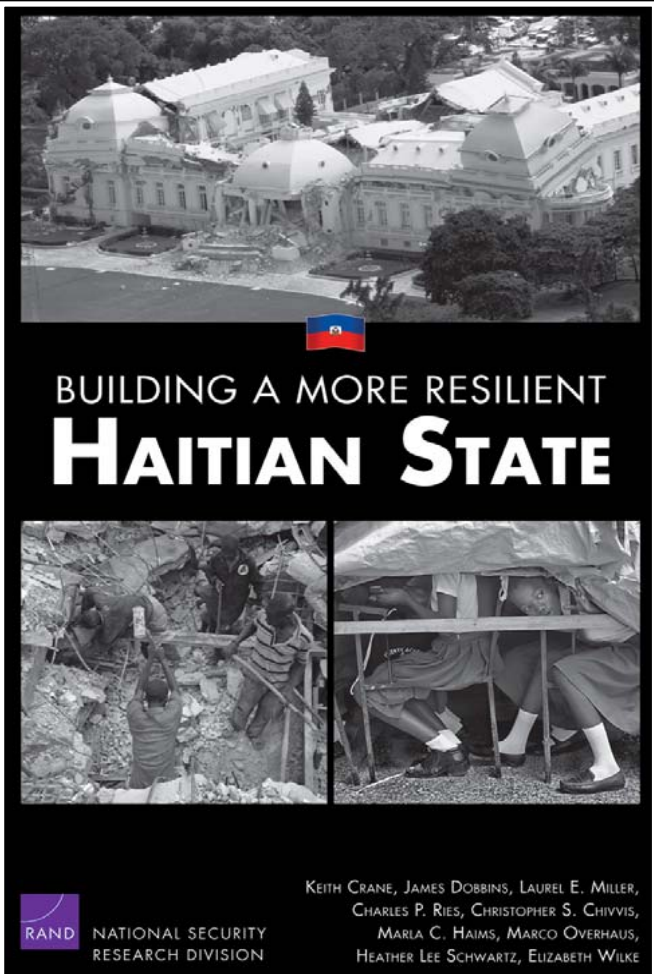




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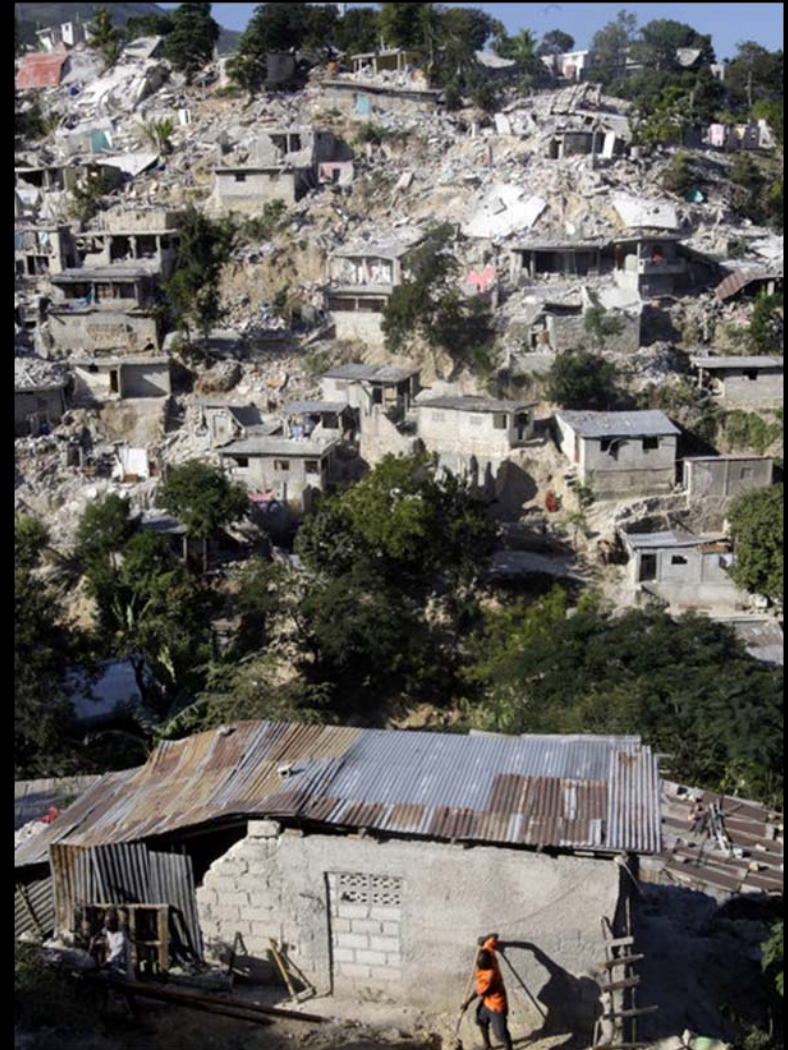
What Can Be Done to Build a More Resilient Haitian State?

Challenges and Recommendations



January 2010 Earthquake Exposed Underlying Weaknesses

- Earthquake killed 300,000, injured 300,000 more, and left 1.3 million homeless
- Haiti's long history of poor government largely responsible for:
 - Severity of devastation
 - Dependence on others for help
- Earthquake revealed fundamental institutional weaknesses
 - Lack of capacity to plan against, prepare for, respond to disasters
 - Lack of systems and resources to facilitate rebuilding



Haiti Has Advantages to Draw On

- **Unlike other fragile states, Haiti:**
 - Not part of troubled region with unhelpful neighbors
 - Has no intractable ethnic or structural divides
 - Has top-level government officials with the will, if not the resources, to improve the country
 - Has large, skilled, economically supportive diaspora nearby in North America
 - Has preferential access to U.S. market
- **Social and political stability in Haiti has fostered modest economic growth in recent years**

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But Haiti's government has been unable to develop and implement realistic plans and policies

RAND Study Attempts to Address Gap

- **Appraises past and current plans to improve public-service provision in Haiti**
- **Draws on appraisals to provide recommendations**
 - **Proposes priorities for next few years**
 - **Suggests measures that are achievable, fiscally sustainable, and mutually coherent**
- **Study designed to assist:**
 - **Haiti as it develops detailed plans for policy and institutional reforms**
 - **International donor community as it determines how to support the government's efforts**

Focus on Key Areas

- **Governance and public administration**
- **Justice and security**
- **Economic policy and infrastructure**
- **Education and health care**
- **Donor cooperation**

What Are the Key Governance and Public Administration Challenges?

- **State effectiveness constrained by:**
 - **Limited financial resources**
 - **Lack of skilled, trained, and properly organized government personnel**
 - **Lack of management systems in ministries and other government bodies**
- **Issue cuts across all government activities, including interaction with donors**
- **Some changes will require legislation or even constitutional amendments**



“Even before the Jan. 12 earthquake, the country's government was dysfunctional and notoriously corrupt. Now, all but one of its ministries are in ruins. Nearly 17 percent of Haiti's civil servants died in the disaster, including many senior managers.”

—*Washington Post*, March 31, 2010

Key Recommendations for Governance and Public Administration

- **Give civil service reform highest priority**
 - Create job descriptions
 - Establish standards and procedures for hiring and firing
 - Create system for merit-based promotions
 - Set competitive, fiscally responsible salary grades
 - Provide incentives tied to achieving concrete, independently monitored performance targets
- **Provide enough donor funding to implement reformulated strategy for administrative reform**
- **Ensure major donors use influence to promote political reforms**

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What Are the Key Justice Challenges?

- **Lack of management systems**
- **Laws not applied**
- **Prison conditions horrific**
- **Relations between Haiti National Police (HNP) and prosecutors and judges poor**
- **Post-quake rise in property disputes and no means to resolve**
- **Various efforts to address problems since mid-1990s have borne little fruit**



Key Recommendations for Justice

- **Create and implement comprehensive system for managing cases that links police, prosecutors, judges, and prisons**
- **Create special pretrial detainee review mechanism to resolve large number of cases of illegally prolonged detention**
- **Establish a property-dispute resolution mechanism**
- **Expediently complete system for registering births, deaths, and providing identify cards**

What Are the Key Security Challenges?

- **Security sector reform faces three key challenges**
 - **Volatility and limited ability of state to assert authority**
 - **Lack of consistent government commitment to police reform**
 - **Low level of institutional development in HNP**
- **Progress has been made**
 - **Recruiting, training, vetting**
- **But HNP still unable to respond to Haiti's internal security threats without external assistance**



Key Recommendations for Security

- **Haitian government, international community must continue to make public security highest priority**
- **Haiti's government and international community should agree to:**
 - **Keep UN peacekeepers for at least the next five years**
 - **Reduce international military, police presence gradually**
- **Focus on building HNP administrative capacity**

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What Are the Economic Policy Challenges?

- **Primary economic challenge is generating economic growth**
 - **Haiti is poorest country in Hemisphere**
 - **Per-capita GDP is less than 1/4th the average for Latin America and Caribbean**
- **Haiti is poor in great part because of the difficulty in doing business**
 - **Registering a business is one of most complex and lengthy in world . . . and relatively costly**
 - **Registering changes in title for property is even more onerous**

Recommendations for Economic Policy

- **Haitian government should streamline tax system**
 - **Eliminate “nuisance” taxes that raise little revenue but increase costs, such as the business license tax**
 - **Create basis for increasing tax revenues in future as economy recovers: increase property taxes; expand VAT**
- **Eliminate regulations on businesses that retard expansion**
 - **Implement “one-stop” registration procedures for businesses and eliminate unnecessary steps**
 - **Eliminate notary fees on property transactions**
 - **Eliminate steps and accelerate process of transferring title**

What Are the Key Housing and Infrastructure Challenges?

- **Tent cities need to be replaced before next hurricane season**
- **Infrastructure (roads, ports, airports, electric power system, water, and sewage) needs to be expanded, upgraded, repaired**
- **Systems needed to maintain infrastructure once it is built**



Recommendations for Housing and Infrastructure

- **Haitian government, with increased assistance from donor community, should accelerate removal of rubble**
- **Haitian government should eliminate restrictions on the operations of private container ports**
- **To ensure electric power is available for businesses and homes, Haitian government should:**
 - **Move to full cost-recovery pricing**
 - **Enforce collection of bills owed by decentralizing distribution and billing**

Focus on Key Areas

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What Are the Key Education Challenges?

- **Government does not provide universal education; state schools educate small share of pupils**
- **Most children attend parochial or private schools**
 - **Schools often of poor quality**
 - **No oversight, quality control**
- **Education is expensive; so enrollment rates, levels of educational attainment low**
- **2008 hurricanes and 2010 earthquake exacerbated weaknesses in education**
 - **More than 80% of school buildings in Port-au-Prince destroyed**



Recommendations for Education

- **Haitian government should focus on regulating education, not providing education itself**
- **Ministry of Education and Training should subsidize private-school teacher wages to be on par with those of public-school teachers**
 - **Help close gap in quality between private and public schools and increase access to schools**
- **Subsidies should be conditioned on teaching in accredited school that charges capped (minimal) fees to families**

What Are the Key Health Care Challenges?

- ~40% of Haitians, particularly in rural areas, lack access to health care
- Many health care facilities have old or broken equipment
- There is a lack of doctors and nurses
- Prior to earthquake, health sector received largest amount of foreign aid, creating management challenge
 - Government failed to coordinate, regulate, and oversee plans and activities of donors and local NGOs



Recommendations for Health Care

- **Haitian government should focus on ensuring quality and access to health care, not providing health care through government-operated facilities**
- **Ministry of Public Health and Population should shift operation of state-run health centers and hospitals to NGOs and other private institutions**
- **Haitian government should use performance-based contracting to provide health services**

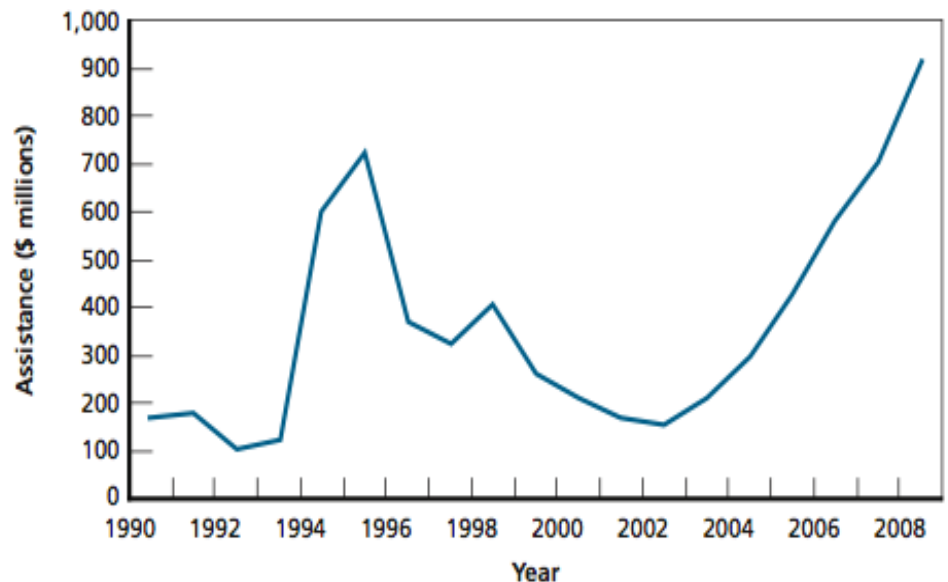
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What Are the Key Donor Coordination Challenges?

- Haiti has received foreign assistance for generations
- Yet over last four decades, per-capita incomes have fallen
- Earthquake triggered massive increase in promised resources
 - Focus on “building back better”
 - Post-earthquake action plan has architecture for managing large flows of assistance
 - Key element: creation of Interim Haiti Recovery Commission (IHRC)

Ups and Downs in Foreign Aid



Recommendations for Donor Cooperation

- **Make IHRC effective by agreeing all major donors will:**
 - Submit project and program concepts to IHRC for coordination
 - Adapt them according to Haiti's and other donors' plans and preferences
- **Strongly support Multi-Donor Trust Fund**
 - U.S. should make a substantial contribution to ensure its influence
- **Encourage NGOs to support state-building**
- **Major donors should organize for more-coordinated political engagement through a “friends” or “contact” group**



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