: strengthen MJSP managerial capacities, including the preparation and implementation of a rational public security policy and a policy to fight organized crime; improve national civil rights and criminal legislation; improve the judicial environment for better accessibility to justice; reopen and strengthen the Magistrate School; make the people aware of how justice works; make considerable improvements in prolonged preventive detention; strengthen the case-management procedures in Haiti by strengthening knowledge; renovate and modernize the system for recording the transcription of registry instruments; strengthen the Haiti National Police; rehabilitate and build jails; and improve the conditions for accessing justice.

PERFORMANCE INDICATORS

The principal performance indicators the sector adopted are as follows: number of cases processed by the entire judicial system; improvement in the provision of public services for justice and public security; improvements in the operation of higher and lower courts; establish the management system for the registry; coverage rate of local police stations; crime rate; police/population ratio rate; coverage rate for detention centers; average preventive detention period; number of trials held; time until judgments are issued; jurisdictions of peace installed and operational; and number of sessions held by traveling judges.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

From 2006 to 2010, the Ministry of Justice and Public Security (MJSP) carried out different activities in accordance with the guidelines of the National Growth and Poverty Reduction Strategy Paper (DSNCRP).

Restructuring and reorganization of the MJSP: The law that created the High Judicial Authority Council has been prepared and published. The law on the status of magistrates has been prepared and published. The law that created the Magistrate School has been prepared and published.

Implementation of a system to foster access to legal information: The MJSP Internet network has been installed. The website of the Ministry of Justice and Public Security has been created. A database office has been set up in the Ministry. Administrative employees in the ministry have been trained.

Strengthening judicial authority: Consolidation of the magistrates: Official opening of the Judicial Complex, with the District Court, Appeals Court and the Court of Cassation.

Access to the courts and their efficiency: Gradual extension of justice throughout the country by promoting access to justice: Four (4) district courts have been renovated (St Marc, Grande-Rivière du Nord, Port-de-Paix and Fort-Liberté); four (4) justice complexes (combined courts of the peace and civil registry offices) have been built (St Marc, Delmas, Marchand Dessalines, and Cayes); and five courts of the peace and five civil registry offices have been built (Trou du Nord, Hinche, Mirebalais, Limonade, and Marbial). *An operational “case-management procedure” has been established and has been linked to the Justice/Police components:* continuing education for 170 justices of the peace at the Magistrate School (EMA).

Improving prison conditions and penitentiary management systems: Build and renovate physical infrastructure: Build two prisons (Hinche (phase 1), St. Marc (complete)); and renovate three prisons: Port-de-Paix, Delmas 33 and the National Penitentiary (100 percent complete).

Fighting unbridled insecurity with bold action: Increase police presence throughout the country and improve services: Launch the project to build the Police Academy in Ganthier; launch the project to upgrade garages (Admiral Killick Naval Base, MJSP and PNH); officially open the Trou du Nord station, the Nord-est departmental directorate; renovate the Marigot station and the Fort-Liberté police station; and stimulate the case-management procedures.

Improving the image of the National Police: Provide the National Police with modern infrastructure and equipment: New equipment and new infrastructure have been delivered to the Police; *Hire new police officers:* police officers were hired during the period; *Improve the status, living conditions and work of police officers:* make vehicles available to transport police officers/hospitals for specialized police officers; *Clean up the police and fight internal corruption and fraud:* Reduce cases of internal corruption and fraud by 70 percent; *Use new strategies against illegal trafficking and money laundering:* Strengthen the legal and regulatory framework/money laundering; Revitalize legal procedures such as judgments, sentencing, seizures and confiscation of property.

PUBLIC SECURITY

As part of the government's general policy, focused on reinstating law and order and reaffirming governmental authority, the government made public security policy one of its top priorities. Thus, its principal objective is to strengthen the mobilization and intervention capacities of the National Police.

For this objective, we noted: A sharp decline in kidnapping; the complete pacification of areas called "ungoverned spaces" by some of the media; the resumption of nighttime activities; the revitalization of the metropolitan business center; the arrest of several notorious gang leaders and the dismantling of several armed gangs. There are other accomplishments as well: maintaining greater police presence in the field; establishing a local police force; preparing new strategies to fight drug trafficking; and installing a rapid response system for requests from the public.

Moreover, at the structural level, the institution now has two new units: the Motorized Intervention Brigade Corps, which serves as the local police and intervenes in areas difficult to access in the area surrounding Port-au-Prince, and the Strategic Operations Center, in charge of providing tactical orientation for the work of the field units in the cities through mapping information. Regarding infrastructure, several arrondissement and commune stations were renovated, including 14 in Sud department alone, and other construction projects are underway. At the infrastructure level, several arrondissement and commune stations were renovated, including 14 just in South department, and other construction projects are underway. In terms of operations, the units have greater intervention capacity now that they have several vehicles and some communication equipment, but also because of their increased number with the deployment of three new graduating classes.

III.3.2 – LOCAL GOVERNANCE

BACKGROUND

Haiti experimented with a high degree of administrative concentration. This practice was one of the reasons the country suffocated and struggled. The 1987 Constitution opted for DECENTRALIZATION as the strategic path for development to overcome this situation and to ensure that the people took part in building a new State. However, despite the relevance of the constitutional stipulation, now, two decades later, the country is still at the starting point with regard to decentralization. Most of the entities of the territorial authorities are not yet set up, nor are a certain number of important institutions, yet carrying out most of the MICT's missions is closely linked to the territorial authorities. In sum, the current situation in this sector is characterized by: a lack of reliable data on the territorial authorities (CT); the incapacity of the municipalities; the lack of competence in the area for preparing communal development plans; a lack of city halls, which seriously affects the image and bargaining capacity of municipal elected officials and even the services offered to the community. In some cities in the country there are no public markets. Merchants must work in the streets and they display their products haphazardly and even on sidewalks; a lack of financial resources for the territorial authorities; the vulnerability of certain zones in the country to disasters, and to hurricanes in particular due to very poor means to fight disasters; and substantial inequality among the regions of the country in every respect.

GENERAL SECTOR OBJECTIVE

Bring the government closer to the citizens through deconcentration and decentralization.

EXPECTED SITUATION

The desired improvements are: improve manager productivity; make all types of reliable data available on the ten departments, the 140 communes and the 570 communal sections; empower local elected officials to prepare and implement local development plans, to understand the missions assigned to them through sound, effective and modern management to respond to the needs of their community; provide a pleasant working environment for local elected officials in new city halls and administrative buildings; provide a pleasant and more appropriate environment for businesses, primarily in the border areas; open up the communal sections to contribute to reducing poverty and inequality; estimate the tax potential of the communes and increase the level of communal revenue; achieve financial autonomy for the communes; decrease the country's vulnerability to natural disasters; and better manage the communes and improve the people's living conditions.

PERFORMANCE INDICATORS

The quantity and quality of public services the local authorities provide; number of local officials who are trained and supervised; percentage of communes for which data are collected; the local population's access to public markets; and the revenue of the territorial authorities as a percentage of total revenue.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

These accomplishments focus on the following three major areas: strengthen the ministry's structures; strengthen the Haitian territorial authorities; and improve migration management;

In terms of strengthening MICT intervention capacities: The principal activities the Ministry carried out can be summarized as follows:

Strengthened the MICT analysis capacity: new directorates were established such as the Directorate of Research, Planning and Monitoring, which supersedes the former Planning Unit; the Policy Affairs Directorate has become the Directorate of Policy Affairs and Human Rights. Likewise, all the directorates and units in the ministry have been strengthened, both in terms of personnel and finance and physical resources.

Reorganized the deconcentrated directorates of the MICT: The Territorial Authorities Directorate was reorganized, primarily in terms of revising its duties, the process of providing human resources and the duties of its personnel; for over two years, the Directorate of Immigration and Emigration (DIE) has obtained both technical and training support from the OIM, mainly for officers and supervisors assigned to border posts. Several programs are underway to upgrade the migration management system, and the most important are: *Program to train immigration agents.* Entries and departures are better controlled at the Haiti-Dominican Republic border after several training sessions for the employees of this directorate. *Deconcentration of passport issue services.* To deal with the growing number of applications for passports in the Directorate of Immigration and Emigration (at least 1,200 per day), the Ministry of the Interior and Territorial Authorities opened an application monitoring and passport production center in Cap-Haïtien and a passport application center in Cayes. Likewise, to ease the pressure on the Central Bureau in Lalue, the Ministry also opened a passport application and delivery center in Port-au-Prince.

The Morne L'Hôpital Supervision Office (OSAMH) carried out a number of projects that can be summarized as followed: built sills made of dry masonry in about ten ravines; built sills made of sacks filled with earth (56,000 sacks; planted hedges on the slopes of ravines (128,000 linear meters); built retaining basins with a capacity of 3,250 m³; planted 234,000 plantlets of forest tree species; planted 328 apricot seeds, and over 250,000 of them are now at the young plantlet stage; planted 52,000 bamboo shoots and more than 830,000 elephant grass cuttings as part of the ravine stabilization work; trained 720 farmers in conservation agriculture techniques. Through all of this work, over 450 hectares of land destroyed by erosion were reclaimed. At the same time, the problem of growing shantytowns in Morne L'Hôpital worsened after the disasters the country experienced, and in particular the January 12, 2010 earthquake.

In terms of strengthening the territorial authorities: The following principal activities and accomplishments are noteworthy:

Improved local governance: Financial and accounting management improved with the creation of a cadre of 50 territorial financial auditors, the acquisition of data processing hardware and equipment, the organization of communal budget preparation workshops at the national level, and the programming of Territorial Authority Management and

Development Funds (FGDCT), whose revenue rose slightly, from 1,003,361,440 gourdes in 2007-2008 to 1,164,984,051 gourdes in 2009-2010.

III.4 – SPECIFIC AND CROSS-CUTTING POLICIES AND STRATEGIES

These support the three pillars:

- **Food security**
- **Gender equality**
- **Environment**
- **Social protection**
- **Culture and communication**
- **Urban development**
- **Land-use planning**
- **Risks and disasters**
- **Capacity building**
- **General framework to support the private sector**

III.4.1 – FOOD SECURITY

BACKGROUND

In the context of the 2000s, food insecurity among households takes the form of growing “extreme poverty” associated with structural vulnerability: the two trends are exacerbated considerably due to the effect of external shocks. Confronted with such a difficult and complex context, households developed survival strategies that have remained largely ineffective. After the four series of national surveys performed on poverty, massive poverty is estimated at an average of 70 percent and is found predominately in rural areas. The steady fall in GDP may explain the overall deterioration of the standard of living. In greater detail, it should be noted that incomes are unsteady and clearly insufficient due to very uneven distribution. These low and unsteady incomes are greatly affected by the growing cost of food. Food insecurity among households is also due in large part to the poor response capacity of households to risks and, more generally, to adversity due to the limits of their resources and their limited ability to use them. The inspection system for food production, processing, storage and distribution is considered nonoperational. This situation makes a great majority of households structurally vulnerable, and large families in particular, rural families in general, and people living in semi-urban areas. In general, the poor develop unsustainable survival strategies that have negative impacts on food security and the environment, thereby jeopardizing the present and the future.

GENERAL OBJECTIVE

Improve the integration and coordination of food policies and strategies to achieve the human right to food.

EXPECTED SITUATION

From the planned projects we expect an improvement in food security among households. This improvement depends on the improvement of activities in other sectors. In this regard, the following are essential: 1) jump-start agricultural production supported by infrastructure investment programs to contribute to developing rural and urban jobs; create favorable conditions for production, and thus improve access to food for a large number of households by acting on production as well as income; 2) a properly articulated local production support policy; the entities involved should act synergistically to create an encouraging economic environment for farmers and economic agents in general.

PERFORMANCE INDICATORS

Increase in per capita production; higher level of farm employment; income created; improved standard of living; better responses to food emergencies after disasters; stronger sanitation control and food safety.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

The priority programs that were adopted in the implementation of the DSNCRP pertained specifically to: strengthening the monitoring and coordination system for food security programs for individuals and households and strengthen coordinated planning, operationalization, food security project and program evaluation with decentralized food security observatories.

The accomplishments were: prepared the framework law and submitted it to Parliament for ratification; created six national observatories that are operational throughout the country; and prepared the National Food Security Program, now awaiting validation by the Ministry of Agriculture.

III.4.2 – GENDER EQUALITY

BACKGROUND

The last census in 2003 estimated that 51.8 percent of Haitians are women. Despite the relative lack of sex-specific data, the available figures show discriminatory characteristics of the status of women in Haiti. Economically speaking, female labor is underestimated and undervalued; there is unequal access to goods and resources and uneven responsibility for social burdens, with lower economic power despite a substantial contribution to the economy. In terms of education, the access rate and the number of students who remain in school is imbalanced between girls and boys; technical and vocational training opportunities are unequal; the curriculum reproduces the stereotypical patterns; training reproduces labor market segregation and unequal opportunities and chances. For health, women lack awareness and information on their rights related to health; and there is no policy or means to counter violence against women.

GENERAL OBJECTIVE

Respect women's rights and implement Gender Mainstreaming in the public policies.

EXPECTED SITUATION

The image of the expected situation as follows: a *gender equality policy will be implemented and enforced*; institutional and organizational capacities in the gender sector will be stronger; the status of women will be improved; women's rights will be strengthened; education and the right to health for women and girls will be implemented; court and legal proceedings for women's rights and gender equality will be reformed; and policymakers and the people will be made aware of and educated about discrimination and sexism.

PERFORMANCE INDICATORS

Women are in at least thirty percent of elected and appointed positions; women's vulnerability is reduced; and the status of women has improved in general.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

As part of the initiatives that seek to improve the status of women: two hundred (200) sewing machines were distributed to women's organizations in Marmelade, Ennery, Desdunes, St Michel, St Louis du Sud, Maniche, Camp-Pérrin, Môle St Nicolas and les Abricots; improved male and female goats were distributed to 320 women in the departments of Nord, Artibonite and Sud; economic support was given to single-parent women and scholarships were awarded to girls in difficulty; the local government of Abricots is building ten houses for women in difficult situations; and a housing center was established to offer hospitality services to female victims of violence. This center houses between 20 and 25 women per week.

III.4.3. - ENVIRONMENT

BACKGROUND

Because of its geographical location, its morphology and the state of its topsoil, Haiti is exposed to high environmental risk. This situation is deteriorating due to the many threats and the lack of a warning system and structures to protect the population, human infrastructure and natural resources. This situation is closely linked to the small farming crisis, the demographic explosion, disorderly urbanization, strong pressure on natural resources, and the deficient legal and institutional framework.

GENERAL OBJECTIVE

Improve the management of the environment to contribute to sustainable growth while ensuring economic and social security for the poor and the security of the ecosystems that support life.

EXPECTED SITUATION

The description of the expected situation is as follows: improved watersheds; normal operation of hydro systems; the National Environment and Vulnerability Observatory is operational; and living standards have been improved.

PERFORMANCE INDICATORS

Number of awareness campaigns on environmental issues, risks and natural disasters; percentage of households that have upgraded portable stoves; carbon dioxide emissions per inhabitant; rational waste management; control of air quality; retention of arable land; and improved environmental quality that supports economic growth and reduces poverty.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

During the DSNCRP implementation period, the accomplishments of the Ministry of the Environment were as follows: awareness campaigns were carried out on environmental issues, risks and natural disasters; households were provided with upgraded portable stoves to ease pressure on ligneous resources; the departmental directorates of the environment were consolidated; communal environmental management units were set up; and carbon sequestration energy forests were promoted.

III.4.4- SOCIAL PROTECTION

BACKGROUND

The country has a considerable shortfall in basic social services: education, drinking water, sanitation, training and access to credit. The vulnerable groups and disabled persons in particular are often victims of discriminatory acts by society and are unable to develop fully. This discrimination, conscious or unconscious, prevents individuals from functioning effectively in daily life.

The poverty that rages in the country threatens the very existence of social groups and networks. Some attempt sea voyages to reach neighboring coasts, hoping that there they will find what they need to ensure their own survival and the survival of their loved ones who stayed behind. Emigrational flows lead to deportations and massive repatriations. The fight for survival becomes key in social action to the detriment of human and moral objectives. The danger thus creates an imbalance, both in society in general and individual psychology. Haitians live in constant fear of tomorrow. Therefore, everyone does whatever possible to meet their needs.

GENERAL OBJECTIVE

Reduce exclusion and strengthen social protection.

EXPECTED SITUATION

The expected situation was described as follows: a labor market strengthened by overhauling the labor code and establishing a job program that focuses on the solidarity economy; support for small careers and jump-starting the crafts sector; managing vulnerable groups and in particular people with special needs; creating jobs and improving the standard of living of vulnerable groups; senior citizen groups supported and managed; children and youths in difficult situations are supervised; the social fabric, marked by disaggregation, is consolidated.

PERFORMANCE INDICATORS

Number of senior citizens and persons with specific needs supported; reentry rate of youth into societal life; number of reception centers created for persons with special needs; number of socio-medical centers built and outfitted with equipment; and improved standard of living for the people, particularly for the poorest people.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

The accomplishments of the Ministry of Social Affairs and Labor (MAST) as part of the implementation of the National Growth and Poverty Reduction Strategy (SNCRP) for the 2008-2010 period are: 650 children of both genders receive services for food, education, etc.; the renovation of the Carrefour Intake Center; the provision of a direct allowance to more than 5,000 children in difficult situations for the 2007-2008 academic year; and the renovation of the offices of the Government Enterprise to Promote Social Housing (EPPLS).

II.4.5 - CULTURE AND COMMUNICATION

BACKGROUND

Created by an order of January 28, 1995, the young structures of the Ministry of Culture and Communication have been weakened by many successive and prolonged political and socioeconomic crises, exacerbated by the natural disasters that have devastated the country over the last decade. The Ministry set its priorities on celebrating political-cultural commemorative events that were very often poorly managed, organizing carnival and subsidizing an inconsistent constellation of small cultural projects carried out throughout the year and especially during patron saint festivals. The ministry is also in charge of 12 autonomous agencies. These agencies deal with specific matters and some of them were founded well before the ministry. Most of these agencies are experiencing serious crises that make them lifeless. They operate separately without functioning systems for coordination or common projects.

Certain positive factors in the sector, such as the existence of cultural wealth and national historic heritage, are underutilized and face various constraints that make utilization difficult: weak cultural institutions; the deterioration of tangible and intangible heritage; a strong trend toward losing national identity, civic values, the tradition of helping one another, solidarity and tolerance; the practice of exclusion and confrontation among the people of Haiti; and the media that lacks the ability to educate, sensitize, train and inform the population.

GENERAL OBJECTIVE

Make culture and communication the fundamental catalysts for the country's economic and social development.

EXPECTED SITUATION

By analyzing the ministry's missions and activities using the assessment that was performed, we isolated six separate areas of activities: conservation, communication, creativity; research; performativity and entrepreneurship. By researching and extending the ideas that support these areas, we established three major courses of action: Conservation-Research, Creativity-Entrepreneurship, and Communication-Performativity.

PERFORMANCE INDICATORS

Number of historic sites rehabilitated; intangible heritage developed; strengthened capacities for educating, raising awareness and informing the media; frequency of visits to historic sites; number of books published in Creole; and number of schools that raise the flag.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

The principal accomplishments of the Ministry of Culture and Communication (MCC) for the 2008-2010 period in implementing the National Growth and Poverty Reduction Strategy (SNCRP) can be summarized as follows: i) some of the former barracks in the former Cap-Haitien colonial prison dating from the 17th century were renovated; ii) two departmental directorates of the ministry were set up in Cap-Haitien and Jacmel; iii) A movable stage was acquired, equipped with a sound and light control room to upgrade MCC capacity in disseminating culture throughout the country; iv) a part of the Lycée Anacaona of Léogane was renovated to house the Léogane Music Teaching and Research Center; v) the Haitian Copyright Office and the National Book Directorate were created; vi) five (5) cultural, reading and cultural activity centers (ECLA) were created in Cap-Haitien, in Aquin, at Lycée Alexandre Pétiou, Lycée des Jeunes Filles, and in Jacmel; vii) three (3) public buildings from the 1950s were renovated in Belladère; viii) the school workshop for the technical repair of heritage buildings and crafts was established.

As part of the conservation and heritage development program, the following accomplishments among others can be reported: i) restored and preserved a staircase in Sans-Souci Historical Park; ii) improved access routes and preservation measures for the Marchand Dessalines fortifications; iii) improved access routes and preservation measures at Fort Picolet in Cap-Haitien; iv) rehabilitation work was performed in houses of worship and cultural infrastructure was built in the Soukri, Souvnans and Badjo group housing developments [lakou]; and v) Grann Gitonn lakou was renovated in Arcahaie.

III.4.6 - URBAN DEVELOPMENT

BACKGROUND

The current urban system faces a set of stumbling blocks in its development process, and the most important ones are: the housing shortfall; sanitation and drinking water issues; inadequate infrastructure/equipment and services for a constantly growing population; the proliferation of makeshift housing and slums; problems with the urban road and transportation network; lack of urban zoning; insecurity and juvenile delinquency; construction of shacks at inappropriate sites, such as ravine banks and beds, floodplains and the coastline; and the expansion of cities into farmland.

GENERAL OBJECTIVE

Contribute to sustainable urban development and poverty reduction by: 1) preparing and supporting the implementation of development and rehabilitation plans for hazardous neighborhoods; and 2) harness growth.

EXPECTED SITUATION

As part of the Priority Action Sectoral Plan for urban development, the expected situation can be summarized as follows: a disorderly urbanization process has been stopped; the coastline has been reclaimed; dangerous neighborhoods have been moved and rehabilitated; the public transportation system has been improved; infrastructure and equipment has been built or rehabilitated to accommodate the population growth rate; and urban zoning has been created and implemented.

PERFORMANCE INDICATORS

Area turned into slums (at the national, departmental and communal level); slum growth rate; percentage of the urban population with access to decent housing; percentage of urban housing units to be renovated; percentage of decent housing units built; percentage of makeshift housing units built; number of homeless persons; rate of increase in the average price of a shack; rate of access to decent housing; rent-income ratio: ratio between the annual median rent for housing units and annual tenant income; population density of areas turned into slums; average number of rooms per makeshift dwelling; number of inhabitants per room in slum neighborhoods; number of slum neighborhoods renovated or moved; percentage of land surrounding the cities that can be allocated to residential development; and percentage of dwellings located on mountainsides, ravines and river beds.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

The accomplishments can be summarized as follows: 1) widened the former Carrefour road and began construction of two ramps (rues Assad and Thor 65) with the railroad; 2) work was performed to clean up communes, improve the quality of life of the people and provide access to certain communes suitable for vehicles; this construction work was performed in 60 communes of a total of 142 in the country's ten geographic departments

(Ouest: 9; Sud: 12; Sud-est: 4; Grand-Anse: 5; Artibonite: 5; Nippes: 4; Centre: 7; Nord: 5; Nord-est: 4; Nord-Ouest: 5) and consisted of the following: street repaving (with cobblestones or concrete), drainage (construction of gutters and ditches) and construction of culverts and maintenance; 3) rehabilitation and/or construction of 64 km of streets (*Large Urban Projects*) in the metropolitan area of Port-au-Prince, Cap-Haïtien, Gonaïves, Cayes, Aquin, Trou du Nord, Terrier Rouge, *Quartier Morin*, *Limonade* and Ouanaminthe; 4) rehabilitation of 5.50 km of streets in Jacmel; 5) routine maintenance of 165,843 m² of bituminous concrete road and 3,152 m² of pavement with cobblestones, 26.398 km of roads made of hydraulic concrete in Port-au-Prince; 6) construction of 65,424 m² of sidewalks in Port-au-Prince; 7) performance of sanitation work in the Port-au-Prince Metropolitan Region consisting of: (i) cleaning of 749,750m³ of drainage canals; and ii) removal of 728,673m³ of debris.

III.4.7 – LAND-USE PLANNING

BACKGROUND

There is a chronic imbalance situation at the national level that features: the extreme polarization of the capital, Port-au-Prince, and the desertification of the rest of the country; the poor exploitation of natural resources; the poor occupancy of space; disorderly urbanization; the crisis in the rural world; accelerated soil erosion; the growing impoverishment of rural households; and the lack or shortage of basic services and infrastructure in the medium-sized cities and rural areas.

GENERAL OBJECTIVE

Contribute to rebuilding the nation as a means of achieving balanced and sustainable development for the country in the long run.

EXPECTED SITUATION

The expected situation can be summarized as follows: reduced regional disparities; improved drainage basins; enforcement of the land-use planning law; facilitation of better use of public funds; directing investments to integrated programs to organize space; and rational and optimal use of the country's resources, infrastructure and regional equipment on a complementary basis.

PERFORMANCE INDICATORS

Population rate by department; ruralization rate; weight of communal revenue per department; number of educational facilities (at the national, departmental and communal level); rate of deficiency in access to education (at the national, departmental and communal level); and rate of access to basic social services (at the national, departmental and communal level).

BRIEF ACCOUNT OF ACCOMPLISHMENTS

Land-use planning achievements are significant. In this regard, the following should be mentioned: i) the authorities prepared the preliminary draft law on land-use planning and local development. The document is awaiting validation by the government and approval by the Parliament; ii) prepared a draft of the national development and land-use plan along with a preliminary version of the city planning code; iii) implemented and operated the Geospace Information System used for land management and made it operational; updated the thematic maps; iv) implemented a platform for development planning and management including a georeferenced database and maps that identify the five (5) regional development centers (Cap, Cayes, Gonaïves, Hinche and Port-au-Prince), the seven (7) sub-regional centers (Jérémie, Jacmel, Anse-à-Veau, Petit-Goâve, Mirebalais, St-Marc, Port-de-Paix, and Fort-Liberté-Ouanaminthe); v) implemented the territorial development program to finance urban rehabilitation projects for the cities of Belladère and Anse à Pitres; vii) implemented local development projects in Bombardopolis, St Michel de l'Attalaye, Marmelade and Gros Morne. In addition, there are the projects to support local governance in Nord-est and the development of agroforestry in Nippes.

III.4 – 8 – RISKS AND DISASTERS

BACKGROUND

The National Risk and Disaster Management System (CNGRD) is facing certain constraints that make it vulnerable. The following should be noted: a lack of operating frameworks for the various entities in the system; a lack of facilities for normal operations of the entities, principally for the SPGRD and COUN; the cramped premises of the DPC and their unsuitability for holding meetings, especially in emergency periods; a lack of budget projections in the institutions specifically for risk and disaster management; a qualitative as well as quantitative shortfall in human resources trained in the area of risks and disasters; preparation and response activities that generally concentrate on water and weather-related threats are delayed; and rehabilitation work lags behind with little coordination, given the lack of standard and emergency management procedures in the country. These same problems are found at the subnational or “deconcentrated” level (department, commune and communal section). The Civil Protection Directorate (DPC) has no database on disasters (large or small), nor does it have a documentation, research or training center as is the case elsewhere.

GENERAL OBJECTIVE

Improve SNGRD intervention capacities by strengthening the DPC, SPGRD and territorial civil protection agencies.

EXPECTED SITUATION

The image of the expected situation is as follows: institutional capacities and GRD structures are strengthened; risks in the most vulnerable communities have been lowered; institutions are better prepared to respond to disasters; communities are better prepared to

respond to disasters; the lives and property of the people are protected in periods of emergencies; the real needs of disaster victims are dealt with promptly by the appropriate institutions; the infrastructures and institutions that are hit by the disasters are rehabilitated in a reasonable amount of time; and the communities that are struck are rehabilitated in a reasonable amount of time.

PERFORMANCE INDICATORS

Number of central and local GRD structures created and/or rehabilitated; number of central and local GRD structures equipped with intervention tools; number of pieces of heavy equipment acquired; number of reference documents prepared and validated; number of managers trained and/or retrained; and number of rehabilitation and protection projects carried out at the local level.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

The accomplishments as part of the priority activities that were made can be summarized as follows:

Institutionalization and strengthening of Civil Protection by making changes to the central structure and creating a departmental technical coordination unit, increasing its equipment, expanding the network of the national risk and disaster management system by creating departmental and local civil protection committees, equipping these committees with working facilities, building the National Emergency Operations Center (COUN), training about 2,700 Civil Protection managers, employees and volunteer workers in Haiti and abroad; implementing the Civil Protection communications network for the deconcentrated entities (CTD, CDGRD, CCPC, CLPC), with 914 networked mobile telephones, designing a website, etc.;

Improved risks management/prevention. In this component, nine risk mitigation projects were implemented (slope stabilization, river bank and village protection, drain cleaning, etc.) in nine communes in six of the country's departments. It should also be noted that the improvement in preparing for disasters was made possible by several activities, including: preparing an annual plan for the hurricane seasons; prepositioning funds in the ten geographic departments on the eve of a hurricane season; carrying out annual awareness and simulation exercise campaigns; distributing information kits on the threats and disaster preparation plans to the territorial authorities; preparing a digest of legal resources for use by mayors and Civil Protection committees in decision-making for risk management in their districts; and implementing a National Early Warning Program (PNAP) to alert in time people who live in drainage basins where there is a high risk of flooding.

III.4.9 - CAPACITY BUILDING

BACKGROUND

The difficulties and breakdowns the National Administrative Reform Commission (CNRA) reported more than ten years ago continue to weigh heavily on the operation of the Haitian public administration. The results are as follows: an administration that does a poor job of fulfilling its public service role; the administrative institution operations in general do not carry out the core functions established in the current statutory context, while the regulatory framework is undeveloped; a considerable decline in the managerial and operational capacities of the public institutions due to the loss of technical managers; inappropriate organization of labor; the services provided are generally insufficient, inadequate and of poor quality; the resources available to the subnational entities are insufficient for them to operate and they exist in name only in the different departments; as a result, the central authorities play several roles; the decentralized administration is also unable to provide local public services due to difficulties in the progress of the decentralization process; the civil service function is a long way from fulfilling the objectives of a modern and efficient operation; the personnel management approach is still of the traditional type, first because the principles and instruments provided for in Title 8 of the Constitution and in the Decree of May 17, 2005 that revised the general status of the civil service are relatively unused; there is no policy that governs material working conditions for civil servants, either in terms of physical space or logistical resources; and the use of the NTICs is still in its infancy given the lack of skills and the difficulty of retaining the few managers in this area.

GENERAL OBJECTIVE

Strengthen government capacities through modernizing the public administration and the civil service and improving fiscal management.

EXPECTED SITUATION

The expected situation was presented as follows: strengthen national capacities in the area of developing, implementing and evaluating public policies; improve the productivity and efficiency of public services by putting in place results-based management tools; optimize government expenditures to obtain the best public services at a lower cost; improve user reception services in the administrations; shorten time frames for processing files submitted to the public services by streamlining and lightening the administrative procedures and formalities; improve human resources management by implementing an improved civil service that is more attractive and more competitive, that respects equal opportunity and that awards promotions based on merit and excellence; universally use the new information and communication technologies; have a government procurement system in which the procedures are observed because the users are familiar with them and the control functions have been strengthened; and enter into government contracts effectively and efficiently after the full participation of numerous suppliers in government tenders, as this will help the government save money.

PERFORMANCE INDICATORS

Satisfaction rate of users of public services; number of organizational and operational assessments performed; number of policy papers prepared; number of laws and regulations prepared and implemented; duration of the government procurement process; and the growth rate of the number of private companies that participate in government procurement.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

The accomplishments made from the implementation of the National Growth and Poverty Reduction Strategy (SNCRP) in the area of capacity-building can be summarized as follows: i) the authorities published an order on the Organization and Operation of the High Council of the Administration and Civil Service; ii) published an order on the Organization and Operation of the Office of Human Resources Management (OMRH); iii) implemented the Secretariat General of the Office of the President; iv) set up the Secretariat General of the Office of the Prime Minister; v) established study and programming units (UEP) in the ministries; vi) set up the Central Database of Civil Servants; and vii) set up a file for the National School of Administration and Public Policies (ENAPP).

III.4.10 – YOUTH, SPORTS AND CIVIC ACTION

BACKGROUND

The living conditions of the people of Haiti fall far short of the conditions of well-being generally accepted in the world. The glaring social inequality, discrimination and social exclusion are blatant signs of the limited extent to which the Haitian government is able to ensure respect, protection and satisfaction of citizens' rights. This is demonstrated by the fact that the authorities have been unable to give to each citizen the means to exercise their citizenship. <Chak koukouy klere po je'l > has come to mean the basics and no more. In situations of general catastrophe, the instincts of solidarity disappear, and the responsibility of the associations, unions, political parties, policy and neighborhoods dwindles; civic education and national service have no defined contours. In short, the rules of survival in <konbit > are bankrupt. Moreover, young people—this “demographic bonus” (with more than 57 percent youths) that the country enjoys—have been unable to play their roles properly until now due to the various difficulties they have experienced, and especially poor access to basic social services and leisure, very limited access to jobs, etc.

Finally, physical education is not systematically integrated into the school study program; the clubs, associations and sports federations are poor and poorly structured; the supply of leisure activities is inadequate and often inaccessible for the majority of the population; practicing sports, a vector for promoting civic values, public health, social balance and, in short, human development, suffers from a serious lack of equipment, infrastructure and skilled human resources; there is no scientific management of high-level sports and the resources are limited and do not meet global realities; each year the

country loses dozens of talented athletes because the government has no policy to detect talented athletes; and there is no universal development program for funding sports.

GENERAL OBJECTIVE

Upgrade the lifestyle of youths, primarily by integrating them socioeconomically and socioculturally, and by promoting physical and sporting activities.

EXPECTED SITUATION

The expected situation was described as follows: improve the physical framework of the central office building; acquire a new building; improve working conditions and performance; universal activities; laws and regulations in place to govern youth, sports and civic-mindedness; deconcentrated and decentralized social and athletic centers have been built; the conditions for practicing socioeducational, sociocultural, physical and sporting activities has improved; the physical framework of the Croix des Bouquets Centre has improved; the methods of organizing and running youth associations has improved; young people have changed their high-risk behaviors; local tourism for youths has been facilitated; involvement of youths in development has been facilitated; the practice of sporting and recreational activities has been made universal; the inactive population rate has been lowered; the culture of citizenship has been strengthened; the links of solidarity among youths have grown stronger; civic service has been put in place; civil protection has been strengthened through civic service; youth entrepreneurship has been facilitated and strengthened by socioeconomic integration; natural production has been strengthened by facilitating and strengthening entrepreneurship among youths; socioprofessional training has been encouraged; and the credit system has been put in place for studies.

PERFORMANCE INDICATORS

Number of buildings renovated; managers trained and retrained as a percentage of civil servants in the sector; number of socioathletic centers built; athletic facilities renovated as a percentage of infrastructure to be renovated; establishment of principles that govern relations between the government and the sports movement; legislation on youth, sports and civic-mindedness; local youth tourism as a percentage of total local tourism; establishment of principles of the methods of organization and operation of the DTNs; modes of organization and operation for the DTNs; number of youths integrated socioeconomically and socioprofessionally speaking; youth civic action managed by the MJSAC as a percent of total civic actions; number of civic service training centers developed; and the number of youths mobilized and trained in at-risk behavior and civil protection.

BRIEF ACCOUNT OF ACCOMPLISHMENTS

Institutional, we can note: an organic preliminary draft law from the ministry has been prepared and submitted to the Office of the Prime Minister; 86 multiplying agents of change have been appointed and 42 technical managers have been trained in physical and athletic education and youth activities; and the departmental directorates have been

organized and departmental directors with a professional profile commensurate with the position have been appointed.

Strategic, the following should be noted: several documents have been produced, including but not limited to: one (1) framework document; three (3) public policies; the 2008-2011 action plan; and three (3) national policy papers on youth, sports and civic-mindedness.

In terms of promoting and developing physical, athletic and recreational activities, the following should be noted: in partnership with the Haitian Soccer Federation (FHF), the ministry took over the preparation and first participation in a U17 national team in the World Cup in Korea in 2007; financed the preparation and participation of the senior team in the 2007 Digicel Cup; provided grants to certain federations for participating in international, regional and Olympic competitions; in partnership with Spanish cooperation, held two (2) training seminars, one on the management and running of sports facilities and the other on sports planning for sports federations and associations; trained five hundred twenty (520) instructors in four (4) sports disciplines; in the country's 10 departments, set up 16 national athletic academies that serve 16,000 children of both genders from age 7 to 12; organized 14 cultural activities centers so that 1,100 youths of both genders could begin and/or develop their talents in the different types of artistic and crafts expression; reopened the National Sports Talent School (ENTS), which provides personnel, academic and sports training to 160 youths from 10 to 14 years old by practicing five (5) sports disciplines; distributed athletic materials and equipment in the ten (10) departments in the country to support physical and athletic activities in the school environment as well as school competitions; and provided financial support to the sports federations and associations in implementing their annual national and international competitions program.

Promotion and socioeconomic integration of youth, the following should be reported: prepared teaching tools and trained fifty-one (51) youth trainers in entrepreneurship; held a binational Haiti-Dominican Republic seminar on cooperation in youth activities; provided technical support to youth organizations for preparing the project in October, November and December 2008; organized a training session to strengthen the knowledge of coaches of the new management tools for the Youth Integration Fund (FIJ) in partnership with the CONFEJES from December 8 to 12, 2008 at the Croix des Bouquets Multipurpose Training Center for thirty-five (35) coaches in entrepreneurship; put in place an inter-institutional framework around the revival of farms as a space for the socioeconomic integration of youths, involving primarily the MJSAC, MARNDR, MICT and the territorial authorities; organized eight (8) entrepreneurship training seminars for one hundred sixty (160) youths of both genders; and financed twelve (12) projects for an amount of two million eight hundred thousand gourdes in five (5) departments: Nippes, Sud Est, Nord, Centre and Ouest.

In terms of promoting civic-mindedness, the following should be stressed: the activities in question extended the Brigadiers Scolaires in the cities of Cap-Haïtien, Gonaïves, St-Marc, and Cayes; carried out a pilot project for training and citizen mobilization for 60 youths from villages in 19 communes in environmental protection and risk and disaster management; trained 200 local civic leaders from the departments of Sud-est and Nippes

in disaster prevention and management; trained 100 trainers (ten per department) in training and mobilizing youth from local communities in environmental protection and in emergency assistance for the people in the event of a catastrophe or disaster.

In terms of the development of socioathletic infrastructure, the following accomplishments are noteworthy: stakeholders performed technical studies to rehabilitate infrastructure in certain communes of the country; rehabilitated the Dadadou athletic center by installing astroturf in the soccer field; improved the track and outdoor basketball, tennis and volleyball courts; rehabilitated the Carriès public beach by upgrading the administrative buildings and repairing the restrooms for the users; completely rehabilitated the old housing, restaurant, and administrative structures and the premises of the classical ENTS School at Croix des Bouquets Center; rebuilt the fence that separates the MJSAC training centers and the FHF; rehabilitated a soccer field with natural grass; installed a surface on a track; built a new building to house the ENTS classical school; in the Grand-Pré Civic Service Center, built a dormitory, cafeteria, housing for managers, kitchen, pergola, and latrines; renovated the electrical system; and performed excavation work. **Report on the Implementation of the First National Growth and Poverty Reduction Strategy Paper: Making the Quantum Leap**

CHAPTER IV: POLITICAL AND SECTORIAL REFORMS

PILLAR I: GROWTH VECTORS

Agriculture and rural development sector

The execution of the policies and reforms initiated in the sector has produced significant outcomes despite the country's having to contend with natural catastrophes that caused thousands of deaths and extensive material losses.

Policies to stimulate agro-outputs and livestock production. Substantial support for the main coffee plantation zones in the Nord, Nord-Est, Centre and La Grande-Anse departments, in particular in the form of the distribution of plantlets; efforts to combat coffee berry borers and the provision of equipment for a number of tasting laboratories; the distribution of seeds, fertilizers, tillage equipment and farm machinery to support farmers; support and subsidies to revitalize agricultural production, in particular coffee and marmalade fruits; subsistence crops in Bas Plateau Central; sweet potato, fruit and vegetable crops in Jacmel and Cayes-Jacmel; the adoption of plant-health measures to control fruit flies, which allowed for the resumption of mango exports to the US; treatment with pheromones and the distribution of new varieties of sweet potatoes; and subsidies for drugs to support a vaccination campaign launched in the wake of four hurricanes that caused numerous epidemics. The execution of the policy measures led to a significant increase (roughly 25 percent) in agricultural production and subsequently to a reduction in the cost of staple products.

Institutional and sectorial organization policies. Mention should be made of the bolstering of certain entities in the Ministry of Agriculture, Natural Resources and Rural Development (MARNDR), in particular the Study and Programming Unit, in accordance with the decree of May 2005 respecting the organization of the central administration of the State; the drafting—currently in progress—of an agricultural framework law; the establishment of an integrated agricultural and food security information system; and the strengthening of the capacities of certain farmers' organizations through training sessions on farming practices, the production of compost and the management of organizations.

Food security. Mention should be made of the preparation of the framework law governing the functioning of the National Coordination of Food Security (CNSA), the entity whose role is to monitor and coordinate initiatives to enhance food security; the maintenance of the six national

observatories now in operation; the preparation of the National Food Security Plan awaiting approval by the MARNDR; and the implementation of the Food Security Information Network.

Infrastructure sector

In the transportation sector, significant outcomes have resulted from the introduction of institutional reforms and policy measures adopted by the central body in the sector. Mention should be made of the reorganization of the Study and Programming Unit of the Ministry of Public Works, Transport and Communications (MTPTC), a key body in the national planning system; the strengthening of the central execution unit and the 10 departmental branches devoted to more efficient management of the execution of road works; and the facilitation of the emergence of SMEs in the realm of public works, above all at the local level in the area departments (facilitated by the new decentralization approach adopted in the government's investment budget through the granting to each commune of resources to carry out local work); the establishment of the Road Maintenance Fund (FER), devoted to ensuring the durability of infrastructure; the strengthening of the capacities of the National Building and Public Works Laboratory (LNBTP); and recourse to private enterprises to carry out road works and to grassroots community organizations for maintenance work.

The policy measures have enhanced the state of the road network. This has certainly had a positive impact on the competitiveness of the economy, which it is still impossible to measure. We nonetheless anticipate safer transportation conditions, a reduction in transportation costs and travel times, the opening of new outlets for producing areas in consumption areas, as well as an opening for the tourism sector. At the same time as the road works, policy measures have been undertaken to modernize and enhance the security of the international airport in Port-au-Prince. The measures have taken shape through work to enhance airport security and the construction of three telescopic gangways.

Electrical energy sub-sector

The implementation of policies and reforms has led to the following outcomes: the partial restoration of the economic balance of EDH through higher electricity rates; the safeguarding of fuel supplies; and a government subsidy to cover the shortfall stemming from numerous losses. Accordingly, the result was an increase in electrical generation potential, from 83 MW in 2007, to 182 MW in 2010. All that now remains is to await the positive impact of distribution network rehabilitation projects that will have a twofold impact by reducing transmission losses resulting from the poor condition of the system and fraudulent losses that undermine the network. The

beneficial impact of the measures adopted over the past three years is already becoming apparent, e.g. an increase in lighting hours.

Regional integration and national economic development

The results obtained concern the formulation of an industrial policy; the establishment of the Bureau for Metrology and Standardization (BMN); the institutional strengthening of the Ministry of Trade and Industry (MCI); and the strengthening of the Free Trade Zone Directorate (DZF).

PILLAR II: HUMAN DEVELOPMENT

The health sector

One key facet that warrants emphasis in the sector concerns the operation of the Communal Health Units (UCSs), proposed as a major tool to foster participation and deemed to be a response to organization and coordination problems in the sector. To attain the objective of fairness, the strategy proposed by the reform seeks to guarantee that all Haitians, without exception, have access to a minimum range of services that should be offered by the UCS. However, among the 56 UCSs planned, only eleven (11) are in operation. The department of Artibonite alone has seven (7) operating UCSs. The discrepancy reveals how far we are from attaining the objective of health care for everyone. As for infrastructure, rehabilitation work covers Les Cayes, Trou du Nord, Beudet, Ouanaminthe and Jérémie maternity hospitals. In the realm of training, mention should be made of the dynamic of South-South cooperation, especially through the presence of numerous Haitian students in Cuba.

Drinking water and sanitation sector

Parliament ratified and the government enacted a new framework law to create the DINEPA, which has established a more streamlined, flexible organization in the drinking water and sanitation sector. It establishes the separation of responsibility for regulation from responsibility for project management and as service supplier; the decentralization of project management through the establishment of OREPAs, thereby confirming the transfer to the regions of the management and operation of their projects to ensure better service to the public. This has led to a significant improvement in the quantity and quality of the water supply in various cities in the

country. Extensive work is now under way, which means that it is impossible to provide figures on the current state of water supply.

PILLAR III: DEMOCRATIC GOVERNANCE

The justice sector

The ministry has implemented the following key policies: it prepared and published the law to create the superior council of the judiciary, the law governing the status of magistrates and the law to establish the justice academy; it rehabilitated four (4) courts of first instance (St Marc, Grande-Rivière du Nord, Port-de-Paix and Fort-Liberté); it built four (4) justice complexes (integrated courts and registry offices) (St Marc, Delmas, Marchand Dessalines and Les Cayes); it installed the MJSP's Internet network; it established a commission of inquiry on extended preventive detention; it equipped the 18 jurisdictions in the country with vehicles to facilitate better service to the public from the standpoint of justices of the peace and the courts of first instance; and it established the website of the Ministry of Justice and Social Protection. The foregoing outcomes, obtained through the implementation of strategic directives, led to a drop in the preventive detention rate; the rehabilitation of the judiciary system; the strengthening of the judiciary; improved prison conditions; the modernization of legislation, the registration system and the management and preservation of civil status; the implementation of a national identification system; the strengthening and modernization of the National Police of Haiti (PNH); and the improvement of inmates' conditions.

The security sector

Significant progress in the fight against crime has been achieved through the establishment of effective partnerships with the public and the international community to curb kidnappings and auto theft; the maintenance of a broader police presence in the field; the establishment of community policing for targeted initiatives; the preparation of new strategies to combat narcotics trafficking; and the introduction of a system to respond promptly to public requests.

Progress has been made in revitalizing the police structure. At the structural level, the institution has created two new units, i.e. the Mobile Intervention Brigade (BIM), which acts as a community policing unit and intervenes in zones that are hard to access on the outskirts of Port-au-Prince, and the strategic operations center, responsible for tactically guiding the action of field units in the cities, by means of cartographical indications. From the standpoint of infrastructure, several district and communal headquarters have been rehabilitated.

CHAPTER V: OUTCOMES

V.1 – CHANGES IN THE INDICATORS

V.1.1 – OUTPUT INDICATORS

In light of the objectives set by the DSNCRP, 157 indicators have been defined to monitor and evaluate the initiatives undertaken within the framework of the strategy, as well as the MDGs. The indicators are divided into four categories and focus on the measurement of the outcomes/induced effects of development (87 indicators), according to the resources invested (16 indicators) and the outputs obtained or the activities engendered (40 indicators). Fourteen indicators measure the anticipated impact in terms of economic growth and the improvement in the living conditions of households.

This part of the report focuses, in particular, on the output indicators that measure the direct consequence of the use of budgetary, administrative or regulatory resources. They allow for an assessment of tangible achievements in relation to the objectives set at the outset and measure the immediate outcomes. The 40 DSNCRP output monitoring indicators are broken down into 14 fields, although five fields account for over half of the indicators, i.e. infrastructure (seven indicators), education and training (six indicators), health and nutrition (five indicators), tourism (four indicators), and justice and security (three indicators). The ONPES has sought, in collaboration with sectorial pivots, to collect information and data respecting the sectors. However, the output indicators collected directly from the sectors are rare indeed. Moreover, the information and data that would be used to calculate the indicators were not, in most instances, available, or were simply inaccessible. This section focuses, therefore, on the infrastructure, health, justice and education sectors.

V.1.2. – ANALYSIS OF THE OUTPUT INDICATORS

The analysis of the output indicators centers on the level of the public investment rate (government spending on investments through projects) for the period 2008-2010 in relation to preceding periods. This analysis relies on the demonstration of the weight of government spending in the economy and highlights the constraints that hamper both the effective implementation of the budget (government spending) and the generation of positive impact on the national economy.

In 2010, the public investment rate stood at roughly 6 percent of GDP. Given the rate of 5.4 percent of GDP in 2007-2008, this output indicator reveals the relative weight of the State in the national economy. Nonetheless, when the Haitian government uses 30 percent to 40 percent of its budget to pay for imported goods and services, at least 3 percent of GDP corresponding to such purchases are losses from the economic circuit. It should also be noted that in 2006-2007, Haitian government services did not spend the appropriations allocated to them. Out of a budget of 63 billion gourdes, i.e. 24 billion for operating expenditures and 39 billion for the investment budget, the services had not succeeded, at midpoint, in absorbing one third of their appropriations, despite the economy's enormous basic agricultural, educational, health or road infrastructure needs that are necessary to achieve the main objective that the DSNCRP set, i.e. growth and a reduction of poverty. Such basic infrastructure should be accessible, functional and fairly distributed.

V.1.3 – OUTPUTS IN THE PUBLIC WORKS SECTOR

Generally speaking, public works have been the key area of intervention of the DSNCRP and the firsthand achievements are relatively significant over the implementation period. The Ministry of Public Works, Transport and Communications, which is responsible for infrastructure work in the communes program, has managed the two components of the program, i.e. a road component and an electrification component. Local elected officials have identified the projects, which the MPCE has validated. All told, 80 communes in all of the departments have benefited from work funded by the program.

From the standpoint of road infrastructure, aside from national roads, significant achievements have been made in the communes identified with respect to roads built and rehabilitated in relation to what was anticipated. Indeed, according to information obtained from the MTPTC, on average more than 4.8 km of roads have been rehabilitated in the Centre and Artibonite departments and over 3.5 km, respectively, for each department.

It should also be noted that efforts have been made to equip the Metropolitan Solid Waste Collection Service (SMCRS) and the National Equipment Center (CNE) so that the institutions can carry out most of the cleaning and rehabilitation work in the communes in the country. Furthermore, efforts have enabled certain Haitian firms to respond to construction service offerings in the road transport sector.

Outcomes in the electricity component also progressed in 2009-2010. Indeed, between September 2009 and February 2010, electricity generation stood, on average, at over 52,000 MWH per

month, which enabled EDH to increase the number of hours of electricity to roughly 11 hours, on average, per day during the period, compared with eight hours for provincial towns. This performance is attributable to the strengthening of thermal power plants and the establishment of an oil-fired power plant in the Carrefour zone south of Port-au-Prince.

Consequently, the impact of public spending in infrastructure has been considerable. Such spending has produced immediate results in the realms of road transportation and electricity generation favorable to economic and social development in the departments and communes concerned in terms of trade and access to public services in big cities.

V.1.4 – OUTCOMES IN THE HEALTH SECTOR

The DSNCRP regards the Communal Health Units (UCSs) as the cornerstone for the transformation of the Haitian healthcare system. The objective was to establish 63 UCSs by 2012. In 2008-2009, the construction of hospitals, Communal Health Units (UCSs) and pediatric services, in particular in the Sud, Nord and Artibonite departments, had reached a passable level. Indeed, of the thirty (30) activities programmed overall for the three (3) departments, 13 were fully carried out and, consequently, nearly half of the objectives were attained. As for the rehabilitation of healthcare institutions, four (4) of the eighteen (18) activities programmed in terms of outcomes to be delivered were fully completed.

The objective respecting the UCSs has not been achieved since only six of the 63 UCSs that were to be established by 2012 were operational in late 2008. Given the difficult context stemming from the January 12, 2010 earthquake, the objective is unlikely to be attained by 2012. With regard to the ratios of healthcare staff to inhabitants, which reveal a change in the number of physicians, nurses and auxiliaries in relation to the population, it is hard to assess the situation today given the losses and damage recorded in the healthcare sector after the earthquake. The limited number of Haitian healthcare professionals is now in a deficit situation because of the throng of health technicians from abroad and the delivery of services free of charge in most of the communes affected by the earthquake.

Accordingly, the resources allocated in the healthcare sector should have led to enhanced healthcare coverage and the quality of and accessibility to healthcare for everyone, which was not the case after the implementation period. Efforts must be made to shift to a modern healthcare system that is accessible to vulnerable groups from the first years of implementation of the second-generation DSNCRP.

V.1.5 – JUSTICE SECTOR

Over the past three years, we cannot speak of progress as regards the establishment of new civil status offices. The most recent period for which information is available to assess advances in this respect is between 2001 and 2008. To put it plainly, during this period, three new civil status jurisdictions were created throughout the country. However, only two of the three jurisdictions benefited from the establishment of two civil status offices, in Cornillon and Croix des Bouquets and St Michel du Sud and Marigoâne, respectively. All told, there were 185 civil status offices in the country in 2008. What is their geographic distribution? A report from UNFPA provides the following indications: most of the civil status offices (150) are concentrated in the cities, equivalent to a rate of 81.1 percent; 32 of the offices are located in neighbourhoods, equivalent to a rate of 17.3 percent. In other words, 50 percent of neighbourhoods in the country are lacking civil status offices. A breakdown of the neighbourhoods reveals that 81.8 percent are in the Nippes department, 80 percent in the Sud-Est department, 75 percent in the Centre department, 66.7 percent in the Nord-Ouest department, and 60 percent in the Grand'Anse department. Until 2008, only three of the 570 communal sections of the country were equipped with a civil status office. This observation is all the more alarming since demographic data indicate that 60 percent of Haiti's population lives in the communal sections.

It should be noted that the three communal sections that possessed a civil status office in 2008 were Cazale, Cayemites and Plaisance du Sud, located in the Ouest, Grand'Anse and Nippes departments, respectively. Some 99.5 percent of the country's communal sections are thus lacking civil status offices. All told, seven departments have communal sections that do not possess any civil status offices, i.e. the Sud-Est, Nord-Ouest, Nord, Sud, Artibonite and Nord-Est departments. The Nippes department has the highest coverage rate among the communal sections equipped with civil status offices (2.7 percent).

V.1.6 – THE EDUCATION SECTOR

In recent years, the Basic Education Program (PEB) has been and continues to be one of the major projects of the MENFP, along with the PARQE, under which the construction of a total of 28 EFACAPs are planned throughout the country. It is a question of opening quality schools in the most marginalized, remote areas of the country, in keeping with the objective set in the National Education and Training Program (PNEF). Each EFACAP offers students between 6 and 15 years of age not only a quality education but also provides the necessary educational scaffolding and ongoing training to teachers working in the network of schools that it serves.

The characteristics of the educational system have encouraged officials in the ministry responsible to focus on several themes and objectives, including the search for internal efficiency and fairness in terms of access. In this respect, in 2009, twenty (20) early childhood care and protection centers (for children between 2 and 5 years of age) were established. The centers were located in the southern part of the country, specifically in Aquin and Vieux Bourg d'Aquin. A dozen schools were also built or rebuilt in 2009, and 20 or so were rehabilitated or expanded.

It should be noted that precarious infrastructure and inadequate physical working conditions have always characterized the Haitian educational sector. Moreover, the January 12, 2010 earthquake hit the sector very hard physically. The data collected reveal that over 1300 establishments collapsed or are unusable. The following table indicates the situation in the three regions hardest hit by the earthquake.

**Table 13: Establishments destroyed or damage
(Ouest, Sud-Est and Nippes departments)**

Level	Ouest			Sud-Est			Nippes			Total		
	TOTAL	Destroyed	Damaged	TOTAL	Destroyed	Damaged	TOTAL	Destroyed	Damaged	TOTAL	Destroyed	Damaged
Preschool	149	52	97	20	8	12	0			169	60	109
Basic	2,502	825	1,677	171	19	152	127	5	122	2,800	849	1,951
Secondary	1,180	396	784	35	3	32	18	2	16	1,233	401	832
Vocational*	17	17	0	0			0			17	17	0
Higher education**	49	25	24	0			0			49	25	24
	3,897	1,315	2,582	226	30	196	145	7	138	4,268	1,352	2,916

* Assessment of 20 training centers visited.

** Data for 58 public and non-public higher education entities visited.

Source: *Bilan du MENFP*, February 2010.

V.1.7 – TOURISM SECTOR

The tourism industry, which was formerly deemed to be a key component of the Haitian economy, has declined in the past 20 years. The country possesses numerous tourism assets, such as natural sites, historic monuments and heritage, cultural products, and craft products. In order to restore growth, it is necessary to make the sector a catalyst for sustainable development for the direct benefit of the population.

In this perspective, regional tourism offices, legal institutions that operate under the responsibility of the tourism ministry, have been established. They are located in different regions of the country with a view to promoting local tourism. The decision to establish and operate a tourism office in each commune has had no impact. In theory, there is a tourism office in at least each of the ten (10) departmental capitals. In practice, this is not an accurate picture. Prior to the January 12, 2010 earthquake, only three (3) cities in the country had a functioning tourism office, i.e. Port-au-Prince, Cap Haïtien and Jacmel. An array of other communal structures exists but informally and sporadically, in light of patron saints' days or regional or local cultural events.

The tourism sector, which is another locomotive of economic growth, is still not fully playing its role. Aside from the flows of cruise companies generated solely by the Labadie complex, the number of tourists visiting the country each year is not growing. The hotel infrastructure announced has still not been built and certain projects, such as the construction of a Hilton hotel, have been abandoned. In addition, certain promising sites are sustaining serious environmental damage, e.g. the beach at Pointe Sable de Port-Salut (the islet has been lost to marine erosion and heavy pollution from garbage). Account must also be taken of the country's limited accessibility from the standpoint of airport and port infrastructure. Indeed, Haiti is the most expensive destination in the Caribbean region for tourists from the most popular countries and regions (Europe, North American and East Asia). It should be noted that the Action Plan for the Recovery and Development of Haiti (PARDH) took into account such needs. It makes provision for the rehabilitation and expansion of the reception capacity of the Port-au-Prince airport and the construction of two other international airports located near the cities of Cap-Haïtien and Les Cayes. The construction is also planned of two other deepwater ports and the development of certain parks. Such infrastructure will be able, inter alia, to satisfy the development needs of the tourism sector.

In the foregoing analyses, emphasis has been placed on indicators of "physical," functional products, such as the construction and rehabilitation of roads and buildings and the reinforcement of structures. However, certain indicators should reveal the condition of an environment favorable to private investment, although such is not the case, since the interest rate of the financial system is still high and, consequently, is not favorable to the development and specialization of national

private enterprises. We have seen that money has actually been spent in the sectors. Certain immediate outcomes are apparent while others are being delivered with difficulty. One reason is that certain expenditures are of a strategic nature and others are liabilities or negative. The performance of certain public expenditures is a result of the Haitian government's success for a certain time in bolstering its administrative management standards, with the vote on the budget, the establishment and reinforcement of the National Commission on Public Procurement (CNMP), and so on. Program budgets are being contemplated in different sectors of government intervention to ensure that public spending has a positive impact on the economy and the social sector through the generation of production infrastructure, the development of specific productive sectors, by means of the availability of social services, or indirectly through job creation.

In this context, aside from traditional procedural control, broader control over efficiency is necessary in the allocation of government spending. The public administration must be better able to anticipate the impact and outcomes of public expenditures. Government services must always determine projects and assemble budgets and staff for each project, which marks a change in terms of the conception of the budget so that the outcomes programmed actually stem from the resources invested.

V.2 – RECENT CHANGES IN THE MILLENNIUM DEVELOPMENT GOALS (MDGs)

The National Growth and Poverty Reduction Strategy Paper (DSNCRP) stems from two new international approaches, i.e. a new way of tackling the problem of poverty, by prioritizing economic growth, and a break with the structural adjustment programs of the Bretton Woods institutions. It was subsequently favourably received by the Haitian people through a broad participatory process because it sought to have an impact on the country's poverty and economic slump. The paper also reflects a strong focus on catching up with the Millennium Development Goals (MDGs) in the interests of more vigorous social development.

The situation of certain indicators when the DSNCRP was launched, in particular income poverty, maternal health, infant and child health, and primary school education indicators, to mention but a few, revealed respectively: (a) a 56 percent level of extreme poverty; (b) 630 maternal deaths per 100,000 live births; (c) 86 child deaths per 1,000 live births; and that (d) 49.6 percent of children were attending primary school.

The strategy that the government implemented sought to raise the level of the indicators. However, the events of April 2008 prevented the meeting of the donors that was to confirm funding for the plans, programs and projects included in this paper. The country's situation

worsened when it was hit by four (4) tropical storms (Fay, Gustav, Hanna and Ike). Most of the basic infrastructure was destroyed and had a significantly adverse impact on changes in the MDG indicators.

On January 12, 2010, a violent earthquake struck several cities in three of the country's area departments, especially Port-au-Prince, Léogane, Jacmel and Petit Goâve, with the loss of several hundred thousand lives. The impact was worrisome for the key sectors that affect the attainment of the MDGs, i.e. education, health and drinking water, which account for 75 percent of the objectives.

The scope of the damage in each sector was observed. Most educational institutions in the metropolitan area were destroyed, mainly those in the higher education sector, where 90 percent of the students are concentrated. The impact on infrastructure in the drinking water and sanitation and healthcare sectors was equally devastating. In the three (3) area departments hardest hit in the country (Ouest, Sud-Est and Nippes), 60 percent of the hospitals were severely damaged or completely destroyed. Today, in the post-earthquake context, we must ask ourselves what is the stage of change in the MDG indicators in the country and what efforts must Haiti make to expedite attainment of the objectives set for 2015?

V.2.1 – PERSPECTIVES FOR THE MDGs

Goal 1: Eradicate extreme poverty and hunger. The data available reveal that the employment/population ratio among young people 15-24 years of age rose from 37 percent to 48 percent between 1990 and 2008. In the wake of the earthquake, massive distributions of food aid were carried out under humanitarian programs. Other food-for-work and cash-for-work programs were established to help the population satisfy its basic needs. The programs have, to some extent, contributed to reducing poverty somewhat in a context where the majority of residents in the disaster area were virtually decapitalized. According to a UNICEF study, a drop in low birthweights among children living in the camps has apparently been recorded. However, we might well ask ourselves about the medium- and long-term prospects concerning food security, access to a decent job, and the reduction of poverty and hunger.

Goal 2: Ensure universal primary education. The most recent data on universal primary education are drawn from the Fafo study on young people (2009). They reveal that the primary school completion rate is only 17 percent and that place of residence and sex account for disparities. The rate is 32 percent in urban areas, as against 10 percent in rural areas, 19 percent for girls

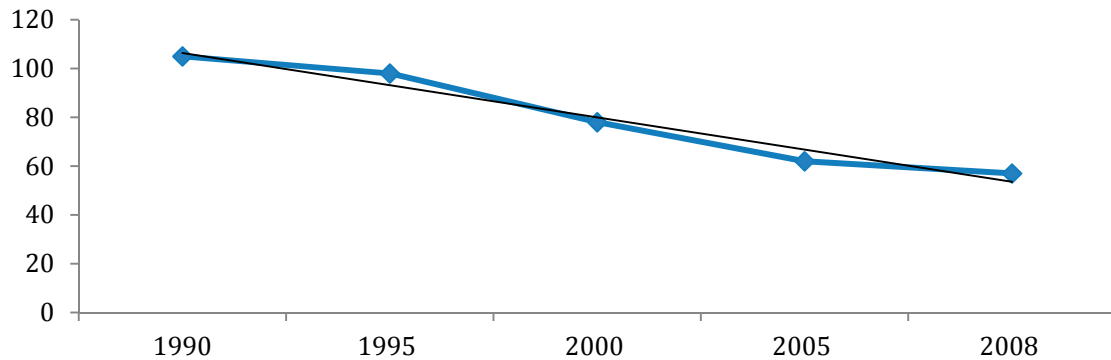
compared with 14 percent for boys, 36 percent in the metropolitan area,³ compared with 6 percent for the transversal zone. Given the destruction of most school infrastructure in the three departments affected by the earthquake and the decapitalization of a number of households, school attendance has unquestionably dropped in the country. By how much? We still cannot give precise confirmation. Significant and urgent measures have been adopted to maintain the supply of educational services in Haiti, fragile though these may be. However, the country's reconstruction plan calls for the implementation over the next five years of the infrastructure and structures necessary to enable Haiti to achieve universal primary and secondary school education. There is good reason to hope that this MDG will be firmly established by 2015.

Goal 3: Promote gender equality and empower women. From the standpoint of primary and secondary school attendance and even at the university level, parity has almost been achieved and even exceeded in some instances. Indeed, according to the 2009 Fafo study on young people, the ratio of girls to boys in secondary schools is 1.12. However, women occupy a minority of responsible positions in public and private administration. The proportion of seats occupied by women in the national parliament is increasing steadily. It is to be hoped that parity will improve since women are increasingly gaining access to positions of responsibility in government.

Goal 4: Reduce mortality in children under 5 years of age. Until 2008, the mortality rate among children under 1 year of age declined: between 1990 and 2008, 105 and 57⁴ deaths per 1,000 live births, respectively, were observed. Child mortality also fell, from 152 to 76 deaths per 1,000 live births between 1990 and 2008, partly as a result of broader vaccination coverage. The proportion of children 12 to 23 months of age vaccinated against measles increased from 31 percent to 58 percent during the same period. Despite the downward trend, the level still remains high. The high infant mortality rate stems, above all, from the fairly high level of the neonatal component. After the January 12, 2010 earthquake, under a vaccination campaign conducted in temporary shelters, over 8,000 children under 7 years of age were vaccinated against diphtheria, tetanus and whooping cough, and over 5,000 against measles and rubella.

³ According to this survey, the metropolitan area comprises the Aire Métropolitaine de Port-au-Prince and the Ouest department. The transversal zone comprises the Artibonite, Centre and Nord-Ouest departments.

⁴ This is the highest rate in the Americas, according to the DSNCRP.

Graph 14 – Infant mortality rate per 1,000 live births

Objective 5: Improve maternal health. Maternal health has always been a key concern in the Haitian healthcare system since maternal mortality rates clearly rose between 1990 and 2005. However, some improvement has been noted with respect to certain indicators related to maternal health such, for example, as prenatal care coverage, which increased from 71 percent to 85 percent between 1990 and 2008. Furthermore, unmet family planning needs and as a percentage of women of child-bearing age⁵ declined from 45 percent to 38 percent between 1995 and 2005. It should be noted that studies reveal that family planning reduced maternal mortality by 30 percent. The gap to be closed is unquestionably significant but if public policies are aligned, the trend should be reversed and the number of women who die in childbirth will decrease. Under the Free Obstetrical Care (SOG) program, growing numbers of women will give birth in hospitals. According to DSF/MSPP (the family health branch of the MSPP), the maternal mortality rate appears to have fallen by roughly half. The survey that the Haitian Childhood Institute (IHE) has conducted will undoubtedly shed additional light on changes in maternal health.

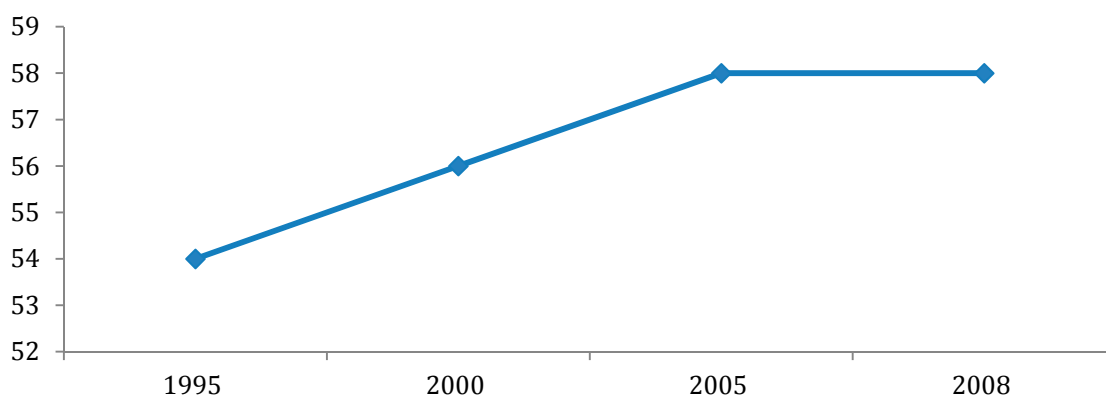
Goal 6: Combat HIV/AIDS, malaria and other diseases. HIV/AIDS has dwindled in recent years. The use of condoms increased substantially between 2000 and 2008, from 13 percent to 37 percent, and from 28 percent to 42 percent, respectively, among women and men between 15 and 24 years of age. However, given the promiscuity that prevails in the camps and in the zones affected by the earthquake, a reversal of the trend is highly possible. Promiscuity also tends to promote cases of rape and unwanted pregnancy. It goes without saying that sexually-transmitted diseases may increase. On the other hand, the proportion of tuberculosis cases detected and treated through direct, short-term treatment under observation increased from 2 percent to 49 percent between 1995 and 2008.

Goal 7: Ensure environmental sustainability. Until 2008, the proportion of the population that had access to a source of drinking water improved to some extent, since it rose from 54 percent to 58 percent between 1995 and 2005, then stagnated until 2008. At the same time, the proportion of

⁵ Women between 15 and 49 years of age.

the population using improved water treatment infrastructure fell considerably, from roughly 30 percent in 1995 to 19 percent in 2008 (IMF), and to 24 percent in 2009 (Fafu). However, the influx of NGOs, international institutions and other governmental organizations (DINEPA) bodes well for enhanced access to drinking water and sanitation facilities, above all in the departments hit by the earthquake, specifically the population living in the camps. It is understood that this is a cyclical situation. With the establishment of decentralized bodies in the national drinking water and sanitation branch (DINEPA⁶), contributions by donors⁷ (IDB,⁸ Spain⁹), there are sound prospects in the drinking water and sanitation sector.

Graph 15 – Proportion of the population using an enhanced source of drinking water



Goal 8: Develop a global partnership for development. Over the past 20 years, per capita aid has fluctuated sharply but has tended to increase, from US\$24 in 1990 to US\$73 in 2008, an increase of nearly 300 percent in relation to the figure reached in 1990. However, until 2008, the record level of US\$92 in per capita aid from which the country benefited in 1995 still had not been attained during the period. The January 12, 2010 earthquake spurred widespread solidarity with Haiti. Numerous promises of aid, which have yet to materialize, were made in respect of the Action Plan for the Recovery and Development of Haiti (PARDH). However, we might well ask ourselves about the nature of the aid that Haiti has received until now bearing in mind that such assistance includes an extensive humanitarian component. In terms of technical support, it is

⁶ http://www.dinepa.gouv.ht/index.php?option=com_content&view=article&id=118:-directeur-regional-aon-01-0810&catid=37:appel-doffre&Itemid=41

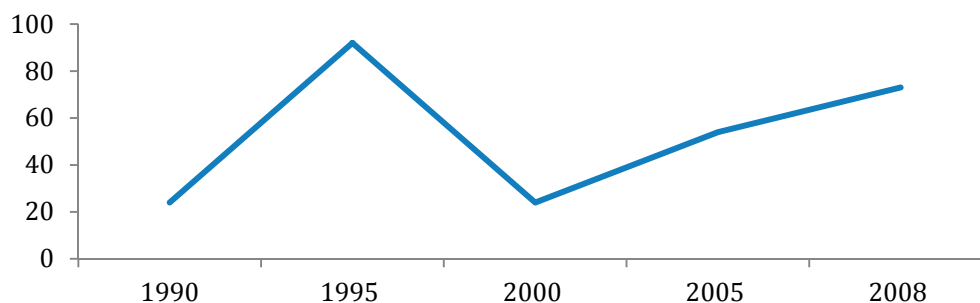
⁷ <http://idbdocs.iadb.org/wsdocs/getpaper.aspx?docnum=2213587>

⁸ The IDB is the leading contributor to the drinking water and sanitation sector in Haiti. The current portfolio now being implemented comprises two loans: (i) reform of the drinking water and sanitation sector (loan 101/SF-HA) for \$54 million, which seeks to improve water and sanitation in Haiti in a sustainable manner through investments in urban, peri-urban and rural areas and the establishment of an institutional framework for the drinking water and sanitation sector; and (ii) water in rural areas and the sanitation program (loan 1780/SF-HA) for \$15 million, which is supporting investments in rural areas.

⁹ Under the Rural Water and Sanitation Program II and through a non-reimbursable US\$10-million fund, the SFW (Spanish Cooperation Fund for Water and Sanitation in Latin America and the Caribbean) is funding a project designed to enhance the quality of life and health conditions in rural communities through sustainable delivery of drinking water and sanitation.

largely transmitted through NGOs and international institutions. Sound coordination and better channeling of international assistance are necessary in order to relaunch the economy and solve the structural problems that the country is facing, in particular progress toward the attainment of the MDGs.

Graph 16 – Per capita aid (current US dollars)



On the other hand, progress in relation to the integration of the new information and communications technologies in Haiti is apparent. The number of subscribers to a mobile telephony service per 100 inhabitants increased from one to 33 between 2005 and 2008. The number of Internet users per 100 inhabitants increased from 0.2 to 10.4. At the same time, the number of fixed lines per 100 inhabitants declined from two to one between 2005 and 2008. However, with the modernization of TELECO, the operation of the fibre optic network recently installed in Haiti, there is good reason to hope that the situation in this sector will improve markedly, especially from the standpoint of the number of fixed lines per inhabitant and Internet access.

V.2.2 – GENERAL CONSIDERATIONS RESPECTING THE MDGS

At the conclusion of the three-(3)-year implementation period of the first generation of the DSNCRP and despite the major goals pursued in the paper, it should be noted, above all, that the country's momentum has been sorely tested by the political climate, bad weather and a major earthquake, which are synonymous with instability and, consequently, are hampering the attainment of the initial objectives adopted under the DSNCRP. In 2010, for example, the DSNCRP sought to close the gap displayed by certain MDG indicators. Accordingly, the 2005-2010 national health sector strategic plan, which the DSNCRP adopted, sought to improve community health through the following programs and strategic directions: reduce by at least 50 percent the maternal mortality rate; reduce by 50 percent the infant and child mortality rates; reduce by 30 percent the incidence of HIV/AIDS infection; reduce by 30 percent HIV/AIDS-related mortality; and reduce by 30 percent the incidence of tuberculosis.

In the education section, the DSNCRP sought, among other things, to reduce to 68.6 percent the illiteracy rate among Haitians 15 years of age or over; reduce disparities between the area departments and between places of residence in the distribution of preschool and basic educational services; and restore the number of EFACAPs to 116 in 2010. As for gender equality, it sought to advocate the amendment of electoral legislation to enable women to occupy at least 30 percent of positions.

Today, these outcomes differ considerably from the values revealed by trends in the MDG indicators. In this context, we can already anticipate that it will be difficult for the country to attain most of the Millennium Development Goals by 2015. The Action Plan for the Recovery and Development of Haiti prepared by the government in the wake of the earthquake is a tool that will put the country on a new footing. Through its objectives of achieving territorial, economic, social and institutional reform, it will undoubtedly bestow fresh momentum upon the policy of attaining the MDGs.

Table 14 – Changes in a number of MDGs (1990 – 2008-2009)

Goal	Indicator	1990	1995	2000	2005	2008-2009	2015	Progress	Gap to be bridged
Goal 1: Eliminate extreme poverty and hunger	*Employment/population ratio, 15 years or older, total (percent)	56	54	55.0	55.0	56.0	78	Slow	Significant
	Percentage of children displaying low birthweight	26.8	27.5	17.3	22.2	...	13.4		
Goal 2: Ensure universal primary education	Net primary enrollment ratio	22.1	...	54.3	49.6	...	100.0	Slow	Significant
	Literacy rate in the 15-24 age group	54.8	...	64.4	82.4	85 ¹⁰	100.0	Rapid	
Goal 3: Promote gender equality and the empowerment of women	Ratio of women to men in primary education	0.95	0.95	...	1.0	...	1	Rapid	Insignificant
	Proportion of seats in the national parliament occupied by women	...	4	4.0	4.0	4.0	50	Slow	Insignificant
	Proportion of children 12 to 23 years of age vaccinated against measles	31	49	55.0	58.0	58.0		Slow	Significant
Goal 4: Reduce child mortality among children under 5 years of age	Infant mortality rate* per 1,000 live births	105	98	78.0	62.0	57.0	36.7	Slow	Significant
	Child mortality rate per 1,000 live births	152	98	109.0	84.0	76.0	60.0		
	Maternal mortality rate per 100,000 live births	457.0	474.0	520.0	630.0	...	114.0 ¹¹	Decline	Very significant

¹⁰ This figure represents literate and semi-literate individuals according to the 2009 Fafu survey on young people.

¹¹ The figures in green are the targets to be achieved in 2015.

Goal 5: Improve maternal health	* Prenatal care coverage (percent)	71	68	79.0	85.0	85.0			
	* Prevalence of contraception (percentage of women 15 to 49 years of age)	10	18	28.0	32.0	32.0			
Goal 6: Combat HIV/AIDS, malaria and other diseases	Proportion of tuberculosis cases detected and treated ¹²	...	2.0	19.0	44.0	49.0			
	Prevalence rate of HIV in the population		5.0	5.5	2.2	2.2	1.5	Rapid	Insignificant
Goal 7: Ensure environmental sustainability	Percentage of the urban population with access to an improved source of water						94.0	Slow	Significant
	Percentage of the population use improved sanitation infrastructure	52.0	54.0	56.0	58.0	58.0	24.0 ¹³		
		29.0	29.7	24.0	19.0	29.0			
Goal 8: Establish a worldwide partnership for development	Per capita aid (current US dollars)								
	Subscribers to a mobile telephony service, per 100 inhabitants	24	92	24.0	54.0	73.0	24		
		0	0	1.0	5.0	33.0	0		

Source: EMMUS II (1994-95); EMMUS III (2000); EMMUS IV (2005-06); RNP (2006); IMF (2008); FAFO (2009)

N.B.: The indicators preceded by an asterisk are part of the indicators that were defined for the new targets.

V.3 – FEEDBACK FROM THE POPULATION

V.3.1 – THE POPULATION’S REACTION THROUGH THE PARTICIPATORY QUALITATIVE FOLLOW-UP (SQP)

The DSNCRP is centred on partnership insofar as it encourages the coordinated participation of bilateral initiatives, multilateral and non-governmental organizations in a comprehensive poverty-reduction and wealth-creation program, in a long-term perspective. This framework fosters greater openness in the preparation of public policy. When it drafted this paper, the Haitian government sought to systematically include traditionally marginalized groups, the private sector, civil society and the poor. Consequently, this poverty-reduction strategy tends to have obtained community assent and the support of the stakeholders mentioned earlier.

In conjunction with monitoring, the DSNCRP makes provision for the following approach: “associations in civil society will receive guidance and will benefit from adequate training to enable them to observe, monitor and express opinions on the execution of poverty-reduction initiatives in their zones of influence.” Accordingly, the individual citizen is not only called upon to participate in the drafting process but also in all phases of the life of this development framework for the country. This participatory approach assumes the active involvement of all stakeholders in society in the preparation, monitoring and implementation of the strategy to

¹² Through direct, short-term treatment under observation.

¹³ 2009 Fafo survey on young people.

combat poverty. The empowerment approach is intended to give the poor an opportunity to influence the policies that affect their living conditions by better pinpointing and taking into account their problems and expectations. The participatory process is, therefore, quite rightly deemed to be a means to guarantee the efficacy of the strategy to combat poverty and its effective realization. It thus fosters policy ownership.

It is also a factor in reinforcing democracy demanded by the constitution of 1987, since it consists in involving civil society in the definition and monitoring of policy, with the objective of bolstering democratic debate and, therefore, the legitimacy and the efficacy of policies and projects. Consequently, it is important for the Haitian government to take into account the perception and opinions of the populations that are the direct and indirect beneficiaries of the initiatives carried out over the past three years. Their opinions are enlightening testimony that can help to made adjustments and usher in the second-generation DRSNCRP.

National but localized opinions

The opinions of citizens were collected according to a specific geography, which embraces the implementation of projects and initiatives. This dynamic allows us to highlight one reality: the fact that initiatives (projects) are concentrated in certain communes, which may thus be regarded as leading communes, where meaningful opinions and assessments are given. Moreover, this is where the beneficiary populations can express an opinion and, above all, assess the array of initiatives carried out. In this way, it is possible to measure or perceive with qualitative data (individual assessments) the meaning or depth of change in living conditions in the living and production environments of the population.

The opinions that we collected did not integrate only the levels of satisfaction or the assessments of the beneficiary populations solely in relation to the project. They encompass all of the measures carried out in the communities and regions. Under the leading commune dynamic, individuals' assessments make it possible to understand and, above all, to pinpoint which array of projects can create the conditions necessary for the beneficiary populations to assess the attainment of national objectives in their communes. They will also allow for the second-generation DSNCRP to be more fine-tuned and effective. The 10 departments in the country have been covered through 16 Major Leading Communes (CPMs).¹⁴ The assessments are drawn from the corpus established by the DSNCRP in respect of the objectives set. The components of the corpus that guided them are income, employment, health, food, drinking water and sanitation, legal and individual identity, access to justice, security, education and literacy, and the degree of participation by women. Below is a snapshot of the opinions.

¹⁴ Those with highest percentage of projects and population.

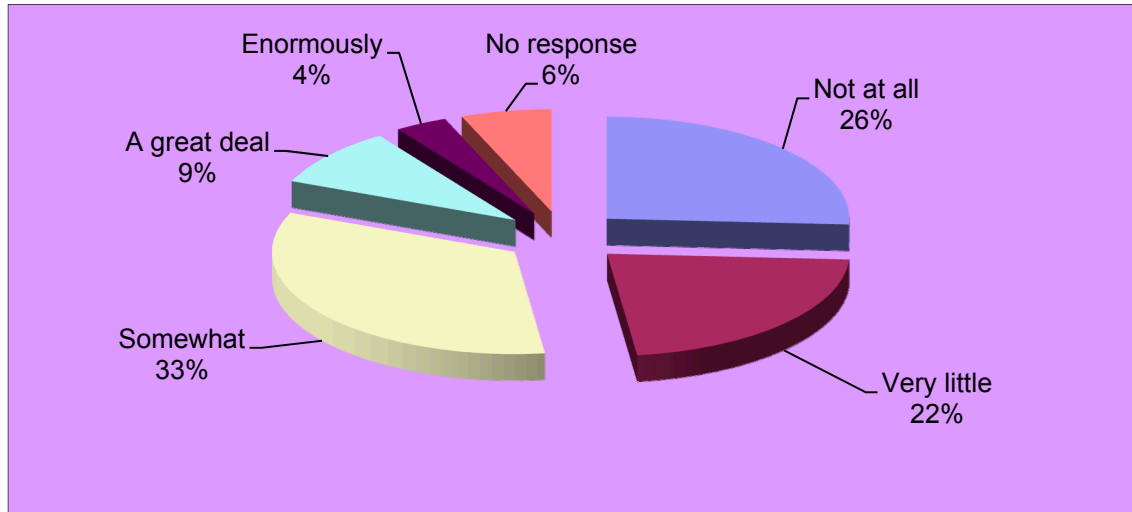
A low overall level of satisfaction

Satisfaction with respect to the availability of and access to basic social services and the quality of such services is deemed to be weak (68.9 percent of the assessments¹⁵). Individuals justify their opinions through an array of recurring factors: unemployment, the high cost of living, higher food prices, the short duration of projects, very limited participation by local populations in the projects, the population's remoteness from the center delivering the service, very limited investment by public and private interveners and, above all, limited investment in the agricultural sector.

Table 15 – Overall tenor of the assessments

Sector	Level of satisfaction			
	High	Medium	Low	Very low
Economy	2.4	4.6	29.7	63.3
Education	0.2	15.1	65.8	18.9
Health	40.9	29.8	20.3	9
Food	1.3	15.2	61.7	21.9
Water and sanitation	28.5	19.6	16.7	35.2
Administrative services	2	26.8	52.6	18.6
Average	12.6	18.5	41.1	27.8

¹⁵ 2008, 2009 and 2010 studies and surveys.

Graph 17 – Have you observed an improvement in life in your community?

Source: ONPES, April 2009.

Negative sectorial assessments

Dissatisfaction is more acute from the standpoint of income and purchasing power: nearly 96 percent of the respondents maintain that inactivity, unemployment and, above all, soaring prices have hindered efforts to achieve improvement in living conditions. Families continue to experience problems in contending with their basic everyday obligations, such as obtaining food. The maintenance of physical capital has been compromised and children are the first to be seriously affected (malnutrition, physical impairments and intellectual disabilities). Access to healthcare services, water, a healthy environment and sanitation are very limited according to the opinions expressed. Over 79 percent of the respondents believe that access to legal identity papers, justice and security are difficult. The following tables reflect the mixed nature of the opinions.

Table 16 – Opinions on access to justice

Access to legal services

	2010	Prior to 2010
Very easy	4.2	4.2
Easey	20.9	19.6
Difficult	42.2	44.9
Very difficult	32.7	31.3

Source: ONPES 2009.

Table 17 – Opinions on access to sanitation**Availability of toilets**

	After 2007	Prior 2007
Individual latrine	63.56	64.56
Community latrine	7.06	7.22
Water Closet	11.72	10.18
Others	17.67	18.05

Source: ONPES 2009-2010.

Genuine pockets of satisfaction

However, there are pockets of satisfaction in the opinions expressed. The level of satisfaction is high with regard to the question of gender equality. Some 86 percent of the respondents deem the integration of women to be satisfactory. As for priority diseases such as tuberculosis and AIDS, the level of satisfaction is very high. The public perceives the management of infected individuals to be excellent (over 88 percent of the opinions expressed). The responses mention unquestionable improvement in access to basic education. Individuals maintain that they perceive the authorities to be better managing the sector. There is some degree of optimism in the responses, as the tables below reveal.

V.3.2. – GENERAL CONSIDERATIONS

The individual assessments presented above must be taken at their fair value in terms of the populations' expectations. However, the shocks stemming from cyclones Hannah, Gustav and Ike and the January 12, 2010 earthquake make it difficult to closely analyze the efficacy of the initiatives carried out over the past three years in the country under the DSNCRP. Small advances were quickly overwhelmed by the natural catastrophes. However, the assessments are warning signs which decision-makers must take into account to ensure a better second-generation DSNCRP, which should be combined with an array of recommendations that will improve citizen engagement.

Such participation will be genuinely effective if individuals are asked to display their approval or their preferences throughout the political decision-making or development process. We must reverse the populations' living conditions: persistently high unemployment, despite successive commitments by all decision-making bodies to reduce it, can only foster skepticism, disinterest and abstention. The physical conditions in which the populations live significantly affect the quality of citizen engagement. Decision-makers must acknowledge the users' experience and adopt the means to inform citizens and obtain their opinions to achieve better mastery within the framework of concerted decision-making. To directly foster their participation and strengthen relations between the State and society, the Haitian government must regularly make available to the public full information on poverty, in particular by means of local awareness-raising campaigns (preferably in Creole); periodically seek the populations' opinions and take account of them so that the projects and initiatives implemented locally reflect their specific needs; heighten awareness, educate and support the public to promote a change of attitude, the emergence of entrepreneurial spirit, respect for the environment, and so on. This approach will lead to the participatory, local democracy that the poorest citizens desire.

CHAPTER VI: COORDINATION, FOLLOW-UP AND COMMUNICATIONS

VI.1 – THE DSNCRP IMPLEMENTATION MONITORING MECHANISM

An external consultant analyzed the strengths and weaknesses of the DSNCRP institutional implementation mechanism. The analysis made it possible to evaluate and better understand the relevance and efficacy of the implementation and monitoring/evaluation mechanism implemented within the framework of the DSNCRP and to pinpoint its shortcomings, weaknesses and strengths. Solutions were also proposed to enhance the current implementation, monitoring and evaluation coordination system of the DSNCRP with a view to taking them into consideration in the paper that sets out the next-generation DSNCRP.

VI.1.1 – STRENGTHS

The key observations are indicated below.

Various stakeholders in national development have, increasingly, perceived the DSNCRP as a benchmark document. An effort was made to coordinate the partners in Haiti's development in respect of the strategy paper, which fostered the gradual harmonization of viewpoints in relation to the issues at hand. However, despite the numerous vicissitudes inherent in the process, the commitment, determination and voluntarism of the Executive Secretariat (SECICSMO) were perceived by all to be the key factor that facilitated some degree of coordination of the implementation of the strategy.

The process of implementing the strategy led to the development of a learning dynamic that is, in itself, a highly encouraging factor, insofar as the stakeholders had never truly been committed to a dynamic of this nature, even though there were previous attempts to revitalize Haiti. It enabled the stakeholders to become more aware of the importance of intersectorial consistency and the attendant challenges.

The MPCE was more broadly perceived as an important link in the coordination of government action with regard to the stakeholders' perceptions of its genuine added value in the institutional sector. The existence of the ONPES is a key asset in the development management mechanism. It is a tool that, were it steadily developed to maturity, would be highly useful among those concerned in decision-making.

The implementation of the strategy has led to the establishment of initial sectorial forums and environments that are intended to serve as key stages in the development of the ability to engage in reflection and sectorial coordination and the effort to disseminate information on the implementation of the strategy, although the scope of coverage remains limited.

Similarly, the process reflects receptiveness to the effective participation of civil society in the process. The desire to have the public participate is especially apparent as regards the option concerning citizen monitoring or participatory qualitative monitoring. While there is room for improvement, it should be noted that emphasis has been placed on the participatory approach since the strategy paper was prepared. The participatory approach has facilitated the consideration of transversal axes, in particular gender, the perception of whose importance is growing steadily in the community.

An effort was launched to overhaul the National Development Planning and Management System (SNPGD). The MPCE is focusing on a new vision of planning that must incorporate forecasting, strategic coordination, supervisory and information functions in order to facilitate the implementation of development planning and management instruments. This vision hinges on a fourfold approach: strategic, technical and strategic, operational, and monitoring and feedback. The DSNCRP occupies an explicit place in the system, which bodes well for the second generation of the strategy.

Moreover, Haiti has adopted a national action plan to make operation the Paris Declaration (PANODEP), a platform that is useful for the alignment of the DSNCRP and concerns and demands pertaining to the efficacy of aid. There is no need to emphasize that the country is highly dependent on contributions from outside resources and that, consequently, efficient management of aid is a precondition for the proper implementation of the DSNCRP.

VI.1.2 – WEAKNESSES

From the standpoint of strategy

Formulation

The underlying paradigms of a national transformation quantum leap were not sufficiently spelled out. Community stakeholders did not perceive the DSNCRP as the expression of a societal project. There is good reason to rethink the approach with respect to its foundations, i.e. its cardinal principles and socio-philosophical underpinnings, the perception of its relationship to the world—in a word, the perceptions that Haiti's leaders have regarding their development.

A deficit exists with respect to policy. Many observers and stakeholders have noted that the DSNCRP is intended to serve as a catalogue of initiatives in the absence of sectorial policies. Activities undoubtedly exist, but there is a crucial lack of policies in the vast majority of areas for action.

Functioning of coordinating bodies and monitoring

Management and organization

At the strategic level

None of the structures specified in the institutional mechanism has been truly operational, as a result of which there has been virtually no guidance from the standpoint of governmental leadership. There has been no clear impetus to set the tone (basic priorities and policy directions) to operationalize the strategy. A lack of clarity has been observed between the action carried out in relation to the government and the action carried out in relation to the DSNCRP (the latter is intended to serve as the reference paper as regards development work). It should be noted here that the strategy paper has never been confirmed by a formal occasion that gives it credibility since Parliament dismissed the head of government at the time.

At the intrasectorial level

There has been some degree of complacency that everyone acknowledges. The sense of accountability is insufficiently well-developed. Limited clarity has been noted in sectorial dynamics and logics. The weakness of intrasectorial integration has been obvious.

At the intersectorial level

Constant discontinuity has been noted in representativeness in relation to coordination spaces. Certain cases are especially well-known, following the example of certain ministries that have essentially withdrawn from the Interministerial Committee for Implementation Coordination and Monitoring (CICSMO). Moreover, there is little intersectorial to intrasectorial feedback.

From the standpoint of decisive initiatives

A lack of responsiveness has been noted in inter-organizational relations in certain critical activities, e.g. the relatively lengthy time it took to launch the Minimum Statistical Package, despite the urgency indicated.

From the standpoint of systems

Management of public investments

Significant shortcomings in the realm of programming

Project papers are of poor quality and often non-existent (no new project paper was recorded for the second year of execution of the strategy). The Project Identification and Operation File (FIOP) serves as a basic benchmark for programming although it does not contain sufficient provisions at the informational level. A significant number of projects are renewed from year to year that have never reached completion. This rightly raises the question of the credibility of the public investment program.

The programming of investments occurs with very little content support. Moreover, observers have drawn attention to the practice of preparing the Public Investment Program (PIP) essentially based on ideas for projects (the pre-investment unit in the Ministry of Planning and External Cooperation [MPCE] does not have any mature project for the implementation of the DSNCRP).

The Study and Programming Units (UEPs) are scarcely able to generate what is expected of them. They are in their infancy and are sorely lacking in human and physical resources and their added

value is now hardly obvious. The MARNDR appears to have the most advanced UEP, although it might be said that its level of performance is unconvincing. Generally speaking, the UEPs are hardly inclined to put a lot of effort into the preparation of project papers because of a recurring failure to take into account such projects in the programming of public investments.

Serious dysfunctions in the public spending chain

The public expenditure system is characterized by a matter-of-fact approach that is rather worrying. It is acknowledged that the informational foundations of the PIP are tenuous in many respects, although officials are nonetheless willing to commit resources while justifying such action on the grounds that it is necessary to demonstrate a certain capacity for resource absorption without which the machinery of State would grind to a halt. However, it must be said that an effort has been made to somehow steer the stakeholders toward the observance of good practices. There are criteria governing the preparation for funding of initiatives, although such criteria are simply never or very rarely applied.

Shortcomings in respect of the monitoring and evaluation of public investments

Reports on monitoring and evaluation focus almost exclusively on compliance with the supporting documents. Very rarely are relationships established with possible outcomes. Direct funding by external agencies of projects and programs without reference to the MPCE seriously hampers the State's ability to monitor and evaluate investments. Moreover, it has been clearly established that the projects benefiting from such funding do not account in any way for their activities to the MPCE, as prescribed by legislation.

Information management

Access to information: It has been difficult to obtain information from sectorial ministries, despite the recent sectorial contact points arranged to remedy the situation.

Budget management

The programming capacity of the Ministry of the Economy and Finance (MEF) is not truly commensurate with requirements and standards in the realm of budget management centred on programs and outcomes: budgetary conferences focus essentially on operating resources. A deficit in respect of budgetary discipline and accountability has been observed: authorizing officers seldom resort to deterrence by means of timely penalties.

The DSNCRP has no expression in the national budget and the coordination of the MPCE-MEF axis in budgetary planning is virtually non-existent. In their organic laws, the two ministries share powers but there is no linking mechanism between them. For illustration purposes, the MPCE is not aware of the project statements of account, which are important for monitoring.

From the standpoint of values, it can be said that the notion of responsibility is very insufficiently anchored in the public sphere in general, a state of affairs which is adversely affecting the implementation of the DSNCRP.

As for skills, there is a deficit in Haiti of essential skills in the public administration. Existing skills are being lost to the project Technical Execution Units (UTES) in government ministries, which generally pay their employees more than the public administration does. This question is considered within the framework of the PANODEP and possible attendant solutions warrant special attention.

At the departmental level, a significant number of departmental directors ignore the Departmental Implementation Coordination and Monitoring Commissions (CDCSMOs) and the Departmental Consultation Tables (TDCs), in particular for two reasons: (i) the criticism levelled at central authorities that they hardly or never follow up on local resolutions; and (ii) a characteristic lack of interest by certain sectorial ministries despite awareness-raising efforts. As for representation, it has been noted that the sectorial ministries often send as representatives to the coordination tables managers who are barely informed and lacking in decision-making power.

There is a marked tendency for the Communal Consultation Tables (TCCs) to be used as political forums and a place for local elected representatives to demand accountability. In many instances, there are only very few of the skills needed to address the contents of the communal tables. It must be said that the meetings often hinge on agendas that are of very peripheral interest. There is often a problem concerning the availability (or even the existence) of the physical space necessary for stakeholders to interact.

The priority projects of the DSNCRP are not territorially decentralized. It is not unusual for some confusion to arise between the funds allocated to DSNCRP projects and operating funds at the departmental level. The degree of ownership of the DSNCRP at the departmental and communal level is very low.

At the central level, the Strategic Investment Orientation Council (COSI) has never met. It should be noted that this is the supreme body in the institutional mechanism planned for the operationalization of the DSNCRP. Coordinated by the President of the Republic and made up of ministers and members of civil society, it is incumbent upon the council to demand performance from public investments from the standpoint of growth and poverty reduction.

The Priorities Arbitration Committee (CAP) has never become operational. The CAP is chaired by the Prime Minister and comprises the ministers of planning and external cooperation, economic affairs and finance, agriculture, public works, health, national education, and justice, whose mission is to oversee public spending according to the priorities of the DSNCRP. The Donor Advisory Committee (CCB), like the two preceding bodies, has not been functional.

The Interministerial Coordination and Monitoring Committee (CICS) is chaired by the Minister of Planning and External Cooperation and comprises all ministers concerned by the implementation of the DSNCRP. It has only met once. The commitments made at that time were not implemented. Furthermore, the committee is not providing feedback to the meeting reports of the Executive Secretariat and the Technical Subcommittee for the Coordination and Monitoring of Implementation (SCTICSMO) that are submitted to it.

The Technical Subcommittee for the Coordination and Monitoring of Implementation (SCTICSMO) assembling representatives of the sectorial ministries, donors and organizations in civil society has certainly held regular monthly meetings to ensure sectorial monitoring to the implementation of the DSNCRP during which progress reports have been discussed, monitoring charts on the state of advancement of the implementation process have been prepared and recommendations have been made to the Interministerial Committee for Implementation Coordination and Monitoring (CICSMO) for the necessary monitoring as regards the respective ministries.

VI.1.3 – NEW INSTITUTIONAL MECHANISM TO IMPLEMENT THE DSNCROP

In light of the observations collected on the functioning of the structure and the DSNCRP implementation coordination and monitoring mechanisms, a new institutional mechanism has been recommended (see the diagram below).

The specific objectives of the institutional mechanism to coordinate and monitor the implementation of the National Growth and Poverty Reduction Strategy are to assess directives concerning sustainable growth and poverty reduction at the national, sectorial and regional levels or by field of activity; set the timetable for the formulation and adjustment of the national sustainable growth and poverty reduction strategy; examine and validate the results of deliberations on the preparation and adjustment of the national sustainable growth and poverty reduction strategy; examine and validate the periodic implementation reports; recommend the general or specific studies necessary to broaden policy components; examine and validate the system to monitor and evaluate the national sustainable growth and poverty reduction policy; and propose contracts of objectives with the private sector and civil society. This mechanism comprises bodies and authorities.

The following bodies make up the institutional mechanism: the National Steering Committee (CNP); the Interministerial Orientation and Monitoring Committee (CIOS); the Permanent Executive Secretariat for coordination and monitoring (SEP); the Intersectorial Thematic Committees (CTISs); and the Departmental Thematic Committees (CTDs).

The National Steering Committee (CNP) is responsible for providing key policy and strategic directions for the preparation, preparation and programming of investments and the execution of the operating plans of priority programs and projects in the National Growth and Poverty Reduction Strategy Paper (DSNCRP); seeking and negotiating at the national and international level the financial and technical resources necessary to fund the DSNCRP; ensuring participation by all stakeholders in Haitian society in the process of preparing, drafting and implementing the DSNCRP; and assessing the impact of the implementation of the DSNCRP on the country's economic and social development, in particular the poorest levels of society. The committee comprises the Prime Minister, the Minister of Planning and External Cooperation, the Minister of Economy and Finance, the Minister of Foreign Affairs and Religious Affairs, and three representatives of three levels of regional and local authorities and three representatives of organizations in civil society.

The Interministerial Orientation and Monitoring Committee (CIOS) is responsible for assessing the implementation reports of the action plans defined in conjunction with the implementation of

the national sustainable growth and poverty reduction strategy; approving proposals to adjust the national sustainable growth and poverty reduction strategy stemming from the evaluation of the sectorial initiative implementation plans; seeking the appropriate solutions to the problems inherent in the implementation of the national strategy; and ensuring tradeoffs and defining the appropriate measures to eliminate the constraints encountered in the implementation of the national strategy. The Minister of Planning and External Cooperation chairs the Interministerial Orientation and Monitoring Committee (CIOS), assisted by the Minister of the Economy and Finance, who acts as deputy chair. It also includes the ministers responsible for the sectorial and thematic committees.

The Permanent Executive Secretariat (SEP) is the institutional coordination and monitoring mechanism of the DSNSCRP. It is a decentralized technical body under the Prime Minister headed by a coordinator and made up of members appointed by the Prime Minister. It assists the different levels of the mechanism. To this end, it organizes the assembly, coordination, monitoring and dissemination of the outcomes of deliberations concerning the implementation of the strategy. The departmental branches of the MPCE and the MEF will jointly oversee the Technical Secretariat of the thematic departmental committees as regards the sessions devoted to the DSNSCRP on behalf of the permanent Executive Secretariat at the territorial level.

The Intersectorial Thematic Committees (CTIs), which are chaired by the ministers concerned and comprise the relevant government ministries and institutions, are responsible, by and large, for assessing sectorial policies in keeping with the national strategy to combat poverty; assessing institutional reforms; broadening measures to encourage and promote the private sector; drafting reports on the implementation of different policies in a perspective of sustainable growth and poverty reduction; and assessing the monitoring and evaluation system at the sectorial level. There are seven Intersectorial Thematic Committees (CTIs): the rural development, food security and environment committee, chaired by the Minister of Agriculture, Natural Resources and Rural Development; the social and population sectors committee, chaired by the Minister of Health and Social Protection; the economic infrastructure committee, chaired by the Minister of Public Works, Transport and Communications; the governance, institutional reforms and decentralization committee, chaired by the secretary general of the Prime Minister's office; the committee to promote the private sector, competitiveness and sustainable job creation, chaired by the Minister of Trade and Industry; the public finances, resource allocation, medium-term spending budgetary framework and medium-term sectorial expenditure framework committee, chaired by the Minister of the Economy and Finance; and the committee for transversal sectors and support for NGOs, chaired by the Minister of Planning and External Cooperation.

The Departmental Thematic Committees (CTDs), which are chaired by the departmental delegates and comprise the departmental branches of the relevant government ministries and institutions, are responsible, by and large, for assessing departmental policies in keeping with the

national poverty reduction strategy; assessing institutional reforms; broadening measures to encourage and promote the private sector; drafting reports on the implementation of various policies in the perspective of sustainable growth and poverty reduction; and assessing the monitoring and evaluation system at the departmental level. There are seven Departmental Thematic Committees (CTDs): the rural development, food security and environment committee, chaired by the departmental director in the Ministry of Agriculture, Natural Resources and Rural Development; the social and population sectors committee, chaired by the departmental director in the Ministry of Health and Social Protection; the economic infrastructure committee, chaired by the departmental director of the Ministry of Public Works, Transport and Communications; the governance, institutional reforms and decentralization committee, chaired by departmental director of the Ministry of Planning and External Cooperation; the committee to promote the private sector, competitiveness and sustainable job creation, chaired by the departmental director of the Ministry of Trade and Industry; the public finances, resource allocation, medium-term spending budgetary framework and medium-term sectorial expenditure framework committee, chaired by departmental director of the Ministry of the Economy and Finance; and the committee for cross-cutting sectors and support for NGOs, chaired by departmental director of the Ministry of Planning and External Cooperation.

Aside from the foregoing bodies, the institutional mechanism to coordinate and monitor the DSNCRP comprises the national conferences of the DSNCRP and the collaboration framework between the government and its development partners.

The national conferences of the DSNCRP, which are chaired by the Prime Minister, assisted by the Minister of Planning and External Cooperation and the Minister of the Economy and Finance, are organized to validate the national and regional reports on the implementation of the national sustainable growth and poverty reduction strategy; assess the relevance of the proposed adjustments to the national strategy; and provide directives concerning the effectiveness of the implementation of the National Growth and Poverty Reduction Strategy. The members of the Intersectorial Thematic Committees and the Departmental Thematic Committees as well as the development partners attend the conferences, which are held twice a year and are convened by the Prime Minister.

The collaboration framework with the development partners is an *ad hoc* mechanism established to foster policy dialogue between the government and its partners. The Minister of Planning and External Cooperation and the Minister of the Economy and Finance co-chair the body. It comprises all of the technical and financial partners as well as representatives of civil society and the private sector. It convenes as needed and at a frequency agreed upon by the parties.

VI.2 – COMMUNICATIONS

It was necessary to implement a well thought-out, planned communications strategy from the standpoint of transparency and information. The communications plan designed by the Executive Secretariat (SE) defined the communications initiatives contemplated at the national and regional levels. The sound execution of the plan is all the more crucial since it is essential to involve not only the target groups but also the Haitian people as a whole so that it understands that the fight against poverty can only be won if everyone participates. The strategic guidelines and communications initiatives adopted with respect to information and outreach concerning intervention by various participants combine a marketing plan and a media plan. The communications campaign formalizes and operationalizes the entire communications strategy prepared to reach the general public and, in particular, the semi-urban and rural populations. To this end, the title in Creole adopted was “Djob ak Devlopman pou Kwape Lamizè,” accompanied by the slogan “Remanbre Ayiti,” with the general objective of helping the general public to fully grasp the phenomenon of poverty and the means used to reduce it.

VI.2.1 – THE COMMUNICATIONS PLAN

The segments of the communications plan can be broken down as follows:

Communications network and global messages: In each department, permanent contacts will be established and maintained with certain units such as churches, schools, home temples, community radio stations, civil society, and so on, in order to remind them that public and private investments will never achieve the desired results in an unstable climate; since poverty is a multidimensional, complex concept, it can also be perceived as a feeling of insecurity, precariousness, exclusion, vulnerability and helplessness; given Haiti’s precarious state, it is essential to restore virtues such as public-spiritedness, citizen solidarity, discipline, merit, recognition, work, dialogue, and so on; countries in which poverty reduction programs have been successfully applied must serve as examples in Haiti; and prepare the public over the long term to strive for growth and reduce poverty.

Communications channels: Seven (7) national radio stations (Zone métropolitaine de Port-au-Prince) and twenty-three (23) community and regional radio stations in ten (10) area departments in the country and seven (7) television stations in the metropolitan area and the regions would broadcast the messages.

Documentary film: A documentary film will be produced to illustrate the steps that led to the implementation of the key initiatives in the DSNCRP. The 60-minute documentary, filmed in 10 departments, will highlight the Technical Secretariat and all of the stakeholders in the process. In addition, documentary research will be conducted in countries where the poverty reduction strategy has been successfully applied and the countries will be visited, thereby serving as a reference. The recent World Bank report mentioned seven (7) countries, in particular Botswana and Mauritius, which have made giant strides in the fight against poverty. One of the countries, Taiwan, eliminated poverty within one generation. The film will be produced by professionals and the original version will be in Creole, with French, English and Spanish subtitles. Music will be composed to accompany the film to enhance the product and add to its entertainment value.

Moreover, one-minute promotional spots in the form of skits will be broadcast by radio and television stations throughout the duration of the first DSNCRP. Billboards, usually displaying the DSNCRP logo, will be displayed along national highways and will contain themes that relate the common messages (see page 5). The billboards will be located at strategic sites in the 10 departments and will be illustrated by young artists chosen throughout the country. A logo contest to spark community interest in the DSNCRP and a national logo contest will be organized. Similarly, to strengthen the visibility of the DSNCRP, frescoes illustrating different themes under the program will be painted on walls and roofs around the capital and provincial cities in exchange for written permission from the owners and government officials. Priority will be given to young artists from the ENARTS.

The need for the DSNCRP to be visible to the educated public and our international partners and the imperative of communicating with a maximum number of Internet users create a genuine need to enhance and adapt the MPCE website. On the home page, a special space will be reserved for the DSNCRP. By optimizing for maximum natural referencing, the programming will be based on key words on the site to ensure better positioning in search engines and thus enhance the visibility and communication of the paper and its implementation (monitoring). We will also target referencing (specialized referencing on the Internet) in different media (newspapers, flyers, brochures, and so on) that directly related to the DSNCRP.

Given the widespread use of megaphones in national life, we will rely on this form of communication, which will help us to reach the most remote corners of Haiti. To this end, 100 “itinerant announcers” will be hired for the duration of the first DSNCRP. Stickers will be placed on 300 new buses that will be made available to the public next month. Medium-sized and small versions of the stickers will also be produced for tap taps and automobile bumpers, respectively.

VI.2.2 – ACHIEVEMENTS

Unfortunately, funding for this campaign was not obtained as anticipated through the project to support the implementation of the DSNCRP funded and managed by the UNPD, for reasons beyond the control of the MPCE. All of the efforts made focused on the distribution of five (5) thousand copies of the DSNCRP, numerous sessions devoted to the presentation and restitution of the DSNCRP organized for managers in government ministries and public institutions, members of Parliament, the members of certain organizations in civil society at the central and regional levels, and numerous presentations on radio and television in the regions and the metropolitan area concerning the DSNCRP. Moreover, more than two thousand (2,000) copies of eight issues of a quarterly publication, *Les Cahiers du DSNCRP*, eight series of brochures on the contents of the DSNCRP and the first annual report on the implementation of the DSNCRP were produced and distributed in the 10 area departments of the country, and in the national and international press. All of the communications material has been posted on the ministry website (www.mpce.gouv.ht) for the general public.

CHAPTER VII: TOWARD A SECOND-GENERATION STRATEGY

The situation that the January 12, 2010 earthquake created afforded the government an opportunity to strengthen the long-term development statement aimed at making Haiti an emerging country by 2030. In this context, beyond the management of the emergency situation stemming from the earthquake, the government intends to pursue its efforts to structure development by relying, among other things, on the DSNCRP. To this end, it deems it necessary to ensure that the Action Plan for the Recovery and Development of Haiti (PARDH) launched in March 2010 for a period of twenty (20) years and the DSNCRP are put on the same footing. It should be noted that the PARDH hinges on four key themes: territorial reform, economic reform, social reform and institutional reform.

Territorial reform is contingent upon the identification, planning and management of new growth centers, the stimulation of local development, the reconstruction of the affected zones, the implementation of the economic infrastructure necessary for growth (roads, energy and communications), and the management of land that guarantees the protection of property and facilitates the advancement of major projects.

Economic reform, along with the development of key sectors, must target the modernization of those segments of the agricultural sector that have export potential, such as fruits and tubers, animal husbandry and fishing, with the objective of achieving food security, the development of professional construction sector, accompanied by antiseismic and anticyclonic legislation and regulations and application and control structures, the pursuit of manufacturing industry operations, and the organization of tourism development.

Social reform must prioritize, first and foremost, an education system that guarantees access to school for all children, offers vocational and university education geared to the need to modernize our economy, a healthcare system that ensures maximum coverage throughout the country, and social protection for wage earners and the most vulnerable members of society.

Institutional reform must immediately tackle the restoration of government institutions by prioritizing the most vital functions, the redefinition of our legal and regulatory framework to better adapt it to our needs, the establishment of a body that will have a mandate to manage reconstruction, and the establishment of a culture of transparency and accountability that makes corruption impracticable in Haiti.

This ideal to be attained over the next 20 years calls for the mobilization of all efforts and resources to “achieve the qualitative leap,” the theme of the National Growth and Poverty Reduction Strategy Paper (DSNCRP) presented in November 2007. The strategy continues to be a significant reference point in the statement of the objectives to be attained.

However, the January 12, 2010 earthquake marked a break with the approaches adopted until then. The scope of the problems to be resolved and the means to be mobilized call for new approaches and, indeed, a new form of cooperation, and mutual responsibility between Haiti and the international community in the anticipated outcomes. The process of preparing the DSNCRP II is now beginning more directly. In so doing, the stakeholders are aware that the preparation of the paper must take into account several factors, including the need to choose a methodology adapted to the country’s new sociopolitical situation, which will be in the midst of elections to renew the chamber of deputies, one third of the senate, and the presidential election slated for late 2010; the problem of obtaining in time new statistical data from the survey on the budget and household consumption (EBCM 2010) that is to indicate the new poverty thresholds to better target the poorest populations; and the basic determinants in the following statements drawn from the PARDH:

“We must act now but with a clear vision of the future. We must agree upon a short-term program while creating mechanisms that will make possible the detailed directives and implementation of programs and projects that will allow for the realization of initiatives over a period of 10 year.” PARDH, foreword, page 3

“The plan has two stages, the first one focusing on a period of 18 months that includes the end of the emergency period and the preparation of projects that will trigger a genuine revival. The second stage marks the beginning of a period of nine (9) years, thereby enabling us to take into account the three programming cycles of the national sustainable growth and poverty reduction strategies.” PARDH, page 5

The PARDH thus focuses on the key projects to revitalize and develop Haiti. At the conclusion of the New York Conference, the government prepared a detailed version of the paper. In so doing, it was established that the detailed version of the key projects to revitalize and develop Haiti will guide public initiatives in the coming years and, more specifically, the preparation of the next DSNCRPs. Consequently, the main input in the preparation of the DSNCRP II is the detailed version of the key projects.

Methodological framework for the preparation of the second-generation DSNCRP

Under the guidance of the Interministerial Executive Secretariat for the Coordination and Monitoring of Implementation (SECICSMO), a team of consultants and resource persons led by an international expert will be responsible for preparing the DSNCRP II accompanied by a Priority Initiatives Plan (PAP) and a Priority Investment plan (PIP).

The team of consultants and resource persons

To assist it in the preparation of the DSNCRP II, the SECICSMO requires the services of a team of consultants recruited locally comprising an economic development consultant, a social development consultant, a rural development consultant, a consultant in the realm of governance and institutional development, and a group of resource persons. The mandates, requisite qualifications, key outcomes anticipated and level of effort required have already been defined and described in the terms of reference.

Anticipated outcomes

The operational (immediate) outcomes anticipated are that the SECICSMO successfully prepares the DSNCRP II and that the country develops a new framework for coordinating its reform and sustainable development project.

The desired medium- and long-term development outcomes are that the guidelines essential to the reform of Haiti become stronger and that the foundation of Haiti's sustainable development is consolidated.

General procedure

Under the supervision of the SECICSMO, the local consultants will be accountable to the international expert, the team leader with whom they will work in close partnership. The consultants from the resource persons pool will be hired on an iterative basis, in light of changes in processes. Certain fields of specialization (but not all) will be cross-cutting. All of the consultants hired will be expected to confine themselves to contributions of a technical and

logistical nature and to contribute the experience acquired in similar situations since basic supervision concerning the contents, guidelines and choices is the responsibility of the direct stakeholders.

Procedure for selecting the consultants

Potential consultants will be drawn from the short lists drawn up by the SECICSMO and will be asked to submit their claims. They will thus be selected according to a competitive process. A selection committee will designate the winning consultants each time. The consultants and the resource persons will be selected in light of an assessment of their *curricula vitæ*.

Essential cross-cutting dimensions of the second-generation DSNCRP

Development of a critical mass of skills. As we noted earlier, even before the earthquake and its devastating consequences, the institutional context of the DSNCRP steering and monitoring mechanisms displayed an array of significant shortcomings, especially from the standpoint of capabilities and skills. A large number of the pool of skilled managers that existed in the country did not survive the tragedy that struck the country. It was already difficult in the past to assemble a critical mass of technical skills to implement the DSNCRP I, and it is all the more difficult today to an even greater extent. This means that the development of a critical mass of national skills is, in itself, a key cross-cutting dimension. To design programs and projects in an environment where few people can act upon the proposals assembled can be nothing more than a wasted effort.

Intelligent federation of certain key initiatives. The risk in action in general and in action centered on development in particular is to readily fall into the trap of thinking that any new strategic or even operational situation is obliged to reinvent the wheel, as though the past did not exist. Such an attitude would be counterproductive and inappropriate in Haiti's current situation. Fairly significant deliberations that are of some use have been carried out concerning Haiti's relationship with problems stemming from the (1) implementation of the Paris Declaration; (2) the least developed countries (LDCs); and (3) countries in fragile situations.

The preparation of the DSNCRP II must ensure that action is taken to capitalize on the conceptual, strategic and operational achievements of previous initiatives carried out in respect of the implementation in Haiti of the Paris Declaration, the Brussels Action Plan for the Least Developed Countries, and provisions concerning the principles of International Engagement in

Fragile States. Remedies must also be found to the shortcomings observed in the first-generation DSNCRP implementation mechanism, which must be included in the series of reinforcement measures concerning the operational and institutional framework of the DSNCRP II proposed in the preceding chapter.

Like many countries, Haiti is facing an acute problem, i.e. analytical capability in conjunction with monitoring of the growth and poverty reduction strategy. The country is aware of this reality and has attempted to equip itself with a number of operational instruments. Mention should be made, in particular, of the Haiti Statistics and Data Processing Institute (IHSI) and the National Poverty and Social Exclusion Laboratory (ONPES). The reinforcement of the two bodies is intended to serve as a key issue in the preparation of and monitoring of the DSNCRP II.

In December 2009, it was noted, among other things,¹⁶ that efforts had been made to improve the quality of the products generated, including the annual report of the ONPES, which is an important document in the DSNCRP monitoring mechanism. Unlike the preceding year, which witnessed major shortcomings inherent in the general system in the country, in particular with respect to access to statistical data, observers noted the emergence of promising new possibilities that boded well for ongoing improvement.

The fact remained that the ability to define as the monitoring and evaluation of the implementation of the DSNCRP was not achieved. Bearing in mind the problem of the availability of data from the sectorial ministries at that time, the ONPES could only assess the inputs. Even then, variations in the allocation of budgetary resources under the PIP were so minimal that the assessment range was very small. It was, therefore, necessary to take the requisite steps to properly frame the problem of the evaluation of the outcomes of the DSNCRP above and beyond the inputs. It was essential, at the very least, to define this question from the perspective of the DSNCRP II.

A second-generation DSNCRP presupposes that the ONPES is capable of satisfying essential needs respecting the production not only of conventional data but also in relation to the new fields of expertise and skills that are useful in terms of decision support on public policies, in particular in the realm of forecasting, strategic monitoring and more refined studies useful to assess the

¹⁶ Support for the Interministerial Executive Secretariat for the Coordination and Monitoring of Implementation of the National Growth and Poverty Reduction Strategy Paper and National Poverty and Social Exclusion Laboratory (mission report submitted to the Ministry of Planning and External Cooperation (MPCE) and to the Technical Assistance Project in Haiti (PATH), December 28, 2009.

effects of the DNSCRP. Needs in this respect are such that there is good reason to consolidate the ONPES' capacities accordingly.

Today, the goal is to make permanent the mechanisms for partnership among all of the stakeholders according to the key projects adopted under the Action Plan for the Recovery and Development of Haiti (PARDH) to support the Study and Programming Units (UEPs) in the government ministries. The Intersectorial Thematic Committees are being proposed to empower the stakeholders who are involved in the implementation of the DNSCRP.

The Intersectorial Thematic Committees (CTIs), chaired by the ministers concerned and comprising the ministries, public institutions, technical and financial partners and organizations in civil society concerned are responsible, by and large, for assessing sectorial policies in keeping with major projects and the national strategy to combat poverty; assessing institutional reforms; broadening measures to encourage and promote the private sector; drafting reports on the implementation of different policies respecting the implementation of major projects and the national sustainable growth and poverty reduction strategy; and assessing the monitoring and evaluation system at the sectorial level.

There are seven Intersectorial Thematic Committees (CTIs), which can be subdivided into the same number of Technical Working Groups (GTTs) in light of the themes adopted:

- the rural development, food security and environment committee, chaired by the Minister of Agriculture, Natural Resources and Rural Development;
- the social and population sectors committee, chaired by the Minister of Health and Social Protection;
- the economic infrastructure committee, chaired by the Minister of Public Works, Transport and Communications;
- the governance, institutional reforms and decentralization committee, chaired by the secretary general of the Prime Minister's office;
- the committee to promote the private sector, competitiveness and sustainable job creation, chaired by the Minister of Trade and Industry;
- the public finances, resource allocation, medium-term spending budgetary framework and medium-term sectorial expenditure framework committee, chaired by the Minister of the Economy and Finance;
- the committee for cross-cutting sectors and support for NGOs, chaired by the Minister of Planning and External Cooperation.

CHAPTER VIII: CONCLUSIONS

The three-year implementation of the National Growth and Poverty Reduction Strategy occurred in a less favorable environment than anticipated. Unforeseen factors jeopardized the objectives and the desired outcomes. Natural calamities, mainly damage from the hurricanes in 2008 and the January 12, 2010 earthquake, largely undermined the anticipated outcomes during the implementation of the DSNCRP. The January 12, 2010 earthquake reversed all expectations and caused damage and losses estimated at roughly 120 percent of GDP, which led to a 5.1-percent drop in growth in 2009-2010 according to preliminary estimates from the Haiti Statistics and Data Processing Institute (IHSI). The earthquake significantly affected poverty indicators and, consequently, called into question the initiatives to combat poverty, affected all economic sectors, and sorely tested all economic agents.

The macroeconomic performance anticipated during the period considered did not materialize. The outcomes targeted in terms of growth were not attained. The prospects for recovery stood at 9.5 percent of GDP for the 2008-2009 fiscal year, but the year was strongly affected by both domestic and external risk factors inherited from 2007-2008. Nonetheless, through the efforts undertaken and the initiatives carried out under the emergency program that the government adopted, a positive growth rate on the order of 2.5 percent of real GDP was maintained in the 2008-2009 fiscal year and growth accelerated in subsequent years to reach the 4.5 percent targeted in the strategy. The inflation rate should not exceed 11.5 percent annually and should be held under 10 percent in subsequent years.

At the conclusion of the three-year implementation period of the first-generation DSNCRP and despite the great ambitions pursued in the paper, it should be noted, above all, that the country experienced numerous impediments related to the political climate, bad weather and a major earthquake that are synonymous with instability and, consequently, are hindering the attainment of the initial objectives adopted in the DSNCRP.

As for the country's performance in relation to the Millennium Development Goals (MDGs), the outcomes differ significantly from the values revealed in MDG indicator trends. In this context, we can already anticipate that it will be difficult for the country to attain most of the MDGs by 2015. The Action Plan for the Recovery and Development of Haiti (PARDH) prepared by the government in the wake of the earthquake is a tool that will put the country on a new footing. Through its objectives of carrying out territorial, economic, social and institutional reforms, it will undoubtedly bestow fresh momentum upon the policy of attaining the MDGs.

With regard to the assessments of the populations benefiting from the measures stemming from the DSNCRP, it should be noted that satisfaction with the availability of, access to and quality of basic social services is deemed to be poor (68.9 percent of respondents).¹⁷ Dissatisfaction is more acute with income and purchasing power. Access to healthcare, drinking water, a healthy environment and sanitation remain very low in the opinions expressed. Over 79 percent of the respondents believe that access to legal identity documents, justice and security are still difficult.

However, there are pockets of satisfaction in the opinions expressed. The level of satisfaction is high with regard to the question of gender equality. Some 86 percent of the respondents deem the integration of women to be satisfactory. As for priority diseases such as tuberculosis and AIDS, the level of satisfaction is very high. The public perceives the management of infected individuals to be excellent. The responses mention unquestionable improvement in access to basic education. Individuals maintain that they perceive the authorities to be better managing the sector. There is some degree of optimism in the responses.

The individual assessments must be taken at their fair value in terms of the populations' expectations. However, the shocks stemming from cyclones Hannah, Gustav and Ike and the January 12, 2010 earthquake make it difficult to closely analyze the efficacy of the initiatives carried out over the past three years in the country under the DSNCRP. Small advances were quickly overwhelmed by the natural catastrophes. However, the assessments are warning lights to which decision-makers must apply the principle of precaution to ensure a better second-generation DSNCRP.

To directly foster their participation and strengthen relations between the State and society, the Haitian government must regularly make available to the public full information on poverty, in particular by means of awareness-raising campaigns (preferably in Creole); periodically seek the populations' opinions and take account of them so that the projects and initiatives implemented locally reflect their specific needs; heighten awareness, educate and support the public to promote a change of attitude, the emergence of entrepreneurship, respect for the environment, and so on. This approach will lead to the participatory, local democracy that the poorest citizens desire.

The preparation of the DSNCRP II must ensure that action is taken to capitalize on the conceptual, strategic and operational achievements of previous initiatives carried out in respect of the implementation in Haiti of the Paris Declaration, the Brussels Action Plan for the Least Developed Countries, and provisions concerning the principles of the International Engagement in Fragile States. Remedies must also be found to the shortcomings observed in the first-generation DSNCRP implementation mechanism, which must be included in the series of

¹⁷ 2008, 2009 and 2010 studies and surveys.

reinforcement measures concerning the operational and institutional framework of the DSNCRP II proposed in the preceding chapter.

Like many countries, Haiti is facing an acute problem, i.e. analytical capability in conjunction with monitoring of the sustainable growth and poverty reduction strategy. The country is aware of this reality and has attempted to equip itself with a number of operational instruments. Mention should be made, in particular, of the Haiti Statistics and Data Processing Institute (IHSDI) and the National Poverty and Social Exclusion Laboratory (ONPES). The reinforcement of the two bodies is intended to serve as a key factor in the preparation and monitoring of the DSNCRP II.

The ability to define the monitoring and evaluation of the implementation of the DSNCRP has obviously not been achieved. Bearing in mind the problem of the availability of data from the sectorial ministries, the ONPES can only assess the inputs and even then, variations in the allocation of budgetary resources under the PIP are so minimal that the assessment range was very small. It is, therefore, necessary to take the requisite steps to properly frame the problem of the evaluation of the outcomes of the DSNCRP above and beyond the inputs.

A second-generation DSNCRP presupposes that the ONPES is capable of satisfying essential needs respecting the production not only of conventional data but also in relation to the new fields of expertise and skills that are useful in terms of decision support on public policies, in particular in the realm of forecasting, strategic monitoring and more refined studies useful to assess the effects of the DSNCRP. Needs in this respect are such that there is good reason to consolidate the ONPES' capacities accordingly.

Lastly, the necessary decisions must be made promptly to substantially enhance the functioning of the operational DSNCRP coordination and monitoring framework by adopting the new institutional implementation mechanism whose specific objectives are to assess directives concerning sustainable growth and poverty reduction at the national, sectorial and regional levels or by field of activity; set the timetable for the formulation and adjustment of the national sustainable growth and poverty reduction strategy; examine and validate the results of deliberations on the preparation and adjustment of the national sustainable growth and poverty reduction strategy; examine and validate the periodic implementation reports; recommend the general or specific studies necessary to broaden policy components; examine and validate the system to monitor and evaluate the national sustainable growth and poverty reduction policy; and propose contracts of objectives with the private sector and civil society. This mechanism comprises the National Steering Committee (CNP); the Interministerial Orientation and Monitoring Committee (CIOS); the Permanent Executive Secretariat for coordination and monitoring (SEP); the Sectorial Thematic Committees (CTs); the Departmental Thematic Committees (CTDs); and two bodies, i.e. the national conferences of the DSNCRP and the collaboration framework with the development partners.

Appendix 1: Summary of changes in the macroeconomic framework during the period

Key aggregates	Objectives of the DSNCRP	Actual performance	Remarks
<p>The growth rate of real GDP</p>	<p>For 2007-2008 the target growth rate for GDP was 3.7 percent.</p> <p>For 2008-2009, the DSNCRP forecast 4 percent growth and acceleration in 2009-2010 to 4.5 percent.</p> <p>In subsequent years, average annual growth of 4 percent is anticipated.</p>	<p>The actual growth rate of real GDP stood at 0.8 percent in 2007-2008.</p> <p>In 2008-2009 it reached 2.9 percent.</p> <p>In 2009-2010, GDP was estimated at -5.1 percent according to the preliminary estimates of the IHESI.</p>	<p>In 2007-2008, growth objectives were adjusted several times in light of the specific contexts that arose (food crises, damage from hurricanes Fay, Gustav, Hanna and Ike).</p> <p>Growth initially stood at 2.5 percent, then 1.5 percent and, finally, only 0.8 percent. The year 2008-2009 was a bright spot in the economic morass (following a particularly difficult year), when growth reached 2.9 percent.</p> <p>The year 2009-2010, which might be seen to have consolidated what was gained in 2008-2009, was brutally upset with the January 2010 earthquake, which affected GDP by 120 percent.</p> <p>Overall, the maintenance of a stable macroeconomic framework was preserved although the objectives attained fell short of the DSNCRP forecasts.</p>
<p>The inflation rate</p>	<p>The inflation rate forecast in the DSNCRP was 8 percent in 2008.</p> <p>The target for 2008-2009 was 7 percent.</p> <p>The inflation rate forecast in 2009-2010 was still below 10 percent.</p> <p>The inflation rate is expected to be lower still starting in 2010.</p>	<p>Prices also varied markedly between 2008 and 2010 because of the domestic and external shocks recorded.</p> <p>In 2007-2008, inflation at the end of the period reached 19.8 percent, with an average rate of 14.3 percent.</p> <p>In 2008-2009, the inflation rate at the end of the period stood at -4.7 percent, for a yearly average of percent.</p> <p>In 2009-2010, the rate rose and the average annual rate stood at an estimated 4.6 percent.</p>	<p>In 2007-2008, inflation was especially significant because of various domestic and external factors (rising food and oil prices).</p> <p>In 2008-2009, marked disinflation occurred, compared with the spectacular 19.8 percent increase in late 2008. An inflation rate of 9.5 percent was anticipated.</p> <p>The inflation rate for 2009-2010 was especially noteworthy as regards the consumer price index for local and imported products. Indeed, at the beginning of the fiscal year, the local price index was low in light of a significant drop in the prices of imported products. However, in the wake of the earthquake, because of transportation, storage and handling problems stemming from disabled ports and airports and also the significant increase in imports of construction materials, the price index for imported</p>

			products climbed to almost double the local price index, e.g. in June 2010, the local products price index stood at 4.0 and the imported products price index, at 8.9.
The exchange rate	<p>During the implementation of the DSNCRP, the exchange rate stood at roughly 40 gourdes to the US dollar.</p> <p>The government adopted a flexible exchange rate.</p>	<p>Overall, the exchange rate tended to rise with periods of overheating when it stood at 35, 37, 40 and 41 gourdes to the US dollar between 2008 and 2010.</p> <p>At the end of the different fiscal years, the exchange stood</p>	<p>In 2007-2008 and 2008-2009, the exchange rate was expected to stand at around 41 gourdes.</p> <p>In 2009-2010, the exchange rate, which rose following the influx of external aid in response to the earthquake stabilized. Despite the shock of the earthquake, it remained at roughly 40 gourdes.</p>

Macroeconomic policies	<p>The macroeconomic objectives of the DSNCRP seek to create macroeconomic conditions favorable to the acceleration of growth and the pursuit of macroeconomic stability, conditions to attract investment, and the enhancement of the business climate.</p> <p>It also seeks to ensure the control over funding by the Central Bank of the central government.</p>	<p>During the three years of the DSNCRP, the macroeconomic objectives were maintained, by and large, despite social, political, economic and climatic upheavals that disturbed the provisions and measures adopted.</p> <p>However, delays were noted in the implementation of certain policies and reforms.</p> <p>At the same time, an overall upturn in private investment was observed during the three years in the mobile telephony, new information and communications technologies (NICTs) and tourism sectors.</p> <p>Public investment increased in agriculture, road infrastructure and electricity supply.</p> <p>The process of registering investments was reduced from 195 to 75 days.</p> <p>It should be noted that the shock of the January 2010 earthquake halted this trend.</p>	<p>The implementation of the DSNCRP witnessed the constant improvement of the macroeconomic framework from late 2004, in particular from the standpoint of public finances, control over inflation and the stabilization of the exchange rate. Prudent management of public finances and the flow of external aid enabled the public treasury to obtain the resources necessary to reimburse a portion of its commitments to the Central Bank. Inflation declined and the gourde appreciated in relation to the US dollar. However, despite the fall in rates on BRH8 bonds, the sluggish growth in credit in the private sector combined with delays in carrying out public spending meant that the anticipated level of growth in real GDP fell short of forecasts. Despite everything, macroeconomic performance was in keeping with forecasts.</p> <p>The safeguarding and maintenance of macroeconomic stability were achieved.</p> <p>The pursuit and finalization of structural reforms facilitated advancement toward the completion point under the PPTE and IADM in June 2009 and prospects for new resources to fund initiatives to combat poverty.</p>
Budgetary and fiscal policies	<p>Government revenues are modest.</p> <p>Tax revenues rose.</p>	<p>Public finance policy instruments improved the level of revenues and more extensively streamlined public spending. The investment credits earmarked for the pillars of the DSNCRP using funds from the public treasury rose.</p>	<p>Budgetary policy was to be more expansionary in 2009 than in preceding years.</p> <p>Both the customs and fiscal administrations were reinforced.</p>

	<p>The ratio of tax revenues to GDP barely exceeds 10 percent. In 2007, it stood at 10.1 percent and in 2008, at 9.9 percent.</p> <p>The deficit is small and the government does not resort to funding the budgetary deficit by the Central Bank.</p> <p>The tax and customs administrations have been reinforced.</p> <p>Public spending has been streamlined and controlled.</p> <p>In 2006-2007, total spending was equivalent to 11.8 percent of GDP, as against 11.5 percent in 2007-2008.</p> <p>The allocation of public spending was enhanced by regularly increasing the relative weight of spending allocated to public investment and by improving the targeting and execution of expenditures made in priority sectors.</p> <p>There was an overall surplus of 0.2 percent in 2007.</p> <p>In 2008, there was a deficit (including donations) of 2.8 percent of GDP.</p>	<p>Fiscal pressure rose to 14 percent in 2011.</p> <p>Reforms will be carried out to strengthen the institutional capacities of the tax administrations and enhance the effectiveness of their initiatives.</p> <p>Tax legislation was reviewed and updated.</p> <p>Customs control was reinforced throughout the territory, in particular in provincial ports, and tax scales were adjusted.</p> <p>For the period 2007-2011, the government expects to reduce current expenditures to 45.5 percent, on average, of overall public spending, thereby contributing to the determination of the budgetary space necessary to pursue the objectives set in the DSNCRP.</p> <p>Until 2011, it is anticipated that the deficit will stand at roughly -3 percent of GDP aside from donations, the overall government deficit should stand at approximately -6 percent of GDP in 2007 and should hover around -7 percent of GDP between 2007 and 2011.</p> <p>Projections for the period 2007-2011, based on historic trends, lead to levels of external donations ranging from 4 percent to 5 percent of GDP.</p>	<p>Total revenues were expected to increase to 10.5 percent of GDP in 2009.</p> <p>Expenditures were higher in 2009 because of infrastructure reconstruction and rehabilitation needs, the recapitalization of farmers who were the victims of bad weather, humanitarian spending, and the implementation of the DSNCRP.</p> <p>Total expenditures should rise to roughly 19.6 percent of GDP in 2009.</p> <p>The overall budget deficit (including donations) for 2009 should stand at 3.9 percent of GDP, although the budget deficit should begin to fall in 2010 to about 1.5 percent of GDP.</p>
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<p>Monetary policies</p>	<p>The monetary policy prepared under the DSNCRP seeks essentially to establish and maintain moderate inflation during the implementation period of the strategy and to guarantee low inflation.</p> <p>By maintaining this discipline, the government can avoid resorting to financing public deficits by the Central Bank.</p> <p>To contend with external shocks, the objective with respect to gross foreign exchange reserves is to accumulate the equivalent of three months of imports of goods and services.</p>	<p>The BRH bonds were the main monetary policy instruments under the DSNCRP.</p> <p>Between 2008 and 2010, the BRH pursued its prudent policy but with some degree of openness.</p> <p>Domestic credit has fallen significantly since January 2010.</p> <p>In 2010, foreign exchange reserves rose significantly to advance toward five months of imports.</p>	<p>In recent years, policies and measures have been adopted to bolster the stability of the financial system and the transparency and efficacy of monetary policy.</p> <p>Domestic and external monetary stability were assured through the reduction in the inflation rate and a stable exchange rate.</p> <p>Initiatives to revitalize credit in the private sector were carried out, in particular progress in the preparation of a national microfinance development policy, which can contribute to the fight against poverty and, consequently, revitalize private investment.</p> <p>An order in council was adopted to create treasury bonds of the Republic of Haiti to finance the government efficiently and in the long term. The annual growth rate in the money supply will be maintained at roughly 9.3 percent in 2009, above growth in nominal GDP.</p> <p>The monetary policy centered on mastery of core inflation by means of close control over the monetary base. The disinflation policy was pursued between 2008 and 2011 and in 2008-2009 it was particularly affected in an international context of recession stemming from the global financial crisis.</p> <p>The reforms to be undertaken by the Central Bank should clarify and reorganize the framework for executing the monetary policy so as to reinforce the mechanisms to transmit the monetary policy and enhance the efficacy of the instruments used.</p>
<p>Balance of payments</p>	<p>Without official transfers, the balance of day-to-day operations of the balance of payments, expressed as a percentage of GDP, would have recorded a deficit slightly higher than 6 percent of GDP.</p> <p>Exports of goods and services represented 11.8 percent of GDP in 2008 and imports, 40.0 percent.</p>	<p>Between 2007 and 2011, the deficit excluding official transfers should stand, on average, at around 8 percent of GDP, with a slight upward trend given the ongoing degradation of the trade balance.</p> <p>Estimates of the current deficit made for the period 2007-2011 assume that private capital flows from Haitians abroad constitute a permanent, generally stable component of Haiti's balance of payments.</p>	<p>In 2008, imports and exports were [...]</p> <p>In 2009, exports were estimated at 10.6 percent of GDP and imports, 38.5 percent.</p> <p>For the period, current transactions in the balance of payments were affected by:</p>

<p>Private transfers</p>	<p>The deficit in the balance of trade in goods and services stood at 7.3 percent of GDP in 2008.</p> <p>The increase in flows of current transfers and the anticipated increase in flows of direct foreign investments should facilitate this accumulation.</p> <p>When account is taken of these official transfers, the balance of the current account for 2007 would stand at just over 1 percent of GDP.</p> <p>The private transfers should represent nearly 20 percent of GDP in 2007 and remain at fairly comparable levels during the period.</p> <p>In recent decades, the balance of the current account has generally been less than 2 percent of GDP.</p>	<p>Private transfers from abroad rose 15 percent in 2006-2007 and 13.2 percent in 2007-2008. In 2008-2009, a -5.7 percent drop was recorded.</p> <p>In 2009-2010, the trend resumed.</p>	<ul style="list-style-type: none"> • a small increase in imports in relation to the preceding fiscal year; • an increase of over 15 percent in funds sent by Haitian emigrant workers; • a slowdown in growth in exports, which reflect difficulties stemming from the implementation of the HOPE act; • a 5-percent increase in official grants. <p>The drop in private transfers expected from abroad in 2009 is attributable to the impact on Haitian workers abroad of the international economic and financial crisis.</p>
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<p>General conclusion on the three-year implementation period of the DSNCRP and prospects in the preparation of the DSNCRP II</p>	<p>Tenacity in choices and initiatives</p>	<p>The analysis of performance in the implementation of the DSNCRP in 2008-2010 has revealed disengagement from the objectives pursued.</p> <p>Projections for the period 2007-2011 were maintained, although to describe the scenarios, average growth rates have been maintained until 2015 at 6 percent and 4 percent, respectively, for the basic best-case scenario.</p> <p>The scenarios can be distinguished essentially by the additional activities obtained during the last two years of the period, the increase in the levels of investment because of the Haitian economy's enhanced absorption capacity, and in the wake of an improvement in the level of resource mobilization.</p>	<p>Because of unfavorable, exogenous factors, to keep in perspective the improvement in the population's living conditions and the reduction of poverty, significant efforts must be made.</p> <p>The objectives must be pursued constantly and clear poverty reduction targets must be set.</p> <p>Directives must be unequivocal.</p>
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Appendix 2: Estimate of income poverty

Incidence of degrees of poverty (as a percentage of the population)	Approach		
	Threshold adjustment approach (1)	Elasticity approach (2)	Average (1) and (2)
Extreme poverty	38.0	37.8	37.9
Poverty	66.8	71.8	69.3
Incidence of degrees of poverty (as a percentage of households)			
Extremem poverty	31.2	28.9	30.1
Poverty	54.9	59.0	56.9

Source: Accion (2003: authors' calculations).