



Economic and Social Council

Distr.: General

29 June 2009

Original: English/French

Substantive session of 2009

Geneva, 6 - 31 July 2009

Item 7 (d) of the provisional agenda¹**Coordination, programme and other questions:
long-term programme of support for Haiti**

Report of the Ad Hoc Advisory Group on Haiti²

Summary

The present report contains the findings of the Ad Hoc Advisory Group on Haiti based principally on its visit to Haiti in May 2009. The increased opportunities of the country to benefit from international support are presented, as well as the major challenges that remain to translate this renewed mobilization into tangible progress on the ground. The report highlights the responsibilities of all partners to ensure aid effectiveness, a prerequisite for sustained stability of Haiti. Regarding the main substantive areas for international assistance, the Group stresses the double challenges of providing immediate support to the population of Haiti, including through rapid job creation and foreign investments, and the need to continue in depth support to communities, including in rural areas. The Group calls for simultaneous actions in these directions. The report concludes with recommendations addressed to the Haitian authorities and their international partners with a view to enhance the impact of development assistance. As Haiti is at a cross-road, a continued mobilization by all is imperative to avoid that the country relapses into social unrest.

¹ E/2009/100

² The report is submitted late to reflect on the visit of the Group to Haiti, held from 4 to 7 May 2009.

Table of contents

- I. Introduction
- II. The mobilization of international support to Haiti: opportunities and challenges
 - A. A renewed international commitment in support of Haiti
 - B. Progress towards national ownership of development strategies
 - C. Addressing the continued weakness of State institutions
 - D. The risk of donor impatience and fatigue
- III. The double challenges of quick action and in-depth support – “Agir vite et agir en profondeur”
 - A. Responding to urgent needs
 - B. A renewed momentum in favor of the private sector
 - C. The need for continued development support to communities
- IV. Conclusion and recommendations

I. Introduction

1. The present report is the fifth presented to the Council since the Ad Hoc Advisory Group was reactivated in 2004. At that time, following a request made by the Government of Haiti, the Council decided in its resolution 2004/52 of 23 July 2004, to reactivate the Ad Hoc Advisory Group on Haiti that was established in 1999 to help coordinate the development of a long-term programme of assistance to the country. As per Council decision 2004/322 of 11 November 2004, the Group is composed of the Permanent Representatives of Benin, Brazil, Canada, Chile, Haiti, Spain and Trinidad and Tobago to the United Nations. In addition, following a request made on 20 March 2009 (see E/2009/49), the Council decided to include the Permanent Representative of Peru to the United Nations as an additional member of the Group (decision 2009/211 of 20 April 2009). Since its first meeting, on 23 November 2004, the Group has been chaired by the Permanent Representative of Canada to the United Nations. As per decision 2004/322, the President of the Economic and Social Council and the Special Representative of the Secretary-General in Haiti are invited to take part in the Group's meetings.
2. At its 2008 substantive session, the Economic and Social Council decided to extend the mandate of the Ad Hoc Advisory Group until its substantive session of 2009 (see resolution 2008/10 of 23 July 2008) "with the purpose of following closely and providing advice on the long-term development strategy of Haiti to promote socio-economic recovery and stability, with particular attention to the need to ensure coherence and sustainability in international support for Haiti, based on the long-term national development priorities and building upon the Interim Cooperation Framework and the growth and poverty reduction strategy paper, and stressing the need to avoid overlap and duplication with respect to existing mechanisms". The Council also requested the Ad Hoc Advisory Group to submit a report on its work, with recommendations, as appropriate, to it at its substantive session of 2009.
3. The present report is largely based on the findings of the Group's visit to Haiti from 4 to 7 May 2009. It is recalled that the visit of the Group to Haiti was canceled in Spring 2008 due to the economic, social and political instability that prevailed at the time and to the lack of a constitutional Government. The appointment of Mrs. Michèle Duvivier Pierre-Louis as Prime Minister in September 2008 and the return to stability allowed the Group to resume its practice of visiting the country and meeting the Haitian authorities, key civil society representatives and international development partners on the ground. This by itself testifies to the capacity of the country to overcome difficult situations and to engage in a constructive path.
4. The very rich and intense programme of the Group in Haiti is attached (see annex I), containing a general description of the Group's interaction with relevant stakeholders and of its field visits to Gonaïves and Carrefour Feuilles. The terms of reference of the visit were based on previous reports of the Group to the Council, particularly the recommendations contained in the 2007 report (E/2007/78), which were clustered under three major themes (1) development planning and aid coordination, 2) institutional

capacity building, and 3) levers for economic and social development), and which continue to be a major “grille d’analyse” for the Group’s consideration of the development situation in Haiti. The impact of natural disasters, such as the hurricanes that have devastated parts of the country in August and September 2008, and the fragility of Haiti vis-à-vis the combined food, oil, financial and environmental crises at the global level have highlighted the vulnerability of the situation, which was already addressed in the 2008 report (E/2008/90).

5. The Group wishes to express its appreciation for the open and constructive exchange with Haitian officials, including President René Préval, Prime Minister Michèle Duvivier Pierre Louis, Minister of Foreign Affairs Alrich Nicolas and Minister of Planning and External Cooperation Jean-Max Bellerive, as well as other members of the cabinet. The Group is also grateful to the Department of Economic and Social Affairs, the United Nations Stabilization Mission in Haiti (MINUSTAH) and its Head Mr. Hédi Annabi, and the United Nations country team for their substantive and logistical support during the visit. The success of this mission, which attracted a great deal of interest in Haiti and at Headquarters, is largely due to the quality of the interaction with these actors and with representatives of civil society, the private sector and the diplomatic and donor community both in Port-au-Prince and outside the capital.

6. Organized shortly after a successful donor conference held in Washington D.C., the Group’s visit was the first international effort to review how commitments were followed-up on the ground, including in the areas of aid effectiveness and national ownership as well as prospects for development in key socio-economic and governance fields. As a recurring theme of the discussions, many interlocutors stressed that Haiti was at a crossroad and that tangible improvements in the daily lives of the Haitian people were needed to “lock in” the peace and security achieved by the Haitian Government with support of MINUSTAH. Its capacity to recover from the turmoil of last year, to make full use of international support and to improve the living conditions of its population was at stake, and the concrete results of these efforts were critical for the future of Haiti’s relationship with its development partners. Rather than attempting to be exhaustive on the whole *problématique* of Haiti’s development, the Group wishes to focus on a select number of challenges that it considers key at this juncture and for the longer term development of the country.

II. The mobilization of international support to Haiti: opportunities and challenges

7. During its visit to Haiti, the Group witnessed progress made on various fronts, particularly in the security and rule of law sectors. It also noted that there is a clear need to maintain attention in order to enhance progress on the development front and to translate promising commitments into concrete achievements.

8. An important step after the last renewal of the Group’s mandate happened on 14 October 2008, when the Security Council adopted resolution 1840 which renewed the

mandate of MINUSTAH for another year with the same configuration. Through this resolution, the Security Council also encouraged the Special Representative of the Secretary-General to facilitate political dialogue between the Government of Haiti and all relevant political actors in order to ensure that the democratically elected political institutions can continue carrying forward the reform work laid out in the DSNCRP.

A. A renewed international commitment in support of Haiti

9. Since the beginning of the year, Haiti has received a strong level of international attention and commitment for support. A joint visit of the Secretary-General of the United Nations and Former US President William J. Clinton reinvigorated the sense that Haiti deserved a high level of support. Several high-level officials from partner countries also visited the country and committed their continued assistance. The visit of the Security-Council to Haiti in March was another important manifestation of this renewed willingness to help and to see changes on the ground. These efforts are expected to be further boosted by the recent appointment by the Secretary-General of Former US President William J. Clinton as the United Nations Special Envoy for Haiti. The Group welcomes this succession of positive steps for Haiti.

10. An interesting development has been the combination of this political momentum around Haiti with visible substantive inputs on what should be done to improve the situation. In January, Professor Paul Collier, whose work on socio-economic support to post conflict countries is well known by the development community, presented a report to the Secretary-General in which he stated that “Haiti was not hopeless” and proposed a strategy that would ensure a transition “from natural catastrophe to economic security”. This objective should be reached through job creation, basic services, food security and environmental sustainability, with a strong emphasis on the role of the private sector.

11. The Third Conference on Haiti’s Economic and Social Development, held in Washington D.C. on 14 April 2009, benefited from this momentum. Organized under the auspices of the Inter-American Development Bank, and preceded by a technical preparatory meeting in Ottawa, the conference managed to gather high level personalities from existing development partners and potential new donors and allowed for US\$ 378.03 million to be pledged in response to the plan presented by the Government. A strong civil society presence added to the perceived sense of mobilization around the needs of the country. The Conference, like other international conferences organized in July and November 2006, fell short in meeting the financial expectations put forward by the Government for implementing its economic recovery and rehabilitation plan, but proved to be successful in providing the necessary political support of the international community to the Government.

B. Progress towards national ownership of development strategies

12. At the Washington Conference, Haiti invited its international partners to agree on “a new cooperation paradigm for growth and development”. To that end, the Government prepared a programme to strengthen the Haitian economy which included a plan to

reduce the country's vulnerability to natural disasters, with a selection of projects to be implemented urgently in the regions at risk before the start of the rainy season, and an economic recovery plan (*programme de relance économique*) aimed *inter alia* at creating jobs, boosting agricultural productivity, improving the transport and electricity sectors, and ensuring access to basic social services.

13. The elaboration of these documents required a selection by the Haitian Government of both substantive economic and social policy options and specific projects considered as priority for action. The work carried out in that respect, as well as the way it was promoted by Prime Minister Pierre Louis in Washington D.C., and since then, deserves to be praised. It is recalled that the Government of Haiti already demonstrated strong leadership in finalizing the *Document de stratégie nationale pour la croissance et la réduction de la pauvreté (DSNCRP)* in 2007, which constitutes, along with the Government's plan presented at the Washington conference, the framework of national priorities within which development partners should allocate aid.

14. As a positive consequence of very sad events, recent natural disasters have accelerated the inclusion of priority programmes in the national budget in order to respond to acute needs, thereby increasing national ownership of these activities. *De plus, il convient de souligner le rôle accru joué par les autorités haïtiennes dans la coordination des tables sectorielles mises en place avec le Groupe des partenaires techniques et financiers, attestant d'une plus grande prise en main des projets par les Ministères eux-mêmes.*

15. *Le système des Nations Unies (SNU) a quant à lui coordonné ses efforts tant horizontalement en élaborant le Plan Cadre des Nations Unies pour l'Aide au Développement (UNDAF 2009-2011), qui offre un cadre de programmation commun à tous les acteurs de l'ONU représentés en Haïti, que verticalement, en liant cette action collective à la stratégie nationale du DSNCRP. Le Conseil de sécurité a par ailleurs dans sa résolution 1840 « invité la MINUSTAH et l'équipe de pays à mieux coordonner leur action et, de concert avec le Gouvernement haïtien et les partenaires internationaux, à contribuer à une mise en œuvre plus efficace du DSNCRP afin de réaliser des progrès dans les domaines du développement socioéconomique, ce que le Secrétaire général a jugé essentiel pour la stabilité d'Haïti dans son plan de consolidation. » Le SNU a retenu trois axes prioritaires d'interventions identifiés dans le DSNCRP (Gouvernance démocratique, développement humain durable et gestion de l'environnement et des risques naturels) qui sont couverts par un budget prévisionnel estimé à US\$ 520 millions. Cette démarche contribuera certainement à valoriser les efforts déployés par les autorités haïtiennes et renforcer leur capacité d'action, qui reste jusqu'à aujourd'hui encore, faible.*

C. Addressing the continued weakness of State institutions

16. Improving the functioning of public administration has been an important objective and a major area of technical cooperation in Haiti, in particular since the transition in 2004. Streamlining public expenditures has also been an ongoing effort by successive

Governments, with noticeable macroeconomic results acknowledged by the International Monetary Fund. Still, the weakness of State institutions remains a reality and even a specificity of the situation in Haiti.

17. The Group witnessed the lack of a State presence in various sectors, which many of the Group's interlocutors analyzed as a major obstacle to development. It is noticeable that civil society organizations, far from complaining about the authority of the State, regretted its weaknesses and confessed little knowledge on the Government's development plan. *A titre d'exemple, dans le domaine de l'éducation, en 2002-2003, 2.793.829 personnes (38,8% de la population totale haïtienne) n'avaient jamais fréquenté l'école. 18% des enfants seulement sont scolarisés dans le secteur public, l'enseignement privé restant hétéroclite et souvent de mauvaise qualité. Les sommes importantes consacrées par les familles à la scolarisation de leurs enfants contrastent d'ailleurs avec la piètre performance du système scolaire. La permanence du taux de mortalité maternelle à un niveau élevé (630 pour 100,000 naissances vivantes) résulte également de l'incapacité de l'Etat haïtien à assurer un accès aux services de santé de base à l'échelle du pays.*

18. *Force est de constater que les organismes non gouvernementaux ne peuvent compenser la défaillance de l'Etat, malgré leur présence en force et l'aide financière internationale dont ils peuvent bénéficier. Haïti est en ce sens un cas d'école du fait que l'associatif ne peut se substituer à l'étatique. Bien que les résultats enregistrés jusqu'à présent aient été faibles, l'accompagnement des structures publiques et le renforcement de leur capacité d'action, ou « empowerment », doit rester un objectif des dirigeants haïtiens comme de leurs partenaires de développement. Les ONG, quant à elles, devraient mieux intégrer leur action dans le cadre défini par le Gouvernement, qui ne dispose pas d'information systématique sur leur action et leur apport effectif au développement du pays.*

19. As security and stability are prerequisites for sustainable development, continued support to the Haitian National Police, such as the one provided by MINUSTAH, is highly needed. Lack of equipment currently jeopardizes progress made in the recruitment and training of new officers. During its visit, the Group benefited from the improved protection services of the police and witnessed how much the word professionalism has a meaning within this institution. The Group stresses the need to grant it the means that will allow for capacity building. The same applies to the justice sector where training facilities have been reopened and the legislative framework improved. The justice apparatus should now receive commensurate support if we want to lay the foundations for the rule of law in Haiti.

20. For the first time, the Group visited the Parliament of Haiti and met high-level representatives of both Chambers as well as of the *Ministère en charge des relations avec le Parlement*. *Haïti fait l'apprentissage du fonctionnement des structures démocratiques d'un système parlementaire, ce dont le Groupe se félicite. Cet apprentissage n'est pas sans contraintes pour le Gouvernement, qui consacre beaucoup de temps à répondre aux interpellations parlementaires ou à justifier le budget. Ainsi, le vote du budget*

rectificatif pour 2008-2009 a été adopté trois mois avant la fin de l'exercice budgétaire. Dans ce contexte, le risque de paralysie de l'Etat est réel. Le Groupe entend donc souligner l'importance d'une approche constructive des prérogatives de chacun, à même d'asseoir le rôle des institutions au service du fonctionnement démocratique. Le Groupe insiste sur l'importance du consensus politique dans ce contexte et sur son prolongement essentiel au sein des institutions parlementaires.

D. The risk of donor impatience and fatigue

21. As a result of these institutional weaknesses, Ministries are quickly overburdened by the management and accountability mechanisms of donor funded projects, including the numerous matrices that they are requested to fill in. In this context, the share of development assistance that is spent through non governmental organizations, instead of State institutions, remains very high, around 80 per cent of the total. The Government of Haiti has no control and little information on the use of these funds, which primarily relate to basic social services. This situation, which the Group described in its previous reports, remains basically unchanged. However, the increased involvement of NGOs in coordination mechanisms, carried out *inter alia* by the UN Resident Coordinator, is a positive trend.

22. The Group has been impressed by the maturity of the diagnostic presented by the Government at the Washington conference as a basis for its 'new paradigm for cooperation'. *Les termes de l'équation ont en effet été posés de façon très claire: le Gouvernement ne trouve pas dans l'aide internationale les moyens de satisfaire aux besoins fondamentaux de la population et, dans le sens inverse, les bailleurs de fonds ne disposent pas de repères suffisants dans le domaine de la gouvernance.* The objective is therefore to dissipate the current discomfort or "malaise" that has prevailed on both sides and to replace it by a relation of trust that will allow for the switch from mutual dissatisfaction to mutual accountability. *Poser les problèmes en ces termes constitue en tant que tel un début de solution, ce en quoi il y a lieu de se réjouir. Les échanges que le Groupe a eu avec le Ministre du Plan ont été emprunt de la même franchise et de la même honnêteté intellectuelle.*

23. In spite of this approach, at the Washington Conference, the Government of Haiti did not obtain the budgetary support that it expected (around US \$ 82 million pledged). To improve the situation, a dialogue process on the management of budgetary support and a structured partnership framework should be established. The Group wishes to stress that elements for such a framework are there, today more than ever in the history of the country, namely: a genuine willingness to dialogue, the existence of the DSNCRP with a clear responsibility of the Ministry of Planning and External Cooperation to follow-up on its implementation, the Government's plan identifying the country's priorities and the need to act fast, given the increased vulnerability of the country.

24. In addition, improved donor coordination mechanisms provide a platform for synergies and harmonization of activities. Three platforms for coordination now exist in Haiti: the Core Group, chaired by the Special Representative of the Secretary-General,

which is mainly a political group; the Executive Committee of Technical and Financial Partners, composed of ten major partners (G10), coordinated by the UN Resident Coordinator; and an Extended Group of Technical and Financial Partners. Sector Groups have also been established to improve coordination among partners at operational and technical level. The fact that the G10 Secretariat is housed in the Resident Coordinator's office is a positive element for the UN development presence in Haiti. A high-level forum where the Government and its key development partners can come together regularly to discuss and review progress towards the fulfillment of mutual commitments, might be of further help. The « political forum » envisaged at the Washington conference could serve this purpose.

25. An obstacle to aid delivery is the slow decision-making process in key sectors, such as electricity tariffs or the management of seaports, which impact on the overall economic activity. Donors expressed concern as to the lack of decisions in these fields, despite the technical assistance provided to the Government to facilitate the process. They also underlined the negative consequences it had on the level of disbursements.

26. Many of the Group's interlocutors, both Haitian and international, stated that Haiti was at a crossroad and might well relapse into social unrest and instability if the current opportunities are not seized. The Group wishes to stress that such a scenario is not an option for the international community and everything should be done to avoid it. Time has come for special efforts to stop "business as usual", to make full use of the current potential and to give a real meaning to the Paris Declaration on Aid Effectiveness. To that end, it is of utmost importance that each actor takes its responsibilities, namely the Government by taking quick and clear decisions, the Parliament, by accelerating its review process, and donors by aligning their aid to the Government's priorities and by improving procedures. Only such a combination of attitude will allow to unblock the current situation and to provide real development opportunities.

27. The consequences of a stand-still can be serious. In fact, they are likely to be felt shortly, with an expected higher fiscal deficit due to insufficient budgetary support compared to pre-Washington expectations, and possible central bank financing that might decrease macroeconomic performances. The execution of poverty reduction expenditures, as foreseen in the DSNCRP, will also be restrained. In this context, granting debt relief to Haiti would be of great help. The Executive Board of the World Bank is expected to consider the matter in July, during discussions on Haiti's progress towards the completion point under the Enhanced HIPC Initiative.

28. For the Group, one important task of the United Nations Special Envoy will be to promote the full use of the current potential in order to unleash capacities and make aid tangible in the country, including through marshalling private sector resources. Special efforts will be needed to ensure that the difficulties of the Haitian State apparatus to connect to international development assistance mechanisms are overcome and that the willingness to make the difference on the ground prevails.

29. To make this difference, the way international assistance is delivered is important but cannot sideline the debate on the substance of the activities that are undertaken and, in the Haitian context, on the key issue of the articulation between quick results and in-depth support.

III. The double challenges of quick action and in depth support - « Agir vite et agir en profondeur »

30. Haiti is faced to some burning challenges. Long-term planning efforts are often overshadowed by the necessity to find immediate solutions to acute problems that endanger the stability of the country. However, to obtain sustainable results, the country is bound to work in both directions and to harmonize the different type of activities carried out.

A. Responding to urgent needs

31. Haiti is currently engaged in a course against the clock to prepare for the hurricane season. Last year, 15 per cent of the Haiti's Gross Domestic Product was wiped out in four weeks, when successive storms and hurricanes hit the country in August and September, affecting or injuring 800,000 people and killing over a thousand. Since the Group's visit, storms cost life of dozens of people in Saint Marc, in the Artibonite region, and in the South of the country.

32. The Group visited the town of Gonaïves, which was most hit by the hurricanes and flooding last year. On the basis of its discussions with Haitian local authorities, MINUSTAH and development officials, the Group wishes to stress that in spite of laudable reconstruction and prevention efforts carried out by a wide range of actors, the situation in the region remains worrisome. *Le curage de la rivière qui a débordé et dont les eaux boueuses ont envahi Gonaïves l'an dernier est loin d'être achevé, à trois mois du début de la prochaine saison cyclonique. La faiblesse des structures administratives limite la portée des activités d'information et de préparation de la population, dont la capacité de résilience est déjà très entamée.*

33. *De plus, la vulnérabilité ambiante n'est pas liée qu'à des contraintes naturelles. Elle résulte aussi de l'insécurité juridique qui entoure la propriété de la terre dans cette région considérée comme le grenier d'Haïti mais qui reste dépourvue de cadastre. L'« insécurité foncière » qui en résulte s'ajoute ainsi à un ensemble de facteurs accentuant la vulnérabilité déjà mentionnée. Elle complique l'utilisation continue de la terre à des fins agricoles ou forestières, qui pourrait pourtant prévenir ou limiter les glissements de terrain causés par les fortes pluies. Les conditions sont donc réunies pour de nouvelles crises humanitaires, déclenchées par des catastrophes naturelles mais ancrées dans des problèmes anciens et non résolus. Des mesures de sécurisation foncière pourraient ainsi constituer le début d'une nécessaire approche structurante dans bien des domaines.*

34. The political crisis in 2008 underlined the challenge of enhancing food security and rural development in Haiti, an aspect that the Group addressed in its report to the Council last year (see E/2008/90) and followed-up during its visit this year. All interlocutors, including the Secretary of State for Agriculture and representatives of major international organizations working in this field, stressed the urgent need to re-launch the national agricultural production, including fisheries. The country, which is not self sufficient in the food sector, saw the harvest of the last 2008 agricultural season either lost or severely damaged. Consequently, over a third of the overall population is moderately or extremely food insecure, with pockets of acute malnutrition in remote areas where distribution of aid remains a challenge. The budget of the World Food Programme has increased from US\$ 22 million in 2007 to US\$ 103 million in 2008, with an estimated US\$ 92 million in 2009. WFP currently assists 2.7 million beneficiaries in Haiti. Up to 30 per cent of children in some areas suffer from chronic malnutrition. Solid programs and inter-agency collaboration should be supported to prevent and reduce this malnutrition.

35. Clearly, the level of deprivation in Haiti is not compatible with stability. In this context, the Group stresses the need to respond to the humanitarian appeals by the United Nations and its partners. The UN Office for the Coordination of Humanitarian Affairs launched the revision of its Flash Appeal in December 2008, increasing the overall amount requested to US\$ 127,525,485. In early May this year, this appeal was 50.3 percent funded, which is far too timid. The CERF and a new funding mechanism have helped to provide rapid and flexible funding. The National System for Disaster Risk Reduction has been strengthened, with noticeable results on the ground. The Government has clearly indicated its priorities for early recovery of the communities and rehabilitation in the Post Disaster Needs Assessment (PDNA), completed in November 2008 under the leadership of the Government with the joint and unified support of the UN, the European Union and the World Bank. Furthermore, the economic recovery and rehabilitation plan presented by the Government in Washington presents the main national priorities for the next two years, and includes beyond infrastructure rehabilitation (roads, electricity, bridges, free zone) preventive measures for reducing the country's social and environmental vulnerabilities. The UN Special Envoy could assist in scaling up projects aimed at reducing the country's vulnerability, in line with the Government's priorities.

36. *L'aide doit être concrète, à l'instar du projet exécuté par la FAO de remise en état de fonctionnement des périmètres endommagés et de fourniture d'intrants agricoles aux populations affectées par les cyclones Hannah et Ike aux Gonaïves, projet que le Groupe a visité. Les projets à haute intensité de main d'œuvre, tels ceux mis en place par le PNUD dans l'Artibonite, où il est devenu le premier employeur, doivent également recevoir les financements nécessaires.*

37. The question of the increased use of MINUSTAH military engineers to help in all kind of civil work was raised. This capacity should be used as much as possible. However, it is limited in practice by the need to find funding to execute public works and to overcome bureaucratic requirements on the use of these funds in such unusual contexts. It has been mentioned to the Group that there could be a possibility to involve

the Bretton Woods institutions to fill this financial gap. In addition, the fragility of the situation on the ground and the continued presence of spoilers of peace and stability efforts require full capacity by the Mission to maintain public order and to protect the population in case of a sudden crisis. Representatives of the private sector that the Group met also stressed the important stabilization role of MINUSTAH for the business community in the country.

B. A renewed momentum in favor of the private sector

38. A major evolution in the development field in Haiti is the recognition that the private sector has been under utilized in economic strategies and that it should now play its full part, including by creating jobs. A conjunction of economic interest and political will has emerged, both among Haitian leaders and development partners, to create an enabling environment for business activities. The opportunities offered by the granting of preferential treatment to Haitian products under the Haitian Hemispheric Opportunity through Partnership Encouragement Act (Hope II), enacted by the US Congress, contributed to this momentum. The UN Special Envoy can certainly help attract foreign investments in this context.

39. The Group observed that the report by Professor Paul Collier (“Haiti: From Natural Catastrophe to Economic Security”) has created a welcomed feeling among Haitian economic actors that the development of the country is at reach. The report, which presents a strategy for the rapid attainment of economic security, focuses on export zones and the development of garments industry by which Haiti could break the circle of uncompetitiveness and expand rapidly on global markets, particularly the United States textile market.

40. The Group visited the industrial park in Port-au-Prince, including a garment factory, and met business sector representatives who have shown a genuine dynamism in expanding their activities there and expect decisions by the Government to open economic sectors and create more opportunities for their business plan. It is recalled that in 2007, the Group also visited textile factories in a free-trade zone at Ouanaminthe, in the north-eastern part of the country. At the time, the Group expressed the hope that the HOPE legislation would allow business of this kind to open in Haiti, given the alternative that it represents to agricultural activity and the fact that employees receive low but regular wages. The Group also stressed that employee working conditions and wages merit careful monitoring by agencies outside the company and recommended to seek the advice of the International Labour Organization on the respect of decent work standards. This view also applies to the industries visited this year. Located in the city of Port-au-Prince, close to the shanty town of Cité Soleil, where part of the workers live, these industries should be an opportunity for workers to get out of poverty. If wages remain too low in the urban context, it is unlikely that these jobs will contribute to meaningful improvements in living conditions and enhance stability in the country, let alone diminish the willingness to migrate. *Il convient d’ailleurs d’encourager la prise de conscience par les opérateurs économiques locaux de leur responsabilité vis-à-vis de la population très défavorisée et d’appuyer les initiatives qui y contribuent.*

41. President Préval established a Commission on Competitiveness, composed of around twenty personalities of the public, private and social sectors, mandated to promote public private dialogue, to develop a strategic plan for competitiveness in Haiti and to contribute to a change in mentalities for enhanced economic development and wealth creation. Under its project entitled “Shared Vision”, the Commission has identified “patterns of paralysis” that contribute to economic inaction and stagnation, such as fear of decision-making, distrust and lack of coordination. The objective of the Commission is to replace these unproductive behaviors and mentalities by a productive dialogue of relevant actors and the implementation of effective strategies in priority sectors, including tourism, assembly, construction and the processing of fruits, vegetables and essential oils. A series of “quick wins” has also been identified in order to build concrete momentum, in particular around tourism in the region of Cap Haitian.

42. The Group, which met the Chairperson of this Commission and other private sector representatives, wishes to congratulate the efforts made to bridge the divide among the public, private and social sectors in Haiti and to question the underlying causes of stagnation. The process which will necessarily be a long term one deserves to be carried out in a methodological way and by reaching out to a high number of actors if the Commission is to have a real impact on mentalities. It is also important that its work is articulated to the Government policy, including the plan presented at the Washington Conference, and that efforts complement each other.

43. Private sector counterparts mentioned the lack of infrastructure as an impediment to business expansion, particularly in the regions (lack of transport facilities: road, seaport, airport), lack of access to energy as well as to credit. Solving these problems requires important and sometimes sensitive decisions and arbitration by political leaders. They require sustained action, particularly when the Parliament has a say. Although the Group observed willingness for quick action to allow for job creation, it is likely that in most economic fields, series of decisions are needed, with clear road maps to be followed. The Plans of the Government are most important in that respect. Sustained progress is certainly at that price.

44. *Le Groupe a également constaté que l'accès limité au crédit et au capital risque constitue un problème fondamental pour le développement économique du pays et ce dans bien des domaines: de l'agro-alimentaire au tourisme, de l'industrie manufacturière au secteur des services. Le secteur financier national offre très peu de possibilités pour le financement de projets de démarrage, de redémarrage ou de croissance d'entreprises, en particulier les petites et moyennes entreprises. Lorsque ces possibilités existent, elles sont très chères et peu flexibles. Cet enjeu structurant doit être sérieusement étudié afin d'optimiser les possibilités de développement économique d'Haïti.*

C. The need for continued development support to communities

45. Job opportunities will certainly appeal to many Haitians who live in Port-au-Prince or are planning to migrate to cities to flee rural deprivation. However, the garment sector and other industrial activities that could be quickly developed in the country are unlikely to create a high number of posts, enough to generate in depth changes to society. Interlocutors estimated that 30,000 to 50,000 jobs could be created in this way, in a country of 9.8 million inhabitants.

46. It is recalled that most of the Haitian population is rural and depends on farming activities, while agricultural production is too weak to feed the whole population. In this context, the rehabilitation of agricultural activities and the empowerment of rural communities should remain key objectives, both for the Government and for country's development partners. Much should be done to strengthen capacities of farmers, *notamment améliorer les rendements agricoles, assurer de la formation de base et procéder à la réforme agraire. Qu'il s'agisse en effet de l'émiettement des parcelles, suite au partage des exploitations lors des successions, ou de la gestion des terres de l'Etat par des intermédiaires fonciers improductifs dans la vallée de l'Artibonite, le monde rural haïtien souffre de l'absence de règles permettant à ceux qui y vivent d'assurer leur subsistance. Si l'on ajoute le fait que le crédit est obéré par un système d'hypothèques très lourd et inefficace, on constate que le piège de la pauvreté s'est bel et bien refermé sur cette société.*

47. Remittances from Haitians living abroad, which represent around twenty per cent of the Gross National Product, are important coping mechanisms of the population living in poverty, despite potential reductions following the global financial crisis. While they support households to address basic needs of the families, their effects are very limited in terms of longer term improvements.

48. *Le Groupe estime qu'il y a urgence à élaborer des solutions de plusieurs ordres (agronomique, technique, juridique ou d'infrastructures) à même de mettre fin à cette spirale de la pauvreté rurale, qui nourrit insatiablement la précarité et l'instabilité au plan national. Cela implique également que les projets de développement rural, structurellement sous financés par les bailleurs de fonds, reçoivent l'appui qu'ils méritent.*

49. *La gestion des bassins versants, qui intègre la dimension environnementale au développement rural, doit absolument se poursuivre, étant donné la dégradation avancée du milieu naturel. Ces projets, dont le PNUD est un maître d'œuvre important, ont aussi l'intérêt d'employer une main d'œuvre abondante. Certaines activités parviennent à marier plusieurs fonctions, à l'instar du projet de gestion des déchets solides à Carrefour Feuilles que le Groupe a visité. Ce projet consiste en effet, avec la participation active de la communauté, à collecter, trier et recycler les déchets puis de fabriquer des briquettes de papier recyclé. Ces briquettes sont ensuite commercialisées et constituent une alternative au charbon de bois, communément utilisé pour cuire les aliments et à la base de la déforestation dans le pays. Ce projet joue aussi un rôle d'apaisement et de*

stabilisation dans un quartier réputé pour être une zone de tension sociale. Le Groupe en appelle à la poursuite de ce projet innovant et bien conçu, illustrant de belle façon la coopération sud-sud, mais qui n'est pas encore autosuffisant financièrement.

50. *Cette problématique de l'autonomisation des communautés et de dé-marginalisation des plus démunis trouve également une résonance dans l'action de promotion des droits de l'homme menée par plusieurs acteurs tels la MINUSTAH et le Bureau du Haut Commissariat des Nations Unies aux droits de l'homme. Le Groupe s'est entretenu avec M. Michel Forst, Expert Indépendant du Conseil des droits de l'homme, qui s'attache à promouvoir, notamment avec des structures haïtiennes locales, une approche fondée sur les droits plutôt que sur la satisfaction des besoins. Il s'agit ainsi de donner corps aux concepts de droits de l'homme, y compris des droits économiques et sociaux, dans la société haïtienne, et d'en faire un instrument pour la lutte contre la pauvreté et la promotion du développement durable. Le Groupe souligne la pertinence de cette démarche et invite les partenaires de développement, y compris les grandes ONG internationales pourvoyeuses d'aide directe aux populations, à y adhérer.*

51. *En 2007, le Groupe s'était entretenu avec une mission du Comité des Nations Unies sur l'élimination de la discrimination à l'égard des femmes (CEDAW) de l'application de la Convention du même nom par Haïti, qui à l'époque n'avait jamais présenté de rapport sur l'application du texte. Le Groupe a été satisfait de constater que c'est chose faite à présent puisque Haïti a présenté son premier rapport au Comité en janvier 2009 à Genève. Il appartient à présent à l'Etat haïtien d'assurer le suivi des recommandations formulées par le Comité après examen du rapport. En revanche, le Groupe constate avec regret que les trois projets de loi portant sur des aspects fondamentaux de la condition de la femme, élaborés par le Ministère de la condition féminine et aux droits des femmes et validés par le Gouvernement (voir E/2007/78 para. 26), n'ont toujours pas été examinés par le Parlement. Il réitère son appel à l'action dans ce domaine.*

52. *Entre l'action rapide pour créer des emplois et le travail de fond nécessaire au changement social, lui-même corollaire du développement, les acteurs internationaux sont amenés à travailler dans des logiques et avec des échelles de temps différentes. Le Groupe souligne que les deux approches ne sauraient s'opposer l'une l'autre, les deux dimensions étant sans doute légitimes face aux besoins à la fois urgents et profonds du pays. Il importe également d'éviter un affaiblissement de l'une des dimensions par l'autre et de maintenir un travail équilibré à même d'être efficace tout en démontrant une profonde compréhension des dynamiques à l'œuvre en Haïti. Il y a va aussi de la cohérence de l'aide internationale, à laquelle l'Emissaire de l'ONU pour Haïti souhaitera peut-être veiller en accordant égale importance aux deux dimensions.*

IV. Conclusions and recommendations

53. The present document, which is the fifth report issued since the Group resumed its work in 2004, builds on all the previous work done and should therefore be read in a complementary fashion. The recent years have each highlighted issues that have been

addressed in the past reports. While there are some improvements, many challenges remain as acute, which means that many previous recommendations from the Group, in particular those of the 2007 and 2008 reports, are still relevant.

54. 2009 marks the 60th anniversary of the publication of the Report of the UN Mission of Technical Assistance to the Republic of Haiti. This report issued in July 1949 was introduced by then Secretary General Trygve Lie as “a new departure in United Nations activities” and as “a precursor of the ampler efforts which, it is hoped, the international organizations concerned will be enabled to display in realization of the bold programmes of technical assistance to underdeveloped countries”. The Group hopes that its current work, and that of every stakeholder involved in the development of Haiti, will enjoy a better future which will see Haiti decisively out of its fragility state.

55. This year, the Group is encouraged by the evolution of the situation in Haiti, in particular with regard to the work done by the Government of Haiti to implement the DSNCRP and to make it central to the Washington Conference held in April 2009, through its plan for economic recovery and rehabilitation and the document “Haiti: a new paradigm”. Also, the Group underlines the progress made in the reform of the security sector, in particular the police, which leads to an increased positive perception of the National Police by the population. The Group commends the Haitian authorities for the work made in this regard.

56. As mentioned in the last years, the Group continues to consider imperative that Haiti remain on the international agenda and that appropriate support be given to the country, in particular by means of a strong United Nations presence on the ground through MINUSTAH as well as the United Nations country team which is increasing its presence in the most vulnerable departments of the country. The Group firmly supports further renewals of the current mandate of MINUSTAH in order to ensure and consolidate stability and security in Haiti. The Group commends the work carried out by the United Nations during the last months where the visits by the Secretary General and the Security Council, the report of Prof. Paul Collier and the recent appointment of Former US President William J Clinton have all contributed to not only maintain Haiti high on the international agenda, but also to gain enhanced momentum for marshalling new resources and new energies. The next two years will be decisive for Haiti, as the social and economic situation in the country remains extremely fragile. As a result, the Group reiterates its call on international stakeholders to stay the course and to consider increasing their support for Haiti. It continues to welcome the diversification of partners, including through South-South Cooperation.

57. The Group underlines that the hurricanes which have affected Haiti in 2008 were particularly strong and have therefore severely hampered the development of the country. In this context, the Group wishes to commend the Haitian authorities for the close attention paid to disaster preparedness in the DSNCRP (November 2007), the PDNA (November 2008) and the National Plan for Economic Recovery and Rehabilitation of Haiti (April 2009).

58. The Group looks forward to continuing its work with the Government of Haiti, following closely on its recommendations and providing advice on the development that the country acutely needs to consolidate its stability. In particular, the Group wishes to make the following recommendations addressed to the Haitian authorities, the United Nations system and donors, aimed at improving the economic and social situation in Haiti and the impact of development support.

Recommendation 1

59. The Paris Declaration on Aid Effectiveness created a model for aid effectiveness and partnership that encourages partners such as the Government of Haiti and donors to constitute mechanisms for mutual accountability and compliance in meeting commitments. In this regard, the Group commends the progress made on coordination between donors and the Haitian Government. However, the Group stresses the need for greater alignment with Haitian priorities as set out during the Washington Conference, bearing in mind that capacity development is the responsibility of the Government of Haiti and will need to be integrated into a longer-term vision.

Recommendation 2

60. The Group stresses the importance of political consensus for advancing in the stabilization and development of the country. There is a clear need to further develop parliamentary institutions in Haiti and to ensure constructive interaction between the Parliament and the Government, in order to consolidate the necessary consensus around, inter alia, the implementation of the DSNCRP and various institutional reforms needed for development.

Recommendation 3

61. Since Haiti faces enormous challenges in access to basic services and economic growth, the Group underlines the need to have development strategies that balance these aspects of development. An increased involvement of the State in providing basic services in particular would also contribute to the stabilization of the country.

Recommendation 4

62. The Group stresses that the civil registration of Haitians is one of the necessary conditions for significant progress in access to basic services. It can also facilitate enjoyment of economic and social rights, as well as participation into economic development. The Group urges the Government of Haiti to build on the progress made in recent years in this field.

Recommendation 5

63. Investments needed for economic growth, creation of new enterprises of all sizes and employment generation entail greater need for access to credit and financial services.

The Group has witnessed that there are serious limitations in the Haitian financial sector to access capital. The Group calls for urgent action on this issue and greater flexibility in the local financial sector in order to allow investment projects to happen.

Recommendation 6

64. The Group stresses the importance of food security for the stability of Haiti and commends all efforts made by national and international stakeholders to alleviate the sufferings. However, the Group has witnessed the interrelated challenges of food security, agriculture, land ownership, energy and deforestation. Any development strategy tackling one of these issues must factor all the others in order to be sustainable. The Group also considers that the relevant provisions of the *DSNCRP* shall be implemented as quickly as possible in order to strengthen the agricultural and other relevant sectors, to allow Haitians to better tackle the related challenges and to embark in a pro-poor growth strategy.

Recommendation 7

65. The Group urges again the Haitian authorities, in particular the parliamentary institutions, to integrate the gender dimension in all social and economic development policies in Haiti, in particular in the implementation of the *DSNCRP*. The Group commends the efforts made by the Haitian authorities towards the implementation of the Convention on the Elimination of All Forms of Discrimination towards Women (CEDAW).

Recommendation 8

66. The Group considers that the need to generate a “peace dividend” or a “stability dividend” remains acute in order to avoid criminal activities that can harm stability in the whole country and that coherence between the UN Country Team and MINUSTAH is critical in this regard. Short-term activities, including quick-impact projects, benefit the overall development efforts in Haiti. The Group recommends exploring ways for having an enhanced use of MINUSTAH’s engineers for a greater synergy between the mandate of the mission and the development needs of Haiti.

Recommendation 9

67. The Group underlines the important role of non-governmental organizations in the humanitarian and development work in Haiti. However, the Group considers very important to seriously address the dilemma between the pressure to obtain quick development impact and flexible interventions, through the non governmental community, and the need to strengthen the institutional capacities of the Haitian State. In this regard, the Group reiterates its past suggestion addressed to the United Nations, donors and NGOs to provide policy advice and best practices on the issue of retention of qualified personnel in the country.

Annex 1**Mission of the ECOSOC Ad Hoc Advisory Group to Haiti
4 - 7 May 2009****Monday, 4 May**

- 13:00 Arrival at Toussaint Louverture International Airport
- 14:00 Meeting with Mr. Alrich Nicolas, Minister of Foreign Affairs and Worship,
(Ministry of Foreign Affairs)
- 15:30 MINUSTAH briefing
(MINUSTAH Headquarters)
- 16:45 Meeting with the United Nations Country Team
(MINUSTAH Headquarters)
- 19:45 Reception offered by MINUSTAH
(Residence of the Special Representative of the Secretary-General)

Tuesday, 5 May

- 07:30 Visit to Gonaives (by helicopter):
- Meeting with UN, local authorities and departmental DPC
- Presentation of recovery programmes and projects
- Visit to rural development and food security projects
- 15:00 Meeting with the Prime Minister
(Primature)
- 16:15 Meeting with the Minister of Planning and External Cooperation and other
Cabinet Ministers on the implementation of the PRSP
(Primature)
- 20:00 Working diner with M. Michel Forst, Independent Expert of the UN Council
on Human Rights on the situation of human rights in Haiti
(Hotel Montana)

Wednesday, 6 May

- 07:15 Breakfast with Gladys Coupet, Chairperson of the Presidential Commission
on Competitiveness, Jacky Lumarque, Coordinator of the Presidential
Commissions) and Private Sector
(Hotel Montana)
- 09:45 Visit of a solid waste project in Carrefour Feuilles
- 11:15 Visit of an industrial park with presentation by private sector representatives
- 12:45 Working lunch on Rule of Law with Minister of Justice, Secretary of State
for Public Security, General Inspector of the Haitian National Police and
Director of the Penitentiary Administration
(Hotel Montana)
- 14:30 Meeting with bilateral and multilateral donors (G10) and core group
members (Hotel Montana)

- 16:00 Meeting on Food Security (Ministry of Agriculture, FAO, WFP, CNSA, UNICEF, WHO, Intl. NGOs, FIDA)
(Hotel Montana)
- 17:30 Meeting with civil society representatives
(Hotel Montana)
- 19:30 Cocktail with Core Group and Diplomatic Corps offered by the Ambassador of Canada

Thursday, 7 May

- 09:00 Meeting with President Préval
(Presidential palace)
- 10:15 Visit of the Parliament and meeting with Presidents of Chambers, First Secretaries, and Presidents of Budget Commissions
(Parliament)
- 11:30 Meeting/debriefing with Minister of Planning and External Cooperation
(MPCE)
- 12:45 Press conference
(Toussaint Louverture Airport)
- 13:30 Debriefing with SRSG Annabi and RC/HC a.i. Patriota
- 14:00 Departure to New York