

Haiti: Poverty Reduction Strategy Paper Progress Report

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FIRST ANNUAL REPORT ON GPRSP IMPLEMENTATION

(2007-2008)

Making a Qualitative Leap
Forward*

February 2009

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LIST OF ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
ARV	Antiretroviral
BCG	Tuberculosis vaccine [<i>Bacille de Calmette et de Guérin</i>]
BDS	Departmental School Office [<i>Bureau Départemental Scolaire</i>]
CAP	Priority Arbitration Committee [<i>Comité d'Arbitrage des Priorités</i>]
CBO	Community-based Organization
CICSMO	Interministerial Committee for Implementation Coordination and Monitoring [<i>Comité Interministériel de Coordination et de Suivi de la Mise en Œuvre</i>]
COSI	Strategic Orientation Investment Council [<i>Conseil d'Orientation Stratégique de l'Investissement</i>]
CPD	Civil Protection Directorate
CSAFP	Higher Council for Government and Civil Service Affairs [<i>Conseil Supérieur de l'Administration et de la Fonction Publique</i>]
CSCCA	Supreme Court for Audits and Administrative Disputes
DAC	Donor Advisory Committee
DDE	Departmental Directorate for Education
DTP	Diphtheria, Tetanus, and Pertussis
EFA	Education for All
EFACAP	Basic School and Center for Pedagogical Support [<i>Ecole Fondamentale et Centre d'Appui Pédagogique</i>]
EPA	Economic Partnership Agreement
FAES	Economic and Social Assistance Fund [<i>Fonds d'Assistance Economique et Sociale</i>]
FIOP	Project Identification and Operation Card [<i>Fiche d'Identité et d'Opération de Projets</i>]
GAC	Community Group and Association
GDP	Gross Domestic Product
GPRS	Growth and Poverty Reduction Strategy
GPRSP	Growth and Poverty Reduction Strategy Paper
LA	Latin America
MDG	Millennium Development Goals
MEF	Ministry of Economy and Finance
MENFP	Ministry of National Education and Professional Training
MPCE	Ministry of Planning and External Cooperation
MTBF	Medium-Term Budgetary Framework
MTEF	Medium-Term Expenditure Framework
NGO	Non-Governmental Organization
NIC	National Investment Council
OMRH	Human Resource Management Office [<i>Office de Management des Ressources Humaines</i>]
ONPES	National Observatory on Poverty and Social Exclusion [<i>Observatoire National de la Pauvreté et de l'Exclusion Sociale</i>]
PAGE	Program to Support Economic Governance [<i>Programme d'Appui à la Gouvernance Economique</i>]
PARQUE	Support Program for Improvement of the Quality of Education [<i>Programme d'Appui au Renforcement de la Qualité de l'Education</i>]
PBG	Policy Base Grant
PDL	Local Development Program [<i>Programme de Développement Local</i>]
PIP	Public Investment Program
PLIP	GPRSP Priority Investment Plan [<i>Plan d'investissements Prioritaires du DSNCRP</i>]
PMCT	Prevention of Mother-to-Child Transmission
PNH	Haitian National Police [<i>Police Nationale d'Haïti</i>]
PPP	Purchasing Power Parity
PREH	Program to Strengthen Haiti's Economy [<i>Programme de Renforcement de l'Economie d'Haïti</i>]
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper

QPM	Qualitative Participatory Monitoring
SCDCSMO	Departmental Technical Subcommittee for Implementation Coordination and Monitoring [<i>Sous-Comité Technique Départemental de Coordination et de suivi de la mise en œuvre</i>]
SCTICSMO	Interministerial Subcommittee for Implementation Coordination and Monitoring [<i>Sous-comité Interministériel de Coordination et de Suivi de la Mise en Œuvre</i>]
SECICSMO	Executive Secretariat of the Interministerial Subcommittee for Implementation Coordination and Monitoring [<i>Secrétariat Exécutif du Comité Interministériel de Coordination et de Suivi de la Mise en Œuvre</i>]
SGS	<i>Société Générale de Surveillance</i> (inspection, verification, testing, and certification company)
SPGRD	Risk and Disaster Prevention and Management System
TDC	<i>Table Départementale de Concentration</i>
UEP	Design and Programming Unit [<i>Unité d'Etudes et de Programmation</i>]
UNCTAD	United Nations Conference on Trade and Development

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I. Executive Summary

1. The Republic of Haiti is facing major challenges owing to the commitments made and agreements signed with international partners with respect to reforms. In fact, Haiti made a commitment to undertake a series of reforms in the context of Poverty Reduction and Growth Facility (PRGF) programs, the completion point triggers for the Heavily Indebted Poor Countries (HIPC) Initiative, the Millennium Development Goals (MDGs) and, more specifically, the preparation of a Poverty Reduction Strategy Paper (PRSP).
2. The Haitian authorities therefore launched a series of actions with the aim of executing these reforms, for which quantitative and qualitative performance criteria were set and point to the achievement of noteworthy progress. The outcomes of these reforms suggest that Haiti has made significant progress toward achievement of the completion point under the Heavily Indebted Poor Countries (HIPC) Initiative, supported by the Poverty Reduction and Growth Facility (PRGF).
3. Having reached the decision point in October 2006, which enabled Haiti to benefit from interim debt relief vis-à-vis its debtors, the country implemented a large number of reforms aimed at receiving permanent debt relief, expected in June 2009, in addition to allocating greater resources to poverty reduction. In this regard, the participatory approach to the Growth and Poverty Reduction Strategy Paper (GPRSP) and its implementation, accompanied by a macroeconomic stabilization policy, represent an important step toward making the qualitative leap sought, with a view to achieving the country's sustainable development.
4. Needless to say, an ongoing effort is required to strengthen the impact of the Government's poverty-related efforts and the effective use of both national resources and development assistance. The Growth and Poverty Reduction Strategy Paper (GPRSP) should clearly be updated at regular intervals in order to adapt it to situations that may arise during the course of its execution. These annual implementation progress reports should be drafted and discussed at the national level and shared with international community partners, in particular the Bretton Woods Institutions.
5. The implementation context of the Poverty Reduction Strategy (PRS) since the time of its adoption by the Government in September 2007 has been characterized in particular by numerous events experienced by Haiti during the first year of implementation, which have jeopardized a number of objectives and results targeted for 2008. These events include the increase in food and fuel prices on the international market and four devastating hurricanes that hit the country in August and September 2008. The Government had to provide emergency humanitarian assistance as well as assistance to repair destroyed or damaged physical infrastructure.
6. In light of these events, the authorities had no choice but to revise the growth objectives targeted for 2007-2008. The projected GDP growth rate of 3.7 percent had to be revised downward to 1.5 percent, owing to persistently high food and oil prices on the international market since the end of the first six-month period, and its effects at the national level, as well as the disasters that struck the agricultural sector, infrastructure, and general

production in the wake of hurricanes Fay, Gustave, Hannah, and Ike, the damage of which was approximately 15 percent of GDP. The most recent preliminary estimates provided by the Haitian Institute of Statistics and Data Processing [Institut Haïtien de Statistiques et d'Informatique IHSI] pointed to an anemic growth rate of 1.3 percent in 2008. Owing to the aforementioned factors, 2008-2009 started in a less favorable context than the preceding fiscal year, with a projected growth rate of 2.5 percent.

7. Without a doubt, the damage caused by these hurricanes has reduced economic growth. The immediate reaction of the Government has been to launch a major emergency program using its own funds, in order to make the main roads traversable and to repair a number of health and school facilities, with the aim of ensuring the opening of schools and the resumption of agricultural production. Likewise, with a view to preserving the gains made over the past five years, the Government had to recalibrate its objectives and take appropriate measures to minimize the impact of the food crisis on the purchasing power of the poorest population sectors, lessen the damage wrought by the disasters, improve basic education and health services, and complete basic infrastructure in order to stimulate economic recovery, particularly agricultural production. These measures are in line with those set in the Growth and Poverty Reduction Strategy Paper (GPRSP), and the Program to Strengthen Haiti's Economy [Programme de Renforcement de l'Economie d'Haïti PREH] known as the gap program [programme de soudure] resulting from this strategy is an accelerator or supplement rather than a substitute for the entire government program. Consequently, it should not be construed as a reversal of course, but rather as an effort aimed at making up for losses resulting from the economic downturn.

8. The implementation mechanism, namely the National Investment Council (CNI), has a two-pronged structure: one is strategic and operates under the sponsorship of the President of Haiti and the arbitration of the Prime Minister and is composed of the Strategic Orientation Investment Council (COSI), the Donor Advisory Committee (DAC), and the Priority Arbitration Committee (CAP), and the other is operational and is chaired by the Ministry of Planning and External Cooperation (MCPE) and the Ministry of Economy and Finance (MEF), through the Interministerial Committee for Implementation Coordination and Monitoring (CICSMO), with assistance from an Executive Secretariat. These two levels include the main development partners, namely: the sectoral ministries, civil society, and international partners.

9. The Executive Secretariat of the Interministerial Subcommittee for Implementation Coordination and Monitoring (SECICSMO) provides coordination and operational monitoring of the strategy with the support of State and non-State entities at both the sectoral and territorial levels. In January 2008, the implementation process was started, based on the following main phases: organizational, feedback, awareness-building, ownership, and operational, which facilitated the establishment of coordination and monitoring entities, the organization of workshops, seminars, and feedback sessions, as well as awareness-building and ownership of the GPRSP with such different entities as civil society organizations and groups, ministerial officials, senior officials, and civil society representatives in the region.

10. The operationalization of implementation took place through priority action sectoral matrices, the listing of programs and projects under way corresponding to GPRSP priority actions, sectoral action plans resulting from priority action matrices that list the resources to be deployed by each sector, the Priority Investment Plan resulting from sectoral plans, the final choice of monitoring indicators of objectives, the results and impact of the GPRS executed

jointly with the various partner sectors, and the inclusion of programs and projects implementing GPRSP priority actions in the 2008-2009 Public Investment Program.

11. State modernization is continuing. Economic governance was improved with the institutional strengthening of the central government, review of the legal framework of a number of centralized public institutions, correction of the financial management and budgeting process and procedures, strengthening of the public procurement system, and ramped up efforts to combat corruption.

12. Given the myriad political, economic, and social challenges facing the country, growth prospects are, in general terms, modest for FY 2008-2009. The work to be done as well as the work currently under way mainly through the post-hurricane emergency program implemented immediately after these hurricanes and the adjustment program currently being prepared by the Government lead to the projection of a positive GDP growth rate on the order of 2.5 percent in 2009 and higher growth in subsequent years, the goal being achievement of the 4.5 percent rate initially targeted in the Growth and Poverty Reduction Strategy Paper (GPRSP).

13. In the context of Paris Club commitments, an automatic public expenditure monitoring mechanism specifically linked to poverty reduction was introduced in Haiti's general budget. This mechanism has facilitated the assessment of work done through Public Treasury appropriations allocated to various items related to employment, food security, energy supply, transportation, sanitation, drinking water, health, education, and social protection.

14. The recent natural disasters, which took a heavy toll on the homes and finances of households that were already vulnerable, exacerbated the poverty situation. In 1987, poverty statistics (in monetary terms), indicated that more than 60 percent of Haitians lived on less than US\$1 a day (extreme poverty) in the country as a whole. This situation improved slightly in 2000, when 48 percent of Haitians were living on less than US\$1 a day. The proportion of the population living in extreme poverty climbed to 55 percent in 2001, a seven-percentage point increase. The relative poverty index also changed considerably. In 1987, the proportion of the population living on less than US\$2 in PPP terms stood at 59.6 percent, while in 2001, this percentage stood at 76 percent. The monetary poverty situation indicates that the proportion of persons living in extreme poverty is increasing at a faster rate than the proportion of persons living in relative poverty. Also, income distribution remains a major concern in light of heightened inequality.

15. Positioning Haiti to overcome the time lag with respect to the Millennium Development Goals is one of the major challenges contained in the GPRSP. Thirteen of the fourteen impact monitoring indicators used to track the GPRSP are MDG indicators. However, we have good reason to question the possibility of achieving predefined targets. The available figures show that few of the MDG targets will be achieved by 2015, as the gaps that remain are too wide. Examples include maternal health, where the trend has been reversed (from progress to regression), and infant mortality, where progress is rather slow. However, other targets could be achieved if appropriate measures are taken in a timely manner. We note the progress made, albeit slowly, in reducing the percentage of the population without access to drinking water and reasonable trends in school enrollment and literacy rates in relation to the targets to be met.

16. In order to assess the result or effects of actions targeting growth and poverty

reduction, the methodology used consisted, in the areas for which new information is available relative to the information used to prepare the assessment provided in the GPRSP, of examining the direction of the trend yielding this new information. This approach is based on the fact that in general, an impact assessment has not yet been done of Government actions taken in the past twelve months. The main achievements during the first year of execution appear in Chapter IV of the report.

17. Some of the more relevant results according to GPRSP pillars, particularly for the priority sectors, show that many of the interventions took place in the agricultural sector (rehabilitation of irrigation systems, development of watersheds, distribution of inputs and agricultural tools); the infrastructure sector (repair and building of roads and bridges, urban and electricity rehabilitation); the educational sector (back-to-school subsidies, school cafeterias, construction and/or repair of schools); the health sector (repair of hospitals, vaccinations, combating HIV/AIDS); and the justice sector (construction and repair of courts and police stations).

18. Project financing which was, to some degree, synchronized with GPRSP pillars and objectives, accounted for 82 percent of total Public Investment Program (PIP) appropriations for FY 2007-2008 and for 87 percent of total Public Investment Program appropriations for FY 2008-2009. Because they were identified and prepared prior to drafting of the GPRSP, it is difficult to use performance indicators for these projects instead of the indicators identified in the Priority Investment Plan. Domestic financing declined from 13 percent for FY 2007-2008 to 12 percent for FY 2008-2009, while external resources rose from 87 percent to 88 percent during that same period. This funding during the first two years of GPRSP execution represents 51 percent of estimated project cost; consequently, 49 percent will have to be identified for the final year of execution.

19. GPRSP funding is not completely guaranteed for the first three years of its execution taking into account estimated needs and appropriations for FY 2007-2008 and FY 2008-2009. In fact, of the G 172,745,182,209 (US\$4,318, 629,555) in estimated costs, 51 percent of this amount was allocated to public investment programs for 2007-2008 and 2008-2009, leaving a shortfall of G 86,134,062,382 (US\$2,153,351,560), representing 49 percent of the estimated cost of the GPRSP.

20. This report is composed of six chapters. The first covers the context and the main implementation phases, as well as constraints, solutions, and prospects. The second presents the macroeconomic framework and discusses the recent economic situation, the outlook for 2009-2010, as well as the macroeconomic objectives for that period. The third chapter addresses the social situation for the period 2007-2008 using trends in poverty reduction expenditure and the millennium goals for Haiti's development. The fourth presents a number of specific results achieved in the priority sectors of agriculture, road infrastructure and electricity, education, health, and justice. The fifth chapter presents the monitoring and evaluation system established and the final chapter discusses the situation in February 2009 with respect to the completion point triggers.

II. Introduction

21. This document is the first annual report on implementation of the Growth and Poverty Reduction Strategy (GPRS). This strategy was prepared using a dynamic and open process in which civil society, development partners, and all public administrations participated and contributed once Haiti reached the decision point under the Heavily Indebted Poor Countries (HIPC) Initiative in October 2006. Validated by the Government following a national forum in September 2007, the GPRSP was submitted to the World Bank and International Monetary Fund, whose Executive Boards approved it in November 2007. This report covers the period October 1, 2007 to September 30, 2008.

22. This annual report reviews the main implementation phases from an institutional standpoint, presents trends in the macroeconomic and social situation in the country, and the main areas of progress during the first year of execution of the GPRSP, while analyzing the functioning of monitoring and evaluation mechanisms, and concludes with a progress report on completion point triggers.

23. The report is the product of collaboration among the sectoral ministries responsible for the application of the Government's public policies through the various sectoral priority action plans, the analysis of the National Observatory on Poverty and Social Exclusion (ONPES) on poverty trends and the Millennium Development Goals, as well as the monitoring of output indicators for the GPRSP and the Executive Secretariat of the Interministerial Committee for GPRSP Implementation Coordination and Monitoring (SECICSMO).

III. GPRSP Implementation

1. Context

24. The first Growth and Poverty Reduction Strategy Paper (GPRSP) for the Republic of Haiti covers a three-year period. Each year, the Government is required to submit an annual progress report (APR) in order to demonstrate the progress made with implementation of the strategy. Needless to say, an ongoing effort is required to enhance the impact of Government intervention in the area of poverty and the effective use of both domestic resources and development assistance. It is therefore important to update the Growth and Poverty Reduction Strategy at regular intervals in order to adapt it to situations that may arise during the course of its execution. These annual implementation progress reports should be drafted and discussed at the national level and submitted to the Bretton Woods Institutions.

25. The implementation context of the Poverty Reduction Strategy (PRS) since the time of its adoption by the Government in September 2007 has been characterized in particular by numerous events experienced by Haiti during the first year of implementation, which have jeopardized a number of the objectives and results targeted for 2008. We need only mention the riots in April 2008, sparked by the increase in food and fuel prices and the climate and humanitarian disasters resulting from the impact of the passage over Haiti of four devastating hurricanes in September 2008, prompting the Government to provide emergency humanitarian assistance as well as assistance with destroyed or damaged physical infrastructure.

Revision of the Macroeconomic Framework

26. The macroeconomic framework had to be revised to reflect the new situation. In fact, the initially targeted growth objectives (GDP - 3.7 percent) had to be revised downward (1.3 percent), owing to persistently high food and oil prices on the international market and its effects at the national level, as well as the disasters that struck the agricultural sector, infrastructure, and production in general in the wake of four successive hurricanes, the damage of which was estimated at approximately 15 percent of GDP. The inflation rate rose markedly, from 7.9 percent in September 2007 to 19.8 percent in September 2008. However, an inflation rate of 5 percent is projected for end-2009, compared to the estimated 9.5 percent rate (comparative table on trends in macroeconomic framework in Annex No. 1).

27. While the exchange rate was trending upward, ranging from an average of G 36 to G 40 to US\$1 between 2005 and 2006 when the document was drafted, an exchange rate of G 40 to US\$1 was used in the initial document, while the exchange rate projected for 2008-2009 is approximately G 40 to US\$1.

28. Macroeconomic policy projects cover essentially the 2007-2011 period, and seek to preserve and maintain macroeconomic stabilization. These policies also target the completion of structural reforms and the continuation of all measures furthering achievement of the completion point. However, objectives run the risk of being stymied by such factors as legislative elections, global food and fuel prices, and climate change taking into account Haiti's vulnerability in this area. However, under the scenarios provided in the initial document, average growth rates of 6 percent and 4 percent through 2015 were used, under an

optimistic scenario and a baseline scenario respectively (refer to pages 117 and 118 of the GPRSP).

29. In the fiscal and taxation spheres, targets have been revised in the area of revenues and expenditures, given that revenue objectives fell short of expectations and expenditure needs were greater. However, the need to raise taxes from 10 percent in 2006 to 14 percent in 2011 remained unchanged, as did the need to reduce current expenditure to an average of 45.5 percent of all public expenditure for the period 2007-2011. Fiscal policy will be more expansionary. In the monetary policy sphere, an inflation-targeting approach and exchange rate sterilization in the context of a flexible exchange rate policy are expected.

Readjustment of Initial Priorities

30. The damage caused by the hurricanes has, without a doubt, reduced economic growth and the immediate reaction of the Government has been to launch an emergency program using its own funds, in order to make the main roads traversable and to repair a number of health and school facilities, with the aim of ensuring the opening of schools and the resumption of agricultural production. This program did not, however, cover all losses, estimated at US\$1 billion or 15 percent of GDP.

31. Consequently, the Government, with a view to preserving the gains made over the past five years, had to readjust its objectives and take appropriate measures to minimize the impact of the food crisis on the purchasing power of the poorest population sectors, lessen the damage wrought by the disasters, improve basic education and health services, and complete basic infrastructure in order to stimulate economic recovery, particularly agricultural production.

32. These measures are in line with those set forth in the Growth and Poverty Reduction Strategy (GPRS), and the gap program, namely the Program to Strengthen Haiti's Economy (PREH) [programme de soudure] resulting from this strategy, is an accelerator or supplement rather than a substitute for the entire government policy. Consequently, it should not be construed as a reversal of course, but rather as an effort aimed at making up for losses resulting from the economic downturn.

33. This program consists of three main components: disaster and risk reduction, the growth vector pillar and human development pillar, taken directly from the GPRSP, and the third pillar, democratic governance, which is covered largely by projects already under way. The crosscutting policies fit into each area listed in the fast-acting program, which should cover the setbacks attributable to damaged infrastructure and provide the resources necessary to continue to provide basic services to the population.

Institutional Framework

34. The implementation mechanism, namely the National Investment Council (CNI), has a two-pronged structure: one is strategic and operates under the sponsorship of the President and the arbitration of the Prime Minister and is composed of the Strategic Orientation Investment Council (COSI), the Donor Advisory Committee (DAC), and the Priority Arbitration Committee (CAP), and the other is operational and is chaired by the Ministry of Planning and External Cooperation (MCPE) and the Ministry of Economy and Finance (MEF), through the Interministerial Committee for Implementation Coordination and Monitoring (CICSMO), with

assistance from an Executive Secretariat. These two levels serve as the main development partners, namely: the sectoral ministries, civil society, and donors.

35. The Executive Secretariat of the Interministerial Subcommittee for Implementation Coordination and Monitoring (SECICSMO) provides coordination and operational monitoring of the strategy with the support of State and non-State entities at both the sectoral and territorial levels. The institutional framework for GPRSP implementation listing its various entities and their respective responsibilities are shown in Annex 2.

2. Main Implementation Phases

36. In January 2008, the GPRSP implementation process was started based on the following main phases: organizational, feedback, awareness-building, ownership, and operational.

Organizational Phase

37. Strategic-level entities: the Strategic Orientation Investment Council (COSI), the Donor Advisory Committee (DAC), and the Priority Arbitration Committee (CAP) are not yet officially up and running. At the operational level, the Interministerial Committee for Implementation Coordination and Monitoring (CICSMO) is up and running and is chaired by the Minister of Planning and External Cooperation. The Executive Secretariat of CICSMO, the key entity for the entire implementation mechanism, the Interministerial Subcommittee for Sectoral Coordination and Monitoring (SCTICSMO), and the Departmental Subcommittees for Implementation Coordination and Monitoring in the regions (SCDCSMOs) have been established. SCTICSMO is holding its ninth monthly coordination and monitoring meeting. However, these two subcommittees are not yet fully up to speed, owing to the delayed submission of periodic sectoral implementation progress reports and sectoral work plans as a result of weak or non-existent Design and Programming Units (UEPs) in the ministries. The National Observatory on Poverty and Social Exclusion (ONPES), a unit in the Ministry of Planning and External Cooperation, has been established and handles, in conjunction with the Office for Economic and Social Planning of this Ministry, coordination of the GPRSP monitoring and evaluation mechanism.

Feedback, Awareness-building, and Ownership Phase

38. Activities are delayed owing to the lack of funding for the communications plan that has been prepared and is awaiting signing by the UNDP of the financing agreement in the context of the Project to Support GPRSP implementation. However, feedback, awareness-building, and ownership workshops have been organized in the ten departmental administrative centers [*chefs-lieux*] and are continuing at the invitation of a number of ministries and organized civil society groups. Similarly, a newspaper and brochures entitled “GPRSP Bulletins” disseminating information on the content of the GPRSP and providing information on the implementation process is continuing, with the publication of the issue No. 4 in the series. Moreover, three project planning and preparation training courses, geared toward officials in the Program and Design Units of ministries and the Ministry of Planning and External Cooperation, have been organized and others have already been planned for 2009.

Operational Phase

39. The following main activities have been conducted:

Preparation of the Inventory of Programs and Projects (IPPs) being executed and corresponding to GPRSP priority programs, with a view to collecting data that should facilitate assessment of the initial results of the execution of programs and projects during the first year of GPRSP implementation (see the list the public investment programs and project document at <http://www.mpce.gouv.ht>).

Preparation of Priority Action Sectoral Matrices in conjunction with the sectors involved, including a system organizing priorities and an analysis of the estimated cost of priority actions. The action matrices have been prepared based on the major works of the Government reorganized in three pillars and supported by targeted and crosscutting policies and strategies set forth in the GPRSP (see the Priority Action Matrices – GPRSP document at <http://www.mpce.gouv.ht>).

Preparation of the Priority Investment Plan (PIP) which sets forth the resources to be implemented, by area, to promote growth and combat the downward spiral into poverty and destitution being experienced in the country. This plan is the product of the Sectoral Priority Action Matrices and includes the programs and projects selected for the first three years of GPRSP execution (2008-2010) (see the GPRSP Priority Investment Plan for 2008-2010 document at <http://www.mpce.gouv.ht>).

Choice of GPRSP monitoring indicators made in conjunction with the various sectoral partners (see the main GPRSP monitoring indicators document, Annex No. 3).

Listing of PIP programs and projects for 2008-09 operationalizing GPRSP priority actions (See Public Investment Program for 2008-09 at <http://www.mpce.gouv.ht>).

3. Constraints, Solutions, and Prospects

Institutional Framework

40. The clear directives that should come from the strategic entities are not provided on a regular basis. However, the implementation process continues while awaiting any necessary

corrections from the strategic entities. Nonetheless, the different strategic entities are informed of the phases of the process, given that they are furnished with reports on monthly SCTICSMO meetings on a regular basis, as well as implementation progress guides and monthly progress reports. In addition, the Minister of Planning and External Cooperation keeps the Prime Minister and President of Haiti as well as the Donor Advisory Committee directly appraised of GPRSP implementation progress, based on a report from the Executive Secretariat of the Interministerial Committee for Coordination and Monitoring.

Statistical Information System

41. Despite the work done (household surveys, poverty map, and population survey), the statistical system is facing daunting problems in terms of the coordination of work and the generation of macroeconomic and sectoral statistics. It is hoped that the Memorandum of Understanding between the MEF and MPCE on a basic statistical project would alleviate this major problem. A program aimed at strengthening sectoral statistics in the various ministries would supplement work being done.

42. The output-based planning system (patterned after the MTEF), which facilitates assessment of the appropriateness of public expenditure in relation to GPRSP strategic orientations, is still not operating properly. In order to ensure better linkage between GPRSP orientation and the budget, the Medium Term Expenditure Framework (MTEF) and the Medium Term Budget Framework (MTBF) will be gradually introduced.

Capacity Building

43. In the context of technical support from the international community to Haiti, capacity-building of the Design and Planning Unit (UEP) of the priority sectoral ministries is expected. A lack of institutional capacity can jeopardize sound implementation of the Growth and Poverty Reduction Strategy. Technical support for “coordination of government action,” “coordination of development assistance,” and the “formulation of sectoral policy” is being sought.

44. The MCPE, through its various technical entities and with OPES support, is being mobilized in order to ensure coordinated monitoring of the execution of all the priority actions set forth in the GPRSP. Monitoring and evaluation instruments are designed in such a way as to ensure the monitoring of actions. Involvement of the MEF and sectoral institutions in activities upstream and throughout the process serves to guarantee a functioning coordination system. The set up and operationalization of the Design and Programming Units (UEPs) will strengthen the system.

45. In the area of qualitative participatory monitoring, the process is proceeding apace. The training of trainers by volunteers from grassroots organizations to collect data on the views of beneficiaries with respect to the impact of the GPRSP will supplement the annual sector program and project execution assessment. Ten new technical officials have just been recruited to strengthen the departmental offices of the MPCE, in particular with the training of Departmental Subcommittees for GPRSP Coordination and Monitoring and grassroots organizations in the area of institutional and technical capacity building, with a view to better representativeness.

4. Next Phases in Implementation

46. The following are the next phases of implementation: (i) Adaptation of the format of physical and financial progress reports for the programs and projects listed in the PIP so that they can be more closely aligned with GPRSP implementation monitoring and evaluation needs; (ii) Validation of the manual of procedures and operating methods of the entities involved with the GPRSP mechanism for implementation coordination and monitoring; (iii) Preparation of a basic common reference framework and its methodological support for the information system for GPRSP and MDG monitoring; and (iv) Mid-term evaluation of the GPRSP monitoring and coordination mechanisms.

IV. Macroeconomic Framework

1. Recent Economic Situation

47. Implementation of the Growth and Poverty Reduction Strategy (GPRSP) took place in an unstable environment, characterized in 2008 by intense shocks that greatly undermined the progress made in the area of poverty reduction. Following two years of significant improvement in the economic situation, with a positive GDP growth rate in real terms of 2.3 percent in 2006 and 3.4 percent in 2007, the growth rate fell to 1.3 percent in FY 2007-2008, while the inflation rate, projected to be under 10 percent, instead doubled, a factor that helped fuel a food crisis.

48. Per capita GDP remained below the GPRSP projection (See Table No. 1 below). As a result, little progress was made in the area of monetary poverty, while vulnerability increased as a result of the rise in the cost of living and the loss of capital resulting from the hurricanes, despite the efforts made to redistribute aid to the poorest and disaster-stricken population groups. Consequently, it is of vital importance to step up efforts if the poverty rate is to be reduced by 2011. In light of this, the projected growth rate of 2.5 percent for 2008-2009 is too low.

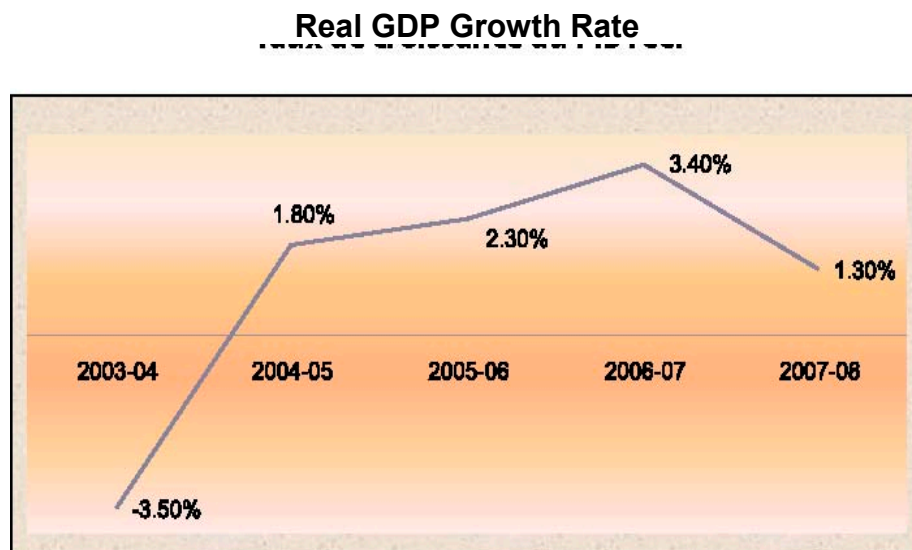
Table 1. Macroeconomic Performance and Monetary Poverty Indicators

	2005	2006	2007	2008	2009	2010	2011
Real GDP annual growth rate	1.8%	2.3%	3.4%	1.3%	2.5%	3.5%	4.5%
Inflation (average annual change) as a %	14.8%	14.2%	8.9%	14.3%	5.0%	8%	7.5%
Public savings as a % of GDP	1.3	0.9	1.0	0.1	0.1	1.0	1.0
Total revenue as a % of PIB	9.6 %	9.9%	10.1%	10.1%	10.5%	12.0%	14.0%
Total expenditure as a * of % GDP	10.1%	10.7%	11.8%	11.6%	11.0%	-	-
Current balance of payments excluding grants (% of GDP)	-1.6	-1.4	-0.4	-2.6	-3.6		-
Net foreign exchange reserves (in US\$ millions)	70.4	130.2	269.1	288.6	237.0	250	262
Annual change in the nominal exchange rate in relation to the US dollar as a %*	-1.56%	6.6 %	-9.8%	2.3%	2.5%	3.5%	4%
Projected baseline GPRSP	Per capita GDP growth rate		1.4%	2.4%	1.9%	1.9%	1.9%
	Projected poverty rate		55%	53.5%	52.4%	51.2%	50.2
Actual	Per capita GDP growth rate		1.1%	-0.8%	0.4%*	-	-
	Poverty rate		55.2	55.7	55.4**	-	-

Source: GPRSP and adjusted figures based on IHSI data and using the Ravallion elasticity formula; Ministry of Economy and Finance (MEF); Bank of the Republic of Haiti (BRH); and the Haitian Institute for Statistics and Data Processing (IHSI)

- Expenditure excluding external financing of investment projects.
 ** Figure based on a projected growth rate of 2.5% for 2008/09

49. The GDP growth rate of 3.7 percent projected for 2007-2008 had to be revised downward to 1.5 percent during the fiscal year (1.3 percent according to the latest IHSI projections) owing to the effects of the persistent rise in international food and fuel prices on domestic prices, the level of economic activity, as well as the damage inflicted on the agricultural sector by hurricanes Fay, Gustave, Hannah, and Ike, which reduced GDP by approximately 15 percent, according to a joint UNDP/EU/World Bank assessment. These events have resulted in a less favorable and more fragile situation for 2008-2009, all the more so since the international financial crisis is deepening and poses a threat to private transfers in particular, which account for approximately 17 percent of GDP and support household consumption.

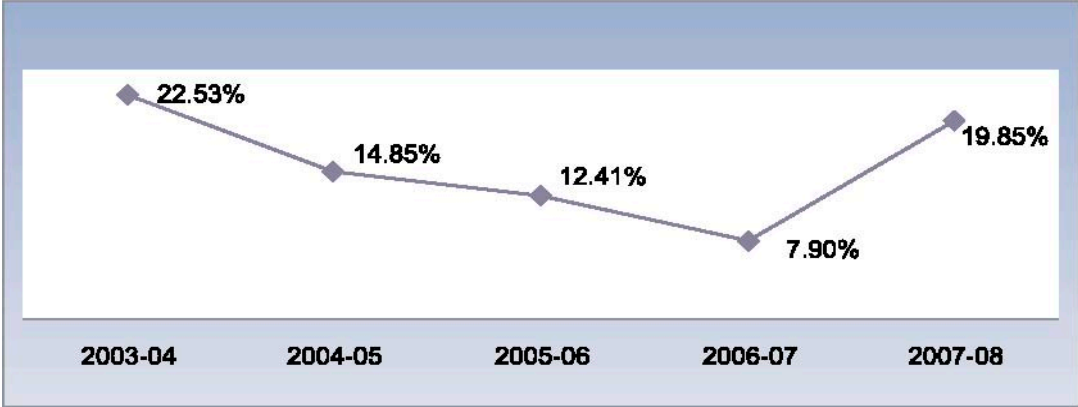


50. Despite these negative shocks, macroeconomic stability has been preserved in broad terms. The implementation of the program supported by the IMF under the Poverty Reduction and Growth Facility has been rated satisfactory, based on the fourth review of the program covering the fiscal year ending in September 2008. All quantitative performance criteria have been met, with the exception of those pertaining to the credit limit of the Central Bank to the non-financial public sector, which exceeded a mere 0.1 percent of GDP. Three of the five structural benchmarks were achieved.

51. The year-on-year inflation rate rose from 7.9 percent in September 2007 to 19.8 percent in September 2008, with a sharp increase since March 2008 owing mainly to external factors (international market prices) as well as internal factors (natural disasters, a more than 10 percent depreciation in the gourde). This level of inflation, triggered by a sharp rise in prices, primarily of food, drinks, and tobacco, which account for more than 50 percent in calculating the consumer price index, exerted great pressure on the budgets of households, 55

percent of whom already live in extreme poverty (less than G 40 per person, per day). The inflation rate, which started FY 2008-2009 with an 18 percent slowdown (the October rate), stood at 10.1 percent in December 2008. However, an average inflation rate of 9.5 percent for the entire year is projected if the downward trend in international oil and food prices continues, and efforts to support agricultural supply are not derailed.

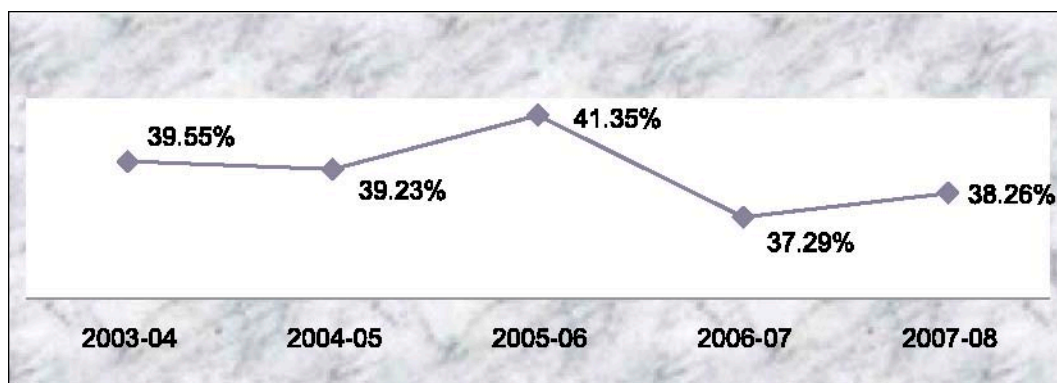
Year-on-Year Inflation (September)
Inflation en glissement annuel (septembre)



Source: BRH

52. The reduction in the Central Bank policy rate at the start of the fiscal year got credit flowing again. However, interest rates on the different maturities of Central Bank bonds during the second six-month period of FY2007-2008 had to be raised gradually owing to the tension noted on the exchange rate market largely because of the rise in international prices and internal demand for goods prompted by infrastructure investments. Consequently, the gourde, which was relatively stable during the first six months of the fiscal year, depreciated by more than 10 percent during that year. The BRH average exchange rate (buying), which stood at G 37.29 to US\$1 at end-September 2007, stood at G 38.26 at end-September 2008.

Trends in the BRH Average Exchange Rate (Buying)

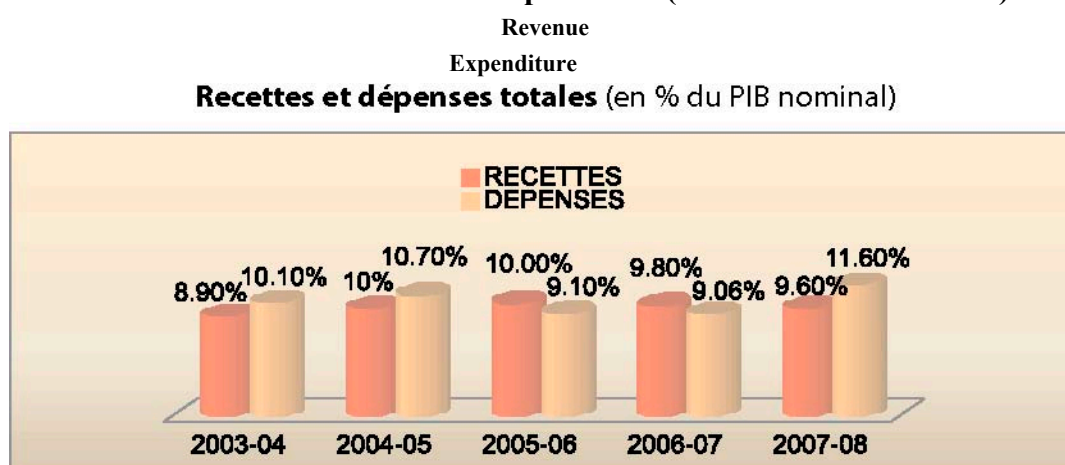


Source: BRH

53. Fiscal and budgetary policy orientation has made it possible to maintain the level of public investment, to respond to the food crisis in a various ways, and to address a number of emergency problems. Despite the negative impact of the slowdown on the growth in receipts, this policy has been aimed at preserving macroeconomic stability by controlling the budget deficit and strengthening expenditure execution. The budget deficit amounted to G 3.7 billion or 1.3 percent of GDP and is entirely funded by budgetary assistance provided in the form of loans and/or grants, although temporary funding from the Central Bank made it possible to cover a number of delays in the disbursement of foreign aid.

54. Tax and customs revenue increased by 16 percent, rising from G 23,197 million in 2006-2007 to G 26,849 million in FY 2007-2008. However, this revenue fell short of the projection of G 29,900 million contained in the initial budget for the fiscal year, owing to a temporary subsidy to cover petroleum product prices, estimated at more than G 2 billion (0.7 percent of GDP) in order to curb social tensions. Actual budgetary expenses of the Treasury rose from G 26,984 billion in 2006-2007 to G 30,606 billion in 2007-2008 (a 14 percent increase).

Trends in Total Revenue and Expenditure (as a % of nominal GDP)



Source: MEF

55. Public investments are channeled, on a priority basis, toward public works and activities to support agricultural production. Expenditure on wages have been high,

particularly in the areas of strengthening the justice system, increasing the salaries of civil servants by an average of 25 percent along with improving distribution by focusing on low wages, and providing a one-month cash bonus contribution to facilitate back-to-school needs. Subsidy programs have either been introduced or strengthened to help households cope with the crisis.

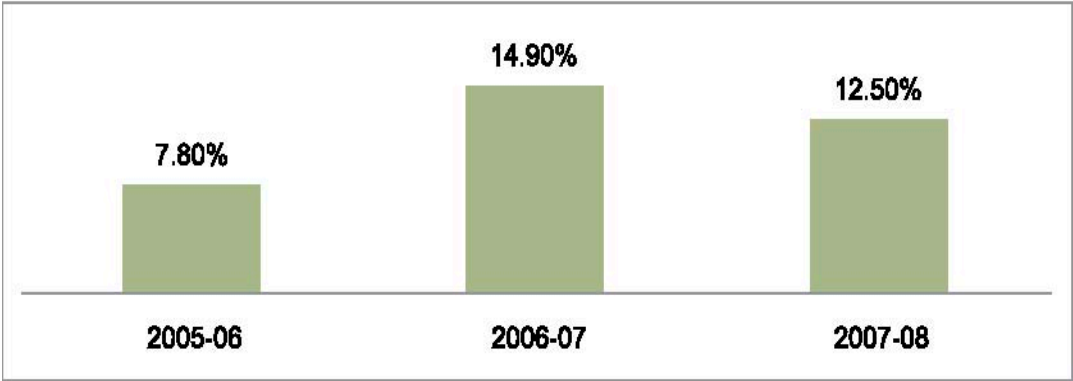
56. Subsidies are provided in many forms: a temporary subsidy on the price of imported rice, a subsidy on the price of energy through transfers to the EDH [Haitian Electricity company], a subsidy for school cafeterias, for textbooks, for various back-to-school needs, for seeds and fertilizers for farmers, and for transportation through the purchase of 300 new buses.

57. The balance of payments deficit has widened, increasing from -0.4 percent of GDP in 2007 to -2.6 percent of GDP in 2008, while the balance of trade deficit grew to approximately US\$353 million, owing to the 22 percent increase in the import of goods, stemming largely from the rise in oil and food prices on the international market, and from the importation of public works equipment, while the exports fell by nine percent, despite implementation of the Haitian Hemispheric Opportunity through Partnership Encouragement [HOPE] Act.

58. Private transfers, which had increased gradually in the three preceding years, declined to 12.5 percent, compared to 14.9 percent in 2006-2007. Although the global balance of payments has declined, a surplus remains, owing to financial contributions.

Private Unrequited Transfers

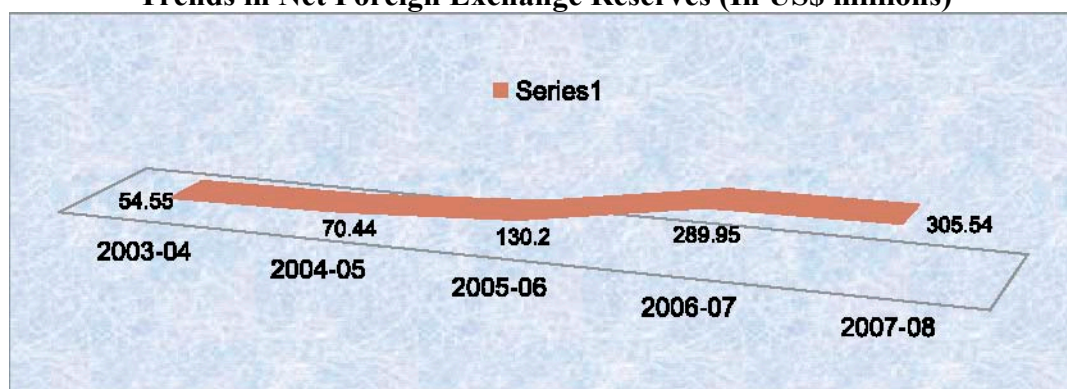
Transferts privés sans contrepartie



Source: BRH

59. BRH net foreign exchange reserves increased in FY 2007-2008. Totalling US\$269.1 million in September 2007, these reserves stood at US\$288.57 million in September 2008. During the early months of the first quarter of FY 2008-2009, net foreign exchange reserves were above US\$300 million.

Trends in Net Foreign Exchange Reserves (In US\$ millions)



Source: BRH

60. The banking sector was not really affected by the financial crisis and posted satisfactory results. Net profits increased and non-performing loans fell to under 10 percent, although the financial position of two small commercial banks deteriorated somewhat. An independent evaluation of the three biggest banks in the system confirmed that their situation was satisfactory, although the main State bank, BNC, had to be recapitalized after it purchased a failed bank last year.

61. The odds are high that Haiti will encounter problems honoring its foreign debt, based on a recent debt sustainability analysis conducted by the World Bank and IMF (February 2009). Its actual debt-to-export ratio is above the projected threshold (excluding intervention) for a long period in the baseline scenario and increases further when shocks are simulated. Its weak export base is the main factor explaining this vulnerability. However, a simulation shows that after the debt relief expected under the HIPC Initiative, including multilateral debt relief, Haiti's debt could fall below the sustainability threshold. The HIPC Initiative completion point had to be postponed until June 2009. Considerable progress has been made with reforms that have not yet been completed.

62. Efforts have been made to consolidate the gains made in the area of macroeconomic stabilization and to strengthen economic governance. The process of strengthening economic governance, which started in the context of the Program to Support Economic Governance [Programme d'Appui à la Gouvernance Economique PAGE], supported by several partners, continued with the implementation of various programs and agreements such as the Poverty Reduction and Growth Facility (PRGF), the Heavily Indebted Poor Countries (HIPC) Initiative, and the Policy Base Grant (PBG). Institutional strengthening of the central government is continuing with the implementation of decisions organizing the central government published in September 2005, the civil service law, and the overhaul of the legal framework of a number of central government institutions.

63. Strengthening public finance is continuing with the streamlining of financial management and budgeting procedures, improving the public procurement system by drafting a new law which is pending approval, completing the new Manual of Procedures for budget preparation, strengthening the accounting system with the assignment of public accountants to several institutions, thus facilitating better execution of public expenditure, and bolstering efforts to combat corruption, in particular with the enforcement of the law on the declaration of assets by a number of political figures and other public officials (February 18, 2008).

64. Public finance rehabilitation is progressing with the oversight of expenditures from current accounts which were kept at under ten percent of current expenditure, the reduction of current accounts to one per minister, the streamlining of staff within a number of public enterprises such as the Haitian Telecommunications Company [*Télécommunications d'Haïti S.A. TELECO*] and the National Port Authority [*Autorité Portuaire Nationale APN*]. Overhaul of the legal business framework under way and the strengthening of investment promotion entities are some of the initiatives aimed at fostering growth and poverty reduction.

2. Macroeconomic Outlook for 2009-2010

65. Haiti is facing a host of political, economic, and social challenges such as the steady decline in national production, weak human capital, degradation of its territorial space, low levels of public security, underperforming institutions, and a limited supply of public goods and services. Consequently, structured policies and projects need to be adopted and implemented urgently, financing of which calls for access to additional resources, which implies stepped up mobilization of national and external resources.

66. Broadly speaking, the growth outlook is modest, with GDP growth projected at 2.5 percent for FY 2008-2009. In fact, the fiscal year will be greatly affected by domestic and external risk factors carried over from FY 2007-2008. Not all areas of production will experience improved performance and healthy recovery owing to the shocks that occurred. Furthermore, despite the current decline in the price of petroleum products on the international market, uncertainty prevails. The impact of the global recession, particularly in the United States, and persistently high food prices will play a role in the slowdown in economic growth in 2008-2009. However, the Government has pledged to take the steps necessary to ensure achievement of the completion point expected in June 2009 and to continue with the reforms undertaken, with the aim of improving and strengthening the financial system, reinforcing the foundation for sustainable growth, and enhancing competitiveness.

3. Macroeconomic Objectives for 2009–2010

67. In light of the efforts undertaken and actions under way through the post-hurricane emergency program implemented by the Government, which focuses on humanitarian needs, infrastructure rehabilitation, and efforts to secure financing to carry out activities in the context of the GPRSP, the projected growth rate for FY 2008-2009 is capped at 2.5 percent of real GDP, with an increase in growth in subsequent years until it reaches the 4.5 percent target set in the GPRSP. The annual inflation rate could reach 5 percent for 2008-2009 and will always remain below 10 percent in subsequent years. The exchange rate is projected at G 40 [to the dollar] on average. In 2008, tax revenue, which stood at 10 percent of GDP, is projected to increase to 10.5 percent in 2009 and gradually climb to approximately 14 percent by 2011.

68. Macroeconomic policy is oriented toward: (i) Promoting sustained growth in the years ahead, generated by private initiatives targeting job creation while fostering and strengthening macroeconomic stability and building further the credibility established in recent years with respect to international partners by providing a predictable scorecard for the business sector and establishing an environment conducive to foreign direct investment; (ii) Pursuing and finalizing structural reforms with a view to enhancing public sector effectiveness, in particular through civil service and public enterprise reform; (iii) Improving economic governance through the efficient management of the financial, material, and human resources of the State, in a context of transparency; and (iv) Strengthening public finances through the combined improvement of the institutional capacity of the tax and customs administrations, expansion of the tax base while systematically combating tax evasion, fraud, corruption, and contraband, strengthening budget procedures, and continuing to implement public procurement procedures.

69. These reforms are aimed at increasing domestic resources through the implementation of appropriate fiscal measures and strengthening the capacity of collection entities. They seek to provide a framework that is conducive to investment and private initiative and to ensure that taxes and public services are equitable. These additional resources are necessary to boost investment expenditure, particularly in the area of poverty reduction.

70. An inflation-targeting monetary policy will be adopted. In this regard, the increase in base money will be controlled and, with the aim of helping the Haitian economy cope with shocks, the BRH will maintain a flexible exchange rate system.

71. Structural reforms will revolve around measures that have already been adopted and should be continued, along with new measures found to be appropriate, in particular measures that contribute to strengthening financial governance and bolstering autonomy in the monetary policy sphere.

Table 2. Selected Macroeconomic Indicators – 2005–2008

	2004/05	2005/06	2006/07	2007/08
Annual GDP growth rate in real terms	1.8%	2.5%	3.4%	1.3%
Annual GDP growth rate in nominal terms	19.7%	19.3%	14.5%	22.8%
Inflation rate (annual average) as a %	14.8%	14.2%	8.9%	14.3%
Public savings as a % of GDP	1.3%	0.9%	1.0%	0.1%
Total revenue as a % of GDP	9.6%	9.9%	10.1%	10.0%
Total expenditure as a % of GDP	10.1%	10.7%	11.8%	11.6%
Monetary financing (% of GDP)		0.14	0.49	0.17
Tax ratio	9.67	10.03	10.06	10%
Annual change in the money supply (M3) as a % of GDP	0.5	-9.4	-6.6	-4.2
Annual change in the currency in circulation as a % of GDP	1.4	-11.3	-9.42	-8.3
Annual change in the nominal exchange rate in relation to the United States dollar (as a %*)	-1.56	6.6	-9.8	2.3
Net foreign exchange reserves (in US\$ millions)	70.4	130.2	269.1	288.6
Export of goods and services (US \$ millions)	609.8	695.2	781.64	818.31
Import of goods and services (US \$ millions)	-1,644.8	-2,135.8	-2,318.6	-2,686.4
Current balance of payments (excluding grants) (as a % of GDP)	-1.6	-1.4	-0.4	-2.6

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

V. Social Situation

1. Trends in Poverty Reduction Expenditure

72. In the context of Paris Club commitments, an automatic public expenditure monitoring mechanism specifically linked to poverty reduction has been instituted through the general budget. The choice of areas of intervention was made based on budget expenditure by function, following the 2001 public finance statistics manual.

73. During FY 2006-2007 and FY 2007-2008, Public Treasury appropriations were allocated to poverty reduction, according to the various items, taking into account such major areas as employment, food security, energy supply, transportation, sanitation, drinking water, health, education, and social protection. These expenditures do not include external financing of small programs and projects in GPRSP implementation monitoring. In this regard, a mechanism should be found to remedy this deficiency.

74. In fact, for FY 2006-2007, G 8,868 million was spent out of a total appropriation of 9,860 million, 5,781 million of which went to operating expenses, and 3,088 million, to investment. For FY 2007-2008, an appropriation of G 15,141 million was allocated to poverty reduction expenditure and 13,135 million was actually spent, 11,543 million of which went to operating expenses, and 1,592 million, to investment. This situation attests to the Government's desire not only to honor its commitments, but also to take tangible steps to reduce poverty. The annual comparative analysis showed an increase in appropriations and expenditures allocated to poverty reduction. The share of appropriations rose from 31.2 percent to 42.14 percent during the years studied, and for expenditure commitments, from 30.9 percent to 41.4 percent (see Table No. 3 below). Expenditures allocated to employment were reduced at the expense of the expenditures channeled toward health and sanitation, education, transportation and energy, food security, and social protection. It bears noting that expenditures for education accounted for over 40 percent, while expenditures for health, sanitation, and social protection accounted for approximately 24 percent.

Table 3. Execution Status of Government Poverty Reduction Expenditure in 2006-2007 and 2007-2008

(In millions of gourdes)

	Appropriations 06-07	Total Expenditures 06-07	Appropriations 07-08	Total Expenditures 07-08
Employment	556.99	552.97	69.40	84.48
Food Security	570.21	445.68	804.58	1,133.27
Energy Supply	9.22	13.02	2,200.08	1,199.12
Transportation	1,473.10	548.22	2,082.55	713.92
Sanitation	397.35	281.77	454.27	447.79
Equipment and accommodation	500.29	1,524.37	354.95	233.69
Access to drinking water	28.62	11.49	51.45	37.45
Health	1,206.18	1,142.72	1,723.00	1,597.70
Education	4,563.68	4,134.82	6,110.33	5,329.78
Social Protection	554.53	213.21	1,291.03	1,016.53
Total expenditures/poverty	9,860.19	8,868.27	15,141.65	13,134.87
Total appropriations/expenditures/ Government	31,671.24	28,656.07	35,925.94	31,755.25
Share of poverty-related expenditure in relation to total expenditure	31.2%	30.94%	42.14%	41.36%

Source: Ministry of Economy and Finance.

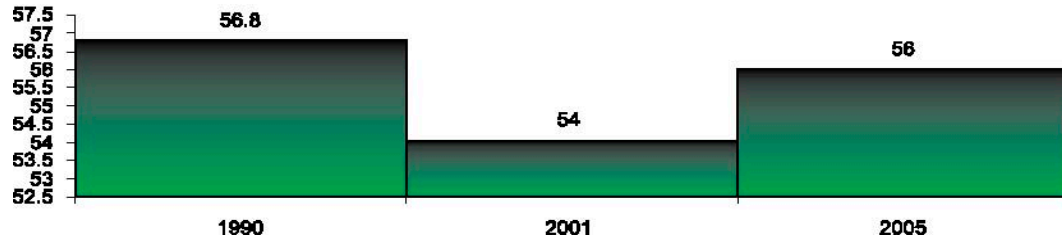
2. Trends in Poverty and Inequality

75. The most complete version of the Growth and Poverty Reduction Strategy Paper (GPRSP) attempts to set forth the public policies to be adopted to lift Haiti out of chronic monetary poverty. It covers both national and international policies and should help relieve the abject poverty existing in Haiti, which may worsen owing to the three-pronged global crisis in the spheres of finance, energy, and food, which is impacting the volume of unrequited transfers coming from the Haitian Diaspora. Moreover, the recent natural disasters have taken a very heavy toll on the physical and financial capital of households that were already in a vulnerable position.

76. According to 1990 statistics, 56.8 percent of Haitians in the country as a whole were living on less than US\$1 per day. There was a slight improvement in this extreme poverty situation (see Annexes 4 and 5) in 2001, with the rate falling to 54 percent. In 2005, the percentage of the population living in extreme poverty increased by two percentage points to 56 percent, as shown in Graph 1 below.

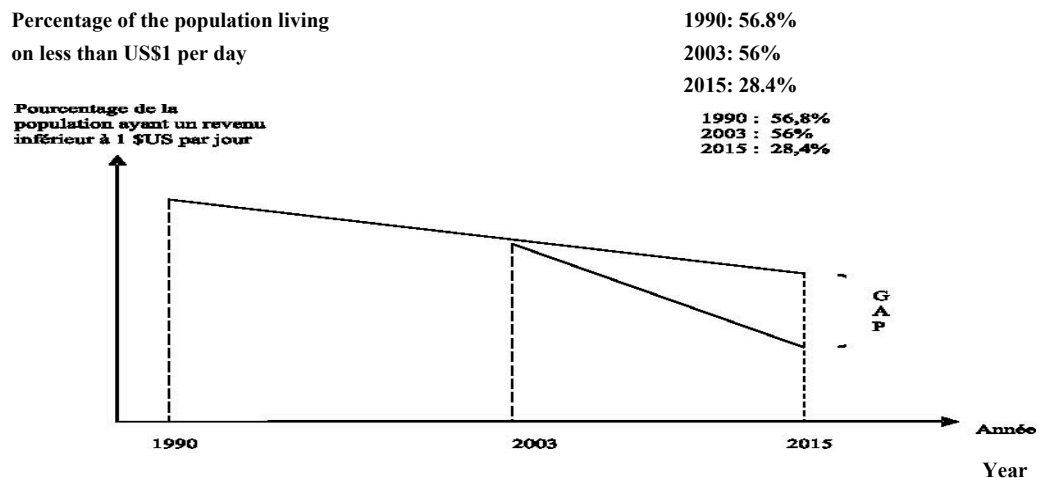
Graph I: Incidence of Extreme Poverty

Proportion of the population living on less than US\$1 (PPP) per day or incidence of extreme poverty
Proportion de la population disposant de moins d'un dollar PPA par jour ou incidence de la pauvreté extrême



Sources: FAFO/World Bank.

77. The recent trend observed in relation to MDG 1, namely, to halve the proportion of the population living on less than US\$1 per day between 1990 and 2015 is shown in the diagram below. It demonstrates that Haiti will not be able to achieve the 28.4 percent target.

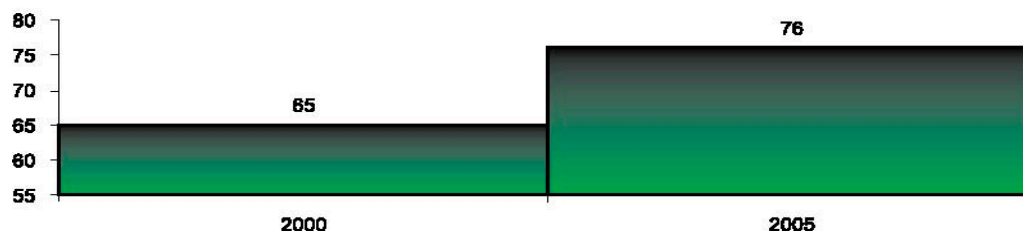


78. The poverty index has also changed considerably. In fact, in 2000, the proportion of the population living on less than US\$2 per day (PPP) stood at 65 percent. In 2005, the proportion of the Haitian population living on less than US\$2 per day surged to 76 percent, as demonstrated in Graph No. 2 below.

Graph II.

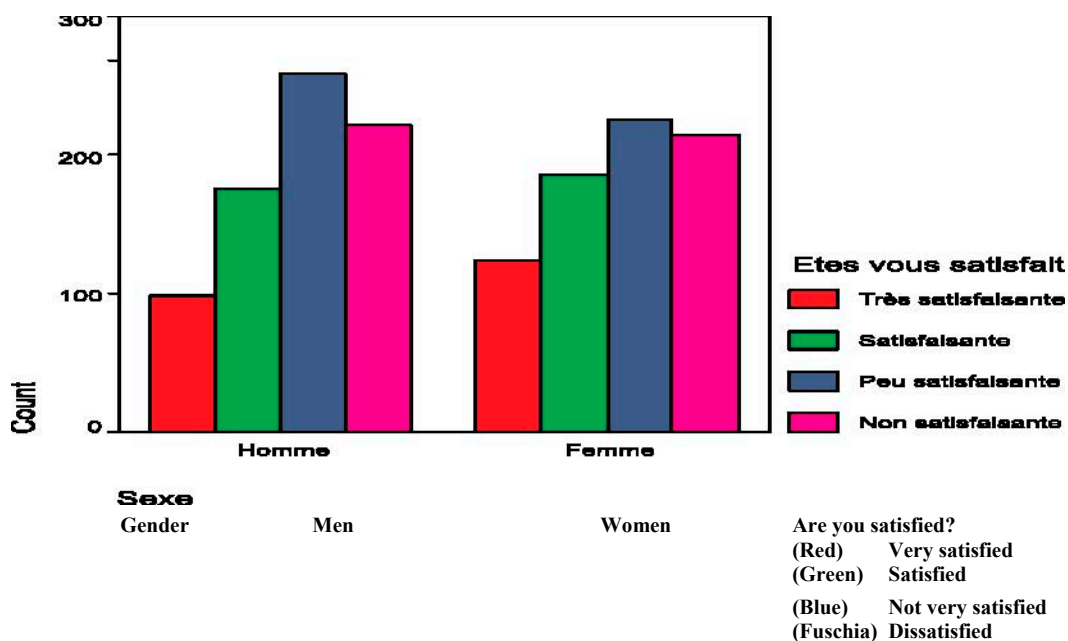
Proportion of the population living on less than US\$2 (PPP) per day or the incidence of overall poverty

Proportion de la population disposant de moins de deux dollars PPA par jour ou incidence de la pauvreté générale



Sources: FAFO/World Bank

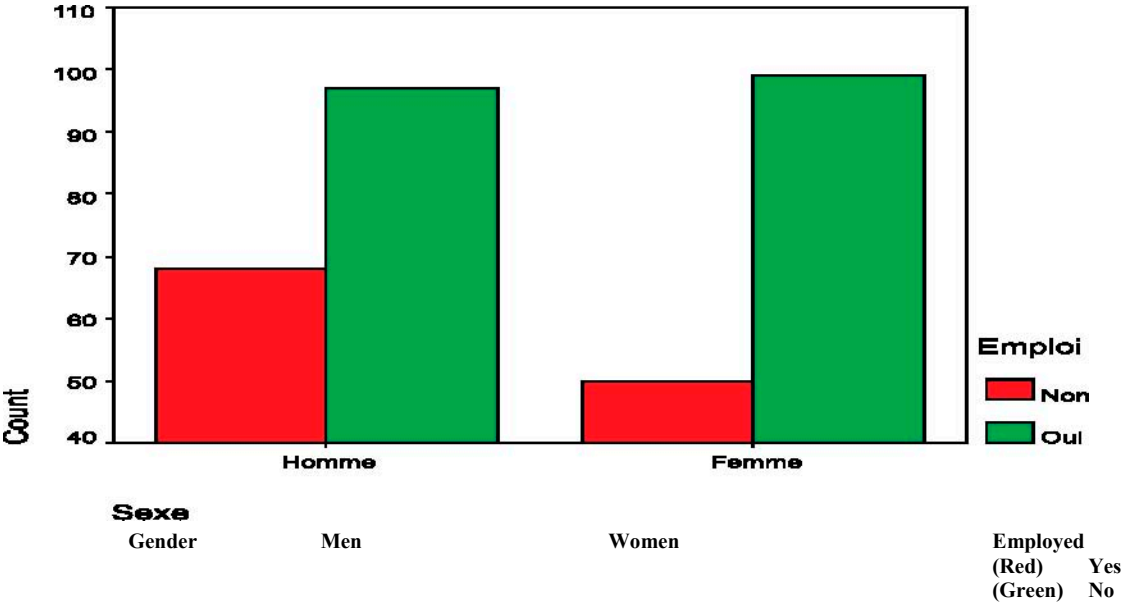
79. A comparative analysis of the most recent survey data available (Vanderbilt University - 2006 and 2008 in Annex No. 6) on the increase in poverty and vulnerability shows that of a sample of 1,536 persons in the various departments of the country, 14.8 percent, 24.1 percent, 32.1 percent, and 29.1 percent stated that they were very satisfied, satisfied, not very satisfied, or dissatisfied, respectively, with the standard of living in 2008.



80. However, the share of income of G 3,000 and under increased by approximately 30 percent between 2006 and 2008, while income in the range of G 30,000 – G 13,001 fell by 8 percent. People saved much more in 2006 than in 2008, when over 34 percent of people considered their income insufficient to satisfy their food needs. This shows that the situation has deteriorated over a mere two-year period. In 2008, almost 50 percent of the population surveyed was receiving transfers from abroad, while nearly 29 percent did not receive any in 2006. People depend much more on their families or friends in 2008 than they did in 2006.

81. Moreover, people spent over 45 percent of their transfer income on consumption and about 24 percent on education for their children in 2008, as shown in greater detail in the following table. Young people between 18 and 24 years of age were more likely to be living with their parents in 2006. The fact that this proportion decreased by 7 percent in 2008 shows that young people have become relatively more independent.

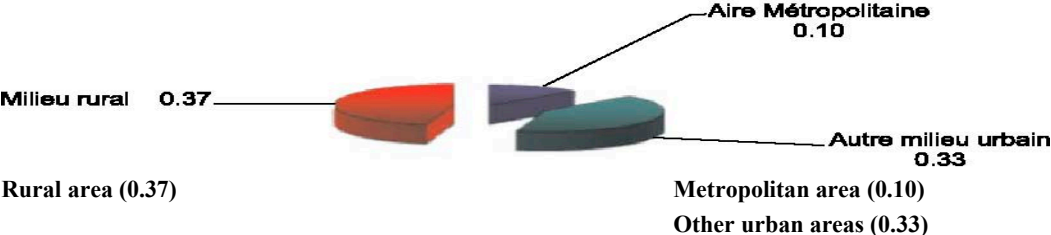
82. In terms of employment, 62 percent claimed to have a job in 2008, compared to about 37 percent who did not, while in 2006, 48 percent were unemployed, compared to 51.2 percent who had a job. Nonetheless, women are much less likely to be employed than men. Receiving a wage does not create entitlement to employment insurance, however, although the situation had improved by 2008.



83. It also remains true that poverty reduction entails measurement of this phenomenon and analysis of the causes. In 1987, monetary poverty statistics showed that 60 percent of Haitians lived on less than US\$1 per day throughout the country. This situation improved modestly in 2000, when 48 percent of Haitians lived on less than US\$1 per day. This proportion of the population living in extreme poverty climbed to 55 percent in 2001, an increase of 7 percentage points. The relative poverty index also changed considerably. In 1987, the proportion of the population living on less than US\$2 (PPP) stood at 59.6 percent, while in 2001, this percentage stood at 76 percent.

84. Haiti has a high, if not the highest, income disparity in the hemisphere. The Gini index, a statistical tool that serves as a measure inequality, stood at 0.63 in 2001. Moreover, the depth of extreme poverty during that year in the country as a whole stood at 0.31 percent. However, this indicator masks very high disparities by area of residence – it stands at 0.37 in rural areas compared to 0.33 and 0.10 in urban areas and in the Metropolitan area, respectively. (See Annex No. 6)

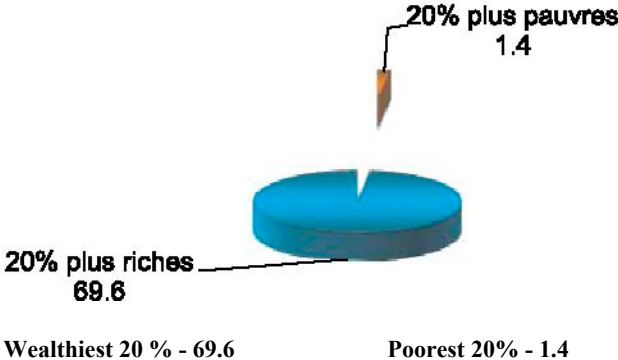
Depth of Poverty in 2005
Profondeur de la pauvreté en 2005



85. Other ways of measuring inequality is the use of quintiles, where the revenue quintile of the poorest indicates the share of national consumption or revenue going to the poorest 20 percent of the population and the revenue quintile of the wealthiest indicates the share going to the wealthiest 20 percent. Based on the survey on living conditions in Haiti (ECHV), the wealthiest 20 percent of the population holds 69.6 percent of wealth. At the other end of the spectrum, the poorest 20 percent holds 1.4 percent of wealth, as shown in the graph below.

Share of the poorest population quintile relative to the wealthiest quintile

Part du quintile le plus pauvre de la population par rapport à la part du quintile le plus riche



Source: ECVH, 2001

86. In 2001, two of the one hundred and thirty-five communes in Haiti (less than 1 percent) had access to an acceptable level of basic social services. In addition, more than 500,000 persons with disabilities are subject to different forms of exclusion. The monetary poverty situation reveals that the proportion of individuals living in extreme poverty is increasing at a faster rate than persons living in relative poverty. Also, income distribution was and still is a source of major concern, given the heightened inequality of incomes. The tax structure in Haiti is not helpful, inasmuch as it is largely based on indirect taxes, in particular the turnover tax (TCA), which imposes a greater burden on low-income households.

3. Trends in the Millennium Development Goals (MDGs)

87. One of the great challenges posed by the GPRSP is the desire to place Haiti in a position to overcome the lag with respect to the Millennium Development Goals (MDGs). Thirteen of the fourteen impact monitoring indicators are MDGs. However, we have good reason to question the possibility of achieving the predefined targets.

88. The available figures show that few of the MDG targets will be achieved by 2015, as the gaps that remain are too wide. Examples include maternal health, where the trend has reversed (from progress to regression), and infant mortality, where progress is rather slow. Other targets are not out of reach, however, provided that suitable measures are taken in a timely manner; for example, progress, albeit slow, is being made with the percentage of the population without access to drinking water; and the trends of school enrollment and literacy rates are reasonable in relation to the targets to be met. However, net primary school enrollment rates have changed fairly slowly; for this reason the 2015 target may not be achieved (see the table below showing trends and projections for 13 of the 48 MDG indicators in Annex No. 7). The literacy rate for both men and women between the ages of 15 and 24 are taken from PAHO/WHO estimates for 2000 and from the EMMUS IV survey for 2005-2006.

89. Some targets have already been attained or are about to be, such as the HIV prevalence rate which is showing a very promising trend (rapid progress), even though Haiti still has the highest prevalence in the region. Considerable progress has also been made in terms of the boy/girl ratio in primary and secondary education, which is already at parity. Table No. 4 below shows the trend of selected MDG indicators and their progress for the period 1990-2006.

Table 4. Values of Selected MDG Indicators (1990-2006)

Indicators	1990	1995	2000	2005-06	Targets for 2015	Progress	Gap to be bridged
Maternal mortality rate per 100,000 live births	457.0	474.0	520.0	630.0	114.0 ¹	regression	very large
Proportion of the urban population with access to an improved water source (%)	47.0	43.0	49.0	55.2	94.0	slow	large
Proportion of children under weight (%)	26.8	27.5	17.3	22.2	13.4	slow	large
Net primary school enrollment rate	36.4		54.3	49.6	100.0	slow	large
Literacy rate among 15-24 year olds	54.8		64.4	82.4	100.0	fast	small
Infant-juvenile mortality rate per 1,000 live births		140.6	137.7	86.0	60.0	slow	large
Child mortality rate per 1,000 live births	110.0	87.1	89.4	57.0	36.7	slow	large
HIV prevalence rate among the population		5.0	5.5	2.2	1.5	fast	small
Girl/boy ratio in primary education	0.9			1.0	1	fast	small

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

¹ The figures in green represent the targets to be achieved by 2015

90. It should be noted that development assistance provided to Haiti through external agencies is inadequate to meet the GPRSP objectives and is out of step with the principles of the Paris Declaration. As a result, MDG No. 8, calling for a global partnership for development, seems far from attainable by Haiti between now and 2015. Considering that the most recent GPRSP Priority Investment Plan cost estimates for the three years of execution stands at G 172,745,182, 209 or US\$4,318,629,555 and that the total appropriations for the first two years of execution stands at G 86,611,119,827 or US\$2,165,277,996, then the funding gap to meet GPRSP needs stands at G 86,611,119,827 or US\$2,153,351,560. For the Pillar 1 growth vector, the financing shortfall is 55 percent, while risks and disasters, which play a major role in targeted and crosscutting policies and strategies, have naturally assumed greater importance in this financing component owing to environmental degradation.

**Table 5. Estimated Needs, Appropriations, and Additional Financing
To be sought for the GPRSP**

GPRSP pillars	Needs indicated 08-10	Appropriations 07/08-08/09	GAP 09/10	% by pillar
Pillar I - Growth vectors	90,173,783,656	42,449,471,348	47,724,312,308	55%
Pillar II: Human development	28,983,329,657	17,908,276,205	11,075,053,452	13%
Pillar III: Democratic governance	6,300,663,519	3,309,999,165	2,990,664,354	4%
Targeted and Crosscutting Policies and Strategies	47,287,405,377	22,943,373,109	24,344,032,268	28%
Total	172,745,182,209	86,611,119,827	86,134,062,382	100%
%	100	51 %	49 %	

VI. Growth and Poverty Reduction Objectives and the Main Outcomes

1. Restatement of the growth and poverty reduction objectives

91. The long- and medium-term objectives set forth in the GPRSP are, respectively, to lift Haiti out of the LDC category over the next 15 years and to significantly improve the population's living conditions through better governance and the promotion of decentralized and equitable economic development led by public investment as a facilitator of private investment. The following four strategic themes are derived from these medium- and long-term objectives: (i) the promotion of sustainable and pro-poor economic growth; (ii) increased investment in human capital and improved access to basic social services; (iii) the protection of vulnerable groups, preservation of the environment, and management of major risks; and (iv) the strengthening of institutions, modernization of the State, and the promotion of good governance.

92. Existing public policies have produced significant gains, which include a stable macroeconomic framework, the reduction in insecurity, and modest but sustained economic growth over the past four years. However, the country continues to grapple with four main challenges as it strives to achieve its medium- and long-term vision: (i) building strong momentum in order to overcome the lag with respect to the Millennium Development Goals (MDGs) to move toward more meaningful social development; (ii) creating a modern, competitive economy with a broad territorial base in order to handle the rapid modernization of Caribbean economies, which is making it essential for Haiti to rebalance its competitiveness in a regional context; (iii) modernizing the State in order to place it, once and for all, at the

service of all citizens by calling for a greater effort to modernize and reshape the public management system; and (iv) making full use of two big comparative advantages, namely the cultural creativity and historical heritage of the Haitian people and the accessibility of the diaspora.

93. To remedy this situation, two major phases have been identified to produce sustainable results to stimulate growth and reduce poverty in Haiti in the coming decades. The first phase covers 2007 to 2009, the implementation period for the Poverty Reduction and Growth Facility (PRGF), and seeks to strengthen the macroeconomic framework, modernize agriculture and infrastructure, and promote greater social equity through education and health. The second phase, covering the 2010–2015 period, focuses on the search for accelerated, job-creating growth, as well as greater control over social development.

94. The Growth and Poverty Reduction Strategy is based on three priority pillars: (a) the need to reduce poverty based on four key areas or growth vectors, namely agriculture and rural development; tourism; infrastructure modernization; and science, technology and innovation; (ii) human development based on the significant increase in available opportunities, including social services provided to individuals so that they can better develop their capacities through education and vocational training; health; and water and sanitation; (iii) democratic governance, with priority being accorded to the establishment of the rule of law, especially in the area of justice and security, through the introduction of an equitable legal order, a functional judicial system, and an overall climate of security, conditions that are essential to growth and poverty reduction; and (iv) to these three priority pillars are added targeted and crosscutting policies and strategies covering food security, assumption of care of persons with disabilities, youth and sports, gender equity, the environment and sustainable development, risk and disaster management, intersectoral HIV/AIDS programs, State capacity building, urban development, territorial development, and culture.

95. These three priority pillars, as well as the crosscutting policies and strategies, are broken down into 20 overall objectives, 95 specific objectives, and 396 priority lines of action, which does not include those that were identified in the public finance reform matrix, and reflect the clear general objective of the GPRSP, which is to roll back poverty by ensuring the rapid and sustained growth of the Haitian economy in the coming years, and dampen structural inequalities (see Annex 8).

Main Achievements and Outcomes

96. In order to assess the tangible results of actions undertaken, the methodology entailed identification of the most significant actions conducted in the areas for which there was available information on the execution of projects related to the priority lines of action of the GPRSP. This approach is justified by the fact that, in general, actions implemented by the Government since the 2007–2008 period covering this report were identified prior to drafting of the GPRSP and, consequently, do not necessarily meet the selected eligibility criteria, and have generally not yet been subject to impact assessments. Maps indicating the location of interventions help identify the results in the main sectors.

97. Project financing which was, to some degree, synchronized with GRPSP pillars and objectives accounted for 82 percent of total Public Investment Program (PIP) appropriations for FY 2007–2008, and for 87 percent of total PIP appropriations for FY 2008–2009, although

they were identified and prepared prior to the drafting of the GPRSP. Moreover, appropriations to the projects consistent with the pillars of the GPRSP account for 13 percent and 87 percent of national resources and external resources, respectively, for FY 2007–2008, whereas they account for 12 percent and 88 percent, respectively, of these resources for FY 2008–2009 underway. Table No. 6 below shows the trends in appropriations for the two fiscal years under consideration.

Table 6. DISTRIBUTION OF CAPITAL INVESTMENT APPROPRIATION ACCORDING TO GPRSP PILLAR

	FY 2007–2008			FY 2008–2009		
	NR	ER	TOTAL	NR	ER	TOTAL
PILLAR I - GROWTH VECTORS	2,006,478,342	19,543,440,302	21,549,918,644	2,811,507,455	16,859,184,383	19,670,691,838
PILLAR II : HUMAN DEVELOPMENT	382,366,235	1,003,385,630	1,385,751,865	9,000,000	1,646,711,216	1,655,711,216
PILLAR III : DEMOCRATIC GOVERNANCE	250,313,551	6,382,413,016	6,632,726,567	175,250,000	10,913,639,458	11,088,889,458
TARGETED AND CROSSCUTTING POLICIES AND STRATEGIES	2,536,574,474	8,506,455,478	11,043,029,952	1,632,067,469	5,257,484,768	6,889,552,237
PIP APPROPRIATIONS TO THE GPRSP PILLARS	5,175,732,602	35,435,694,426	40,611,427,028	4,627,824,924	34,677,019,825	39,304,844,749
NR/TD			13%			12%
ER/TD			87%			88%
TOTAL PIP APPROPRIATIONS	6,264,533,001	42,969,740,187	49,234,273,188	6,188,941,490	38,842,506,970	45,031,484,600
GPRSP/PIP Projects OVERALL			82%			87%

2. Pillar 1. Growth Vectors Sectors

98. 1. Agriculture and Rural Development

Priority Actions	Achievements for FY 2007–2008
Improved land management and watershed protection	Three watersheds upgraded: Lamatry Jassa, Rivière Marion, and Rivière Canot
	Support and subsidy provided for the production of bamboo in Marmelade, Jacmel, and Cayes-Jacmel on 2,000 hectares
Stimulation of agricultural production	Support and subsidy provided for the revitalization of agricultural production, including coffee and fruits in Marmelade; food crops in Bas Plateau Central; and sweet potatoes, fruits, and vegetables in Jacmel and Cayes-Jacmel on 4,000 hectares
	1,350,000 coffee seedlings produced and distributed in the coffee-growing areas in the <i>départements</i> of Nord, Nord-Est, Centre, and Grande-Anse
	1,500 hectares of coffee plantations involved in combating the coffee cherry borer
	Three coffee cherry washing centers rehabilitated in Thiotte, Dondon, and Baptiste
	Four equipped coffee-tasting laboratories established in Thiotte, Dondon, Baptiste, and at the Faculty of Agronomy.
	Protection against the mango fruit fly provided
Rehabilitation and improvement of the major existing irrigation systems in order to facilitate the maximum tapping of their potential	Three irrigation systems rehabilitated: Maribaroux, Castel, and La Tannerie in Grande Rivière du Nord, Petite Rivière, and Torbeck, respectively, for the irrigation of 3,000 hectares

98.2. Infrastructure: Roads and Electricity

Priority Actions	Achievements for FY 2007–2008
Poverty reduction actions: Rehabilitation of urban and rural roads and drinking water supply systems	Roads in Port-au-Prince renovated with the expansion of sidewalks
Rehabilitation and maintenance of roads to support agriculture and tourism	504 kilometers of roads and segments of connecting roads linking isolated towns rehabilitated and maintained to support agriculture and tourism
Rehabilitation of national roads	Studies launched on the rehabilitation or construction of new road segments covering a total of 370 kilometers
Rehabilitation of airports	Airports in Port-au-Prince, Cap-Haitien, and Jacmel rehabilitated and modernized
Regional integration with the Dominican Republic through the development of the road network	75 kilometers of the Cap-Ouanaminthe road constructed
	30 sets of traffic lights installed in Port-au-Prince, St-Marc, and other provincial cities
	350 trash receptacles installed in Port-au-Prince
Increase in existing capacity through an equipment purchase strategy that minimizes the burden of the oil bill	Three thermal power plants in Port-au-Prince, Cap-Haitien, and Gonaïves, each with a capacity of 30 Mgw for a total of 90 Mgw, constructed and brought into service.

3. Pillar II. Human Development Sectors

99.1. Education and Vocational Training

Priority Actions	Achievements for FY 2007–2008
Creation and outfitting of new seated spaces in primary school	14 new classrooms constructed and 34 others rebuilt
	149 classrooms furnished
	101 classrooms rehabilitated
Launch of a literacy training program for the 19-30 and 31-55 age groups	2,421 literacy centers established
Continuation of the process of introducing EFACAPs, increasing their number by 35 in 2008	5 EFACAPs in Kenscoff, Thomazeau, Bonneau, Butete, Meyer, and Ouanaminthe constructed and equipped. Of a total of 17 planned EFACAPs, 10 have been in operation since January across the country.
	210 local management committees established in the 10 EFACAP networks
Continuing training of teachers and school principals	1,930 education officers trained
	Teaching contracts implemented and finalized in 210 schools
Transformation of the school inspection offices (BDSs) into units for the coordination and management of education and training at the school district level	10 new BDSs constructed, upgraded, and brought into service
	10 new BDSs under construction
	200 school inspection and zonal offices equipped
Public financing mechanism to help poor families pay private school fees for the education of 50,000 children not enrolled in primary school	The program is underway and over 35,000 children are benefiting from it.

99.2. Health

Priority Actions	Achievements for FY 2007–2008
Rehabilitation of the departmental referral hospitals	5 hospitals (Cap-Haitien, Trou du Nord, Ouanaminthe, Jérémie, and Cayes) rehabilitated
Rehabilitation and construction of health centers with beds	5 five health centers (Acul du Nord, Ile Cayemite, Port-à-Piment, Marbial, and Grand Boucan) constructed and upgraded
	Equipment and materials provided to 11 new health centers
Assumption of care for STIs/HIV, tuberculosis, malaria/filariasis and zoonosis	1,365 HIV-positive pregnant women received ARV prophylaxis, accounting for 27 percent for FY 2007–2008. The goal of 10-15 percent was easily met.
	10 percent improvement between 2005 and 2008 in the immunization coverage for BCG and DTP
Assumption of care	Increase from 24 percent in 2006 to 30 percent in 2008 in the percentage of women giving birth with assistance from medical personnel
Increase by at least 10 percentage points of immunization rates for DPT3, BCG, and measles for 2005–2008	98 percent coverage for measles during the elimination campaign that began in 2007. Expanded vaccination program supported by the available comparative table for immunization coverage during 2006–2007
Approval by the Government of a national policy, a strategic plan, and an operational plan for HIV/AIDS prevention and treatment	The Government approved the national policy, the strategic plan, and an integrated operational plan.

4. Pillar III. Democratic Governance Sectors

100.1. Justice and Public Security

Priority Actions	Achievements for FY 2007–2008
Reform and restructuring of civil status services	800,000 new national identification cards issued
Reorganization of the Ministry	The Supreme Judicial Council [<i>Conseil Supérieur de la Magistrature</i>] and the Supreme Council of the Judicial Branch [<i>Conseil Supérieur du Pouvoir Judiciaire</i>] established
Establishment of the EMA Board of Directors	The Legal Service Training College [<i>Ecole de la Magistrature</i>] reopened
Protection of human rights	1,500 persons released from custody
Crime prevention	3,000 young people benefited from the Disarmament, Demobilization, and Reintegration Program
Improvement of police infrastructure	20 police stations rehabilitated/constructed; 120 police vehicles equipped

100.2. Local Governance

Priority Actions	Achievements for FY 2007–2008
Strengthening of the delegations for the <i>départements</i> and the <i>arrondissements</i>	9 administrative complexes under construction in 9 departmental administrative centers
Gradual improvement in governance in the communes and support to the municipal councils	5 city halls constructed for municipal government offices
	15 offices constructed for the local government councils [<i>Conseils d'Administration des Sections Communales CASECs</i>]
	In 19 communes, survey initiated of properties constructed through awareness building among/mobilization of the population, acquisition of materials, and training of all surveyors (1,041) and supervisors (149) involved in data collection and the launch of the process
	10 training seminars organized for mayors
	145 administrative support personnel recruited to oversee commune-level administrations



PROJETS D'INFRASTRUCTURES AGRICOLES

En cohérence avec les objectifs du DSNCRP (2008 - 2010)

Infrastructures Agricoles Projets du MARNDR

projets	Département
Projet sectoriel irrigation PPI zone Saint-Marc	ARTIBONITE
Réhabilitation système d'irrigation Liencourt et Maury/Dept. Artibonite	ARTIBONITE
Entretien du système d'irrigation de Ranjel Grande-Anse	GRANDE ANSE
Irrigation Latamerie Grande Rivière du Nord	NORD
Irrigation Marbaroux (Fertier)	NORD-EST
Réhabilitation et protection du système d'irrigation d'AVEZAC dans la plaine des cayes	SUD
Réhabilitation du système d'irrigation de castel (coq chante/Claemel)	SUD-EST
Réhabilitation périmètre irrigué Jean David à Cayes Jacmel et intensification production bananière	SUD-EST
Réhabilitation du système d'irrigation de BONNAU JEAN DAVID dans le Sud-Est	SUD-EST

Légende

- Zone d'intervention en infrastructure Agricole
- Chef-lieu département
- Chef-lieu commune
- Réseau routier
- Nationale
- Départementale
- Limites administratives
- limites communales
- Limites départementales

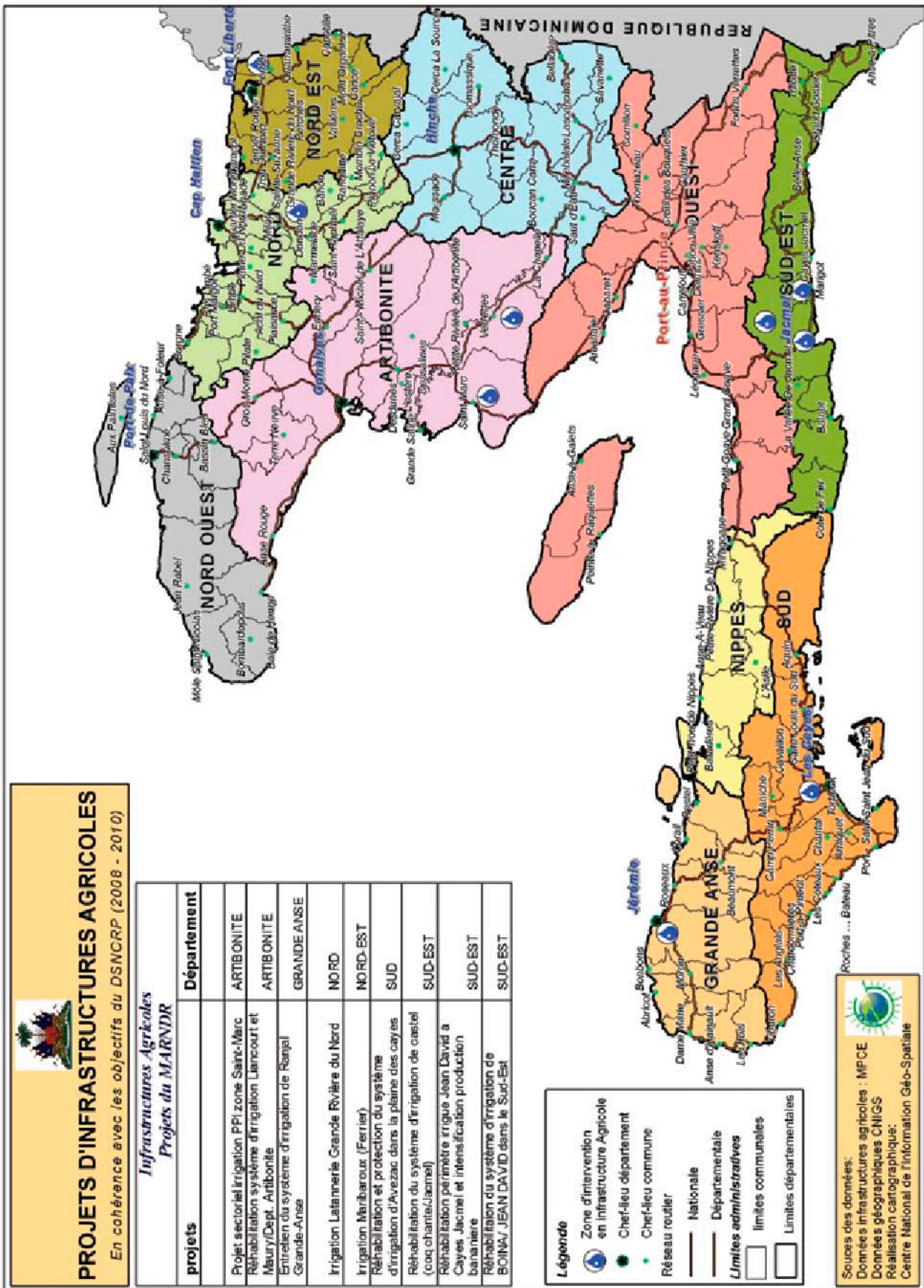
Sources des données:

Données infrastructures agricoles : MFCE

Données géographiques CNIGS

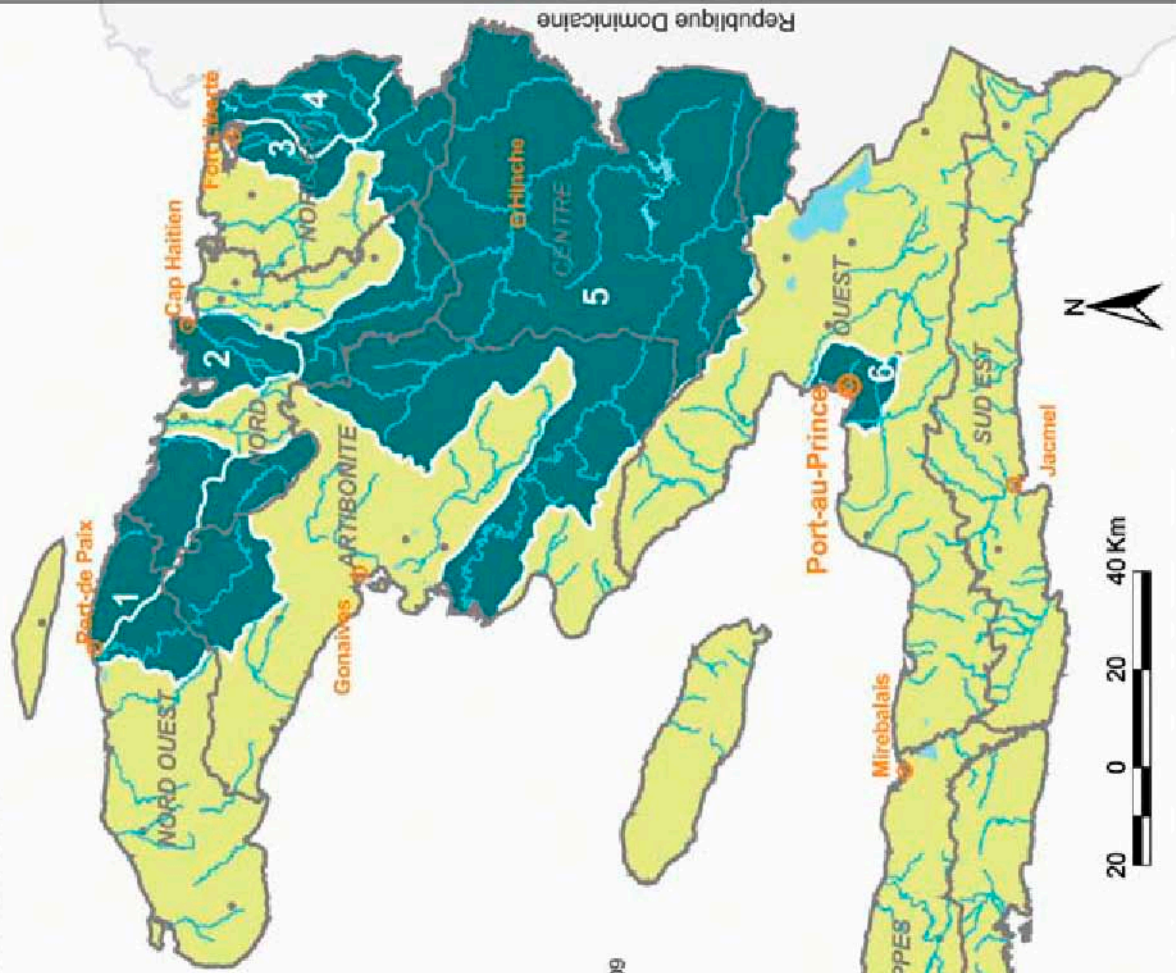
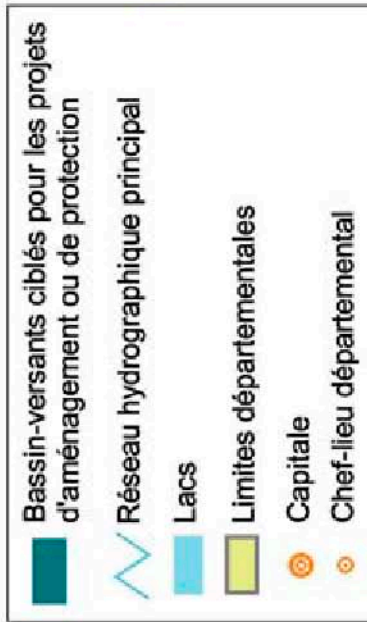
Réalisation cartographique:

Centre National de l'Information Géospatiale



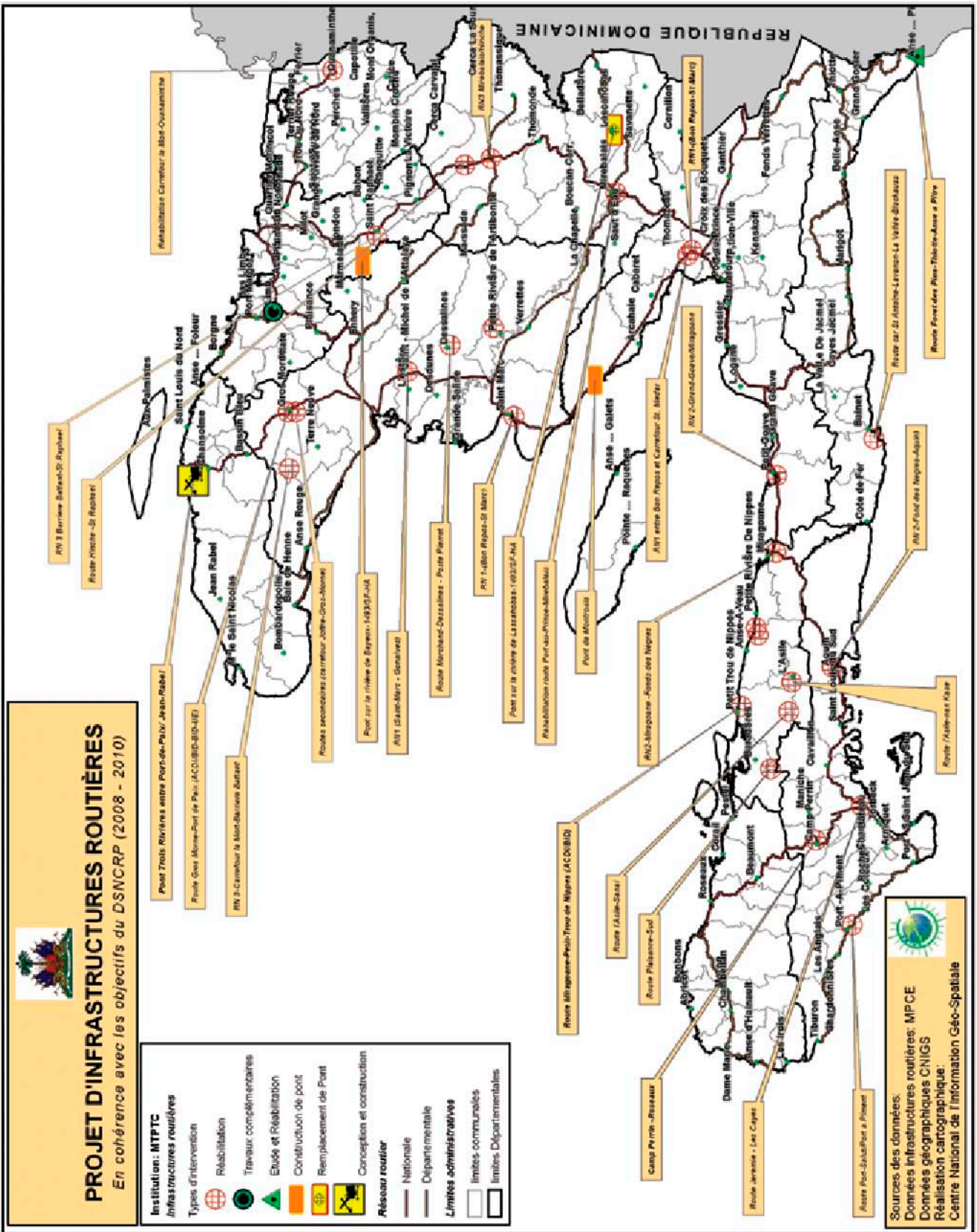
PROJETS EN AMENAGEMENT DES BASSIN-VERSANTS

En cohérence avec les objectifs du DSNCRP



Source des projets sur les projets: MPCE

Réalisation cartographique:
Centre National de l'Information Géo-Spatiale (CNIGS), mars 2009



PROJET D'INFRASTRUCTURES ROUTIÈRES

En cohérence avec les objectifs du DSNCRP (2008 - 2010)

Institution: MPTC
Infrastructures routières

Types d'intervention

- Rehabilitation
- Travaux complémentaires
- Etude et Réhabilitation
- Construction de pont
- Remplacement de Pont

Conception et construction

- Conception
- Construction

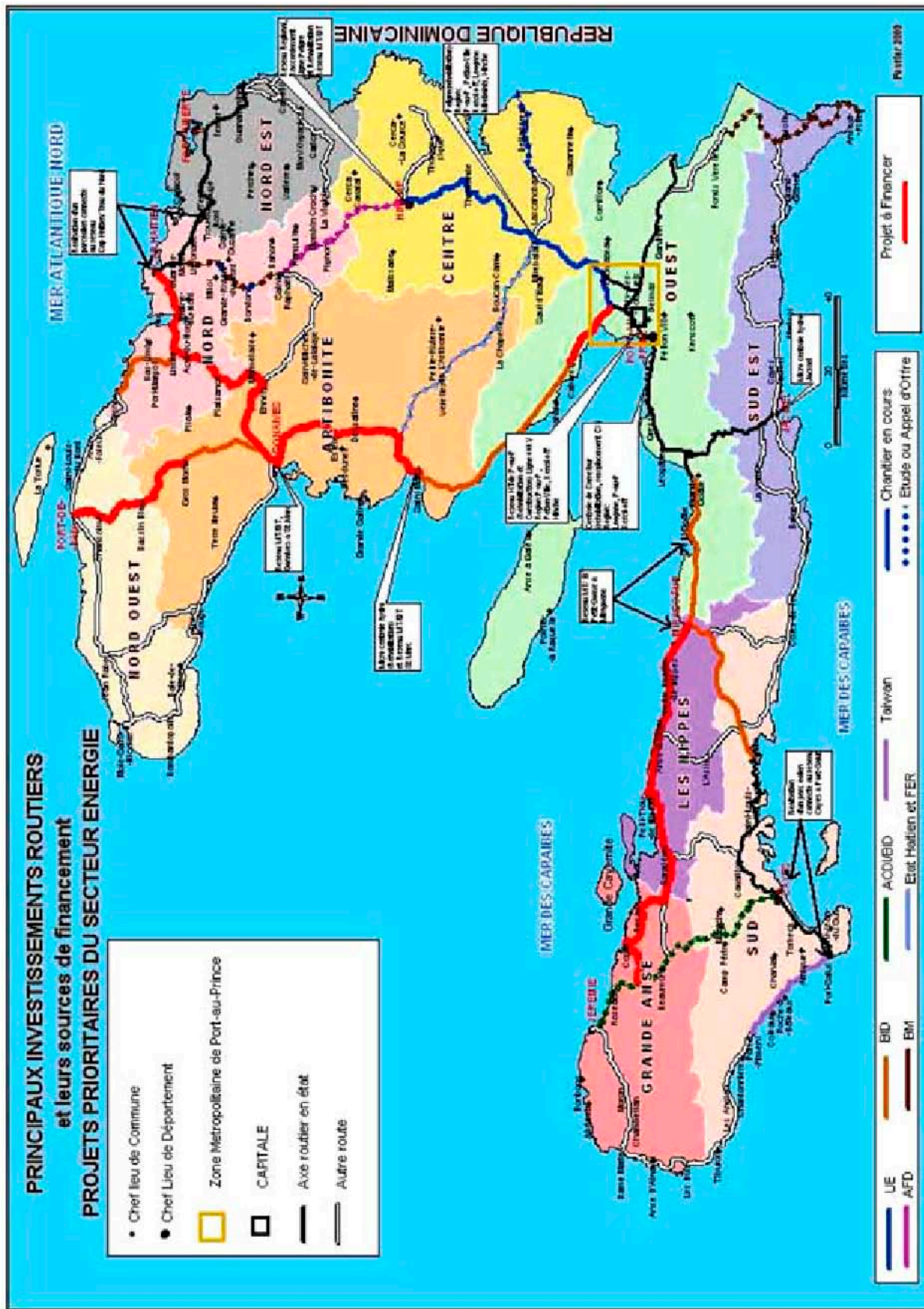
Réseau routier

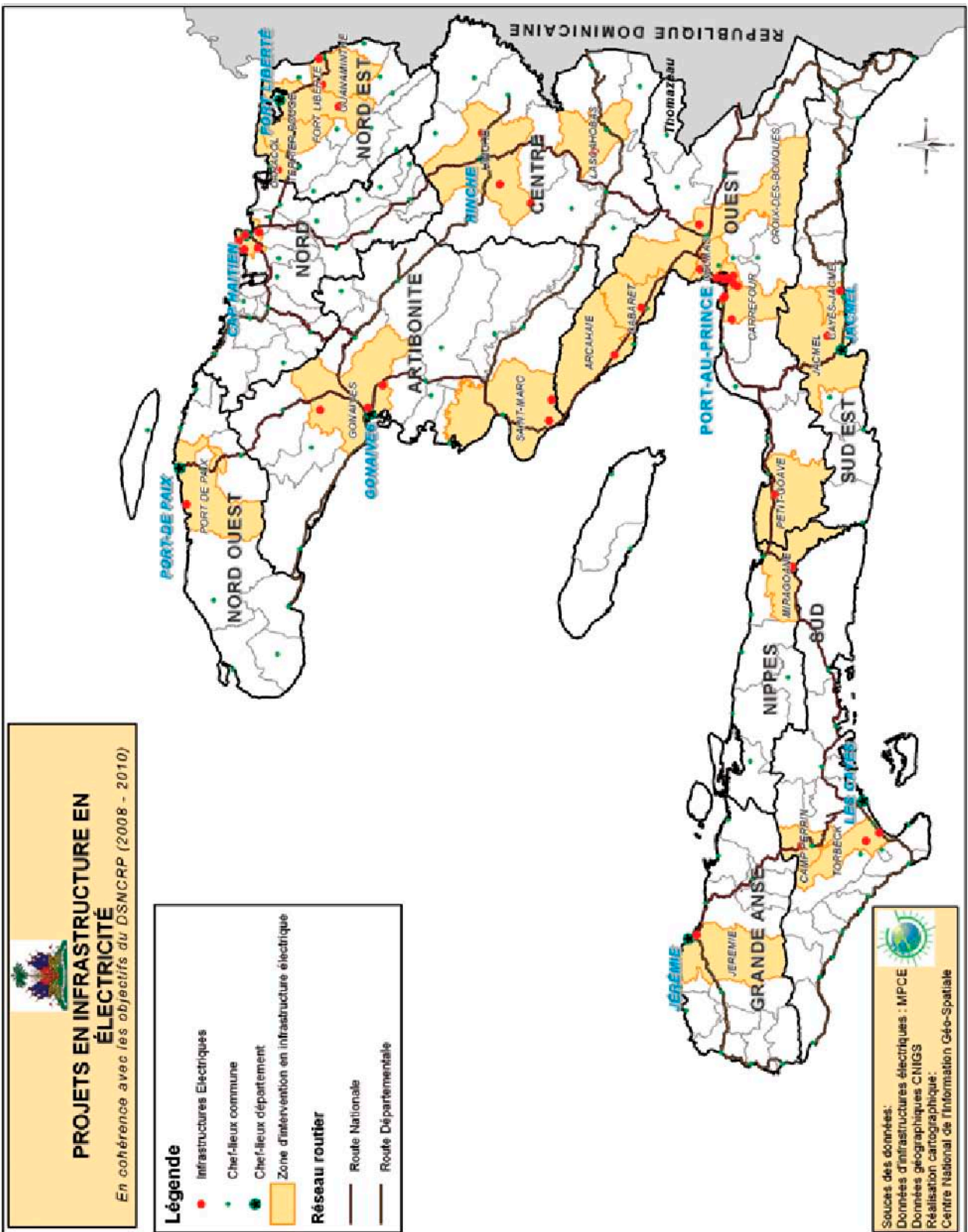
- Nationale
- Départementale

Limites administratives

- limites communales
- limites Départementales

Sources des données:
 Données infrastructures routières: MPCI
 Données géographiques: CNIGS
 Réalisation cartographique:
 Centre National de l'Information Géo-Spatiale





PROJETS EN INFRASTRUCTURE EN ÉLECTRICITÉ
 En cohérence avec les objectifs du DSNCRP (2008 - 2010)

- Légende**
- Infrastructures Électriques
 - Chef-lieu commune
 - Chef-lieu département
 - Zone d'intervention en infrastructure électrique
- Réseau routier**
- Route Nationale
 - Route Départementale

Sources des données:
 Données d'infrastructures électriques : MPCE
 Données géographiques : CNIGS
 Réalisation cartographique :
 Centre National de l'Information Géo-Spatiale

PROJETS AÉROPORTUAIRES

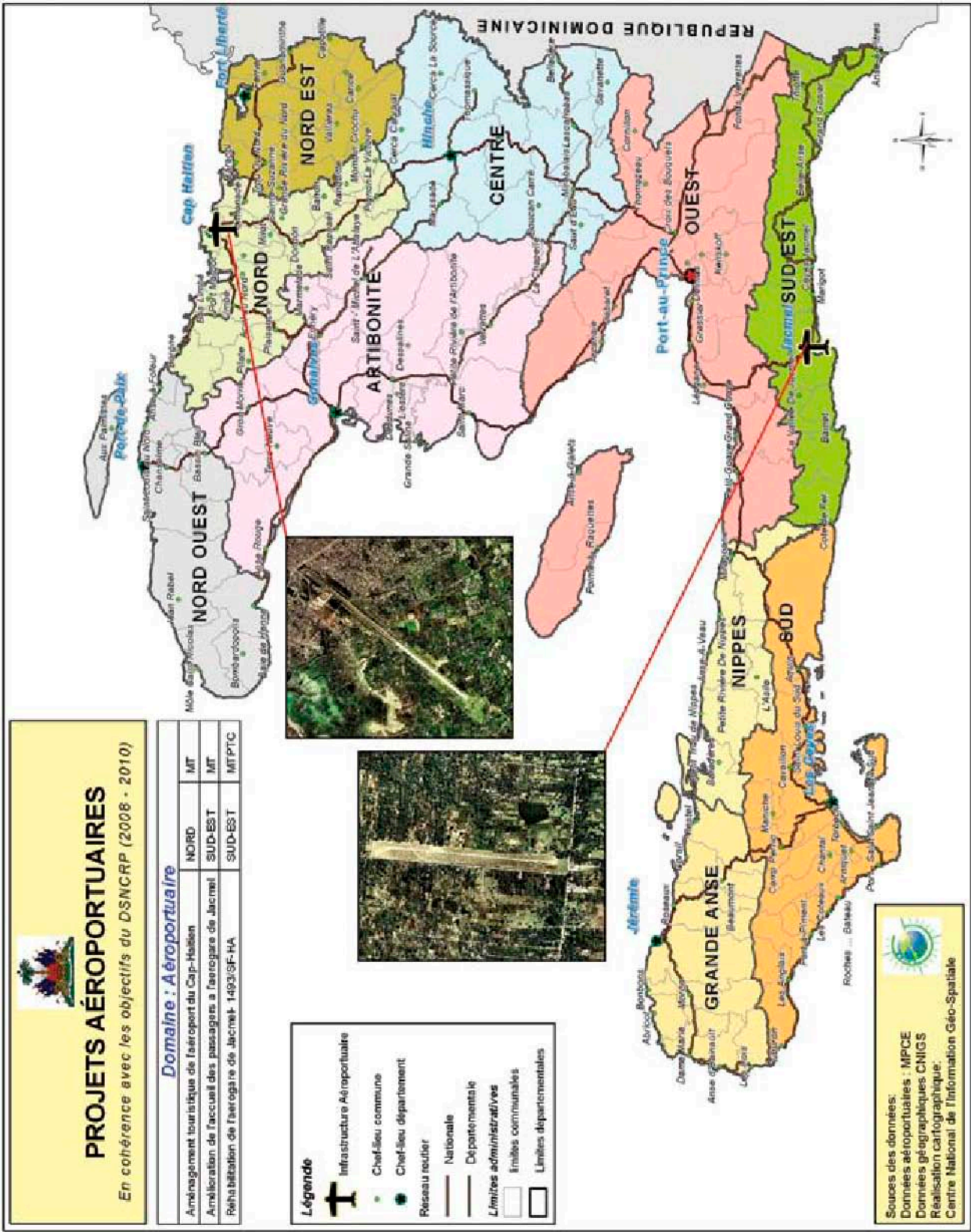
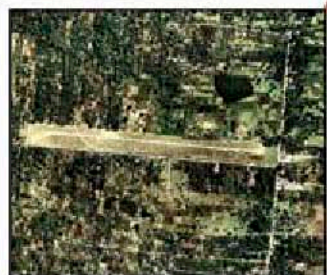
En cohérence avec les objectifs du DSNCRP (2008 - 2010)

Domaine : Aéroportuaire

Aménagement touristique de l'aéroport du Cap-Haïtien	NORD	MIT
Amélioration de l'accueil des passagers à l'aéroport de Jacmel	SUD-EST	MIT
Rehabilitation de l'aérogare de Jacmel- 1493/SF-HA	SUD-EST	MITPTC

Légende

- Infrastructure Aéroportuaire
- Chef-lieu commune
- Chef-lieu département
- Réseau routier
 - Nationale
 - Départementale
- Limites administratives
 - limites communales
 - limites départementales



Sources des données:
 Données aéroportuaires : MPCE
 Données géographiques : CNIGS
 Réalisation cartographique:
 Centre National de l'Information Géospatiale

5. The Crosscutting Sectors

101.1. Food Security

A national food security plan was prepared. Efforts were undertaken to improve the nutritional status of the most vulnerable groups (pregnant women, children), with the execution of 17 projects financed by the Economic and Social Assistance Fund (FAES) under the Local Development Program (PDL). These projects provided food support to women and children, coverage of acute malnutrition, and the improvement of the nutritional status of children and parents.

101.2. Social Protection and Persons with Special Needs

Particular attention was accorded to persons with special needs, who are perceived by many as outcasts. To this end, the following actions aimed at reducing exclusion and enhancing social protection were taken: the appointment of a minister responsible for the integration of disabled persons; and the integration of over 100 persons with special needs into public administration.

101.3. Youth, Sports, and Civic Actions

Actions carried out in the Youth, Sports, and Civic Actions sector for 2007–2008 facilitated the participation of over 21,000 school children from 500 academic institutions in school games competitions, and enabled 40 school children to receive financial assistance for *sport-étude* (joint academic and sports program) and 1,000 young community activists [*Agents Multiplicateurs de Changements*]* to take part in post-disaster, rescue, and school safety activities, under the civic action program of the Ministry of Youth, Sports, and Civic Action.

101.4. Gender Equity

With a view to reducing gender inequality, especially with respect to the economy, education, health, and politics, which is characterized by income disparity (US\$1,250 compared to US\$2,247 among men), the adult literacy rate (50 percent among women compared to 53.8 percent among men), the percentage of women holding positions in the Government (25 percent) and in Parliament (3.6 percent and 25.9 percent in the Lower House and Senate, respectively), emphasis was placed in 2007–2008 on the overall improvement of conditions for women. Actions undertaken consisted of the execution of poverty alleviation sectoral projects, including the support project for the provision of funding to families in dire straits through the introduction of small modern henhouses; the provision to women's organizations or groups (3,000 female members from 10 organizations or associations) in the *départements* of Ouest, Sud, Plateau Central, Artibonite, and Grande-Anse of livestock (young goats, pigs, cattle) and agricultural equipment (plowing tools, mills, pumps, inputs); awareness-building and education campaigns on women's rights; the commemoration of November 25, 2007; education and awareness building regarding nonsexist behavior; the commemoration of March 8, 2008; the commemoration of the national women's movement day on April 3, 2008; and awareness-building campaigns during the 2008 carnival period.

* The *Agents multiplicateurs de changements* are trained to provide a range of services to communities in areas such as health, literacy, safety, and the provision of first aid in the event of disasters.

101.5. Environment and Sustainable Development

The damage caused by the natural disasters that hit the country during the summer of 2008 laid bare the level of environmental degradation and the degree of vulnerability of the entire territory. During the 2007–2008 period, several environmental activities were conducted, including flood protection by managing and protecting ravines, protection of the National Torbeck School [*Ecole Nationale de Torbeck*] against swelling of the river, deviation of the Grègues river to protect the city of Saint-Jean du Sud, the rehabilitation of the Artibonite River watershed; flood prevention in five communes, flood protection for the city of Jacmel, the rehabilitation and conservation of natural sites, namely Saut Mathurine, Saut d'Eau, Forêts-des-Pins, Parc la Visite, and Bassin Bleu, and the restructuring and protection of ecosystems in Morne l'Hôpital.

101.6. Disaster and Risk Reduction

Disaster and risk management-related actions carried out during the 2007–2008 period sought to build the intervention capacity of the Civil Protection Directorate (DPC) and the Risk and Disaster Prevention and Management System (SPGRD). Programs and projects undertaken include the emergency risk and disaster management program, which allowed for improved coordination and distribution of emergency aid to the populations affected by the hurricanes; rehabilitation and risk management in the regions affected by recent floods; local risk management (Ouest, Artibonite, Nippes, Sud, Grand'Anse); and local capacity building for risk management in Haiti (Sud' Est, Nord' Ouest, Nord' Est, Centre).

101.7. Multisectoral HIV/AIDS Programs

As a result of actions taken to combat HIV/AIDS, 1,365 HIV-positive pregnant women received ARV prophylaxis, which accounted for 27 percent for the 2007–2008 period, thus easily meeting the goal of 10–15 percent.

101.8. State Capacity Building

Haiti's public administration has failed to adequately perform its public service role. With a view to improving the institutional framework for State reform, the following actions were undertaken: the establishment of the Higher Council for Government and Civil Service [*Conseil Supérieur de l'Administration et de la Fonction Publique CSAFP*], which has responsibility for the strategic management of the modernization of the public service and the civil service; the establishment of the Human Resource Management Office (OMRH), which is tasked with the operational management of reform activities; and the development and adoption by the Government of the 2007–2012 Framework Program on State Reform and Decentralization, which is the frame of reference for all interventions pertaining to modernization of the State.

101.9. Territorial Development

With regard to local governance and territorial development, actions to strengthen the participatory process were undertaken in the *départements* of Sudest, Sud, and Nippes. Achievements include the preparation and publication of 3,109 teaching kits; the broadcast of 11 radio programs including one documentary on the participatory process, conflict prevention and management, gender and development, the organizational management of development committees, environmental management, and citizen education; the organization of training workshops on participatory planning and local development in which over 14,500 persons participated; the preparation of five commune-level assessments and five commune-level development plans; and the assessment of 30 community-based organizations (CBOs).

101.10. Culture and Communication

Under the restoration and preservation project for the national historic park, the Citadelle, Sans Souci, and les Ramiers, the following activities were carried out during FY 2007–2008: construction of fencing; strengthening and completion of sanitary facilities; construction of access roads; and the repair of the roof of the *Batterie Royale*. The fortifications at Marchand also benefited from interventions, which entailed the construction of paths leading to the forts; similar work was carried out at Fort Picolet.

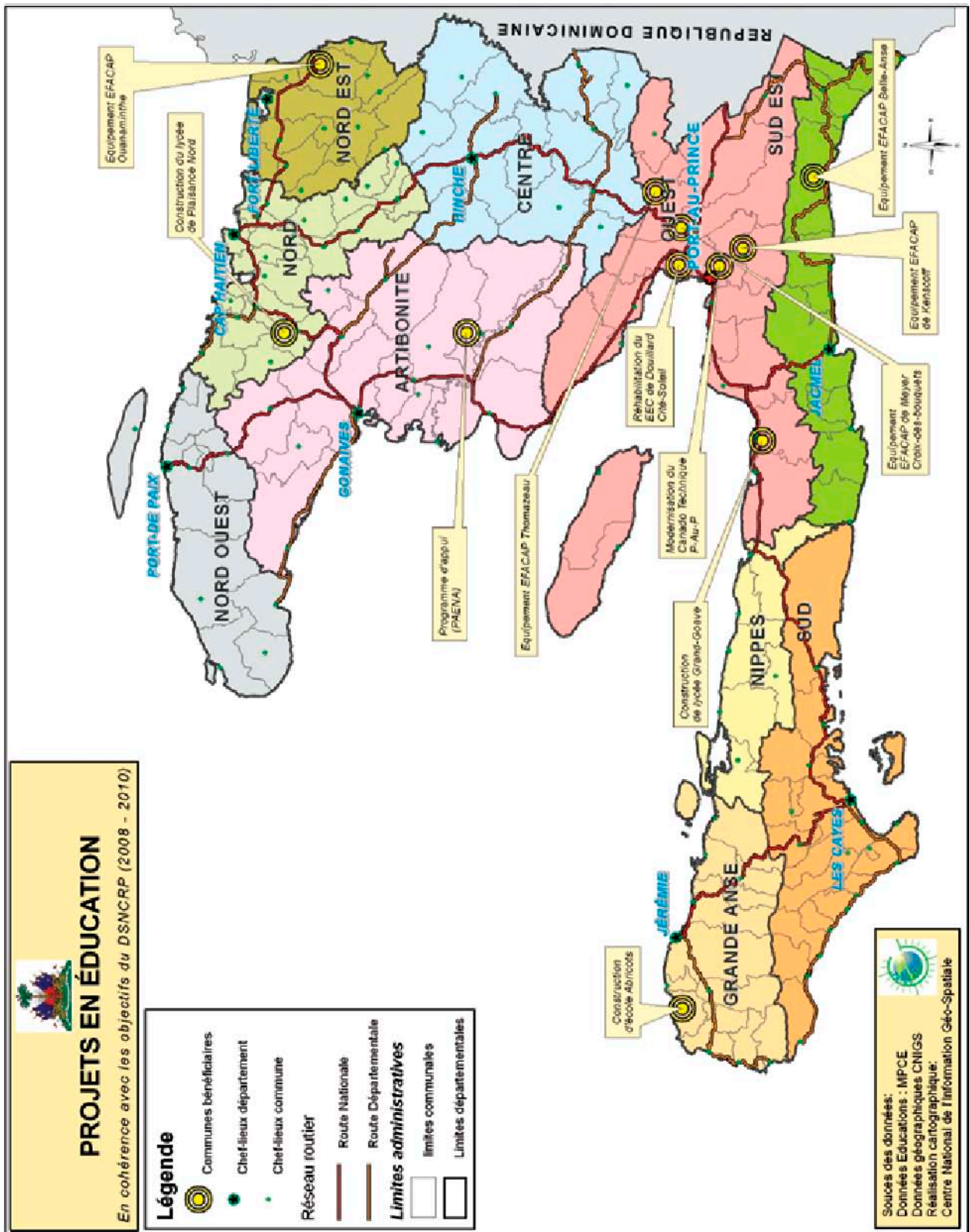


PROJETS EN ÉDUCATION

En cohérence avec les objectifs du DSNCRP (2008 - 2010)

Légende

- Communes bénéficiaires
- Chef-lieux département
- Chef-lieux commune
- Réseau routier
 - Route Nationale
 - Route Départementale
- Limites administratives
 - limites communales
 - Limites départementales





PROJETS EN INFRASTRUCTURE DE SANTÉ

En cohérence avec les objectifs du DSNCRP (2008 - 2010)

Domaine de la santé	
Aménagement d'un centre de santé à La Chapelle	ARTIBONITE
CGPI Hôpital de Miragoâne	NIPPES
Construction centre de santé à Dieudonné	ARTIBONITE
Construction de la maternité avec salle d'opération au niveau de Cerca la source	CENTRE
Construction de l'hôpital de Port-de-Paix	NORD-OUEST
Construction d'un centre de santé à Grand Etouan	NIPPES
Construction d'un centre de santé à L'Éclair du Nord	NORD
Construction d'un centre de santé à La Brèche	GRANDE ANSE
Construction d'un centre de santé à Île Cayenne	ARTIBONITE
Construction d'un centre de santé à Marbal	SUD-EST
Construction d'un centre de santé à Thomassinque	CENTRE
Construction d'un centre de santé avec Ila à Port à Pitre	SUD
PAUHC Construction du centre de santé à Drouin	ARTIBONITE
Réhabilitation de la maternité St Antoine de Jérôme	GRANDE ANSE
Réhabilitation de l'hôpital de Quatre-mâts-Phase I	NORD-EST
Réhabilitation de l'hôpital de Trou du Nord	NORD-EST
Réhabilitation de service de médecine et de pédiatrie de l'annexe Conception des Cayes	SUD
Réhabilitation et construction de l'hôpital de Baudez	OUEST

Légende

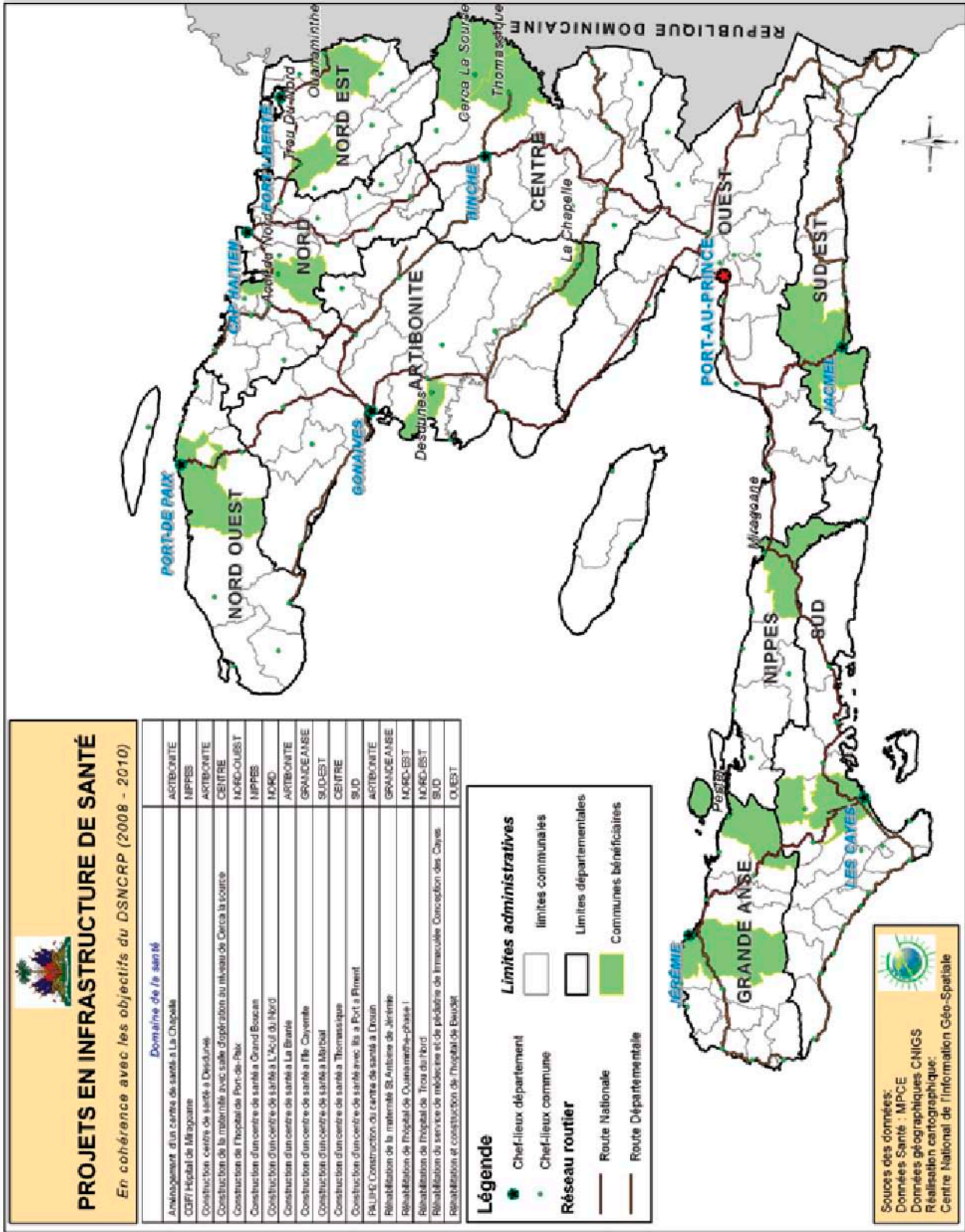
Limites administratives

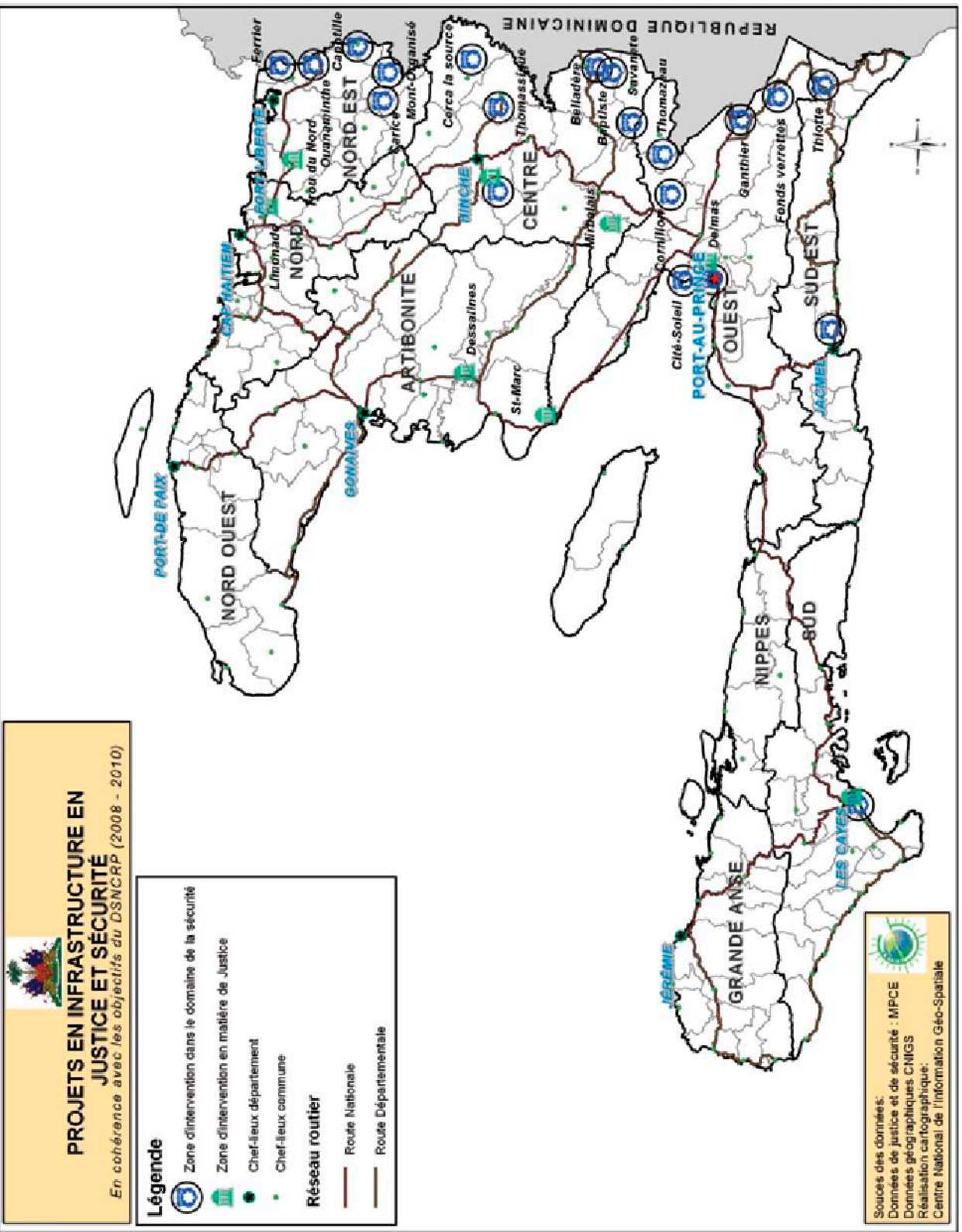
- Chef-lieux département
- Chef-lieux commune
- Limites communales
- Limites départementales
- Communes bénéficiaires

Réseau routier

- Route Nationale
- Route Départementale

Sources des données:
 Données Santé : MPCE
 Données géographiques : CNIGS
 Réalisation cartographique :
 Centre National de l'Information Géo-Spatiale





PROJETS EN INFRASTRUCTURE EN JUSTICE ET SÉCURITÉ
En cohérence avec les objectifs du DSNCRP (2008 - 2010)

- Légende**
- Zone d'intervention dans le domaine de la sécurité
 - Zone d'intervention en matière de Justice
 - Chef-lieu département
 - Chef-lieu commune
- Réseau routier**
- Route Nationale
 - Route Départementale

Sources des données:
 Données de justice et de sécurité : MPCE
 Données géographiques : CNIGS
 Réalisation cartographique :
 Centre National de l'Information Géo-Spatiale

VII. Monitoring and Evaluation

98. This mechanism, which is described in Annex 2, is based on two main aims: (i) monitoring of the GPRSP, which entails the determination of the extent to which the stipulated actions and policies are being implemented as planned, with a view to making necessary modifications if required; and (ii) evaluation of the GPRSP aimed at identifying the effects and impact of the implemented actions and policies on the beneficiaries and actors and on the Haitian population as a whole.

99. The monitoring-evaluation framework for the GPRSP put in place includes the following components: (i) the monitoring of poverty and the living conditions of poor households; (ii) the monitoring of the execution of the policies, programs, and projects of the GPRSP; and (iii) the impact assessment of the GPRSP.

1. Quantitative Monitoring

100. Quantitative monitoring is conducted by the National Observatory on Poverty and Social Exclusion [*Observatoire National de la Pauvreté et de l'Exclusion Sociale ONPES*] in collaboration with the Economic and Social Programming Directorate [*Direction de Programmation Economique et Sociale DPES*] of the Ministry of Planning and External Cooperation (MPCE). The quantitative approach is based on a set of indicators distributed along the thematic areas of economic growth and poverty reduction. These indicators are constructed with a view to measuring the results/effects¹ of development (87 indicators) based on the resources² provided (16 indicators), and products³ or activities generated (40 indicators); the expected impact⁴ in terms of economic growth and improvement in household living conditions is measured by 14 indicators. The frequency with which all of these indicators are observed varies between one and five years.

1. These indicators cover access to services, their use, and the degree of satisfaction of the beneficiaries.

2. Resource indicators are fiscal in nature and allow for an assessment of the level of resources pumped into the economy.

3. The product indicators assess the execution of projects/programs/public policies through their inputs and outputs.

4. Impact indicators measure the key dimensions of the well-being of the population, and of the poor in particular. They help assess improvement in the living conditions of the population through the implementation of the GPRSP.

101. The construction of the 157 monitoring/evaluation indicators of the GPRSP takes into account the Millennium Development Goals (MDGs) while integrating the specific aspects of poverty in Haiti and, in particular, the objectives of the GPRSP. Several presentations on these indicators were made to policy makers and donors. This series of indicators was approved by the various priority sectors considered in the GPRSP and by MPCE authorities. Information for these indicators is provided at three levels: (i) the availability of data (statistics) from specific surveys conducted by the main data producers, including the Haitian Institute for Statistics and Data Processing (IHSI) and a number of international organizations. Given that the IHSI is the sole national institution authorized to produce data, a Memorandum of Understanding with the MPCE/ONPES is currently being approved, thus allowing for the incorporation of the specific statistical needs of the ONPES with respect to monitoring the GPRSP; (ii) a mechanism was also established with a view to collecting data via the various departmental directorates located across the national territory, which must be used primarily to provide information for the product indicators; and (iii) with a view to complementing the aforementioned collection methods, the ONPES plans to organize surveys and field visits to enable it to gather information on specific thematic areas.

102. Quantitative monitoring is therefore structured with a view to providing opinions on, inter alia, the living conditions of Haitians, the MDG situation, and the effectiveness of State budgetary resources. This latter dimension is significant, because it is closely related to another notion— the utility of these allocations. The utility and effectiveness of budgetary allocations as well as those from external agencies are measured on the basis of their alignment with the following 12 strategic objectives: (i) strong and sustainable economic growth; (ii) an increase in tax revenues to contain the public administration's overall deficit within reasonable limits; and (iii) a realistic budget that reflects the priorities defined in the GPRSP, namely: (i) the improvement of environmental management with a view to contributing to sustainable growth while ensuring the economic and social security of the poor and the security of the ecosystems; (ii) the provision to the country of growth support infrastructure that is well managed, maintained, and functional; (iii) the accessibility, functionality, and equitable distribution of basic socioeconomic infrastructure; (iv) the improvement in the quality and effectiveness of teaching; (v) the organization of access to schools for poor students; (vi) the promotion of a modern health system that is largely accessible to vulnerable groups; (vii) the consolidation of the rule of law through justice that is accessible, credible, efficient, and competent; (viii) the expansion of the National Police to the entire territory and improved performance; and (ix) the efficiency of justice and improvement of incarceration conditions and penitentiary management mechanisms.

103. The provision of information (data) for the indicators continues to pose a major challenge to monitoring of the GPRSP. At present, only the resource indicators can be assessed in relation to the objectives being pursued under the GPRSP. The other indicator typologies (effects and impact in particular) are affected by drawbacks pertaining to the age of the data. These data must be updated. Moreover, providing support to the logical results framework is difficult at this time in the sense that the resources allocated for development actions are not clearly linked to the outputs achieved, which in turn are not linked to the effects. The indicators are thus, for the time being, viewed as observations and the linkages between them are not discussed.

2. Participatory Qualitative Monitoring

104. Traditional quantitative approach mechanisms are used to monitor implementation of the GPRSP. Implementation entails the execution of a series of actions (programs and projects) across the country. However, the participatory nature of this national development document introduces a new type of monitoring—citizen monitoring (qualitative approach). This initiative is carried out in line with the dynamic participatory process, which was central to the drafting of the GPRSP. This Participatory Qualitative Monitoring (PQM) process is being put in place in order to take into account the views of the citizens for whom GPRSP actions have been carried out (see Annex 9). This process entails highlighting the degree of satisfaction of the populations with all of the actions executed in their living and working environment in relation to living conditions. Under this approach, qualitative data will therefore be linked to quantitative data. In this context, two observations can be made:

105. The PQM presents a picture of the prevailing situation in the environment where the actions stipulated in the GPRSP are being executed. This allows the beneficiary communities to ascertain whether or not the activities are facilitating progress as intended, especially in terms of the sustainable improvement of their means of existence, and to quickly call upon the decision-making bodies to make the necessary adjustments. Participatory monitoring focuses on the populations and in particular on the poorest. The beneficiaries must be involved in the monitoring process and the poorest populations must be at the heart of the process. Participation means that the partners and beneficiaries are involved in the collection and analysis of information and the conduct of assessments to determine whether or not any progress has been made in relation to the set objectives and planned activities.

106. All community stakeholders participate in citizen monitoring: beneficiary populations, elected local officials, civil society, NGOs, and the private sector. These actors are members of departmental and commune-level entities such as the Departmental Consultation Table [Table Départementale de Concertation TDC] and the Commune-Level Consultation Table [Table Communale de Concertation TCC]. Within these entities, the Community Groups and Associations (CGAs) discuss and assess actions undertaken. It is against this backdrop that the ONPES/MPCE obtains and collects qualitative data through the use of questionnaires and assessment grids. A series of activities has been put in place to make the participatory qualitative monitoring process more effective. These activities are as follows: (i) All grassroots associations (CGAs) involved in the GPRSP monitoring process were registered; (ii) External events to promote participation in the TDCs were organized; (iii) An assessment of the community associations' capacity to effectively fulfill their role of citizen monitor was conducted; (iv) The CGAs will receive training (guidance) in the area of governance and management of associations; (v) Technical support officers were assigned to the departmental directorates and will be responsible for, inter alia, supervising citizen monitoring in the regions.

107. A new landscape is emerging in the monitoring process with the establishment of a monitoring space known as the flagship commune [Commune Phare].⁵ This approach facilitates looking beyond the results of one project in order to have a global picture of the projects that are most likely to produce sustainable changes. Building on the foundation of the flagship commune is another observation tool, namely the flagship project (a promising project). The latter steers the flagship commune because it provides opportunities in the area of economic growth and human development (via the MDGs). The flagship project therefore becomes the core component of the monitoring space, which is the flagship commune.

108. The ‘engine’ of this type of monitoring process is set in motion through the actors and partners, the methodological tools, the support entities, and the institutional entities, and the trajectory of the information sought (citizens’ views) is well established. However, much remains to be done to address the difficulties encountered (dearth of resources, lack of coordination, misunderstandings, and the complexity of the qualitative data collection process). The removal of these impediments will give way to a more effective citizen monitoring process.

Communication and Outreach

109. The GPRSP is the result of a broad national consensus reached through the participatory process. The consultation and participation phases were largely respected through the commune-level and departmental forums and the national forum. However, consideration of citizen participation does not end there as it is a long-term activity. Under this approach, ownership of the GPRSP by the populations requires ongoing knowledge of what is being done and executed on their behalf. This approach is being adopted through a communication plan that seeks to promote outreach/increased ownership among the citizens and especially the beneficiaries, who must get involved in order to observe, monitor, and express opinions on the implementation of the GPRSP. This plan is broken down into the following activities: (i) A version of the GPRSP is being produced in the local vernacular (Haitian Creole, for maximum outreach); (ii) A simplified version is being prepared in French and Creole in the form of brochures and leaflets entitled “GPRSP Bulletins” for greater ownership of the document and implementation; (iii) A promotional campaign in the national and local media is in place; (iv) Regional and departmental tours have been organized as joint seminars/conferences; (v) Conferences/seminars have been organized for academia, trade unions, associations, and business and other sectors; (vi) Promotional advertisements on the GPRSP are being broadcast on TV and radio stations; and (vii) Explanatory brochures have been printed and disseminated (see Annex 10).

110. However, the weight of current events (food crisis, oil crisis, and even the American presidential elections), given their sheer magnitude, is having an impact on the effectiveness of the outreach campaign being conducted for the GPRSP.

⁵ Commune benefiting from a large number of projects and possessing a significant population gradient. There are a total of 44 flagship communes.

VIII. Status of Completion Point Triggers

111. Haiti is facing major challenges owing to the commitments made and agreements signed with international partners in the area of reform. In fact, Haiti made a commitment to undertake a series of reforms in the context of Poverty Reduction and Growth Facility (PRGF) programs, the completion point triggers for the Heavily Indebted Poor Countries (HIPC) Initiative, and the Millennium Development Goals (MDGs). The planned reforms are the main factors that would enable the country to benefit from debt relief. Consequently, measures have been adopted to meet the commitments made with a view to achieving the targeted objectives and thus build strong momentum for a modern economy at the service of its citizens.

112. Having reached the decision point in October 2006, which enabled Haiti to benefit from interim debt relief vis-à-vis its debtors, the country implemented a large number of reforms aimed at receiving debt relief at the completion point in June 2009, in addition to allocating greater resources to poverty reduction.

113. In this regard, the first trigger was the participatory approach to the Growth and Poverty Reduction Strategy Paper (GPRSP) and its implementation, accompanied by a macroeconomic stabilization policy, the main aggregates of which have achieved satisfactory developments during the program's three-year period. Significant structural and social reforms have also been undertaken, including in the areas of economic governance, public finance, and debt management.

1. Public Finance and Economic Governance Reforms

114. With respect to public finance, a public expenditure monitoring mechanism was put in place in connection with poverty reduction efforts based on the functional classification of public expenditure at the Directorate General of the Budget. Annual reports for FY 2006–2007 and FY 2007–2008 were prepared, thus resulting in the actual alignment of priority public expenditure with the GPRSP.

115. The Government's accounts were submitted for auditing to the CSCCA and Parliament in accordance with a legally mandated timetable, and the Court transmitted its comments to the MEF. The draft budget execution laws for 2005–2006 and 2006–2007 were submitted to Parliament. With respect to the adoption and implementation of a new procurement law, in keeping with best international practices, the draft law was finalized and submitted to the Prime Minister's Office for presentation to Parliament.

116. The adoption of a law on the declaration of goods and the submission of at least one annual report on compliance with and monitoring of asset declarations covering the preceding year was voted on by Parliament and is in force. The registers, asset declaration forms, and the list of declarations are currently being prepared.

2. Structural Reforms

117. Particular attention was paid to strengthening the tax administration and policy, with the improvement in the operation of customs control posts in Cap-Haitien, Gonaïves, Saint Marc, Miragoane, Malpasse, Ouanaminthe, and Belladère, as well as the installation of ASYCUDA. New customs control posts were set up in Ganthier, Morne-à-Cabrit, and Terrier Rouge. The ASYCUDA World model has been installed at the Toussaint L'Ouverture international airport and at the ports in Port-au-Prince and Saint-Marc. The Société Générale de Surveillance (SGS) is responsible for the enforcement of these customs controls in the provincial towns where customs documents are required.

118. The expansion of the use of the central taxpayer database in the Port-au-Prince area, as well as the registration in this database of all the taxpayers identified at the tax centers in Cayes, Miragoane, Saint-Marc, Port-de-Paix, Cap-Haitien, and Fort-Liberté, were carried out. The central taxpayer database is applicable to four major taxes in the provincial cities, namely the taxpayer number, vehicle registration, driver's licenses, and registration cards. The software supporting the central database has been installed in Carrefour and the system is interconnected with the Central Office. In Pétiion-Ville, the database is being set up for incorporation into the new computer system supporting the central file so as to facilitate daily operations on the old system. The taxpayer database in the departmental directorates of Cayes, Cap-Haitien, Jacmel, Saint-Marc, Miragoane, Gonaïves, Hinche, and Fort Liberté Jérémie, is operational.

3. Education

119. In the area of education, the school fee subsidy program was launched in 2007 under the Education For All (EFA) program, covering close to 56,823 children in eight départements, thereby meeting the set target of 50,000 children. This public financing seeks to help poor families pay private school costs for the education of children not enrolled in primary school. The independent audit of schools receiving public transfers was completed for FY 2007–2008.

120. Actual expenditure on education is projected to account for at least 21 percent of total actual recurrent expenditure by the State, of which 50 percent was for primary education during the 12 months preceding the completion point, thus facilitating the training of 2,500 new primary school teachers and, on average, two annual visits by MENFP inspectors to all primary schools.

121. For FY 2006–2007, operating expenditure for the education sector accounted for 19.4 percent of the entire operating budget. The operating budget for FY2007–2008 allocated 20.3 percent to education, of which 38 percent was for primary education. The analysis of the budgetary headings shows that expenditure during the first six years of basic education (primary) accounted for 51 percent of all MENFP expenditure for FY 2006–2007 and for 50 percent for FY 2007–2008.

122. The accelerated initial training program was launched, and 2,750 secondary school graduates are pursuing this program in order to qualify as teachers. They will complete their first year of training in June 2009. The results of the inspections are not yet available. DDE

reports are currently at the MENFP and are awaiting processing. The number of inspectors jumped from 300 to 600. A total of 300 new inspectors were trained and deployed to all 10 Departmental Directorates for Education (DDEs).

4. Health

123. During the immunization campaign conducted in 2007, coverage rates were, respectively, 98 percent for measles and rubella, 68 percent for DTP, and 70 percent for BCG. Between 2006 and 2008, hospital birth rates increased by 26 percent. Among HIV-positive pregnant women, 1,365 women (27 percent) received ARV prophylaxis, whereas the goal was between 10 and 15 percent, and 141,595 pregnant women were tested for HIV during FY 2007–2008 according to the MSPP’s “Summary on the HIV/AIDS Epidemic in Haiti” [*Point sur l’épidémie du VIH/SIDA en Haïti*]. Moreover, at end-2007, the Government approved a national policy, a strategic plan, and an operational plan for expansion of HIV/AIDS prevention and treatment services.

5. Debt Management

124. The contract to centralize all information on foreign currency external and domestic debt in one single database was signed between the Ministry of Economy and Finance (MEF) and UNCTAD. Debt management training began in February 2009.

IX. Conclusion

125. The Republic of Haiti is cognizant of the sustained efforts that it must continue to make in order to operationalize the first tranche of its National Growth and Poverty Reduction Strategy in the context of the Millennium Development Goals, by maintaining the goal of reducing extreme poverty by 29 percent, which is far short of the set target of 50 percent by 2015.

126. The Haitian authorities have satisfactorily honored their commitments through the implementation of a series of reforms for which quantitative and qualitative criteria were established and which signal major progress. This is evidenced by the results obtained from these reforms that help demonstrate that Haiti has made significant strides toward achievement of the Completion Point under the Heavily Indebted Poor Countries (HIPC) Initiative, supported by the Growth and Poverty Reduction Facility (GPRF).

127. Indeed, the first trigger was the participatory approach to the Growth and Poverty Reduction Strategy Paper (GPRSP) and its implementation, accompanied by a macroeconomic stabilization policy, the main aggregates of which made satisfactory progress during the program's three-year period. Substantial structural and social reforms were also undertaken, including in the area of economic governance, public finance, and debt management.

128. However, implementation of the strategy was severely affected by two factors—on one hand, programs and projects being executed had to proceed with implementation on the basis of financial commitments made prior to the participatory identification of priority actions selected during drafting of the GPRSP and, on the other hand, the impact of the increase in food and oil prices as well as the disasters triggered by four hurricanes in less than two months in 2008, the cost of which was estimated at 14.6 percent of national GDP.

129. Indeed, development aid provided to Haiti was not completely in line with the objectives of the GPRSP and was inconsistent with the principles of the Paris Declaration. Consequently, the eighth MDG outlining a global partnership for development is likely to fall far short of achieving its target for Haiti by 2015.

130. Thus, when the first projected costs for implementation of the GPRSP for the 2007–2010 period amounting to approximately US\$3.8 billion are taken into account and when the known commitments of partners are withdrawn (approximately US\$1.9 billion), there will be a financing gap of US\$1.9 billion, which is unevenly distributed among the GPRSP pillars. Thus, while Pillar 1 (growth vectors) requires US\$2.1 billion, only 28 percent of this sum has been pledged in commitments by the partners, which is far too inadequate. Pillar 3 (justice and security) requires US\$ 285 million, of which 33.1 percent has been pledged in commitments, which is far too low.

131. Now that the Priority Investment Plan for the GPRSP at an estimated cost of US\$ 4,318,629,555 has been prepared and appropriations for the first two years of implementation stand at US\$ 2,165,277,996 (51 percent), the financing required to supplement expressed needs amounts to US\$ 2,153,351,650, which represents 49 percent of the estimated cost of the GPRSP.

132. The commitment guaranteeing the shift from the financing of programs and projects to budget support in Haiti is expected to materialize when the country achieves the completion point, which should help steer investments toward the most disadvantaged populations living on less than US\$1 per day.

133. This first annual report on implementation of Haiti's GPRSP must be assessed in its context and in light of the numerous constraints encountered during its extremely short duration in order to measure the initial results and impact. The prospects identified should convince our partners that the Government of Haiti and the Haitian population as a whole remain committed to "making the qualitative leap" toward the desired sustainable development, which will be achieved with the effort, resolve, and courage of citizens based on the principle of mutual cooperation.

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Annex 1

COMPARATIVE TABLE REVIEWING THE MACROECONOMIC FRAMEWORK

Major Aggregates	Context of Preparation	Initial document	Adjustments
<p>Rate of growth of real GDP</p>	<p>Activity slowdown between 2000 and 2004 - (1.0%, - 0.3%, 0.4%)</p> <p>Very steep fall in 2003/2004 (- 3.5%)</p> <p>The trend reversed from 2005 onwards, with a slight rise of 1.8%</p> <p>Trend maintained in 2006 and 2007</p> <p>For 2006 (2.3%)</p> <p>For 2007 (3.2%)</p>	<p>2007-2009, growth rate set at 3.5% on average per year.</p> <p>2006-2007, estimates of 3%</p> <p>For 2007-2008, projections are 3.7%.</p> <p>An average annual growth rate of 4% is expected for subsequent years.</p>	<p>Growth targets were adjusted in 2007-2008</p> <p>For 2007-2008: 2.5% then 1.5%</p> <p>Preliminary results: 1.3%</p> <p>For 2008/09: 2.5%</p> <p>For 2009/10: 4%</p>
<p>Inflation</p>	<p>Prices have also varied sharply</p> <p>The inflation rate in 2004 represented an year-on-year drop of 21.69%. In 2005, the rate was 14.8%, and in late 2006/2007 around 10%.</p> <p>Inflation at end-March 2008 was around 16% owing to domestic and external shocks; it ended the year at 19.8%. It started 2008-2009 at 18%.</p>	<p>The inflation rate expected for 2007 is 8%.</p> <p>The target for 2008-2009 is 7%.</p> <p>An even lower rate is expected in 2011.</p>	<p>A rate of 9.5% is expected for 2008-2009,</p> <p>and staying below 10% for 2009-2010.</p>

Exchange rate	The exchange rate moved upwards periodically (contractions and overheating) fluctuating around 35, 37, 40 gourdes per US\$1 between 2006 and 2008.	Exchange rate around 40 gourdes per US\$1	In 2008/2009, the rate is expected to be around 41 gourdes. In the first quarter of 2009 it was stable around 40 gourdes
Macroeconomic policies	While the Growth and Poverty Reduction Strategy Paper (GPRSP) was being prepared, macroeconomic conditions were favorable for stronger growth and the pursuit of macroeconomic stability.	In 2008-2011, the Haitian government is determined to strengthen macroeconomic conditions favoring faster growth and pursuit of macroeconomic stability.	Maintenance of macroeconomic stability

Budgetary and fiscal policies	<p>Government revenues are low. Increase in tax receipts.</p> <p>The ratio of tax receipts to GDP is barely above 10 percent.</p> <p>Small deficit and no recourse to central bank financing.</p> <p>Reforms are being made to strengthen the institutional capacities of tax administrations and make them more efficient.</p> <p>On the expenditure side: control of public expenditure</p> <p>Better allocation of public expenditure by steadily increasing the proportion allocated to public investment and improving the targeting and execution of expenditures in priority sectors.</p>	<p>Fiscal policy will aim at a tax burden of 14 percent in 2011.</p> <p>Reforms will be undertaken to strengthen the institutional capacities of tax administrations and make them more efficient; Review and updating of tax legislation; Strengthening of customs control throughout the country, particularly in provincial ports; adjustment of tax schedules;</p> <p>For the period 2007-2011, the government expects to reduce current expenditure to an average of 45.5% of total public expenditure, thus helping to provide the budgetary slack needed to pursue the goals set in the GPRSP framework.</p> <p>By 2011, the deficit excluding grants is expected to narrow to - 3% of GDP; the overall government deficit is expected to be around - 6% of GDP in 2007 and to fluctuate around - 7% of GDP between 2007 and 2011.</p> <p>Projections for 2007-2011, based on historical trends, point to a level of external grants in a range of 4-5% of GDP.</p>	<p>Combined strengthening of customs and tax administration.</p> <p>Total revenues should increase to 10.5% of GDP in 2009.</p> <p>Total revenues represented 9.9% of GDP in 2008.</p> <p>Expenditure will be higher in 2009 owing to reconstruction needs and implementation of the GPRSP.</p> <p>The overall deficit to 2009 is expected to be 2.8% of GDP, but the budget deficit should start to narrow in 2010 to around 1.5% of GDP.</p>
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<p>Monetary policies</p>	<p>A prudent monetary policy aimed basically at attaining and maintaining moderate levels of inflation.</p> <p>Maintenance of this discipline to avoid the need to seek public deficit financing by the central bank,</p> <p>Net foreign exchange reserves will increase to a level equivalent to more than three months' imports.</p>	<p>The monetary policy developed in the GPRSP framework will aim essentially at:</p> <p>attaining and maintaining a moderate level of inflation over the period of strategy implementation; Ensuring low levels of inflation.</p> <p>The reforms to be implemented by the central bank will clarify and rearrange the framework for executing monetary policies so as to strengthen monetary policy transmission mechanisms and make the instruments used more efficient.</p>	<p>The annual growth of the money supply will be maintained around 9.3% in 2009, i.e. above nominal GDP growth.</p> <p>Counterinflation policy will be continued between 2007 and 2011.</p>
<p>Balance of payments</p>	<p>Excluding official transfers, the current account of the balance of payments is estimated to be in deficit by just over 6% of GDP in 2007.</p> <p>Estimates of the current account deficit for 2007-2011 assume that private remittances from the Haitian diaspora will form a permanent and globally stable component of Haiti's balance of payments.</p> <p>Private transfers grew by 15% in 2006/2007, and by 11% in 2007-2008.</p>	<p>Between 2007 and 2011, this deficit, excluding official transfers, should be around 8% of GDP on average, trending slightly downward owing to a continued deterioration of the trade balance.</p> <p>When such official transfers are taken into account, the current account balance the 2007 would be reduced to just over 1% of GDP.</p> <p>Private transfers should represent close to 20% of GDP in 2007, with relatively similar levels maintained throughout the period.</p> <p>The current account balance has generally been below 2% of GDP over the last few decades. With a view to coping with external shocks, the target for gross foreign exchange reserves is to accumulate the equivalent of three months' imports of goods and services.</p> <p>The growth of current transfer flows and the expected increase in foreign direct investment (FDI) flows should contribute to this accumulation.</p>	<p>Private transfers can be expected to decrease in 2009 owing to the international financial crisis.</p>

<p>Macroeconomic prospects for 2007-2011</p>		<p>To provide a brief analysis of prospects for 2007-2011, two scenarios were considered.</p> <p>Projections essentially relate to the period 2007-2011, although, to characterize the scenarios, average growth rates were kept at 6% and 4% until 2015 for the optimistic and baseline scenarios respectively. These scenarios differ mainly because of an increase in activity over the last two years of the period, higher investment levels owing to improved absorption capacities in the Haitian economy, and followed by an increase in the level of resource mobilization.</p>	
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Annex 2

Institutional Framework for Implementing and Monitoring the Growth and Poverty Reduction Strategy Paper (GPRSP 2008-2010)

Introduction

Over the last few years, the Republic of Haiti has made significant progress in economic recovery programs and public policy reforms aimed at facilitating development. A Growth and Poverty Reduction Strategy Paper (GPRSP) was prepared for the period 2008-2010, providing a frame of reference for national development and cooperation with development partners. Implementation of the two fundamental and strategic objectives of the GPRSP involves a set of structural reforms that the Haitian authorities are implementing to be able to benefit from external funding that can be used to finance investments.

In November 2006 Haiti reached the Decision Point under the Enhanced Heavily Indebted Poor Countries (HIPC) initiative, making it eligible for interim debt relief. To attain the Completion Point, which provides definitive debt relief and makes the country eligible for additional resources to combat poverty, it is essential to pursue serious reforms to maintain macroeconomic stability and ensure a satisfactory first year of implementation of the GPRSP, as recognized in an evaluation report. It is worth noting that implementation of the strategy, prepared through a participatory process, serves as the trigger for attaining the Completion Point.

This paper is intended as a methodological and technical benchmark framework for implementing, monitoring and evaluating poverty reduction and growth actions. It is addressed to all actors and partners involved in economic development and poverty reduction actions; and it describes the monitoring and evaluation systems to be applied through appropriate strategies, instruments and mechanisms.

I. Setting for GPRSP implementation

The Growth and Poverty Reduction Strategy Paper (GPRSP) places poverty at the heart of global development strategies and both specific and local sector policies. It provides a framework for all actions and mobilizes all resources obtained both from the Public Treasury and development partners, pursuing a consistent set of objectives with targets measured through verifiable indicators of performance, products, and outcomes between 2008 and 2010.

The strategy is being implemented in a setting shaped by major concerns over the

participation of all actors (State, local entities, the private sector, civil society, and development partners), the maximum possible absorption of available resources, and an improvement of living standards among the poorest population groups. Good governance criteria that aim to improve the effectiveness and efficiency of institutions and strengthen stakeholder capacities are also taken into account. An integrated global approach reflects the need for a spatial strategy to reduce geographic and social disparities, halt the rural exodus, and rebalance geographical areas by exploiting national and regional potentials and resources.

Lastly, implementation of the strategic options of the GPRSP and achievement of its global and specific goals call for a consistent and harmonious monitoring and evaluation system, The key hub of which is essentially the circuit of resources, along with their mobilization and evaluation.

The GPRSP will be implemented, monitored, and evaluated within the process defined during its preparation, with involvement and participation by all stakeholders. The challenge is to speed up economic growth, spread its benefits more effectively to reduce poverty and social exclusion, and achieve better spatial organization.

Efforts will also be made to promote integrated local development, based on local development schemes and land management at the level of *arrondissements*, boroughs and communities (*sections communales*). The spatial strategy thus forms the major integrating framework that harmonizes public policies to promote full development for the Haitian people.

II. The GPRSP implementation mechanism

Implementation of the GPRSP, and the monitoring and evaluation of its expected outcomes in terms of growth, poverty reduction, and better living standards, require mechanisms to be set up to coordinate the roles of the different stakeholders. This is essential, not only for achieving the hoped-for results, but above to ensure the coordination and consistency of government action as a whole, and better application of the principles of the Paris Declaration on Aid Effectiveness in the Haitian context.

This institutional, organizational, and methodological mechanism puts the emphasis on simple procedures and participatory modalities involving all stakeholders. The success of the GPRSP largely depends on achieving global product and outcome indicators. It is therefore necessary to monitor progress in terms of strategy implementation, evaluation of its impact, monitoring and evaluation of physical and financial execution, and implementation of an information system.

This involves three stages:

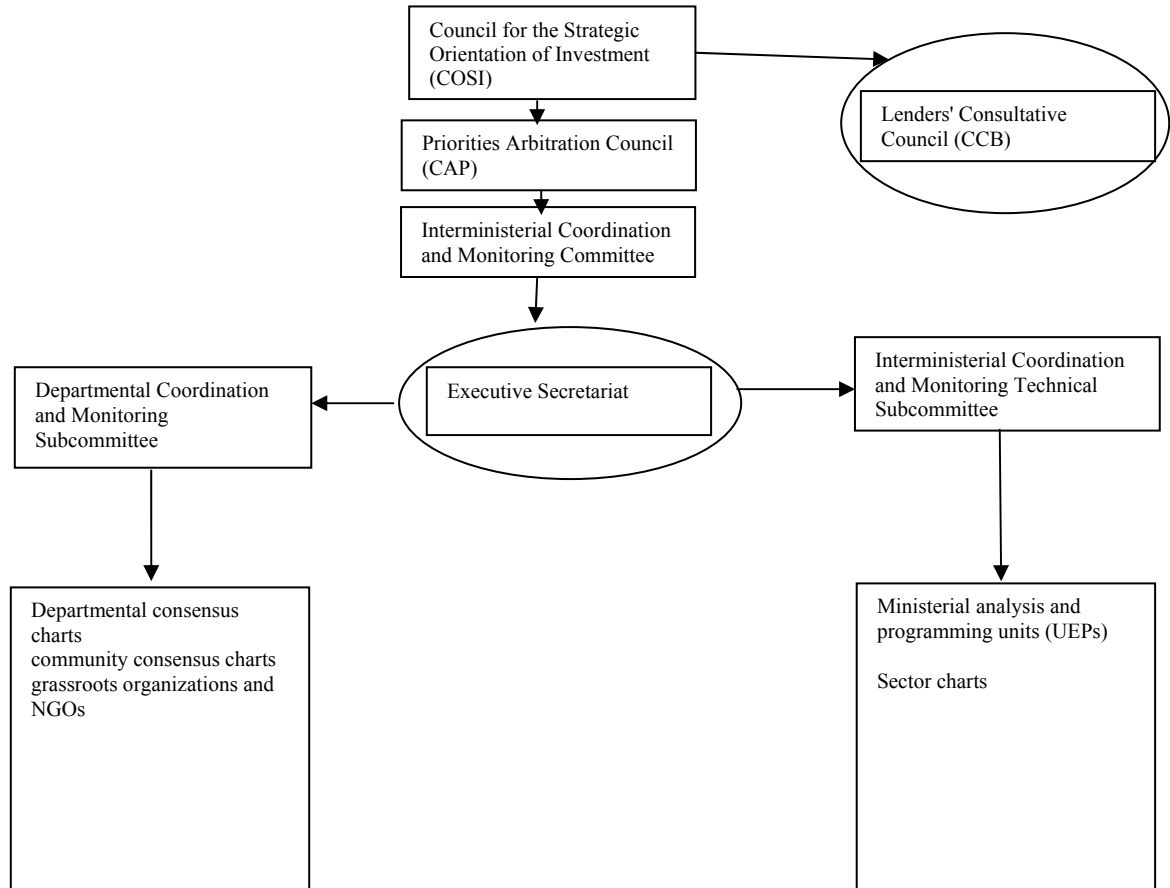
- first, an institutional stage to create and implement the structures involved;
- second, a regulatory stage to make this operational through training and awareness raising; and
- third, an evaluation stage, to make preliminary assessments and reformulate operating plans for priority actions.

III. Institutional Framework

The institutional framework for coordinating and monitoring GPRSP implementation is

constructed through mechanisms involving a flexible planning process that takes account of the different implementation elements. This is shown in the following diagram:

Mechanism for coordinating and monitoring GPRSP implementation - National Investment Commission (CNI)



3.1- Organizational structure of the National Investment Commission (CNI)

The **National Investment Commission (CNI)**, sponsored by the President of the Republic has the key mission of piloting the GPRSP implementation process. It consists of two levels: strategic and operational.

3.1.1- Strategic level

The strategic level consists of the following:

The Council for the Strategic Orientation of Investment (*Conseil d'Orientation Stratégique - COSI*), coordinated by the President of the Republic, consisting of ministers and civil society representatives, has the key mission of tracking the performance of public investments, particularly those related to major government works, to promote the growth and competitiveness of the Haitian economy.

The Priorities Arbitration Committee (*Comité d'Arbitrage des Priorités - CAP*), chaired by the Prime Minister, with members including the Ministers of Planning and External Cooperation and of Economic Affairs and Finance. This committee's mission is to provide orientation to public expenditure based on the GPRSP priorities and directives announced by COSI, contingent upon on the funds made available in the General Budget of the Republic. These two ministers also serve as a link between the strategic and operational levels.

Where appropriate, the chairs of the Budget Committees of the Senate and Chamber of Deputies can be invited to participate in arbitration meetings to gain a better understanding of government directives in terms of public investment.

The Lenders' Consultative Council (*Conseil Consultatif des Bailleurs - CCB*), chaired jointly by the Ministers of Planning and External Cooperation and Economic Affairs and Finance, with members including representatives of the G-10 lenders. The council's mission is to help strengthen ways of channeling and managing aid, by working together to achieve better mobilization of financial and technical resources, to the benefit of Haiti. It will help reconcile the policies of donor agencies and countries with Haiti's national priorities.

3.1.2- Operational level

The operational level concerns execution as such, as well as the monitoring and evaluation of global, sector programs and projects, both specific and local.

At this stage, making stakeholders fully responsible requires decentralized implementation of policies, programs and projects, coordinated around sector actions led by the governing institution. The implementation system should also allow for local expression of global, sector and specific strategic objectives.

The Growth and Poverty Reduction Strategy Paper also seeks to overcome the disparities that exist between the different regions of the country, create basic conditions to promote the dynamic of wealth creation at grass-roots population and local authority levels and implement a framework for making the most of the potentials of each zone; hence the Land Management Policy, whose key mission is to guide investments for development based on dynamic promotion of the regions.

To compensate for the limitations of the sector development approach and ensure better spatial consistency of actions, a new regional coordination of geographical divisions is

proposed, with the *arrondissement* as the basic operational unit. A geographic approach is preferred for this purpose, to provide better guidelines for decentralization and deconcentration of socio-politico-economic activities to promote regionally balanced development.

In this approach, the *arrondissements* will serve as the local development planning framework to integrate development programs and projects more effectively and strengthen the central government's technical oversight of local bodies.

The Interministerial Implementation, Coordination, and Monitoring Committee (*Comité Interministériel de Coordination et de Suivi de la Mise en Œuvre - CICSMO*) coordinates and monitors GPRSP implementation nationally. It is located at the centre of the general orientation and execution mechanism, and serves as a functional intermediary between COSI, CAP and the CCB.

The committee consists of the Ministers of Planning and External Cooperation and Economic Affairs and Finance, supported by five ministers from priority sectors (MARNDR, MTPTC, MENFP, MSPP and MJSP); and it is chaired by the Minister of Planning and External Cooperation (MPCE). It works executing agencies such as ministries, public agencies, local authorities, institutional stakeholders from civil society, and NGOs recognized in terms of project execution.

CICSMO establishes the elements for strategy application, arbitrates between proposals for correcting actions, issues directives for effective strategy execution, reviews the GPRSP implementation progress and identifies its success factors, namely criteria and modalities for monitoring the quantitative indicators, coordination of programming, execution, monitoring, and evaluation of GPRSP actions, harmonization of project choice decisions, and support for financial arbitration decisions, among others.

It also acts in conjunction with the Ministry of Economic Affairs and Finance (MEF), and sector ministries through their Analysis and Programming Units (*Unités d'étude et de programmation - UEPs*).

CICSMO Powers

CICSMO has powers to:

- (a) issue directives as necessary for effective strategy execution;
- (b) review the progress of GPRSP implementation;
- (c) specify suitable alterations to update the GPRSP;
- (d) approve the planning of resources for programs and projects in accordance with the pillars of the GPRSP; and
- (e) approve quarterly reports on the status of GPRSP physical-financial progress and evaluation reports on its policies, actions, programs and projects.

CICSMO is supported by an executive secretariat which coordinates and monitors GPRSP implementation. The main powers of the executive secretariat are to:

- Ensure regular and permanent monitoring of strategy execution; Assist ministers involved in the different stages of the process of planning and executing GPRSP-related policies, programs and projects;
- Submit programs and projects for approval by the Interministerial Coordination Committee;
- Coordinate ex ante and ex post monitoring and evaluation of GPRSP policies, programs and projects, in conjunction with the ministries and institutions concerned;
- Facilitate normal flow of funds to execute GPRSP-related programs and projects;
- Prepare and submit to the Interministerial Coordination Committee, periodic progress and monitoring reports on GPRSP policies, programs and projects;
- Prepare detailed reports as requested by the Interministerial Coordination Committee;
- Ensure organic liaison between the different elements of the CNI, by preparing the corresponding dossiers.

The Executive Secretariat consists of:

- A technical specialist responsible for coordinating the execution and monitoring of GPRSP sector program and project work plans;
- A technical specialist to coordinate the preparation of GPRSP sector program and project documents;
- A technical specialist responsible for monitoring and evaluation of GPRSP policies and impact;
- A person responsible for maintaining and updating specific status charts for monitoring: the Millennium Development Goals (MDGs), progress in implementation of the principles of the Paris Declaration on Aid Effectiveness, progress in public finance reforms (PEMFAR), and progress criteria for lifting Haiti out of the least advanced countries (LAC) category;
- A person responsible for information and awareness-raising to ensure that the GPRSP achieves ownership by all sectors;
- A person responsible for technical and logistic coordination of operations to implement the GPRSP.

The Executive Secretariat will also be supported by the MPCE Departmental Divisions Coordination Unit (*L'Unité de coordination des directions départementales*), which will provide logistic and communications support with these divisions and the ministries concerned to facilitate transmission of dossiers, directives and reports between central government and the GPRSP Departmental Coordination Units.

On the administrative and financial front, the Executive Secretariat is assisted by the MPCE Administrative and Budgetary Affairs Division, which executes the expenses needed for GPRSP implementation activities. To deal with these different elements, the CICSMO Executive Secretariat is assisted by:

(A) **An Interministerial Technical Subcommittee for Sector Coordination and Monitoring** of the GPRSP (*Sous comité technique interministériel de coordination et de suivi sectoriel - SCTICSMO*), to ensure sector technical and operational coordination of execution and monitoring of GPRSP priority actions both nationally and locally, prepares reports for higher-level bodies, promotes partnership and manages the information network.

The committee consists of representatives from sector ministries, civil society and lenders, and is coordinated by the MPCE Economic and Social Programming Division (*Direction de programmation économique et sociale - DPES*). Sector representatives will also coordinate the UEPs, which will advise the minister. SCTICSMO meets with the CICSMO Executive Secretariat at least once a month to propose corrections to CICSMO. The working meetings of the subcommittee are used, among other things, to evaluate strategy execution in each sector and to review the status of actions implemented in each sector, define suitable alterations to facilitate the execution of programs and projects, and update the GPRSP.

SCTICSMO will also be supported by specific sector thematic charts (*Tables sectorielles ou thématiques*) and the technical divisions and services of the MPCE, the DEE of the MEF, the technical units involved in the General Budget Directorate (DGB), and the Haitian Institute of Statistics and Information (IHSI). It also collaborates with the National Geospatial Information Centre (*Centre national de l'information géo-spatiale - CNIGS*) and the National Observatory of Poverty and Social Exclusion (*Observatoire nationale de la pauvreté et de l'exclusion sociale - ONPES*) on matters pertaining to their respective competencies.

(B) A Departmental Subcommittee for Implementation Coordination and Monitoring (*Sous Comité Départemental de Coordination et Suivi de la mise en œuvre - SCDCSMO*), chaired and coordinated by the respective Departmental Director of the MPCE, with the MPCE Departmental Division acting as secretariat. The SCDCSMO is coordinated nationally by the Land Management Unit (UAT), in conjunction with the DPES and the MPCE's Departmental Division Coordination Unit (UCDD). The Departmental Subcommittee consists of all sector departmental directors and the regional directors of autonomous state agencies, as well as civil-society and lender representatives. It promotes partnership, and manages the information and communication network for the department. It technically supervises grassroots and civil society organizations, as well as partners in the participatory monitoring system. It sends a regular quarterly GPRSP monitoring report to the CICSMO Executive Secretariat, updating the trends of poverty reduction programs and projects at the departmental level. Its attributions will also include helping to form a databank on the GPRSP at the departmental level, and tracking the trend of programs and projects in boroughs (*communes*) and communities (*sections communales*). The SCDCSMO is assisted by Departmental Consensus Charts (*Tables départementales de concertation - TDC*) and by the Departmental Technical Council (CTD).

It is also supported, as necessary, by Community Consensus Charts (*Tables communales de concertation - TCC*) which are consultation groups based on mayoralities, CASEC, ASEC and grassroots organizations.

Grassroots organizations and nongovernmental organizations (NGOs) will support the subcommittee by providing information on their respective domains and intervention sectors.

Geographically decentralized services and deconcentrated services from the transferred domains will send a regular report on issues in their jurisdiction to their respective ministries, with copies to the departmental delegation concerned and to the SCDCSMO; and they will maintain close relations with the UEPs and respective ministries.

At both the national and departmental levels, monitoring and evaluation structures will mobilize all actors from central government, local authorities, civil society and the private

sector, upholding principles of equity, celerity and proximity. Lenders will also be associated with monitoring and evaluation agencies. An information mechanism will be implemented to improve links between the various bodies. Regulations will establish the composition, structuring and functioning of all these bodies, and procedures will be designed by the UEPs in the ministries concerned to define working modalities between the various actors to execute and monitor GPRSP programs and projects.

(C) CICSMO support structures.

The various MPCE technical divisions share and distribute responsibilities for coordinating GPRSP implementation, monitoring and evaluation. They are supported by the ONPES, CNIGS, and IHSI, as well as by the sector ministry UEPs.

Regular monitoring of the GPRSP will be the responsibility of MPCE entities. The MEP will also play a key role through the DGB, the Treasury Department (DT), the DEE, and the IHSI. Support structures are involved on the basis of their specific missions and attributions within the ministries and institutions, as follows:

(a) The DPES of the MPCE in conjunction with the DEE of the MEF, the UAT of the MPCE, the ONPES and the UEPs of sector ministries will be responsible for monitoring the GPRSP strategy and its global and specific policies.

These different structures will jointly: (i) monitor the trend of the macroeconomic framework; (ii) ensure that lenders' strategies and interventions are consistent with those of the GPRSP; (iii) oversee the local impact of interventions to reduce regional disparities; (iv) produce and publish an annual monitoring report containing a balance sheet and recommendations for the GPRSP; (v) help develop evaluation capacity as a tool to assist decision-making and make the public sector more effective; (vi) strengthen capacities for analysis and formulation of development and poverty reduction policies;

(b) The Public Investment Division (*Direction de l'investissement public - DIP*) of the MPCE, supported by the UEPs in the sector ministries, will be responsible for programming and coordinating implementation of the public investment program (PIP) in terms of the involvement of the operators concerned, reporting to the authorities specifically in terms of the results indicators and proposing any necessary adjustments.

(c) The External Cooperation Division (*Direction de la coopération externe - DCE*) and the NGO Activities Coordination Unit (*Unité de coordination des activités des ONG - UCAONG*) will support the different constructors involved in seeking, mobilizing and monitoring financing with development partners, within the spirit of the general principles of the Paris Declaration on Aid Effectiveness, as it affects each one.

(d) The DSE of the MPCE, supported by the UEPs in the sector ministries will be at the centre of the system of public investment monitoring implemented in the GPRSP framework. It will ensure that: (i) action plans are executed; (ii) tools for monitoring the execution of all GPRSP actions throughout the country are used and applied; and (iii) reports on the status of physical and financial progress of GPRSP actions are prepared by the execution and analysis units;

(e) The MPCE Departmental Divisions, in conjunction with the departmental divisions of sector ministries, geographically deconcentrated autonomous bodies, and NGOs, will participate in monitoring and evaluation of GPRSP actions locally.

(f) In support of the foregoing structures, the ONPES will be responsible for monitoring

impact and participation, as well as evaluating the GPRSP evaluation in conjunction with other MPCE bodies, even though has other broader main functions than monitoring the GPRSP.

(g) The CNIGS will work in close conjunction with the UAT of the MPCE and other sector institutions involved in cartographic production, particularly in terms of implementing the various spatial planning tools.

(h) The DEE of the MEF, in conjunction with the DPES of the MPCE will monitor the global and specific policies of the GPRSP, particularly macroeconomic policies.

(i) The DT of the MEF will oversee the deployment and use of budgetary funds allocated to the execution of programs and projects arising from GPRSP priority actions. It plays a key treasury role in terms of resources allocated to GPRSP implementation. It is also involved in strengthening public accounting practices in all institutions involved in the public finance reform.

(j) The DGB of the MEF, in conjunction with other institutions involved, particularly the MEF, MPCE, DGI, and AGD, plays a fundamental role in public finance reform. Among other things, it generates public finance statistics by identifying budgetary expenses linked to poverty reduction. In collaboration with the MPCE, it will work to successfully implement the GPRSP and set up the CDMT and CBMT. It will also support sector ministries, in establishing the CDSMT, and particularly to implement program budgeting. In conjunction with the MPCE units involved in budget preparation, execution and monitoring, the DGB will oversee the conformity of operations to commit public expenditure to implement the GPRSP and the availability of the necessary funds. Lastly, in conjunction with the MPCE, it will develop budgetary instruments to integrate recurrent GPRSP expenditure into the government's operating budget.

(k) The IHSI coordinates the national statistics system and produces global and sector statistics for the entire country, particularly for monitoring the GPRSP. It provides technical support to the UEPs of the various sector ministries as needed to produce sector statistics. It creates a formal framework for consensus and exchange with the MPCE, MEF and ONPES, as well as sector and specific statistics production structures. It also prepares and implements harmonized standards, methods and statistical tools to strengthen the quantitative and qualitative reliability of survey data.

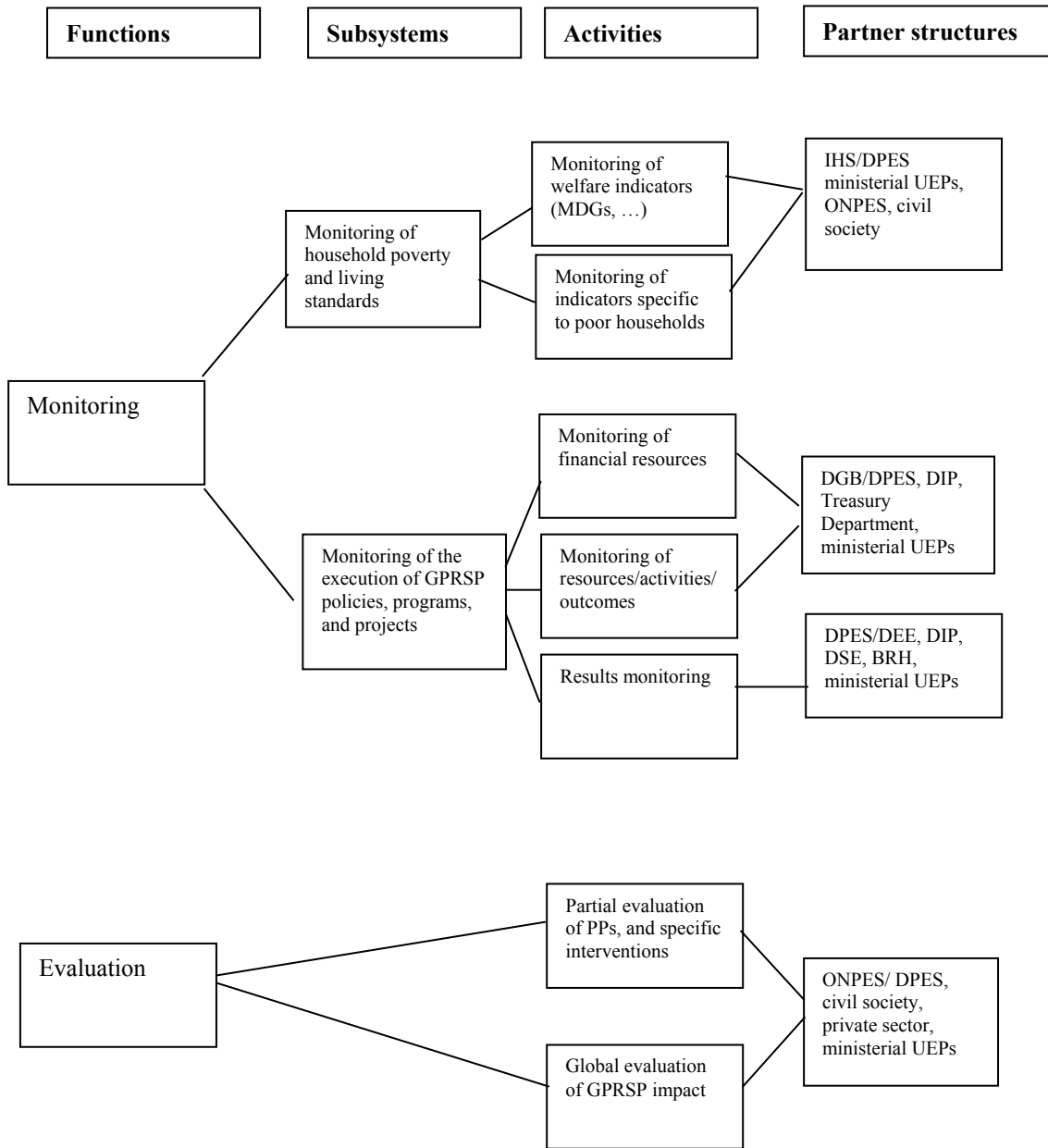
(l) The sector ministry UEPs coordinate the actions of their respective sectors, by ensuring the planning, coordination, policy supervision, programming of development projects and activities of all institutions in the sector in question. They provide overall supervision for the technical execution units of programs and projects in their sector, and they approve the physical-financial reports of the various programs and projects related to their sector. They will also serve as ministerial focus points by providing support, through their services or under the governance of the ministry in question, for the operational monitoring of strategy policies and programs in their sector. In this regard, the ministry UEP will: (i) ensure the poverty dimension is taken into account when preparing, implementing, monitoring and evaluating its sector program; (ii) monitor the strategy indicators in the domains in question; (iii) ensure the maintenance and coordination of strategy implementation activities in the sector.

Dossier holders, i.e. resource officers, will be appointed in each ministry to ensure proper implementation of the GPRSP in their respective sector. They will collaborate with

the UEPs and have responsibility for operational monitoring of specific dossiers such as public finance reform, reform and modernization of the State, and institutional capacity strengthening.

The following chart illustrates the PRSP monitoring and evaluation mechanism implemented to execute monitoring and evaluation functions through two subsystems through which the specified activities will be undertaken by the partner entities responsible for these activities.

GPRSP Monitoring and Evaluation Mechanism



Annex 3

Main GPRSP monitoring indicators

Monetary Poverty

Indicators	Indicator values			Progress toward the MDGs
	1986-1987	1999-2000	2001	
Proportion of the population living in extreme poverty (%)	60	48	55	Slow regression
Proportion of the population living in relative poverty (%)	59.6	48	76	Rapid regression

Education

Indicators	Indicator values				Progress toward the MDGs
	1990	1995	2000	2005-06	
Net primary school enrolment rate (%)	22.1	51.4	67	49.6	Rapid progress
Girl/boy ratio in primary education	0.94	0.93	1.084	1.02	Rapid progress
Literacy rate among 15-24 year olds	54.8	n/a	64.4	82.4	Rapid progress
Share of education in the state budget (UEH-MENFP) (%)	n/a	9.36	16.68	12.99	
Student pass rate in official exams (Rétho - Philo)	60.67	29.53	39.50	48.34	Slow progress
Girl/boy ratio in secondary education	0.96	n/a	1.283	0.94	
Girl/boy ratio in primary and secondary education (%)	95	n/a	n/a	95	Slow regression

Health

Indicators	Indicator values				Progress toward the MDGs
	1990	1995	2000	2005-06	
Under-five mortality rate per 1,000 births		140.6	137.7	86	Rapid progress
Maternal mortality rate per 100,000 live births	457	474	520	630	Regression
Child mortality rate per 1,000 live births	110	87.1	89.4	57	Slow progress
HIV prevalence rate among the population	-	5	5.5	2.2	Rapid progress
Prevalence of modern contraceptive methods (%)	-			24.8	
Percentage of women attending antenatal checkup	-	67.7	78.8	84.5	Slow progress
Proportion of population with access to a better sanitation system (%)	-	-	-	16.5	
Percentage of Community Health Units (UCS) offering minimum health care package: 0.54 % (2007)					

Macroeconomy governance/corruption

Indicators	2000	2001	2002	2003	2004	2005	2006	2007	2008
Annual GDP growth rate	0.9	-1.0	-0.3	0.4	-3.5	1.80	2.3	3.4	1.3
Real interest rate	12,462	16,089	10,093	4,383	11,214	10,283			
Investment rate	27.3	25.8	25.1	30.7	27.3	27.4	28.8	27.7	25.6
Export/GDP ratio	12.70%	12.36%	12.13%	15.82%	15.35%	14.41%	14.30%	11.01%	-
FDI growth rate	-55.83	-66.79	29.55	142.11	-57.25	340.68	515.38	-53.44	-
Public expenditure committed (% of GDP)	11.14%	10.70	11.70	12.60	12.02%	10.10	11.52%	12.16%	10.86%
Share of public expenditure allocated to poverty reduction	The proportion of expenditure executed on poverty reduction is estimated at 30.9%, based on the current definition. It is higher in terms of investment expenditure (40.2%) than operating expenses (27.6%).								
	Disparities in execution rates exist both for expenditure on poverty reduction (32.0%) and for total expenditure (4.4%), stemming mainly from very low execution rates in investment expenditure, whether for poverty reduction (14.3%) or total (19.5%).								
	The smaller relative share of expenditure on poverty reduction is greater in terms of execution rates, which are much lower than those of total expenditure. This weak performance of public expenditure also conceals methodological problems relating to the definition of poverty reduction expenditure consistent with the GPRSP priorities.								

Indicators	1995	2000	2004	2005-06	2007	2008
Share of justice sector in the annual state budget	7.94%	7.52%	8.18%	9.61%	6.59%	12.22%
Corruption perceptions index		131	145	163	177	-

Annex 4

The MDG Situation

The available figures show that few of the MDG targets will be achieved by 2015, as the gaps that remain are too wide. Examples include maternal health, where the trend has reversed (from progress to regression), and infant mortality, where progress is rather slow. Other targets are not out of reach, however, provided suitable measures are taken in time; e.g. the percentage of the population without access to drinking water is making progress, albeit slowly; and the trends of school enrolment and literacy rates are reasonable in relation to the targets to be met. Some targets have already been attained or are about to be, such as the HIV prevalence rate which is displaying a very promising trend (rapid progress), even though Haiti still has the highest prevalence in the region. Considerable progress has also been made in terms of the boy/girl ratio in primary and secondary education, which is now close to parity. The table below shows the trend of selected MDG indicators and their progress for the period 1990-2006.

Selected MDG indicators (1990-2006)

Indicators	1990	1995	2000	2005-06	Targets for 2015	Progress	Gap to be bridged
Maternal mortality rate per 100,000 live births	457.0	474.0	520.0	630.0	114.0	regression	very large
Proportion of the urban population with access to an improved water source (%)	47.0	43.0	49.0	55.2	94.0	slow	large
Proportion of children under weight (%)	26.8	27.5	17.3	22.2	13.4	slow	large
Net primary school enrolment rate	36.4		54.3	49.6	100.0	slow	large
Literacy rate among 15-24 year olds	54.8		64.4	82.4	100.0	fast	small
Infant-juvenile mortality rate per 1000 live births		140.6	137.7	86.0	60.0	slow	large
Infant mortality rate* per 1,000 live births	110.0	87.1	89.4	57.0	36.7	slow	large
HIV prevalence rate among the population		5.0	5.5	2.2	1.5	fast	small
Primary school girl/boy ratio	0.9			1.0	1	fast	small

Source: EMMUS II (1994-95); EMMUS III (2000); EMMUS IV (2005-06); RNP (2006).

The amounts shown in green are the targets to be achieved by 2015.

It should be noted that development aid provided to Haiti has not been constant. Moreover, foreign agencies are not adhering to the GPRSP objectives, and are consequently out of step with the principles of the Paris Declaration. As a result, MDG No. 8, calling for a global development

partnership, seems far from attainable by Haiti between now and 2015. Considering the initial GPRSP cost estimates of roughly US\$3.8 billion for 2008-2010, and the fact that a total of about US\$1.9 billion has been committed by partners, there is a funding gap of US\$1.9 billion. This is unequally distributed across the different pillars of the GPRSP; e.g. Pillar 1 (Growth vectors) requires US\$2.1 billion, but only 28 percent has been committed by partners, which is too little. Pillar 3 (Justice and Security) requires US\$285 million, of which 33.1 percent has been committed — again not enough.

Annex 5

The poverty and inequality situation

Table 1: Proportion of the population with less than US\$1 a day (PPP), or incidence of extreme poverty

1990	56.8
2001	54
2005	56

Sources: FAFO/World Bank.

Despite falling by 5 percent between 1990 and 2001, the proportion of the population living on less than US\$1 a day (PPP), increased by 3 percent in 2005. As one of the MDGs, this indicator is supposed to reach a level of 28.4 percent by 2015, i.e. a reduction of 49 percent.

Table 2: Proportion of the population with less than US\$2 per day (PPP), or incidence of poverty

2000	65
2005	76

Sources: FAFO/World Bank.

A 16.9 percent increase in five years. Haiti has the highest poverty rate in Latin America and the Caribbean.

Depth of poverty

Table 3: Depth of poverty

Metropolitan area	0.10
Other urban areas	0.33
Rural areas	0.37
Total	0.31

Source: FAFO Poverty Profile, 2005.

The share of national consumption obtained by the poorest income quintile is measured as that obtained by the poorest 20 percent of the population; whereas the share of the wealthiest group corresponds to the highest 20 percent of incomes. Data on personal or household income or consumption comes from nationally representative household surveys. The distribution is based on percentiles of the population, rather than on households, which are classified by income or expenditure per person.

Table 4: Share of national consumption by the top and bottom quintiles

Poorest 20%	1.4
Richest 20%	69.6

Sources: IHSI-ECVH, 2001.

Gini Coefficient

Table 5: Trend of the Gini index

Year	1986-87	1999	2000	2001
Rural areas	0.489	-	0.449	0.60
Other cities	0.376	-	0.474	0.61
Metropolitan area	0.416		0.586	0.50
Total	0.52	0.63	0.51	0.65

Sources: MEF /MPCE/IHSI/RNDH, 2002.

In 2001, the Gini concentration index was 26.8 percent higher than its 1986-87 level. Following a sharp drop in 2000 (by 19.2 percent in relation to the 1999 level), the indicator

rose in 2001.

General comments

An analysis of poverty and living standards in Haiti shows that there are no easy answers to the following questions: how many poor people are there in Haiti; or what are the living conditions of the Haitian population? Answers to these questions depend on the poverty concept and measurements used. Moreover, the frequent absence of statistics, and the unreliability of those that do exist, result in approximations and heroic generalizations being made in any attempt to answer them.

The World Bank defines anyone whose income is below US\$1 a day as "extremely poor", and anyone whose income is below US\$2 per day as "poor". Accordingly, these are the definitions used in this analysis to attempt to answer the questions posed above. This choice of indicators is based on an objective view of poverty, the implicit assumption being that each individual, regardless of age and individual characteristics, needs a minimum income of about that amount to achieve decent living conditions. Compared the concept used by the UNDP in its Human Development Indicator, the World Bank's approach is somewhat more progressive. It prefers a discontinuous view of poverty (it is interested in the number of poor rather than variations in the intensity of poverty among the poor); and it prefers a static concept since it is concerned with the absolute number of poor people at a given point in time rather than individual situations that cause a person to enter or escape from a poverty situation.

Annex 6

Increase in poverty among the population and its vulnerability

The analysis is based on data from surveys made by Vanderbilt University in 2006 and 2007 using a sample of 1,536 people in the different departments of the country. The aim was to ascertain how people perceive the increase in poverty and vulnerability over the last two years.

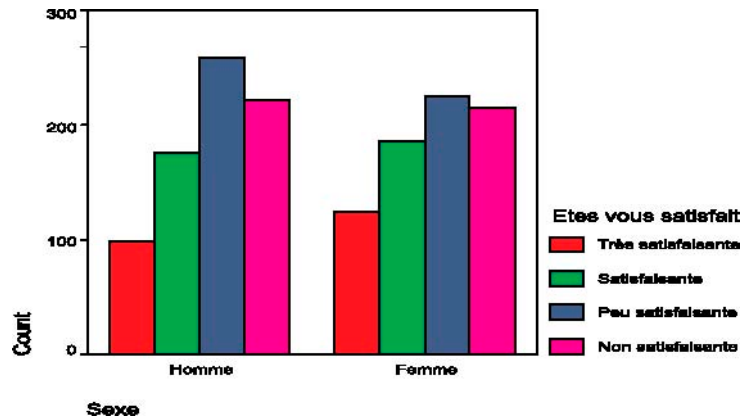
We made a comparative and descriptive analysis of the variables, to broadly explain the poverty and vulnerability situation among the people surveyed.

Most of those interviewed claimed not to be satisfied with their living standard in 2008

Are you satisfied with your standard of living? (LAPOP 2008)

		Very satisfied	Satisfied	Not very satisfied	Dissatisfied	Total
Sex	Men	6.5%	11.7%	17.2%	14.8%	50.1%
	Women	8.2%	12.4%	15.0%	14.3%	49.9%
Total		14.8%	24.1%	32.1%	29.1%	100.0%

Are you satisfied with your standard of living? (Percentages)



Legend: Are you satisfied
 Very satisfactory
 Satisfactory
 Not very satisfactory
 Unsatisfactory

Monthly income (percentage) 2008 LAPOP

	2006	2008
No income	37.6	30.2
2,000 gourdes or less	10.0	14.5
2,001- 3,000 gourdes	14.0	15.4
3,001-5,000 gourdes	18.3	18.3
5,001-8,000 gourdes	8.4	11.2
8,001-13,000 gourdes	4.7	6.5
13,001-20,000 gourdes	3.9	1.9
20,001- 30,000 gourdes	1.2	0.5
30,001-50,000 gourdes	0.7	0.7
50,000- 80,000 gourdes	0.2	0.3
Over 80,000 gourdes	0.9	0.3
Total	100.0	100.0

The proportion of people in the income bracket of 3,000 gourdes or less grew by about 30 percent between 2006 and 2008, whereas those with incomes between 3,000 and 13,001 gourdes shrank by about 8 percent.

Family expenditure and income in percentages

	2006	2008
Sufficient income, with saving	10.4	3.1
Sufficient income, without saving	17.3	13.7
Insufficient income	49.8	49.0
Insufficient income even for food consumption	22.5	34.1
Total	100.0	100.0

People saved much more in 2006 than in 2008, when over 34 percent of people considered their income insufficient to satisfy their food needs. This shows that the situation has deteriorated in just two years.

In 2008, almost 50 percent of the population survey were receiving transfers from abroad, while nearly 29 percent did not receive any in 2006. People depend much more on their families or friends in 2008 than they did in 2006.

Transfers from abroad in percentages (2006-2008)

	2006	2008
Yes	28.8	49.2
No	71.2	50.8
Total	100.0	100

Moreover, people spent over 45 percent of their transfer income on consumption and about 24 percent on education for their children in 2008, as shown in greater detail in the following table.

How transfer income is spent (percentages)

	2008
Consumption (food, clothing)	47.3
Housing (construction, repair)	8.2
Education	23.9
Community (school repair, church building)	0.8
Health	2.4
Saving/investment	1.8
Other	15.6
Total	100.0

Young people between 18 and 24 years of age were more likely to be living with their parents in 2006. The fact that this proportion decreased by 7 percent in 2008 shows that young people have become relatively more independent.

Percentage of young people of 18-24 years of age living with their parents

	2008
Yes	58.9
No	41.1
Total	100.0

The following table broadly shows this situation:

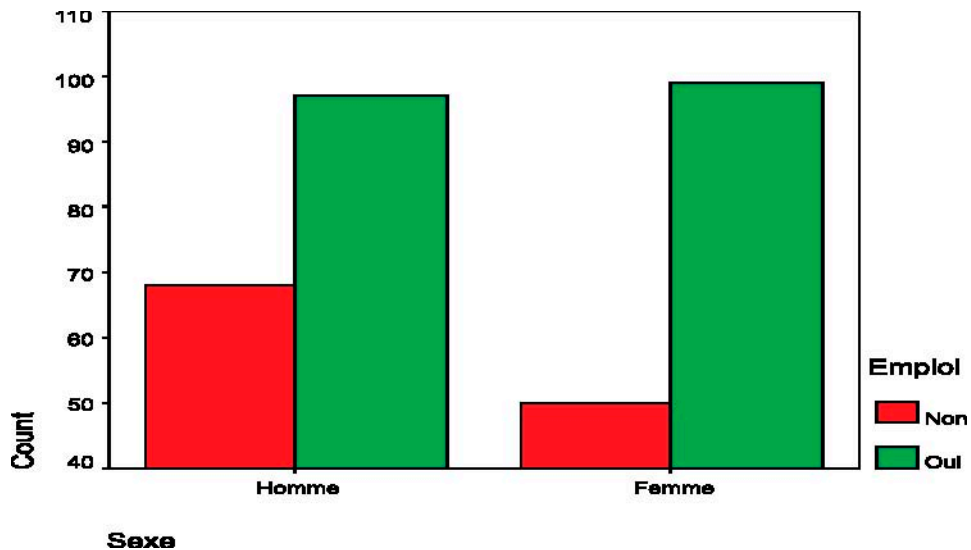
Percentage of young people of 18-24 years of age employed and living with their parents

	2006	2008
1	31.5	56.4
2	34.0	26.4
3	16.3	7.5
4	12.2	4.0
5	3.3	1.8
6	1.7	2.6
7 and over	1.1	1.3
Total	100.0	100.0

In terms of employment, 62 percent claimed to have a job in 2008, while about 37 percent did not. In 2006, 48 percent were not working, while 51.2 percent had a job. Nonetheless, women are much less likely to be employed than men.

Employment in 2008 by sex

		Job?		Total
		No	Yes	
Sex	Men	62.0	103.0	165.0
	Women	56.0	93.0	149.0
Total		118.0	196.0	314.0



Legend: Sex: Men Women
Job: Yes No

Receiving a wage does not give entitlement to employment insurance, however, although the situation had improved by 2008.

Employment insurance (percentages)

	2006	2008
Yes	16.3	19.9
No	83.7	80.1
Total	100.0	100.0

Use of public health services. LAPOP surveys

		No	Yes	Total
Sex	Men	71.6	119.4	191.0
	Women	85.4	142.6	228.0
Total		157.0	262.0	419.0

Citizens' appreciation of the economic situation in the country and their own, nationally in 200_ and 2008 (%)

How do you see the country's economic situation?	2006	2008
Better	0.3	0.4
Good	3.3	0.3
Not bad	17.4	14.6
Bad	44.8	39.1
Worse	34.3	45.6

How do you see your personal economic situation?	2006	2008
Better	0.2	0.3
Good	4.6	1.9
Not bad	25.9	26.2
Bad	46.6	36.0
Worse	22.8	35.7

Do you think the country's economic situation is improving, staying the same, or deteriorating compared to 12 months ago?	2006	2008
Improving	2.4	1.6
Staying the same	42.0	16.6
Deteriorating	55.6	81.8

Do you think your personal economic situation is improving, staying the same, or deteriorating compared to 12 months ago?	2006	2008
Improving	1.9	3.9
Staying the same	49.1	24.8
Deteriorating	49.0	71.3

Do you think that, in the next 12 months, the country's economic situation will improve, stay the same, or deteriorate?	2008
Improve	3.3
Stay the same	22.1
Deteriorate	74.6

In general, are you satisfied with your standard of living? Would you say...	2008
Very satisfied	14.8
Quite satisfied	24.1
Generally dissatisfied	32.1
Totally dissatisfied	29.1

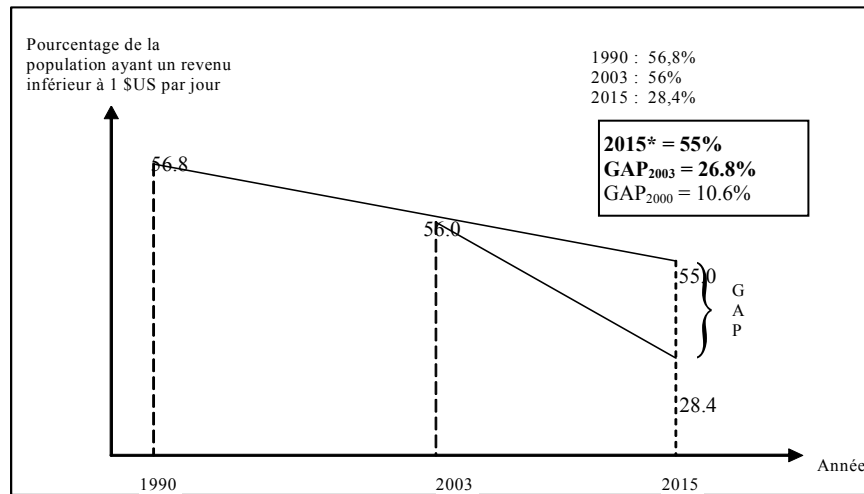
Annex 7

Trends and projections of 13 of the 48 MDG indicators

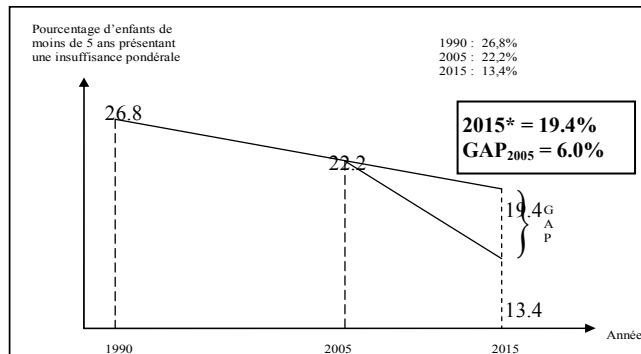
(Indicators in bold are shown graphically; * indicates trend)

Goal 1: Eradicate extreme poverty and hunger

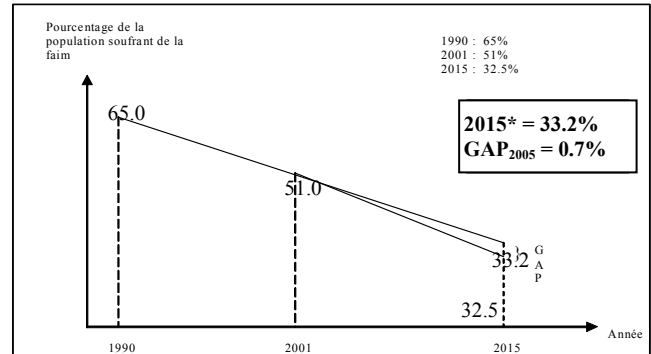
<p>Target 1</p>	<p>Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day</p>	<p>1. Proportion of population with less than one dollar a day, in purchasing power parity (PPP) terms</p> <p>1A. Proportion of the population below the national poverty line</p> <p>2. Poverty gap index (incidence of poverty multiplied by the degree of poverty)</p> <p>3. Share of the poorest population quintile in national consumption</p>
<p>Target 2</p>	<p>Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>	<p>4. Prevalence of underweight children under five years of age</p> <p>5. Proportion of the population suffering from hunger</p>



Legend: Percentage of population with less than US\$1 a day



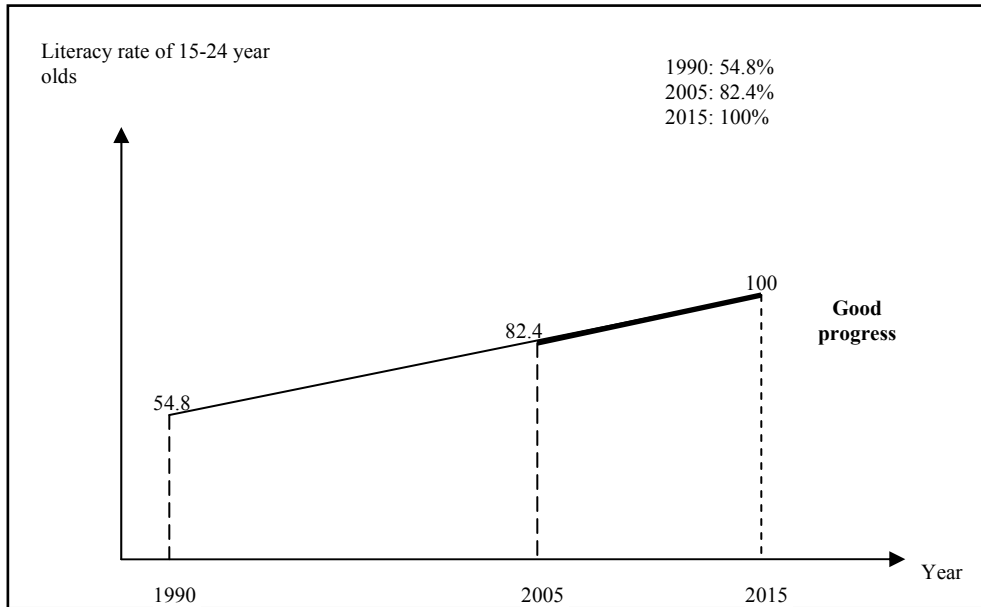
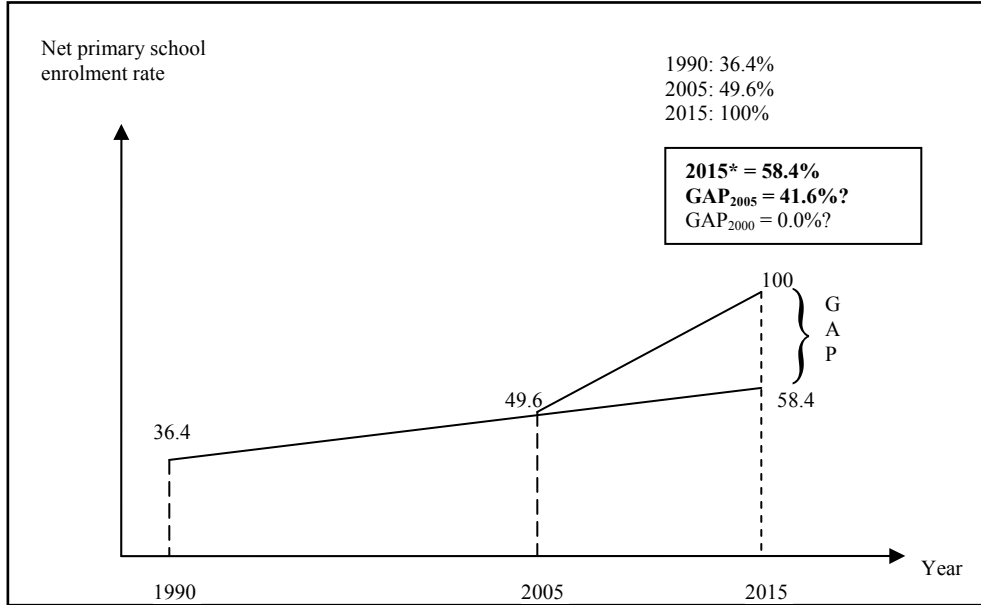
Legend: Percentage of under-fives suffering from low weight



Legend: Percentage of population suffering from hunger

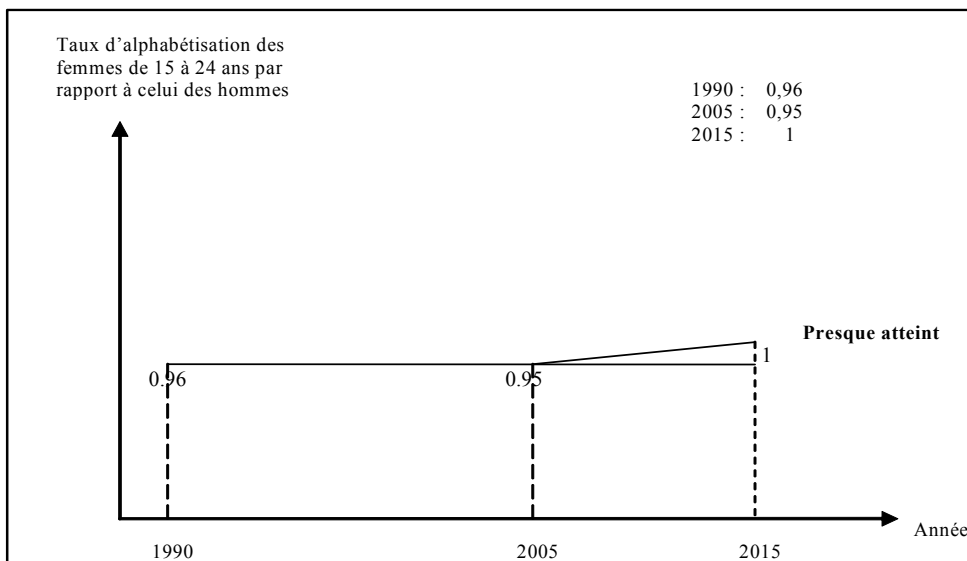
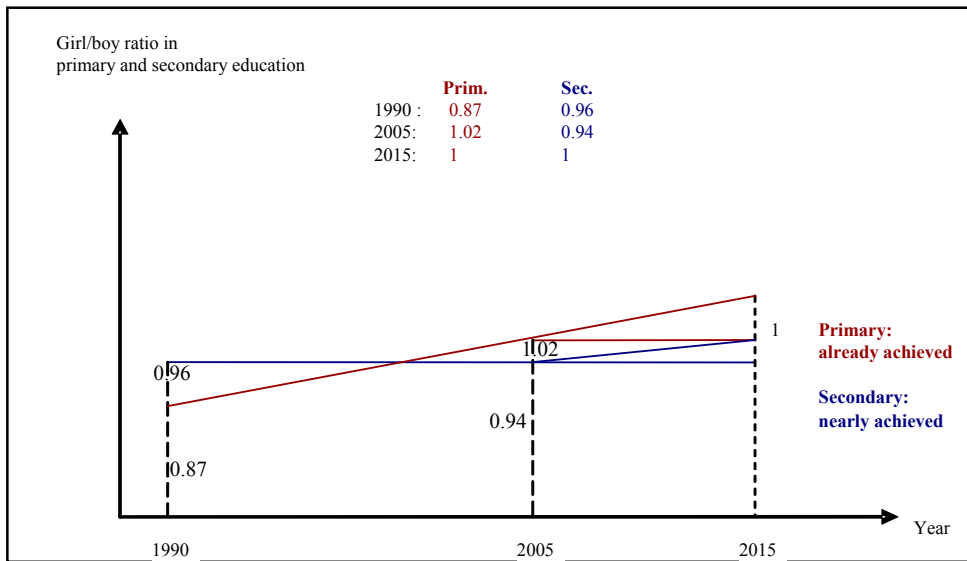
Goal 2: Achieve universal primary education

<p>Target 3</p>	<p>Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</p>	<p>6. Net enrolment ratio in primary education</p> <p>7. Proportion of pupils starting grade 1 who reach the fifth grade of primary</p> <p>8. Literacy rate of 15-24 year olds</p>
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Goal 3: Promote gender equality and empower women

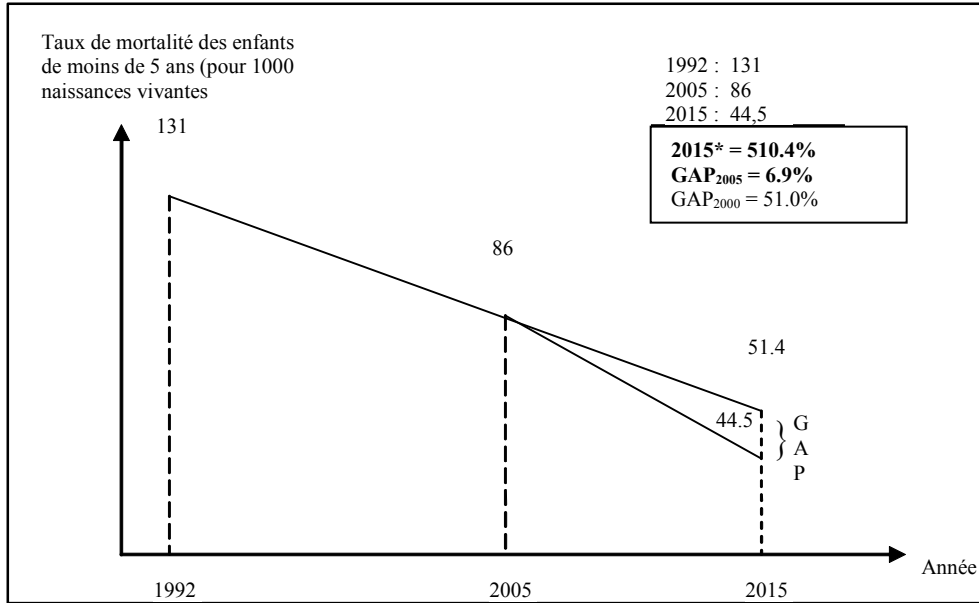
<p>Target 4</p>	<p>Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015</p>	<p>9. Ratios of girls to boys in primary, secondary, and tertiary education</p> <p>10. Literacy rate among women of 15-24 years old in relation to the rate for men</p> <p>11. Proportion of women in wage employment in the nonagricultural sector</p> <p>12. Proportion of seats held by women in the national Parliament</p>
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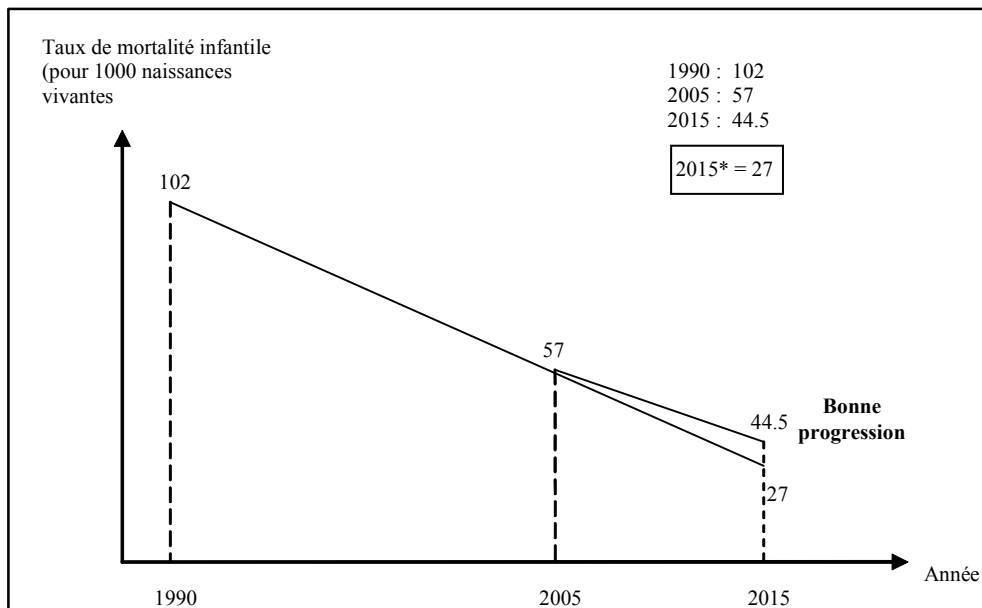
Legend: Female/male literacy ratio of 15-24 year olds
Nearly achieved Year

Goal 4: Reduce the under-five mortality rate

Target 5	Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	<p>13. Under-five mortality rate</p> <p>14. Infant mortality rate</p> <p>15. Proportion of one-year-old children immunized against measles</p>
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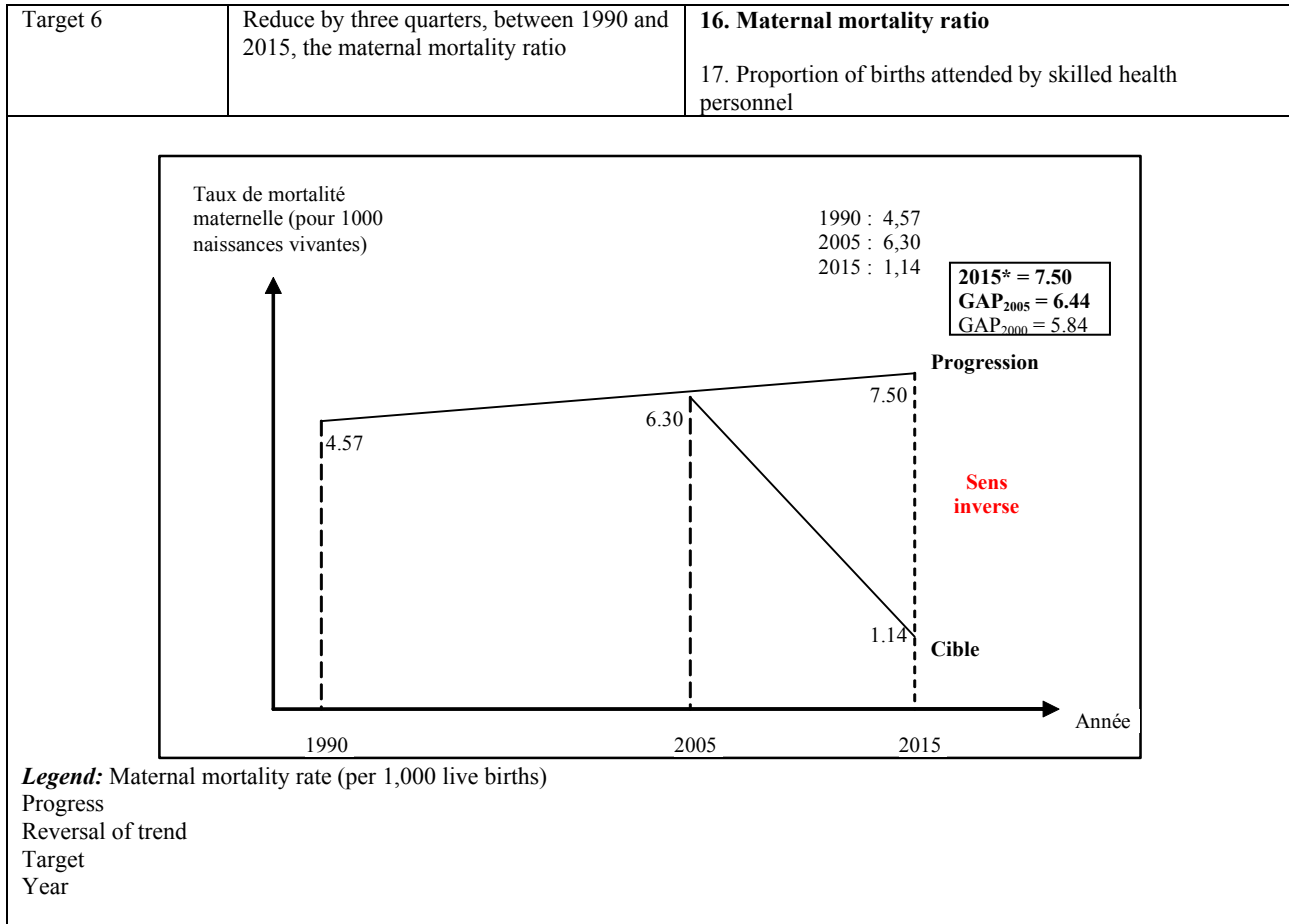


Legend: Under-five mortality rate (per 1,000 live births) Year



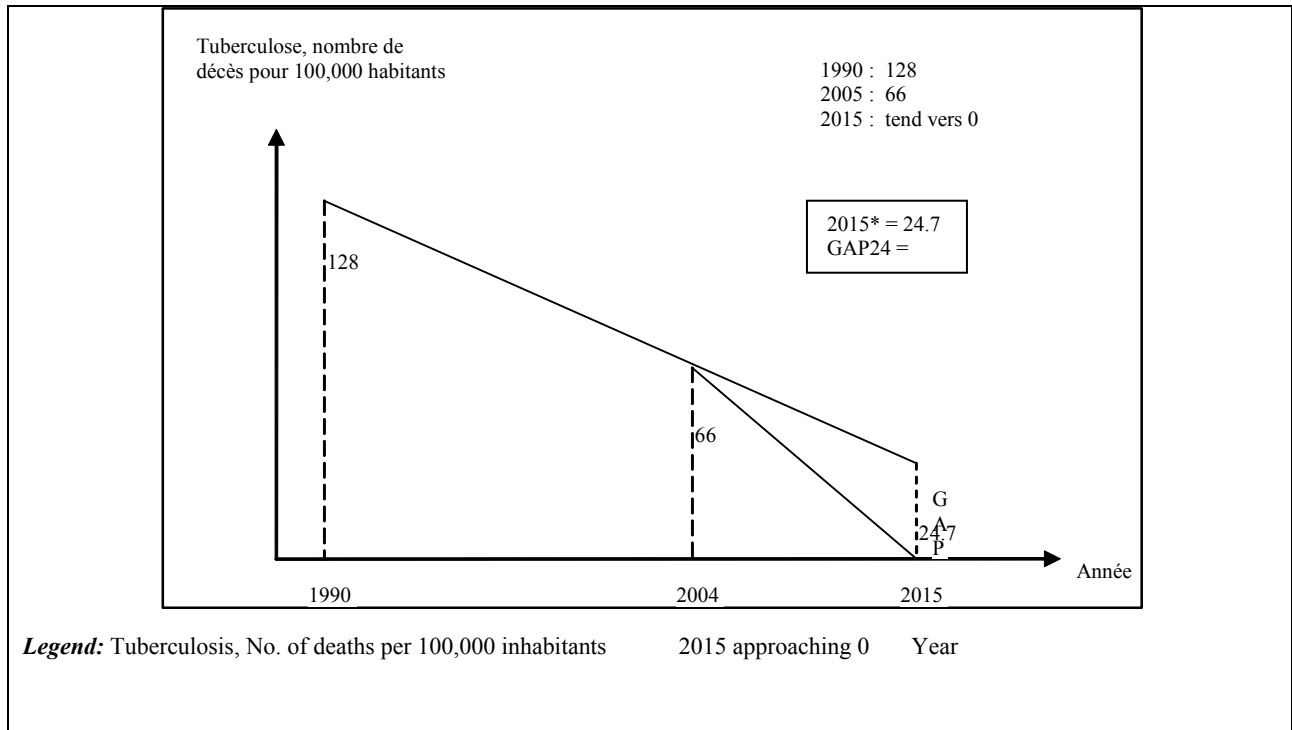
Legend: Infant mortality rate (per 1,000 live births) Good progress Year

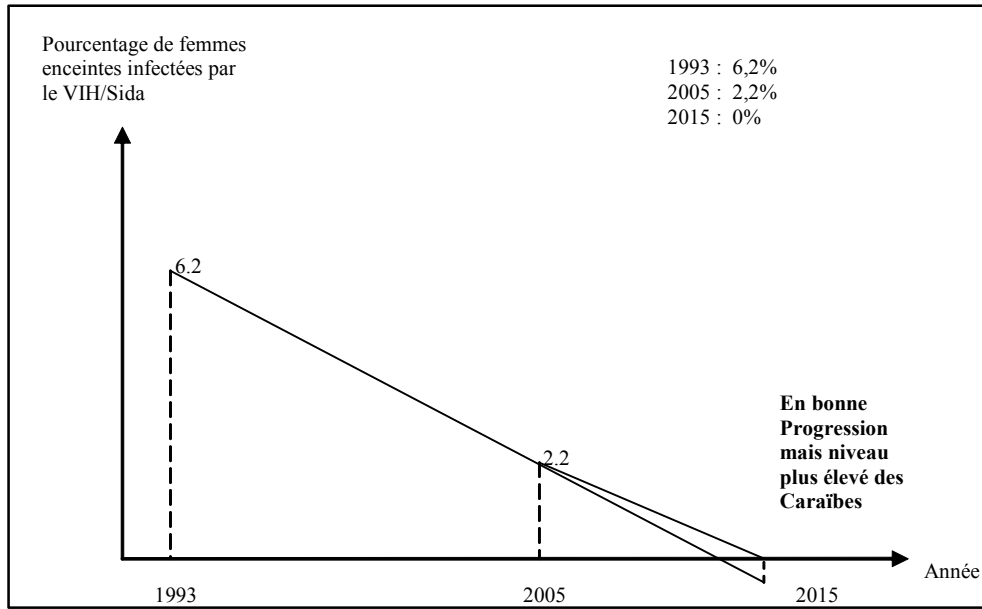
Goal 5: Improve maternal health



Goal 6: Combat HIV/AIDS, malaria, and other diseases

<p>Target 7</p>	<p>Have halted by 2015 and begun to reverse the current trend of HIV/AIDS</p>	<p>18. HIV prevalence among population aged 15-24 years</p> <p>19. Rate of condom use in relation to contraceptive prevalence</p> <p>19A. Condom use at last high-risk sex</p> <p>19B. Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS</p> <p>19C. Contraceptives prevalence rate</p> <p>20. Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years</p>
<p>Target 8</p>	<p>Have halted by 2015 and begun to reverse the current trend of the incidence of malaria and other major diseases</p>	<p>21. Incidence and death rates associated with malaria</p> <p>22. Proportion of the population living in risk zones who use effective anti-malaria prevention methods and treatments</p> <p>23. Prevalence and death rates associated with tuberculosis</p> <p>24. Proportion of tuberculosis cases detected and cured under directly observed treatment short-course (DOTS)</p>

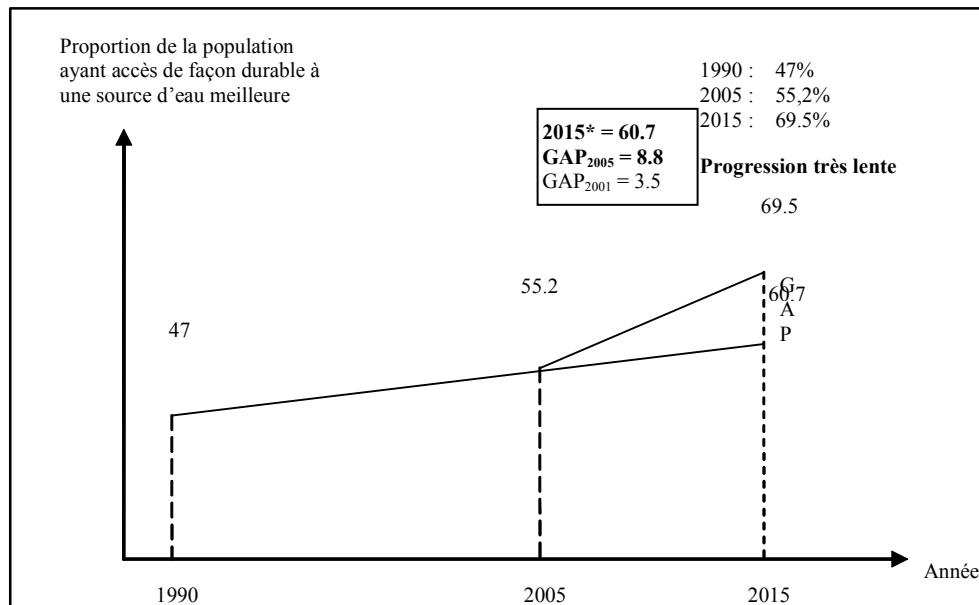




Legend: Percentage of pregnant women infected by HIV/AIDS
Good progress although highest level in the Caribbean
Year

Goal 7: Ensure environmental sustainability

Target 9	Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources	25. Proportion of land area covered by forest 26. Proportion of areas protected to preserve biodiversity (in relation to total area) 27. Energy consumption (in kilograms of oil equivalent) per dollar of GDP (PPP) 28. Carbon dioxide emissions (per inhabitant) and consumption of ozone-layer-depleting chlorofluorocarbons 29. Proportion of the population using solid fuels
Target 10	Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	30. Proportion of the population with durable access to an improved drinking water source (urban and rural zones) 31. Proportion of the population with access to an improved sanitation system (urban and rural zones)
Target 11	By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	32. Proportion of households with access to secure tenure of housing



Legend: Proportion of the population with sustainable access to an improved water source
 Very slow progress
 Year

Goal 8: Develop a global partnership for development

Target 12	Develop further an open, rule-based, predictable, and non-discriminatory multilateral trading and financial system, including a commitment to good governance, development and poverty reduction both nationally and internationally.	33. Net ODA, total and to the least developed countries, as a percentage of OECD/DAC donors' gross national income. 34. Bilateral ODA allocated by OECD/CAD donor countries to basic social services (basic education, primary health care, nutrition, safe water and sanitation).
Target 13	Address the special needs of the least developed nations. Achieving this goal involves tariff- and quota-free access for the least developed countries' exports; Implementation of an enhanced program of debt relief for heavily indebted poor countries and the cancellation of bilateral public debts; more generous provision of ODA to countries committed to poverty reduction.	35. Proportion of bilateral official development assistance of OECD/CAD donors that is untied. 36. ODA received in landlocked developing countries as a proportion of their gross national incomes (GNI). 37. ODA received in small island developing states as a proportion of their GNI.
Target 14	Address the special needs of landlocked developing countries and small island developing states (through the program of action for the sustainable development of small island developing states and the outcome of the 22nd Special Session of the General Assembly).	38. Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty.
Target 15	Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.	39. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries. 40. Agricultural support estimate for OECD countries as a percentage of their GDP. 41. Proportion of ODA provided to help build trade capacity. 42. Total number of countries that have reached their HIPC Decision Points and number that have reached their HIPC Completion Points (cumulative). 43. Debt relief committed under the HIPC initiative. 44. Debt service, as a percentage of exports of goods and services.
Target 16	In cooperation with developing countries, formulate and apply strategies that enable young people to find decent and productive work.	45. Rate of unemployment, total and by sex, of young people of 15-24 years of age.
Target 17	In cooperation with the pharmaceutical companies, provide access to affordable essential drugs in developing countries.	46. Proportion of the population with access to affordable essential drugs on a sustainable basis.
Target 18	In cooperation with the private sector, make the benefits of new technologies available to all, especially information and communications.	47. Number of telephone lines per 100 population. 48A. Number of personal computers and Internet users per 100 population. 48B. Number of Internet users per 100 population.

Annex 8

Chart of Priority Actions

Pillar I: Growth vectors			
	Global objectives	Specific objectives	No. of Actions
Agriculture	1	8	23
Tourism	1	2	8
Trade and industry	1	5	19
Infrastructure	1	5	15
Subtotal	4	20	65
Pillar II: Human development - Priorities in basic social services			
	Global objectives	Specific objectives	No. of Actions
Education and training	1	7	48
Health	1	8	28
Water and sanitation	1	3	9
Subtotal	3	18	85
Pillar III: Democratic governance			
	Global objectives	Specific objectives	No. of Actions
Justice	1	6	35
Security	1	2	16
Neighborhood governance	1	3	9
Subtotal	3	11	60
Specific and crosscutting policies			
	Global objectives	Specific objectives	No. of Actions
Food security	1	4	9
Gender equality	1	7	41
Environment	1	9	35
Social protection	1	4	20
Culture and communication	1	3	22
Urban development	1	4	
Hazards and disasters	1	2	7
Land management	1	2	13
Capacity building	1	9	31
Private sector support framework	1	2	8
Subtotal	10	46	186
Total	20	95	396

Annex 9 Macroeconomic Accounts

Gross Domestic Product Account (In millions of gourdes at current prices)

	Projections									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP	94,028	119,758	140,387	168,034	200,456	225,052	256,096	286,316	315,634	345,298
Imports	33,548	57,326	61,432	68,610	86,255	83,227	92,437	108,040	125,325	139,110
Income	127,576	177,084	201,819	236,644	286,711	308,279	348,533	394,356	440,959	484,408
Consumption	92,140	121,378	143,162	167,291	200,186	224,675	250,658	280,737	308,250	334,143
Investment	23,570	36,758	38,386	46,072	57,861	69,896	81,918	95,189	111,276	125,853
Exports	11,866	18,948	20,271	23,281	28,664	13,708	15,956	18,430	21,434	24,413
Employment	127,576	177,084	201,819	236,644	286,711	308,279	348,533	394,356	440,959	484,408

Gross Domestic Product Account (in millions of gourdes at 1986-1987 prices)

	Projections									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP	12,968	13,015	12,557	12,783	13,079	13,469	13,967	14,526	15,107	15,711
Imports	14,757	15,225	15,063	15,449	16,160	17,219	17,673	18,727	19,637	20,051
Income	27,725	28,240	27,620	28,232	29,239	30,688	31,640	33,253	34,744	35,762
Consumption	20,514	20,691	19,921	20,359	21,162	21,882	22,253	23,185	23,792	24,103
Investment	4,390	4,526	4,381	4,443	4,541	4,922	5,126	5,262	5,470	5,538
Exports	2,821	3,023	3,318	3,430	3,536	3,885	4,261	4,806	5,482	6,121
Employment	27,725	28,240	27,620	28,232	29,239	30,688	31,640	33,253	34,744	35,762
Real GDP growth rate	-0.3%	0.4%	-3.5%	1.8%	2.3%	3.0%	3.7%	4.0%	4.0%	4.0%

Summary of Central Government Financial Transactions
(in millions of gourdes)

						Projections			
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total income	7,941	10,919	16,326	26,860	35,909	46,336	56,275	60,920	70,798
Total domestic income	7,828	10,748	12,606	16,255	20,109	23,196	29,942	34,339	39,295
Current revenue	7,826	10,748	12,606	16,255	20,109	23,196	29,942	34,339	39,295
Domestic revenue	5,757	7,979	9,095	11,980	14,010	16,368	20,682	23,626	28,329
Customs revenue	2,069	2,769	3,511	4,275	6,099	6,828	9,260	10,713	10,966
Other current revenue	2	0	0	0	0	0	0	0	0
Grants	113	171	3,720	10,605	15,800	23,140	26,333	26,581	31,503
Total expenditure	11,091	15,041	19,364	27,573	37,083	45,026	59,121	66,228	76,379
Current expenditure	9,070	10,843	11,171	14,854	18,563	15,845	26,564	31,651	34,674
Wages and salaries	3,480	3,869	4,131	5,699	6,471	8,087	12,617	14,430	15,564
Operating expenses	4,270	4,475	4,582	4,151	4,862	1,165	7,515	9,563	11,372
Subsidies and transfers	768	1,446	1,166	3,992	5,552	5,329	5,607	6,099	6,002
Interest payments	552	1,053	1,292	1,012	1,678	1,264	825	1,559	1,737
Investment expenditure	2,021	4,198	8,193	12,719	18,520	29,181	32,557	34,577	41,704
Domestic	1,908	4,027	4,473	2,114	2,720	6,041	6,224	7,996	10,201
Foreign	113	171	3,720	10,605	15,800	23,140	26,333	26,581	31,503
Current balance	-1,242	-95	1,435	1,401	1,546	7,351	3,378	2,688	4,621
Overall balance	-3,150	-4,122	-3,038	-713	-1,174	1,310	-2,846	-5,308	-5,581
Overall balance excluding grants	-3,263	-4,293	-6,758	11,318	16,974	21,830	-29,179	-31,889	-37,084
Financing	3,150	4,122	3,038	713	1,174	-1,310	2,846	5,308	5,581
Domestic financing	3,311	3,384	3,049	-126	-167	-1,758	-410	-910	-910
Monetary authorities	2,897	3,645	2,903	6	-334	-1,129	0	0	0
Commercial banks	-42	9	59	-47	119	-68	-410	-410	-410
Other	456	-270	87	-85	48	-561	0	-500	-500
External financing	-161	738	-11	839	1,341	448	3,256	-1,759	-1,759
of which: Budgetary support						-950	1,311	2,053	4,216
Grants							3,607
Drawings							720
Paris Club rescheduling							129	0	0
HIPC							531	864	0
Funding gap								7,977	8,250
Funding gap (US\$)								222	229

Summary of Haiti Balance of Payments (millions of US dollars)

	Projections								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Current account	- 30	- 46	- 57	114	- 1	67	- 12	- 222	- 267
Current account (excluding grants)	- 165	- 183	- 157	- 214	- 381	- 361	- 460	- 572	- 755
Trade balance	-708	-783	-833	-850	-1,054	1,086	1,231	1,392	1,516
Merchandise exports	274	333	378	459	494	553	698	786	875
of which, maquila	221	278	320	397	435	491	631	713	795
Merchandise imports	-983	-1,116	-1,211	-1,308	-1,548	-1,640	-1,929	-2,178	-2,391
of which, petroleum products	-157	-196	-218	-313	-397	-400	-450	-467	-473
Net services	-93	-166	-204	-313	-336	-357	-400	-414	-561
Credit	164	135	133	138	197	230	290	366	295
Debit	-256	-301	-337	-452	-533	-587	-690	-780	-856
Net income	-13	-16	-12	-37	7	1	-4	2	12
Net current transfers	784	918	993	1,313	1,382	1,509	1,623	1,582	1,797
Net official transfers	135	137	100	328	380	428	448	350	488
Net private transfers	649	781	893	985	1,002	1,081	1,175	1,232	1,309
Capital and financial account	- 42	27	89	- 58	88	90	89	93	141
Foreign direct investment	5	14	6	26	160	80	80	80	80
Net capital flows to the public sector	-25	-3	-10	31	51	23	43	50	98
Net flows from/of the banking sector	3	-47	29	-76	-83	-13	-34	-37	-38
Net errors and omissions	-25	63	65	-40	-39	0	0	0	0
Overall balance	- 72	- 19	33	56	88	157	77	- 129	- 127
Financing	72	19	- 33	- 56	- 88	- 156	- 77	- 93	- 102
Variation in reserve assets	49	21	-51	-22	-107	-199	-118	-124	-114
Variation in liabilities	-8	-11	-2	9	10	21	23	23	12
Variation in arrears	31	9	20	-43	9	-45	0	0	0
Other (including HIPC debt rescheduling)	0	0	0	0	0	67	18	8	0
Funding gap	0	0	0	0	0	0	0	222	229

Monetary situation (in millions of Gourdes)

						Projections				
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net external claims	8,421	13,475	12,683	18,630	24,000	30,493	35,866	41,660	47,775	54,147
Net domestic claims	28,808	38,553	44,078	49,660	51,091	51,895	54,737	59,016	63,503	67,771
Credit to the public sector (excluding special accounts)	15,229	18,700	21,097	21,159	20,118	20,118	20,118	20,118	20,118	20,118
Credit to central government	15,219	18,611	21,401	21,322	20,570	20,124	20,124	20,124	20,124	20,124
Other credit to the public sector	10	89	-303	-163	-452	-6	-6	-6	-6	-6
Credit to the private sector	14,512	19,365	21,142	25,609	27,019	28,399	31,241	35,520	39,778	43,845
Other items - net (including special accounts)	-932	488	1,839	2,892	3,955	3,378	3,378	3,378	3,607	3,808
M3 aggregate - Broad money	37,229	52,028	56,761	68,290	75,091	82,388	90,602	100,677	111,278	121,918
Notes and coins in circulation	6,652	8,443	8,685	10,547	11,159	12,018	12,982	14,285	15,630	16,905
Deposits	30,576	43,585	48,076	57,743	63,932	70,370	77,621	86,391	95,648	105,013
Gourde deposits	16,810	21,903	25,824	28,292	31,533	33,962	36,685	40,369	44,168	47,773
Dollar deposits	13,766	21,683	22,252	29,451	32,399	36,408	40,936	46,022	51,480	57,241

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