

The US Institute of Peace
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IS HAITI BUILDING BACK BETTER?



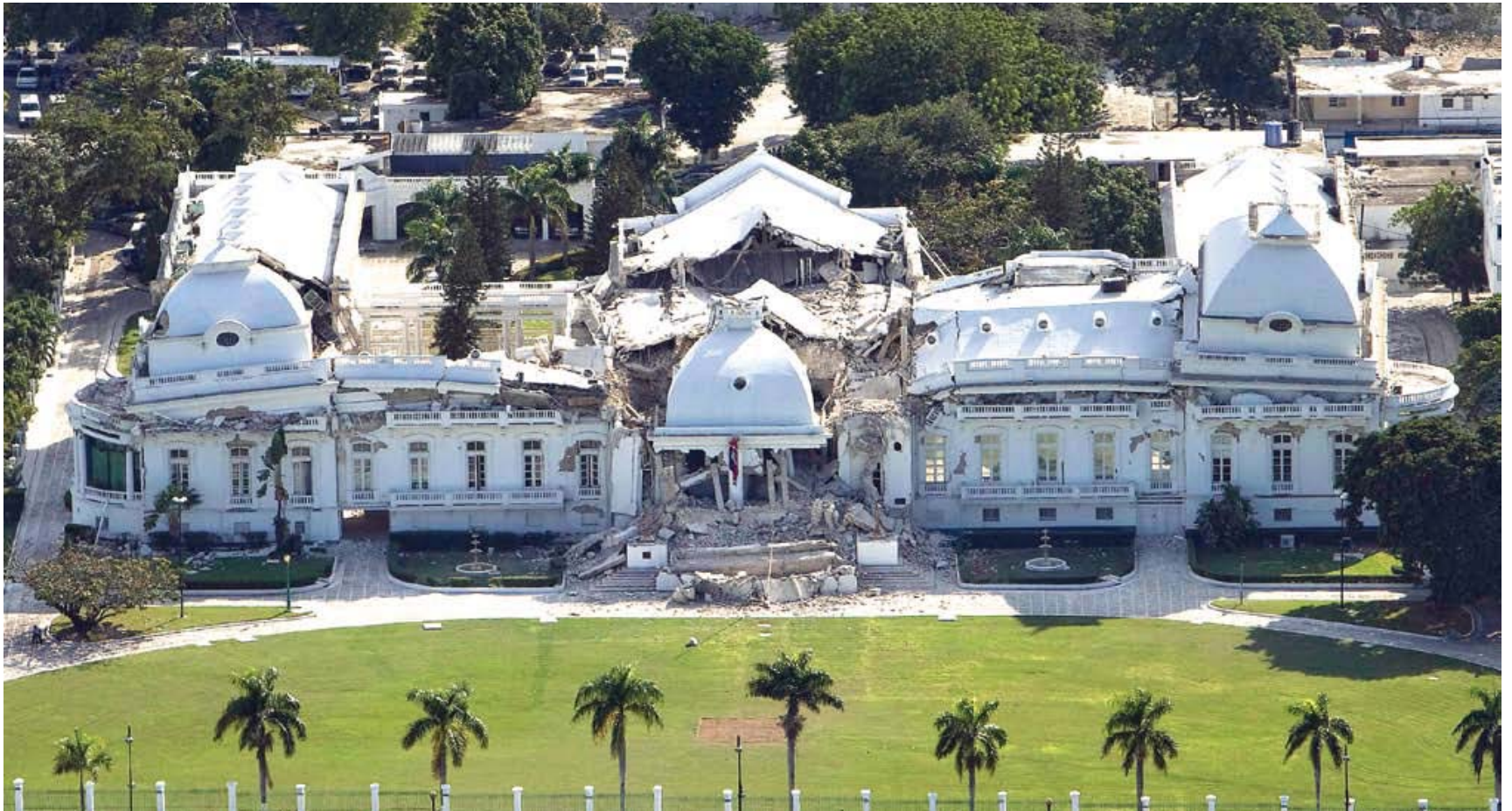
The Presentation

- The Known Facts
- The Collapse of the GOH infrastructure
- The Aftermath Decisions
- The GOH Action Plan
- The Interim Haitian Recovery Commission
- Land Expropriation
- Where is the Plan?
- Before the Earthquake: Economic Indicators
- After the Earthquake: The Rand Report
- Investments bottlenecks
- A new GOH in 2011
- A Necessary Paradigm Shift

We all know the facts

- ❑ 300 000 or more dead
- ❑ 400 000 to 500 000 orphans
- ❑ 1.5 million or more homeless, jobless, foodless, waterless
- ❑ No national palace, no ministries, no court of justice, no fiscal entity, no cathedral, no churches and places of worship, no businesses, no universities, schools, hospitals, no morgue, no jail...

The National Palace



Parliament



Tax Bureau



Court of Justice



Ministry of Justice



Ministry of Women's Rights



Ministry of Education



Ministry of Culture



Ministry of Environment



Ministry of Social Affairs



Ministry of Public Health



Ministry of Public Works



Ministry of Interior



Ministry of Commerce



Ministry of Foreign Affairs



The Cathedral



The aftermath:

GOH and International Community

- **Meetings:** Conferences, symposiums, roundtables...
- **Documents:** Post-Disaster Needs Assessment (PDNA)
- Action Plan for Recovery and National Development (PARDN)
- Haiti Tomorrow (CIAT)
- Extended Credit Facility (New 3 year accord with IMF)
- Presidential Commissions Reports: Education, IT, Competiveness, Constitution, Justice and Security
- Private Sector Propositions
- Building a more Resilient Haitian State, Rand Corporation
- Document Strategy for Reduction of Poverty (DSNCRP)

The aftermath: NGOs and the international community

- Humanitarian Aid:
 - Food, water, clothes, tents...
 - Hospitals, medical supplies, health care...
 - Cash for work
- Temporary shelters
- Temporary schools
- Temporary camps

GOH Action Plan:

Rebuilding in 4 major Areas

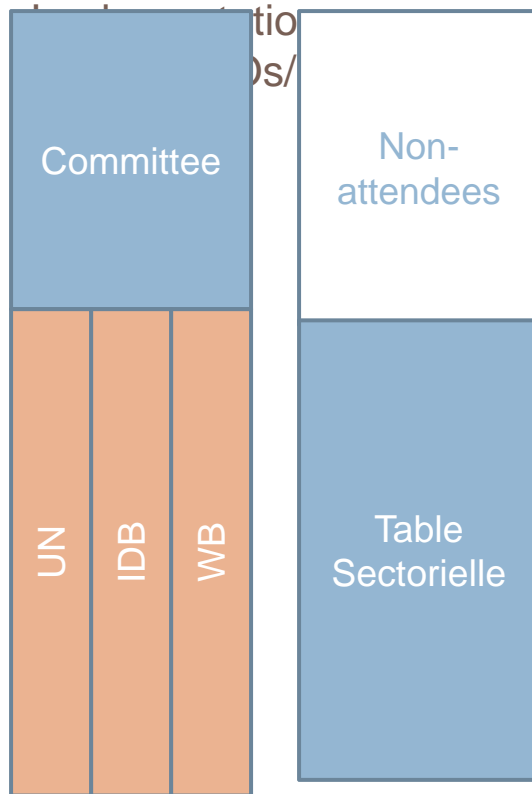
- **Territorial** : rubble removal, land expropriation, urban planning, rebuilding of public administration quarters.
- **Economic** : national production, restoration of economic and financial circuits, access to electricity.
- **Social** : health— food security— nutrition —water and sanitation— high labor intensity works.
- **Institutional** : democratic institutions, public administration, justice and security.

Interim Haitian Recovery Commission

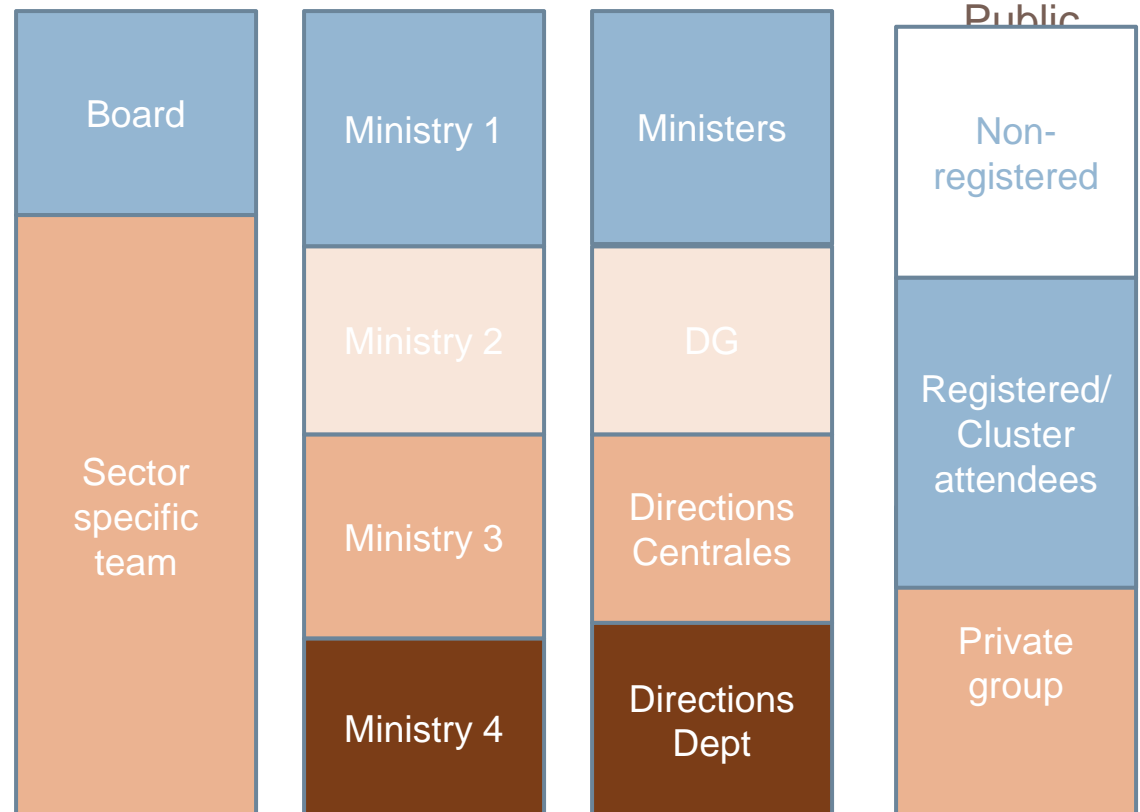
Haitian Reconstruction

IHRC

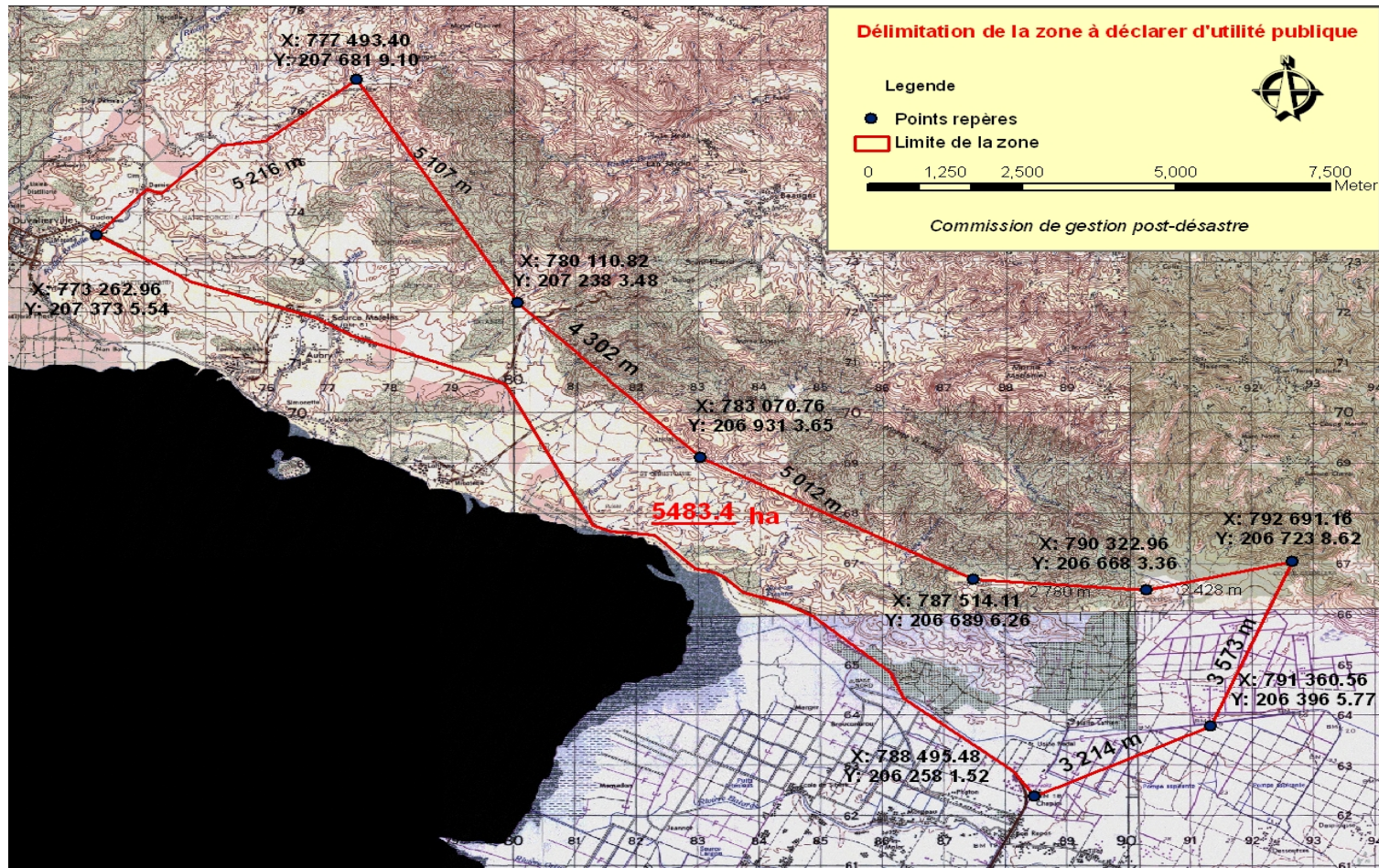
Agency (HRD) Donors



Projects Approval



Land Expropriation: North west of PAP



Land Expropriation: PAP Historic Quarters



Where is the Operational Plan?

- IHRC approved hundreds of projects:
Funding and coherence?
- Land expropriation in and outside of PAP:
Urban Planning and reconstruction scheme?
- Haitian Agency for Reconstruction”
Disbursement mechanism?
- Lack of communication: the Haitian population is not part of the reconstruction project.

Before the earthquake

The Failed States Index

Among 177 countries listed:
Haiti ranks 11,
among the most fragile States

Paul Collier's Report (2009)

Haiti's fundamentals are highly propitious:

- It is not part of a troubled region
- Its neighbors are peaceful and prosperous and not engaged in support to guerilla groups
- Haiti is free of typical structural problems: it is not ethnically divided, does not have a history of deep ideological cleavage, no longer has a military establishment with delusions of a political role.

“Haiti is not hopeless!”

- Haiti benefits from a huge and proximate *diaspora*, a reservoir of skills, a provider of massive flow of remittances and a powerful political lobby.
- Haiti has a massive economic opportunity (HOPE II) with duty-free and quota-free access to US market for next 9 years.
- UN peacekeeping force should guarantee security (Minustah)

A Few Economic Indicators



GDP: \$11.99 in 2009
\$11.65 in 2008

Real Growth rate: 2.9% in 2009
0.8% in 2008

GDP per capita: \$1 300 in 2009
\$1,300 in 2008

Continued...

□ Budget:

Revenues: \$ 1 003 billion

Expenditures: \$ 1 320 billion

□ Inflation rate:

0% in 2009

15.5% in 2008

Continued...

- GDP composition:

agriculture:	28%
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industry:	20%
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services:	52%
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- Labor Force by occupation:

agriculture:	66%	(mostly informal)
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industry:	9%
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services:	25%	(mostly informal)
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Continued...

- Exports:

\$ 558.7 million in 2009

\$ 490.2 million in 2008

- Imports:

\$ 2 048 billion in 2009

\$ 2 108 billion in 2008

After the earthquake

The Rand Corporation Report (2010)

“Building a More Resilient State”

Post earthquake assessment:

“Build Back Better”

“The Haitian State should overcome its weaknesses in the areas of human resources, organization, procedures and policies.”

Rand Report...

“Changing the Political Culture”

“Haiti’s poverty, like its governmental weakness, is a product of its political culture.

Any effort to build a stronger, more resilient Haiti, one that is less dependent on external help, will depend on changing that culture.”

“Build Back Better”?

Investment and job creation bottlenecks

“Doing Business” Recommendations

Creating new enterprises: Short Term Reforms

Elimination of useless procedures:

1. Elimination of the obligation to legalize the accounting books.
2. Acceptance of typed legal documents from the public notary rather than handwritten.
3. Elimination of the Prime Minister’s and the President’s signature on corporations and enterprises’ new bylaws.

Haïti – Creating new enterprises – Mid-term and long term reforms

Adoption of a new law on commercial enterprises:

1. Eliminate of minimum capital.
2. Make the public notary documentation optional.
3. Provide for standard documentation and forms for businesses.
4. Replace the publication in the official Journal « Le Moniteur » by an automatic online publication in the Ministry of Commerce Register.
5. Install a booth in the Ministry of Commerce for the fiscal authority.
6. Reassess the use of the “Professional Identity Card”.

Mid-Term Reforms — Trans-border Commerce

1. Detailed analysis of all import-export procedures and documents to identify the bottlenecks.
2. Eliminate duplication.
3. Raise the level of transparency at Customs by making public all procedures and documents needed for import-export.
4. Improve fiscal inspection based on risk.

Haiti: recommendations – Investments Protection

Adoption of New Corporate Laws

That deal with:

- Issue of conflicts of interest.
- Issue of corporate governance.
- Rights and obligations of the shareholders vis-a-vis the fiscal authorities.
- Audits.

2011: A New GOH?

- Elections:
 - 19 Candidates for the Presidency
 - Over 60 for 12 Senate seats
 - Over 500 for 100 Lower House seats
 - Over 3,000 for local government
- Can we make the effort of transcendence that is needed to rebuild our country?

Building back better?

A Necessary Paradigm Shift



From a political culture based on nepotism, clientele, ineffective bureaucratic administration, politically motivated violence..

To a mentality of public service, institution building, fight against corruption, trust.

Paradigm Shift...



From a rent-seeking economy based on venality, lack of vision, elitist posture, dependency, deals, archaic legal system...

To an understanding of the role of human capital, education, skilled labor, new legal environment, risk taking investments in wealth creation.

Paradigm Shift...



- From social exclusion to equity, fight against poverty and the development of a vibrant middle class, educated and capable of enhancing the country's culture and assets.
- From cynicism to ethics: pride and self-esteem, public engagement and willingness to debate and communicate.



THANK YOU!