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HAITI RECONSTRUCTION

Factors Contributing to Delays in USAID Infrastructure Construction

U.S. Government Accountability Office

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HAITI RECONSTRUCTION

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Why GAO Did This Study

On January 12, 2010, a powerful earthquake struck Haiti, resulting in an estimated 230,000 deaths, including more than 16,000 Haitian government personnel, and the destruction of many ministry buildings. In addition to immediate relief efforts, in July 2010, Congress appropriated \$1.14 billion in supplemental funds for reconstruction, most of which was provided to the U.S. Agency for International Development (USAID) and the Department of State (State). USAID and State are administering about \$412 million in supplemental and regular fiscal year appropriations for infrastructure construction activities. In May 2011, in response to a congressional mandate, GAO reported on overall U.S. plans for assistance to Haiti. This report addresses infrastructure construction activities, including (1) USAID and State obligations and expenditures; (2) USAID staffing; (3) USAID planning; and (4) potential sustainability challenges USAID faces. GAO reviewed documents and interviewed U.S. officials in Washington, D.C., and Haiti, and visited ongoing and planned construction sites in Haiti.

What GAO Recommends

To facilitate USAID's progress in planning and implementing its many post-earthquake infrastructure construction activities in Haiti over the next several years, particularly those requiring key technical staff, GAO recommends that the USAID Administrator ensure that U.S. direct-hire staff are placed at the mission within time frames that avoid future staffing gaps or delays. USAID described certain actions it is currently taking that, if continued, could address the recommendation.

View [GAO-12-68](#). For more information, contact David Gootnick at (202) 512-3149 or gootnickd@gao.gov.

What GAO Found

USAID and State have obligated and expended a small amount of funds for infrastructure construction activities in six sectors: energy, ports, shelter, health, food security, and governance and rule of law. As of September 30, 2011, USAID and State had allocated almost \$412 million for infrastructure construction activities, obligated approximately \$48.4 million (11.8 percent), and expended approximately \$3.1 million (0.8 percent). Of the almost \$412 million, about 87 percent was allocated from the 2010 Supplemental Appropriations Act and 13 percent from regular fiscal year appropriations. USAID accounts for about 89 percent of the \$412 million, including funds for construction in the energy, ports, shelter, health, and food security sectors. State activities in the governance and rule of law sector account for the remaining 11 percent.

USAID had difficulty staffing the Haiti mission after the earthquake, a factor that has contributed to delays in infrastructure construction activities. Soon after the earthquake, 10 of the 17 U.S. citizen Foreign Service Officers, known as U.S. direct-hire staff, in Haiti left. USAID, lacking a process for expediting the movement of staff to post-disaster situations, had difficulty replacing them and recruiting additional staff. These staff included key technical personnel such as engineers and contracting officers needed to plan and implement infrastructure activities in sectors such as energy and ports, where the mission had not previously worked. With limited U.S. direct-hire staff on board, the mission relied heavily on temporary staff, and remaining staff assumed duties outside their normal areas of expertise. The mission plans to have all U.S. direct-hire staff on board by February 2012. Since infrastructure activities will continue until at least 2015, the mission will need to maintain sufficient staff for several years to manage the activities supported by the increase in Haiti reconstruction funds.

USAID and State are planning activities in Haiti, but various challenges have contributed to some of USAID's delays. As of October 2011, USAID had drafted eight Activity Approval Documents (AADs) that include planned activities, costs, risks, and assumptions. AADs for the education, energy, food security, governance and rule of law, health, and shelter sectors have been approved. The AAD process has been more comprehensive and involved than is typical for such efforts, according to USAID officials. Although USAID made progress in planning, construction of some activities was delayed for various reasons, and some activities do not yet have planned start dates. For example, the mission was delayed in awarding contracts in the shelter sector due to issues such as identifying sites for shelter and obtaining land title.

The sustainability of USAID-funded infrastructure depends, in part, on improvements to the Haitian government's long-standing economic and institutional weaknesses. USAID has considered various sustainability issues and is planning institutional strengthening activities, such as management reform of the power utility, but USAID planning documents acknowledge that these reforms will be challenging and that infrastructure activities face risks. These challenges are consistent with prior GAO reports that address sustainability of U.S. infrastructure projects in other countries.

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Abbreviations

AAD	Activity Approval Document
Act	Supplemental Appropriations Act, 2010
Action Plan	Action Plan for National Recovery and Development in Haiti
ADS	Automated Directives System
CRC	Civilian Response Corps
EDH	Electricité d'Haiti
ESF	Economic Support Fund
FY	fiscal year
Haiti Strategy	Post-Earthquake USG Haiti Strategy: Toward Renewal and Economic Opportunity
HTT	Haiti Task Team
HUEH	State University Hospital
IHRC	Interim Haiti Recovery Commission
INCLE	International Narcotics Control and Law Enforcement
MCC	Millennium Challenge Corporation
Mission	USAID Mission in Haiti
NSDD-38	National Security Decision Directive 38
PSC	personal services contractor
State	Department of State
State/INL	State's Bureau of International Narcotics and Law Enforcement
Treasury	Department of the Treasury
UN	United Nations
USAID	U.S. Agency for International Development
WINNER	Watershed Initiative for Natural Environmental Resources

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Congressional Committees

The January 12, 2010, earthquake centered near Port-au-Prince, Haiti, caused physical, social, and economic devastation to the poorest country in the Western hemisphere. The earthquake is estimated to have caused approximately 230,000 deaths, 300,000 injuries, and displaced approximately 2 million people from their homes. According to the United Nations (UN), the earthquake killed more than 16,000 of Haiti's civil service employees and destroyed almost all ministry buildings. The World Bank reported that the earthquake caused \$7.8 billion in damage (exceeding Haiti's 2009 gross domestic product). The UN Office of the Special Envoy for Haiti reported that the country received unprecedented pledges of support from around the globe, with bilateral and multilateral donors, including the United States, pledging more than \$5.6 billion to help Haiti recover from the earthquake through 2011. Individuals and private companies gave an additional \$3.1 billion in private donations.

In July 2010, Congress passed the Supplemental Appropriations Act of 2010 (the Act), which provided more than \$1.14 billion in reconstruction funds for Haiti.¹ In January 2011, the U.S. government issued the 5-year *Post-Earthquake USG Haiti Strategy: Toward Renewal and Economic Opportunity*, which targets the Port-au-Prince, Saint-Marc, and Cap-Haïtien areas. The U.S. Agency for International Development (USAID) is allocating supplemental and other funds to support the construction and rehabilitation of infrastructure in the energy, food security, health, ports, and shelter sectors, while the Department of State (State) is allocating supplemental and other funds to support the construction and rehabilitation of infrastructure in the governance and rule of law sector. As currently planned, nearly half of USAID's and State's funding for post-

¹Supplemental Appropriations Act, 2010, Pub. L. No. 111-212, title I, ch. 10, 124 Stat. 2302, 2320 (July 29, 2010).

earthquake reconstruction assistance is for infrastructure construction activities.²

In the Act, Congress made funds available for GAO to monitor U.S. post-earthquake assistance to Haiti.³ In response, in May 2011, we issued a report that described the planned uses for U.S. reconstruction assistance, USAID's internal controls for overseeing U.S. reconstruction funds, and Interim Haiti Recovery Commission governance and oversight structures.⁴ This report addresses, for infrastructure construction activities only, (1) the amounts of USAID and State obligations and expenditures; (2) USAID's staffing; (3) USAID's planning; and (4) potential sustainability challenges USAID faces.

To address these objectives, we reviewed reports, documents, and data and interviewed officials from USAID and State in Washington, D.C., and Haiti. In Haiti, we also met with representatives from organizations involved in the reconstruction efforts. In Port-au-Prince, we visited sites damaged by the earthquake where USAID and State have ongoing or planned reconstruction activities. In the Cap-Haïtien area, we visited sites USAID is considering for reconstruction assistance.

We conducted this performance audit from November 2010 through November 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our work objectives. (App. I contains a more detailed description of our scope and methodology. App. II contains

²As agreed with USAID and State, for this report we used USAID's definition of infrastructure as the stock of fixed capital equipment in a country, including factories, roads, schools, etc. Construction includes reconstruction, renovation, and remodeling along with new construction. We did not include disaster response programs of a short-term nature and programs by the Offices of Food for Peace and Transition Initiatives, which may include longer-term infrastructure-related components.

³The law directed that funds previously available to GAO pursuant to Title I, Chapter 4 of Pub.L. No. 106-31 (to monitor provision of assistance to address the effects of hurricanes in Central America and the Caribbean) also be available to GAO to monitor post-earthquake expenses related to Haiti, including relief, rehabilitation, and reconstruction aid.

⁴GAO, *Haiti Reconstruction: U.S. Efforts have Begun, Expanded Oversight Still to Be Implemented*, [GAO-11-415](#) (Washington, D.C.: May 19, 2011).

a more detailed description of each of the six sectors with infrastructure construction we reviewed.)

Background

Haiti is the poorest country in the Western Hemisphere, with more than 75 percent of the population living on less than \$2 per day and the unemployment rate estimated at 60 to 70 percent. These conditions were exacerbated when the largest earthquake in Haiti's recorded history devastated parts of the country, including the capital, on January 12, 2010. Since then, Haiti has suffered from a cholera epidemic that has affected over 450,000 persons and caused over 6,000 deaths. In addition, Haiti has experienced political uncertainty following the earthquake. Due to the inconclusive presidential election of November 2010, the new President was not inaugurated until May 2011. On May 13, 2011, the U.S. and Haitian governments signed the Haiti Reconstruction Grant Agreement. Later, the Haitian Parliament rejected two candidates nominated by the new President for the post of Prime Minister, who serves as head of government. In early October 2011, the Parliament approved the President's third nominee.

In response to the earthquake, in the Act, Congress provided more than \$1.14 billion in reconstruction funds for Haiti, available through the end of fiscal year 2012. Of this amount, about \$918 million was directed to USAID and State,⁵ of which \$770 million was provided through the USAID-administered Economic Support Fund (ESF) account and about \$148 million through the State-administered International Narcotics Control and Law Enforcement account (see table 1).

⁵Of the \$918 million, USAID and State are directly administering \$796 million in bilateral reconstruction assistance funding from the Act, excluding \$120 million in ESF funding provided to the multilateral Haiti Reconstruction Fund and \$2 million provided to the Smithsonian Institution for a bilateral cultural preservation project.

Table 1: Supplemental Funding for Post-Earthquake Reconstruction in Haiti

Dollars in millions	
Recipient	Reconstruction amount ^a
USAID and State	\$917.7
USAID	770.0
State	147.7
Treasury ^b	219.8
USAID Inspector General	4.5
Total	\$1,142.0

Sources: Congressional Research Service, GAO analyses of U.S.-government fiscal year 2010 supplemental budget request, and final appropriation in the Supplemental Appropriations Act, 2010 (Pub. L. No. 111-212).

Note: Funding amounts do not add to total due to rounding.

^aIn addition to reconstruction funding, the Act provided about \$1.64 billion for post-earthquake relief activities, which were primarily implemented by the Department of Defense and USAID's Offices of Foreign Disaster Assistance, Transition Initiatives, and Food for Peace, as well as \$144 million for diplomatic-related expenses.

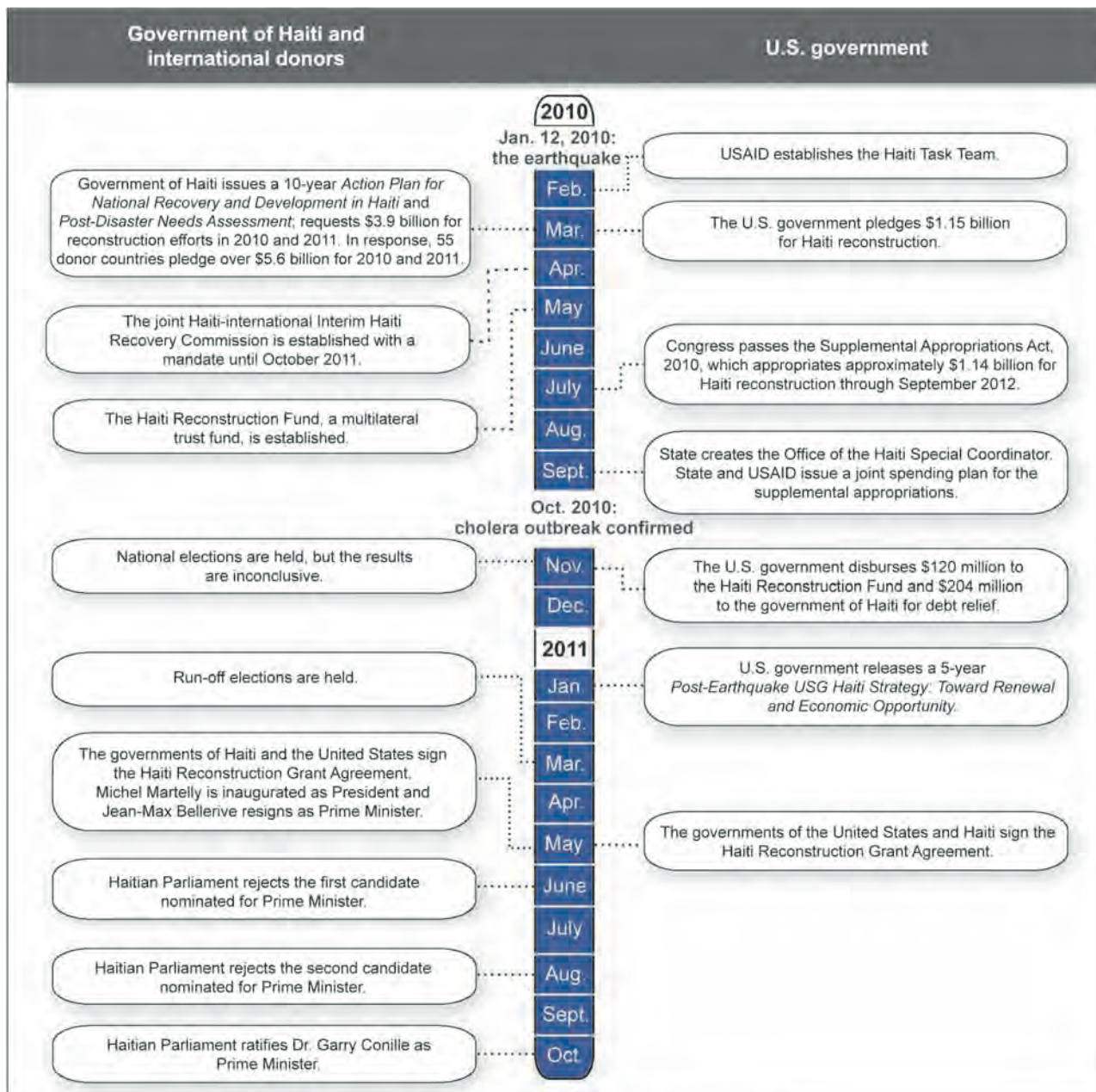
^bFunding for the Department of the Treasury includes \$212 million for Haitian debt relief and \$7.8 million for a Treasury attaché office in the U.S. Embassy in Port-au-Prince and technical assistance.

Of the almost \$918 million in supplemental funds, as of September 30, 2011, \$356.9 million was allocated for the construction and rehabilitation of infrastructure. In addition to these supplemental funds, USAID and State allocated funding for reconstruction activities from other budgetary sources, such as annual appropriations for fiscal years 2010 and 2011, of which \$54.8 million was allocated for construction and rehabilitation of infrastructure. In total, the agencies allocated almost \$412 million from both supplemental and other budgetary sources for construction and rehabilitation of infrastructure.⁶

In September 2010, State and USAID, as required by the Act, issued a joint spending plan that showed allocations of supplemental reconstruction funds (see fig. 1 for a timeline of key government of Haiti and international donors and U.S. government actions and events after the earthquake).

⁶For more detailed information on the funding provided to assist Haiti in the Fiscal Year 2010 Supplemental Appropriations Act, as well as expanded oversight actions for the increased level of funding, see [GAO-11-415](#).

Figure 1: Timeline of Actions Taken by the Government of Haiti, International Donors, and the U.S. Government since the January 12, 2010, Earthquake



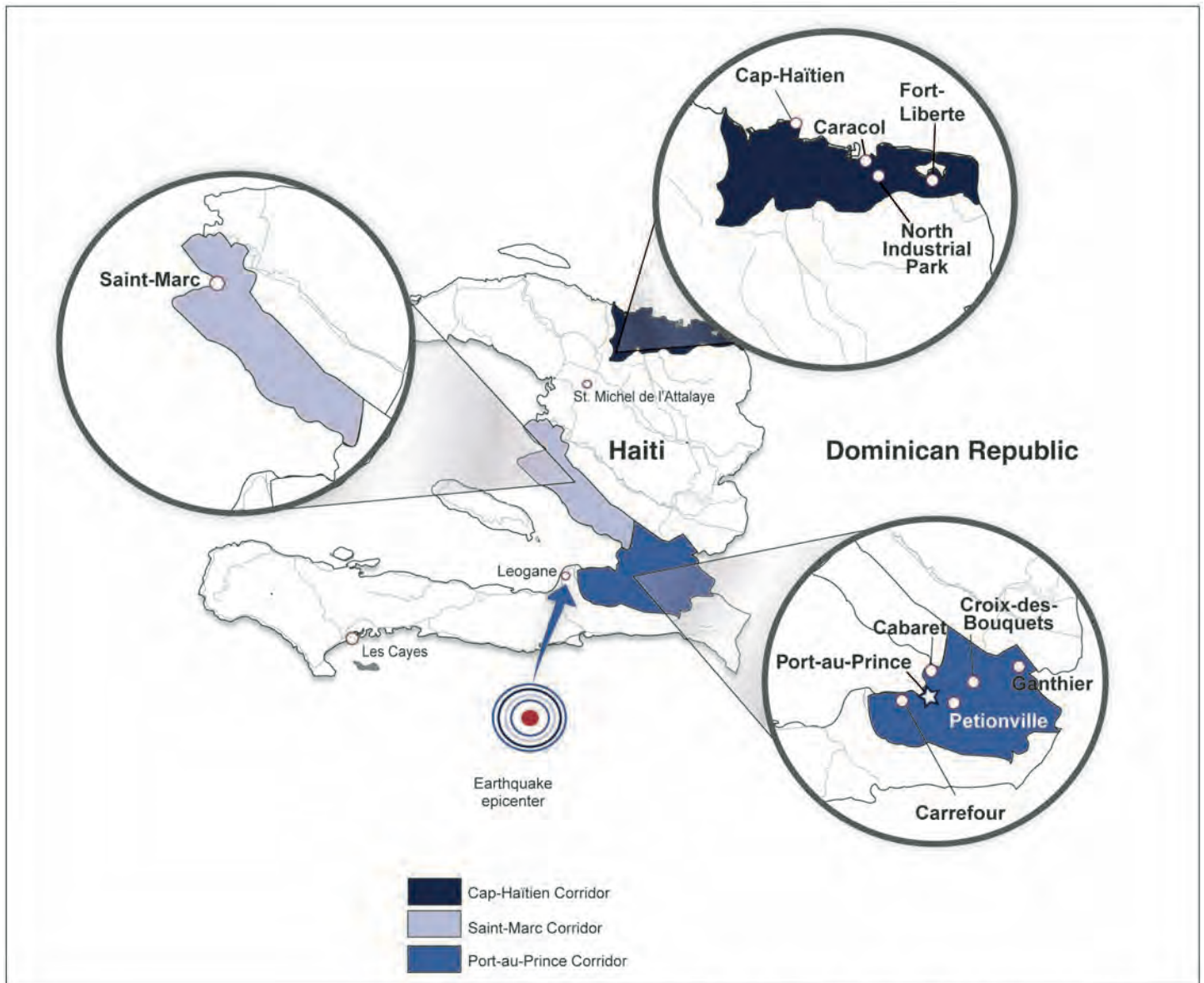
Source: GAO analysis of official documents and news media.

Note: See GAO, *Haiti Reconstruction: U.S. Efforts Have Begun, Expanded Oversight Still to Be Implemented*, [GAO-11-415](#) (Washington, D.C.: May 19, 2011), for a description of the Interim Haiti Recovery Commission and the Haiti Reconstruction Fund.

In January 2011, the U.S. government issued the 5-year *Post-Earthquake USG Haiti Strategy: Toward Renewal and Economic Opportunity*. Consistent with the government of Haiti's development priorities, the U.S. strategy seeks to, among other things, encourage reconstruction and long-term economic development in several regions of the country—known as “development corridors”—including a region on the northern coast of Haiti that is not close to the earthquake epicenter, but where some people displaced by the earthquake moved. The strategy notes that 65 percent of Haiti's economic activity was located in greater Port-au-Prince⁷ and states the U.S. government's intent to support new economic opportunities in the Saint-Marc and Cap-Haïtien development corridors, in addition to assisting with reconstruction in the Port-au-Prince corridor, which suffered the most damage from the earthquake (see fig. 2).

⁷The strategy further notes that, before the earthquake, migration toward Port-au-Prince had concentrated Haiti's social and economic problems; over the last 10 years, poverty declined by more than 8 percent across Haiti while increasing by 13 percent in Port-au-Prince.

Figure 2: Development Corridors and Selected Sites Targeted by the U.S. Post-Earthquake Assistance



Sources: Multiple U.S. government agencies, *Post-Earthquake USG Haiti Strategy: Toward Renewal and Economic Opportunity* (Washington, D.C., January 2011); USAID planning documents; Map Resources.

The U.S. strategy identifies planned U.S. reconstruction assistance in eight sectors.⁸ Six of these sectors—energy, ports, shelter, health, food security, and governance and rule of law—involve infrastructure construction and rehabilitation, while two sectors—economic security and education—do not. The strategy also encompasses some of the objectives set forth in the Haitian government’s 10-year *Action Plan for National Recovery and Development in Haiti*, issued in March 2010. The Action Plan identified and prioritized short- and long-term reconstruction needs in four areas: (1) territorial rebuilding in Port-au-Prince and three targeted regions of Cap-Haïtien, Saint-Marc, and Les Cayes; (2) economic rebuilding in sectors such as construction, agriculture, and tourism; (3) social rebuilding in the health, education, food security, and other sectors; and (4) institutional rebuilding focused on developing government capacity, justice, and a legal and regulatory framework.

To advise and support U.S. earthquake reconstruction efforts in Haiti, USAID and State created special offices in Washington, D.C.

- In February 2010, USAID created the Haiti Task Team (HTT) to help coordinate U.S. emergency relief and reconstruction work and provide technical and staff support. At its peak, the HTT had approximately 50 staff positions, primarily U.S. full- or part-time staff who were temporarily reassigned from USAID’s Bureau for Latin America and the Caribbean and other bureaus, as well as contracted staff.
- In September 2010, State created the Office of the Haiti Special Coordinator to oversee the planning and implementation of the U.S. strategy in Haiti in coordination with USAID and other U.S. departments and agencies. The Haiti Special Coordinator has approximately 20 staff positions, primarily staff temporarily reassigned full- or part-time from other bureaus and offices within State, and other U.S. agencies as well as contracted staff.

⁸The strategy refers to these eight sectors as “priorities,” but we are using the more common term “sector.”

USAID and State Have Obligated and Expended Small Amounts of the Almost \$412 Million Allocated for Construction Activities

As of September 30, 2011, USAID and State allocated \$411.6 million for bilateral post-earthquake infrastructure construction activities in Haiti using \$356.9 million in fiscal year (FY) 2010 supplemental funds and \$54.8 million from regular fiscal year appropriations.⁹ In addition, USAID and State had obligated \$48.4 million¹⁰ (11.8 percent) and expended \$3.1 million (0.8 percent) of the total allocated, as shown in table 2.¹¹

Table 2: USAID and State Total Funds Allocated, Obligated, and Expended for Bilateral Post-Earthquake Infrastructure Construction Activities in Haiti, as of September 30, 2011

Dollars in millions			
	USAID	State	Total
Total funds allocated	\$365.7	\$45.9	\$411.6
FY 2010 supplemental	311.2	45.7	356.9
Other sources	54.6	0.2	54.8
Total funds obligated	42.6	5.8	48.4
FY 2010 supplemental	41.8	5.6	47.4
Other sources	0.8	0.2	1.0
Total funds expended	1.4	1.7	3.1
FY 2010 supplemental	0.6	1.7	2.4
Other sources	0.8	0.0	0.8

Source: GAO analysis of USAID and State data.

Notes: Other sources are regular fiscal year 2010 and 2011 appropriations. For food security infrastructure construction activities, USAID plans to provide \$55.5 million during fiscal years 2011 through 2014; however, we did not include this amount because USAID did not provide the funding data by fiscal year. Total amounts may not add due to rounding.

⁹USAID defines an allocation as the identification and setting aside of resources for a specific program action.

¹⁰An obligation is a definite commitment that creates a legal liability of the U.S. government for the payment of goods and services ordered or received (see GAO, *A Glossary of Terms Used in the Federal Budget Process*, [GAO-05-734SP](#) (Washington, D.C.: September 2005)). This report defines obligations as the total amount of orders placed, contracts awarded, services received, and similar transactions during a given period that will require payments during the same or future period. USAID labels these actions subobligations. Consistent with 31 U.S.C. § 1501, which defines when an agency can record an obligation, USAID generally treats as an obligation the bilateral agreements it makes with other countries to deliver assistance.

¹¹In addition to the funding and activities described in this report, the USAID mission in Haiti (mission) has 11 activities that began before the earthquake—at an estimated cost, for infrastructure and construction components, of about \$172 million—that include planning, design, and construction of infrastructure activities.

USAID and State Allocated Almost \$412 Million in Supplemental and Other Funding for Post-Earthquake Infrastructure Construction Activities in Haiti

Combined, USAID and State allocated \$411.6 million for post-earthquake infrastructure construction activities as of September 30, 2011 (see table 2). USAID is responsible for implementing most of the infrastructure construction activities. USAID activities in five sectors—shelter, energy, ports, health, and food security—account for \$365.7 million (88.9 percent) of the \$411.6 million in total funds allocated for infrastructure construction. State has activities in the governance and rule of law sector, which account for \$45.9 million (11.1 percent) of the total funds allocated for infrastructure construction. See appendix II for additional detailed information on each of the six sectors. Table 3 shows USAID and State funding allocations by sector.

Table 3: USAID and State Sector-Specific Funding Allocations for Post-Earthquake Construction Activities in Haiti, as of September 30, 2011

Dollars in millions

Sector	FY2010 supplemental funds	Other funding sources	Total (percentage of supplemental and other funds)
Energy (USAID)	\$85.3	\$13.0	\$98.3 (23.9)
Ports (USAID)	77.7	0.0	77.7 (18.9)
Shelter (USAID)	55.1	1.6	56.7 (13.8)
Health (USAID)	50.5	40.0	90.5 (22.0)
Food Security (USAID)	42.6	0 ^a	42.6 (10.3)
Governance and Rule of Law (State)	45.7	0.2	45.9 (11.1)
Total	\$356.9	\$54.8	\$411.6

Source: GAO analysis of USAID and State data.

Note: Other sources are regular fiscal year 2010 and 2011 appropriations.

^aFor food security infrastructure construction activities, USAID plans to provide \$55.5 million during fiscal years 2011 through 2014; however, we did not include this amount because USAID did not provide the funding data by fiscal year.

Examples of post-earthquake infrastructure activities are as follows:

- The energy sector includes rehabilitating substations in the Port-au-Prince area and in the Cap-Haïtien development corridor, providing power to the North Industrial Park—an activity that is key to Haiti's economic development with donor and private-sector commitments of about \$400 million and a goal of creating about 60,000 direct and indirect jobs, according to USAID and State officials.
- The ports sector includes the construction of a new port along the northern coast of Haiti in the Cap-Haïtien development corridor. Upon

completion, the port could provide improved shipping access for firms operating in the North Industrial Park and other locations in the area.

- The shelter sector includes the development of approximately 15,000 service plots, which include housing and access to essential services, in new residential settlements in the Port-au-Prince and Cap-Haïtien development corridors.
- The health sector includes the reconstruction of the State University Hospital in the Port-au-Prince development corridor.
- The food security sector includes the construction of irrigation canals and farm-to-market roads in the Cap-Haïtien, Port-au-Prince, and Saint-Marc development corridors.
- The governance and rule of law sector includes construction activities funded through State's Bureau of International Narcotics and Law Enforcement (State/INL); the activities include the rehabilitation of facilities at the Haitian National Police Academy.

USAID and State Have Obligated Almost 12 Percent and Expended 0.8 Percent of Funds Allocated for Infrastructure Construction

As of September 30, 2011, USAID had obligated \$42.6 million for activities in the energy, ports, shelter, health, and food security sectors. The majority (67 percent) of USAID's obligations have been for two energy activities—\$15.8 million for construction of power generation at the North Industrial Park and \$12.9 for rehabilitation of 5 power substations in the Port-au-Prince area. State had obligated \$5.8 million, as of September 30, 2011, for its activities in the governance and rule of law sector. State officials said that designing and planning of construction activities generally involves a more lengthy process than for other activities, and they expect obligations to grow at a faster pace later this year and during 2012 as USAID and State infrastructure construction activities reach the implementation stage. See table 4 for obligation and expenditure data.

Table 4: USAID and State Total Obligations and Expenditures for Post-Earthquake Construction Activities, as of September 30, 2011

Dollars in millions		
	Obligations	Expenditures
USAID Activities Total	\$42.6	\$1.4
<i>Energy sector: Rehabilitation of 5 Port-au-Prince electrical substations</i>		
• architectural and engineering design services	0.2	0.2
• construction	12.7	0
<i>Energy sector: North Industrial Park short-term power generation</i>		
• architectural and engineering design services	0.8	0.3
• construction	15.0	0
<i>Ports sector: Feasibility study for the design of a new port in northern Haiti</i>	2.8	0
<i>Shelter sector: Residential shelter site preparation, environmental assessment, and design (Caracol Ekam)</i>	9.8	0.7
<i>Shelter sector: Residential shelter environmental assessments and design</i>	0.3	0.3
<i>Health sector: Environmental assessment of the State University Hospital (Port-au-Prince)</i>	0.4	0
<i>Food security sector: Watershed Initiative for Natural Environmental Resources (WINNER)^a</i>	0.5	0
State Activities Total	5.8	1.7^b
<i>Governance and rule of law sector: Haitian National Police Academy repairs</i>	5.0	1.1
<i>Governance and rule of law sector: Prison repairs—site surveys of Petionville and Carrefour facilities</i>	0.2	0.2
<i>Governance and rule of law sector: Construction supervision—oversight of construction activities</i>	0.3	0.3
<i>Governance and rule of law sector: National Penitentiary repairs</i>	0.2	0.2
<i>Governance and rule of law sector: Police station repairs</i>	0.2	0

Source: GAO analysis of USAID and State data.

Note: Amounts may not add due to rounding.

^aEstimated award, total obligation, and expenditure amounts are for infrastructure, planning and design, and construction components of WINNER. The total award amount for WINNER is \$127 million; total obligations and expenditures as of June 30, 2011, are \$59 million and \$49 million, respectively. WINNER's infrastructure-related activities include erosion prevention, irrigation restoration, and rebuilding and repair of transportation infrastructure.

^bState refers to expenditures as liquidations.

USAID Staffing Difficulties Were a Factor in Delaying USAID Infrastructure Construction Activities in Haiti

USAID Has Had Difficulty Replacing Staff Since the Earthquake

Within a month after the earthquake, 10 of the mission's 17 U.S. direct-hire staff¹² had departed Haiti, leaving the mission with 7 staff in country to manage a program heavily involved in massive relief operations and anticipating an increase in reconstruction activities. According to mission officials, U.S. direct-hire staff were permitted to leave for several reasons, primarily because approximately 40 percent of U.S. embassy housing was damaged or destroyed, the school for mission staff children was damaged and not functional, and staff were experiencing emotional challenges after the earthquake.

To fill the U.S. direct-hire vacancies, USAID posted 10 routine agency wide job announcements in March 2010, but no U.S. direct-hire staff applied. According to USAID officials, potential applicants did not apply due to, among other things, the damaged school, uncertainty about the quality of life in Haiti, and the lack of financial or other incentives in the job announcements. In May 2010, USAID again posted the 10 job announcements and, this time, attracted a number of applicants because the postings included financial incentives and waived the requirement that successful applicants bid on positions in four USAID-designated critical priority countries—Afghanistan, Iraq, Pakistan, and Sudan—upon completion of their tours in Haiti.¹³ Having received a sufficient number of

¹²For U.S. direct-hire staff, we used the workforce definition developed by USAID's 1990 Workforce Planning Working Group: U.S. citizen direct-hire foreign service staff, most of whom serve at overseas missions. U.S. direct-hire staff do not include U.S. personal services contractors (PSC) and other staff such as Haitian and third-country nationals. At the time of the earthquake, 17 of the mission's 20 authorized U.S. direct-hire positions were filled.

¹³USAID considers these countries, as designated by the USAID Administrator, to be its most challenging assignments.

applicants for the May 2010 posting, the mission soon selected the staff. However, U.S. direct-hire staff did not begin to arrive in Haiti until early 2011 because, among other things, households and families had to be moved and some staff required up to 6 months in language training. In addition to filling existing positions, USAID received approval from the U.S. Ambassador to Haiti in February 2011 for 15 additional U.S. direct-hire staff to manage the surge in earthquake-related funding.¹⁴ These positions were announced and some candidates selected when the approval was granted in February 2011. Eleven had arrived as of September 2011 and, according to mission officials, all are expected to arrive in Haiti by February 2012. However, the mission will be implementing infrastructure construction activities until at least 2015, according to USAID planning documentation. During the next 4 years, U.S. direct-hire staff will have opportunities to bid for other positions at other posts. As U.S. direct-hire staff leave Haiti, the mission will need to replace them in order to continue the progress of infrastructure construction activities.

Lack of Staff Created Planning Delays

Since the earthquake, the mission has been operating with a reduced number of U.S. direct-hire staff. During that time, the mission experienced delays in planning and implementing some construction activities. According to USAID officials, U.S. direct-hire staff are essential in planning and establishing continuity for long-term reconstruction activities, including infrastructure activities such as the design of power generation facilities, which require specific skills. Delays in staffing key positions, such as engineers, contracting officers, and sector specialists, created particular difficulties. For example:

Engineering: Although USAID allocated more than \$300 million in supplemental funds for infrastructure activities that would require engineering skills, the mission's planning process was delayed due, in part, to the lack of U.S. direct-hire engineers, according to USAID officials. USAID was unable to reassign U.S. direct-hire engineers from other missions around the world because USAID has few engineers worldwide, according to mission officials. At the time of the earthquake, the mission had two Haitian engineers on its staff, but these individuals

¹⁴Per National Security Decision Directive 38 (NSDD-38), the Chief of Mission (the U.S. Ambassador to Haiti) must approve any U.S. department or agency request to increase the number of staff posted in country.

had experience in constructing and repairing roads and bridges and rehabilitating small infrastructure—with no experience in energy and ports construction. In anticipation of its pending involvement in infrastructure activities, the mission created a new Office of Infrastructure, Energy, and Engineering, but staff with specialized engineering skills did not begin to arrive at the mission until early 2011. For example, the mission's chief engineer, who is responsible for overseeing construction activities in the energy sector, arrived in April 2011, and an engineer overseeing the construction of health facilities arrived in May 2011.

Mission officials in the health sector stated that initial delays in staffing an engineer in the Office of Infrastructure, Energy, and Engineering presented a planning challenge because in-country engineering expertise is essential to rehabilitate a major hospital and numerous smaller health clinics. According to mission officials, the lack of staff and expertise made planning difficult for several reasons. For example, some staff who were involved in developing certain cost and planning estimates and assessing potential constraints had limited expertise, thus requiring more review by others. Further, some construction activities experienced delays as a result of staff shortages. For example, on September 22, 2011, about 3 months later than initially planned, the mission awarded a feasibility study related to its plans to invest in port development in the Cap-Haïtien development corridor. According to USAID officials, the delay occurred because mission staff were focused on energy-sector issues related to the North Industrial Park. The feasibility study is needed before the mission can determine its specific plans for port construction and set an award date for the construction contract that is expected to follow.

Contracting: The mission also experienced delays in awarding some infrastructure construction contracts as originally scheduled because it had only one U.S. direct-hire contracting officer in country with the authority to approve contracts of more than \$3 million, according to USAID officials.¹⁵ The mission plans to award several complex contracts for more than \$3 million each from the more than \$300 million in

¹⁵USAID requires contracting officers to be U.S. citizen direct-hire employees of the U.S. government (see 48 CFR 701.603-70). The authority of overseas heads of contracting is generally limited to a \$100,000 threshold for most contracts (see 48 CFR 701.601). The mission received support from USAID headquarters, which assigned temporary duty staff with contracting experience; however, according to mission officials, temporary staff did not have sufficient approval authority.

supplemental funding it has allocated for infrastructure activities. The mission currently has three other contracting officers with lower contracting authority approval limits, and as of September 2011, the mission had requested additional contracting officers it anticipates will be needed to keep pace with the planned time frames for the mission's planned infrastructure activities.

Programming: The mission also experienced delays because, for more than 1 year following the earthquake, it did not have several sector directors, including a program office chief and office chiefs for economic growth and democracy and governance offices, among other programming positions. According to mission officials, key decisions during the design and planning of construction activities were delayed, in part, because the mission had not been involved in such activities before the earthquake and there was limited expertise among existing staff. In addition, mission staff have experienced increased workloads and some mission staff have had to take on additional responsibilities outside their normal areas of expertise. For example, the deputy mission director assumed the additional role of leading energy sector planning for about 15 months until the April 2011 arrival of the chief engineer. In addition to other staffing issues, three of USAID's Haitian employees died in the earthquake. Further, mission officials stated that numerous surviving Haitian employees have been unable to contribute quickly to post-earthquake planning efforts because some had family members who died or were injured in the earthquake and many had residences that were damaged or destroyed.

USAID Haiti Relied Largely on Temporary Staff Following the Earthquake

Based on our review of USAID policies and guidance, including its Automated Directives System, and statements of mission officials, USAID does not have an expedited process for placing U.S. direct-hire staff to work on reconstruction efforts in an urgent post-disaster or post-crisis situation such as Haiti.¹⁶ Absent such a process, USAID Haiti used USAID's routine but lengthy staffing process, which involves, among

¹⁶In 2002, we recommended that the USAID Administrator develop and implement procedures to allow USAID to reassign quickly key personnel, particularly contracting officers, in post-emergency and post-crisis situations. See GAO, *Foreign Assistance: Disaster Recovery Program Addressed Intended Purposes, but USAID Needs Greater Flexibility to Improve Response Capability*, [GAO-02-787](#) (Washington, D.C.: July 24, 2002).

other things, posting job opportunities agency-wide, receiving applications, selecting staff, and waiting until they are released from their current assignments.

To meet the increased need for mission staff to manage the program, the agency temporarily hired or reassigned staff, including staff from its Haiti Task Team in Washington, D.C., to complete more than 400 temporary duty assignments for periods ranging from one week to several months.¹⁷ For example, USAID used personal services contracts to hire staff to provide financial management expertise; assigned headquarters-based staff from its Latin America and Caribbean Bureau to manage and oversee rubble removal and other efforts; and provided fiscal year 2010 supplemental funding to an implementing organization to manage people who repaired roads, cleaned drainage canals, and performed other rehabilitation activities.

According to mission officials, planning and implementation of reconstruction activities were delayed because the few staff remaining in Haiti were heavily involved in recruiting, placing, and training temporary staff in Haiti. Senior mission staff stated that, for many temporary staff positions, the mission had to develop detailed scopes of work for the positions and then brief and train newly arrived staff on substantive issues. In addition, mission staff noted that the continuity of efforts was sometimes problematic as multiple staff, who turned over frequently, managed the efforts.

¹⁷These temporary staff included personnel from the Civilian Response Corps (CRC), a multi-agency group of civilian federal employees who are specially trained and equipped to deploy rapidly to countries in crisis or emerging from conflict. CRC provides the U.S. government with a first responder effort and supports the implementation of longer-term reconstruction activities. Also, according to USAID, some of the temporary staff assisted with immediate earthquake relief and the subsequent cholera outbreak.

USAID Planning Is Still Under Way; Various Factors Contributed to Delays in Infrastructure Construction

USAID Has Finalized Six of Eight Sector-Specific Planning Documents

What is in an AAD?

According to USAID policy, AADs certify that appropriate planning has been completed. Although the policy states that there is no standard format for AADs, at a minimum, an AAD describes the project or activity, including its intended results, implementation methods, and financing plans; demonstrates that all pre-obligation requirements have been met; clarifies management responsibilities; and summarizes environmental review requirements and gender issues.

USAID planning for its earthquake reconstruction activities in Haiti is still under way.¹⁸ The USAID mission in Haiti, in coordination with other U.S. government agencies and USAID in Washington, D.C., has drafted eight Activity Approval Documents (AADs)—detailed planning documents for each sector.¹⁹ As of October 2011, six AADs had been approved: education, energy, food security, governance and rule of law, health, and shelter (see table 5). These six AADs account for 87 percent of USAID's available supplemental and program funds, according to USAID. The two remaining AADs require additional work before they can be approved, according to USAID officials. Specifically, the AAD for economic security—which does not include any planned infrastructure construction—requires further interagency discussion with the U.S. Department of the Treasury (Treasury), which is the co-implementer of economic activities in Haiti, and the AAD for ports has not been approved because, among other things, USAID is waiting for the Haitian government to make key decisions regarding port regulations, use of territorial waters and the Haitian customs code.

¹⁸Because USAID's planned funding level for infrastructure activities is almost 8 times larger than State's, we focused our review on USAID's planning efforts.

¹⁹State/INL, which is planning infrastructure construction activities in the governance and rule of law sector, does not develop an AAD-type document during its planning process, according to a State official. The U.S. government strategy and supplemental spending plan describe State/INL's plans for infrastructure construction activities, such as the construction of a new women's prison, repairs to two correctional facilities damaged in the earthquake, repairs to facilities at the Haitian National Police Academy damaged by the earthquake, and repairs and construction of police substations and counternarcotics outposts. For more detail, see appendix II.

Table 5: Status of USAID Activity Approval Documents (AADs), as of October 2011

AADs approved	AADs not approved
Education	Economic Security
Energy	Ports
Food Security	
Governance and Rule of Law	
Health	
Shelter	

Source: GAO analysis of USAID data.

Notes: USAID does not plan any infrastructure construction activities in the governance and rule of law AAD, however, the AAD includes State/INL infrastructure construction activities. USAID does not plan any infrastructure construction activities in the economic security and education AADs.

According to USAID officials, the AADs for Haiti are more comprehensive and have involved a more extensive review process than is typical. For example, USAID officials stated that the AADs for USAID activities in Haiti have included more analytical metrics, such as the results USAID plans to achieve in return for its investment. These AADs incorporate a discussion of how each sector will meet USAID's agency wide procurement reform known as USAID Forward, which has, among other objectives, the goal of broadening the base of USAID's implementing partners.²⁰ According to USAID officials, incorporating USAID Forward has changed the procurement plan structure in the AADs, requiring more scrutiny by agency officials. For example, USAID indicated for activities described in the AAD procurement plans whether those activities will be targeted at local firms or organizations or use traditional partners.

In addition, several factors led to a more extensive review process for the AADs for activities in Haiti. According to USAID officials, AADs are usually drafted at the mission and approved by the mission director. However, due to U.S. foreign policy interests in Haiti, in addition to the review and approval of the Haiti mission director, these AADs have undergone high-level review by USAID and State's Office of the Haiti Special Coordinator. Because the U.S. strategy is a whole-of-government strategy, a number of other U.S. agencies were involved in reviewing and

²⁰USAID Forward is the USAID Administrator's reform agenda for the agency. It outlines seven areas for reform: implementation and procurement reform, talent management, rebuilding policy capacity, strengthening monitoring and evaluation, rebuilding budget management, science and technology, and innovation.

approving the AADs. These agencies included the U.S. Department of Agriculture for food security, Treasury for economic security, and the Centers for Disease Control and Prevention for health. According to USAID and State officials, the inclusion of other agencies in the process added levels of review that have extended AAD development and approval.

What is in the procurement plan?

The procurement plan includes a work description, USAID point of contact, cost estimate, implementation instrument type (such as contract, task order, or cooperative agreement), and planned contract solicitation issuance, award, and completion dates for each procurement needed to implement each activity. As of July 2011, it included 82 planned procurements in 8 sectors (energy, ports, shelter, economic security, food security, education, health, and governance and rule of law) for both infrastructure and non-infrastructure activities. Non-infrastructure items in the procurement plan include vocational and teacher training, agricultural support, healthcare delivery, and economic development programs.

Prior to AADs being approved in Washington, D.C., the Haiti mission continued with other planning efforts. The mission's Office of Acquisition and Assistance developed a procurement plan to manage contract actions—such as the award of contracts for planning, design, and construction services—that enable implementation of the activities. In the shelter sector, for example, the mission has awarded contracts for the design of the proposed residential sites; the design includes site layout plans, environmental impact assessments, and housing-unit design specifications. In instances where an AAD had not been approved but where the mission deemed that sufficient planning had been completed, the mission used activity-specific approval memoranda to initiate procurement actions, and, in some instances where design work was completed, award construction contracts. For example, a contract for the construction of a 10-megawatt power plant for the North Industrial Park in the Cap-Haïtien development corridor with a value of approximately \$15 million was awarded while the energy AAD was in draft.

A Few Infrastructure Construction Activities Are Under Way; Various Factors Contributed to Delays

As of September 15, 2011, the mission had awarded its first two infrastructure construction contracts—rehabilitation of five electrical substations in Port-au-Prince and construction of a power plant in the North Industrial Park—at a combined cost of \$28.8 million; approximately 7 percent of USAID's total allocation for infrastructure construction activities.²¹ These awards were slightly delayed, as described below:

- **Rehabilitation of five electrical substations in Port-au-Prince:** On July 28, 2011, about 1 month later than planned, USAID Haiti awarded a \$12.7 million construction contract for work to improve electrical service in Port-au-Prince. USAID extended the time for contractors to submit construction proposals because USAID issued new information in response to contractors' questions, such as those

²¹The \$28.8 million includes \$1 million for two engineering design contracts, one contract each for the two activities.

concerning the length of the contract performance period—considered by contractors to be too short—and requests for clarification of technical documents referenced in the original proposal solicitation.²²

- **Construction of a power plant in the North Industrial Park:** On September 15, 2011, about 6 weeks later than planned, the mission awarded a \$15 million contract for construction of a power-generating facility to meet the start-up electrical needs of the North Industrial Park. Some of the delay was to allow contractors time to respond to USAID’s clarifications and new contract requirements that were the result of contractor questions, changes to documents in the original solicitation, and the addition of environmental mitigation requirements. Some of the delay was also due to time spent by USAID mission staff focusing on a bid protest of the Port-au-Prince substation rehabilitation contract.

Some key USAID activities experienced delays in their original schedule due to technical issues, and other activities do not yet have a planned award date. These delays are in part related to issues such as the length of time it takes contractors to submit construction proposals, difficulties obtaining building sites, and incomplete environmental assessment documents. In addition, some activities do not yet have dates set for award of construction contracts because the scope and location of the infrastructure have yet to be determined.

- **North Industrial Park long-term power generation:** The mission delayed its planned award of a construction contract to increase the power plant’s generation capacity from November 2011 to April 2013. According to a mission official, the dates were revised because the

²²According to mission officials, after the construction contract was awarded on July 28, 2011, one of the unsuccessful bidders filed a bid protest with GAO. As a result, the mission’s chief contracting officer suspended work for 3 months while the protest is under consideration, per USAID standard operating procedure; as of November 15, a decision on the protest had not been announced. Bid protests may be filed with GAO against procurement actions by federal government agencies. A bid protest is a challenge to the award or proposed award of a contract for procurement of goods and services or a challenge to the terms of a solicitation for such a contract. Protests can also be filed with the agency responsible for the procurement and the U.S. Court of Federal Claims (31 U.S.C. § 3551 et. seq.).

number of future tenants in the industrial park and their electrical power requirements are not yet known.²³

- **South Industrial Park power generation:** As of October 2011, a site for the South Industrial Park had not been established. Therefore, the mission has not yet determined the contract award date for this activity, which will provide power to a new South Industrial Park.
- **State University Hospital in Port-au-Prince (HUEH):** The mission delayed by about 5 months its plans to enter into an agreement²⁴ with the governments of France and Haiti to reconstruct, repair, and modernize earthquake-damaged buildings on Haiti's State University Hospital campus.²⁵ The delay is due, in part, to a USAID-funded environmental assessment of the HUEH which is taking longer than planned.²⁶ Mission officials expect that the assessment will be completed near the middle of November 2011, and estimate that the mission will be able to execute the HUEH agreement by December 2011.
- **Shelter demonstration project:** The mission planned to break ground on a "demonstration" settlement of 200 houses and other residential infrastructure on January 12, 2011. According to USAID officials, the mission has faced challenges in obtaining land titles for property on which to build because the government of Haiti lacks a comprehensive, functional system for recording land ownership—resulting in only 40 percent of landowners possessing documentation of title to their land and land records which may be inaccurate—as

²³According to this official, the mission is conducting two studies on the expansion, one to determine least-cost options and one to evaluate renewable energy alternatives, which will be completed in December 2011 and October 2012, respectively.

²⁴According to a USAID official, the agreement will be a fixed amount reimbursable agreement. Under terms of the agreement, USAID will pool \$25 million of its funds with \$25 million provided by the government of France and approximately \$3 million from the government of Haiti to fund construction work.

²⁵The construction contract under which this work will be performed will be administered by the technical unit of the government of Haiti's Ministry of Finance.

²⁶USAID guidelines require an environmental assessment for planned activities. According to the mission's regional legal advisor, the agreement cannot be completed until the environmental assessment is completed and the results of the assessment can be included in the agreement. According to USAID officials, the environmental assessment for these planned activities is complex.

well as overarching shelter legislation to guide housing, land-use, and urban planning.

- **Development and construction of new residential settlements:** The mission's plan to award contracts to prepare 15,000 housing plots and build 4,000 housing units has been delayed about 7 to 10 months. Originally planned for August 2011, the awards of most of these contracts are now expected to occur between March and June of 2012. It has taken longer than planned to identify the sites, negotiate agreements with the Haitian government on the selection of beneficiaries, and negotiate agreements with nongovernmental organizations building some of the housing.

Haitian Government Capacity Is a Key Challenge to Sustainability of U.S. Government Infrastructure Reconstruction Activities

The sustainability of USAID-funded infrastructure activities depends, in part, on improvements to Haiti's long-standing economic and institutional weaknesses, the Haitian government's political will to implement change, as well as the success of planned capacity-building activities. Based on data from the UN Office of the Special Envoy for Haiti, aid from bilateral and multilateral donors represented approximately 57 percent of the government of Haiti's total revenue in 2009. Following the earthquake, the percentage increased substantially, to an estimated 80 percent of total government revenue in 2010.²⁷ Additionally, more than 16,000 civil servants died in the earthquake and, including those who left the country, the Haitian government workforce is now reduced by 33 percent, according to the United Nations Development Program.²⁸ Further, according to the U.S. government strategy and USAID documents and officials, electricity laws, the structure of the health care system, the customs code, and housing and urban development policy, among other areas, all need reform.

²⁷United Nations Office of the Special Envoy for Haiti, *Has Aid Changed? Channeling Assistance to Haiti Before and After the Earthquake* (New York, N.Y.: June 2011).

²⁸United Nations Development Program, *Haiti One Year Later* (Port-au-Prince, Haiti: December 2010).

As part of its required planning processes, USAID considered various sustainability issues for its infrastructure activities.²⁹ Some activities face sustainability challenges. In planning and assessing the sustainability of its activities in Haiti, USAID used a variety of resources. These included relevant provisions in the Foreign Assistance Act,³⁰ guidance from the agency's Automated Directives System (ADS),³¹ the agency's project design guidance, and studies and assessments by USAID and other donors such as assessments of Haitian government ministries by the Inter-American Development Bank. In addition, for infrastructure activities, the mission relied on general principles for estimating costs, including projecting operations and maintenance costs and estimating basic returns on investments.

For four activities, as of September 2011, USAID has also completed certification required by the Foreign Assistance Act indicating that Haiti is capable of effectively maintaining and utilizing the projects. In addition, each AAD contains a section broadly describing the sustainability issues of the activities planned in each sector.

The following are examples of some of the challenges identified by USAID and its plans to address those issues.

Energy sector: The power utility, Electricité d'Haiti (EDH), faces considerable technical and managerial challenges that have resulted in

²⁹USAID defines sustainability in different ways depending on the goals of the sector and project, such as usage for infrastructure projects, financial stability for capacity-building projects, and environmental stability for numerous other projects. USAID also states that the four key principles of sustainable development are (1) improved quality of life for current and future generations; (2) responsible stewardship of the natural resource base; (3) participation in political and economic life; and (4) effective institutions that are transparent, accountable, responsive, and capable of managing change without continued external support.

³⁰Section 611(e) of the Foreign Assistance Act of 1961 requires that for capital assistance projects of more than \$1 million, the agency head receive a certification of the country's capability to maintain and utilize the project, taking into account, among other things, the maintenance and use of projects in the country previously financed or assisted by the United States (22 U.S.C. § 2361(e)). As of September 2011, USAID had signed 611(e) certification memos for four activities: the North Industrial Park power generation facility, new residential settlements in the Cap-Haïtien and Port-au-Prince development corridors, reconstruction of the HUEH, and construction of the Millet Bridge in Port-au-Prince.

³¹For example, USAID's ADS, *Planning*, 201.3.9.3 and 201.3.11.6 (Washington, D.C.: rev. Apr. 2, 2010).

financial losses. The utility receives an annual subsidy from the Haitian government of approximately \$100 million, which, according to USAID's energy AAD, represents approximately 12 percent of the government of Haiti's national budget. To assist the EDH, in April 2011 the mission awarded a 2-year contract to improve EDH management while long-term modernization options are developed and evaluated. In addition, USAID plans for the North Industrial Park power generation facility to be managed independently of EDH through September 2016. This facility is expected to generate enough revenue to cover operations and maintenance costs, including the replacement of major equipment. However, modernization of the energy sector is based, among other things, on the assumption that the Haitian government will decide on an appropriate modernization model and take necessary, but politically challenging steps, to implement that model, according to the energy AAD.

Health sector: The Haitian government has made efforts to decentralize the health care system since the 1990s, but only 12 of 63 local health networks are currently operational.³² To support Haitian government efforts to decentralize the health care system, USAID is planning to provide resources, such as repair or construction of health facilities, to 9 to 12 local health networks in the U.S. development corridors. USAID is also requiring business plans in this sector so that USAID will no longer need to contribute to operations and maintenance of new or renovated health facilities within 3 to 5 years of completion. USAID acknowledges that strengthening the Haitian Ministry of Health and a decentralized health care system—both of which would likely enhance sustainability—are complex undertakings that will require long-term efforts. According to USAID, there are also shortages of community health workers, low retention of doctors and nurses who can earn more money in private practice or working for nongovernmental organizations, and a low skill and knowledge base at all levels.

Ports sector: According to USAID's draft ports AAD, the Haitian government does not have a well-defined legal and regulatory framework for ports, and the three Haitian government entities involved in port operations have unclear roles and responsibilities.³³ Furthermore, the

³²Local health networks consist of five to eight community health clinics and one hospital to which the clinics refer patients that need more specialized care.

³³These Haitian government entities are the National Port Authority, the General Customs Administration, and the Maritime Security Service.

sector is characterized by excessively high port charges, unreliably slow port clearance processes, inadequate human and institutional capacities, and poor integration between international and regional ports. To assist with port construction in the Cap-Haïtien development corridor, according to USAID's draft ports AAD, (1) a public-private partnership³⁴ will be created and (2) USAID will provide technical assistance to Haitian officials to help them lower port charges in the northern port and introduce processes to expedite port clearance and tax collection. However, the ports sector AAD notes that port construction is a "high-risk" program whose success depends on, among other things, the political will of the Haitian government to make improvements in a sector controlled by a few individuals, tens of millions of dollars in additional funding from other donors, and sufficient demand for port use.

Shelter sector: Haiti lacks a single agency for housing and urban development policy resulting in a sector characterized by fragmented authorities and unenforced policies, according to the shelter sector AAD. Among other things, Haiti does not have an effective national land register—known as a cadastre—and system to record land ownership; a policy framework that establishes and streamlines building standards and other controls to promote disaster-resistant housing; and has poor capacity to support the community organizations needed for shelter infrastructure and service delivery. USAID plans to provide assistance in areas such as building standards and enforcement mechanisms; land tenure, land title, and property tax records; and housing finance and mortgage markets. The shelter AAD notes that sustainability depends on the ability of the Haitian government to manage and maintain infrastructure and services over the long term. Policy change requires the political will and dedication of the Haitian government, as well as support from other members of the donor community. Sustainability also depends on economic growth, governance reform, and the ability of Haitians to pay taxes. If economic opportunities at the planned new shelter sites in locations outside of the capital are insufficient, people may return to Port-au-Prince. The success of USAID plans will depend on new economic opportunities that would enable municipalities to pay for road maintenance at the new sites and for housing beneficiaries to pay fees for water services and basic maintenance, according to U.S. officials.

³⁴For infrastructure, USAID defines a public-private partnership as "a long-term contract signed by a public agency and a private party for the construction, rehabilitation, operation and/or maintenance of an infrastructure network."

Our past work on U.S. assistance in developing countries shows that the U.S. government has previously encountered challenges in ensuring the sustainability of infrastructure activities. For example, following the 2001 earthquakes in El Salvador, we reported on sustainability challenges to USAID-funded shelter and health clinic construction, including residents who could not afford the cost of connecting to the potable water and electricity systems in the new houses.³⁵ In addition, in July 2011, we reported that the governments of Cape Verde and Honduras faced challenges sustaining several activities funded through the Millennium Challenge Corporation (MCC).³⁶ For example, in Honduras, uncertainty about government funding for maintenance and other construction activities may jeopardize the sustainability of some major roads built with MCC funds.

Conclusion

The United States is providing over one billion dollars to Haiti for reconstruction but faces an enormous task in helping the country begin to recover from the 2010 earthquake. A number of factors have delayed USAID's planning and implementation of projects to rebuild infrastructure in the energy, ports, and shelter sectors—areas where the agency has not previously worked and that require specific skills or expertise. Haiti has always been a challenging operating environment, and the earthquake created additional difficulties. Further, USAID had difficulties securing staff—particularly technical staff such as contracting officers and engineers—who were willing to live and work in the country after the earthquake and who could bring the expertise necessary to plan and execute large, complex infrastructure projects. Such difficulties have contributed to delays in U.S. efforts, with only a few contracts awarded to date. Additional issues, such as difficulties in obtaining land title and the time needed to conduct environmental assessments, have led to delays in planning construction activities, and some activities do not yet have start dates. Further, the Haitian government's long-standing economic and institutional weaknesses are complicating U.S. efforts and could affect the future of this assistance, and the political will of the recently formed Haitian government to implement reforms and undertake

³⁵GAO, *Foreign Assistance: USAID's Earthquake Recovery Program in El Salvador Has Made Progress, but Key Activities Are Behind Schedule*, [GAO-03-656](#) (Washington, D.C.: May 15, 2003).

³⁶GAO, *Millennium Challenge Corporation: Compacts in Cape Verde and Honduras Achieved Reduced Targets*, [GAO-11-728](#) (Washington, D.C.: July 25, 2011).

sustainability efforts is unknown. Even though USAID is taking some steps to address the long-term future of U.S.-funded infrastructure, it is unclear at this point in time if those projects will ultimately be sustainable. U.S. activities in Haiti will continue for many years, and USAID staff can be expected to turn over numerous times. It is therefore critical that USAID do as much as possible to match the number of staff with the demands placed on the mission to ensure that the substantial amount of U.S. funding provided for reconstruction is used efficiently and within time frames that address the pressing needs in the country.

Recommendation for Executive Action

To facilitate USAID's progress in planning and implementing its many post-earthquake infrastructure construction activities in Haiti over the next several years, particularly those requiring key technical staff such as contracting officers, engineers, and program specialists, we recommend that the USAID Administrator ensure that U.S. direct-hire staff are placed at the mission within time frames that avoid future staffing gaps or delays.

Agency Comments and Our Evaluation

USAID provided written comments on a draft of this report, which are reprinted in appendix III. State did not provide written comments. USAID agreed with our finding that staffing difficulties were a factor in delaying USAID infrastructure constructions activities in Haiti. In addition, USAID described certain actions it is currently taking, such as providing accelerated one-on-one language training and special bidding incentives for Haiti, that, if continued, could address our recommendation.

USAID also emphasized staffing actions that the agency took following the earthquake to quickly deploy staff temporarily to Haiti. Our report recognizes these actions and the contributions they made in helping with the relief and recovery efforts in Haiti. However, we maintain that such efforts did not include bringing on U.S. direct-hire staff to fill permanent positions and provide the continuity needed to manage longer-term reconstruction projects. In particular, USAID noted that its Civilian Response Corps (CRC), part of an interagency initiative, was used to provide a surge capability and quickly deploy staff with specialized knowledge and skills to Haiti. Our report notes that CRC, whose staff are deployed for an average of 90 days, provides the U.S. government with a first responder effort and supports the implementation of longer-term reconstruction activities.

State and USAID both provided technical comments. Those comments, along with information contained in USAID's written response, were incorporated into the report where appropriate.

We are sending copies of this report to interested congressional committees, the Secretary of State, and the USAID Administrator. We will also provide copies to others on request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or any of your staffs have any question about this report, please contact me at (202) 512-3149 or gootnickd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contribution to this report are listed in appendix IV.

A handwritten signature in black ink, appearing to read "David Gootnick". The signature is stylized with a large, looping initial "D" and a cursive "Gootnick".

David Gootnick
Director, International Affairs and Trade

List of Congressional Committees

The Honorable John Kerry
Chairman
The Honorable Richard Lugar
Ranking Member
Committee on Foreign Relations
United States Senate

The Honorable Patrick Leahy
Chairman
The Honorable Lindsey Graham
Ranking Member
Subcommittee on the Department of State,
Foreign Operations, and Related Programs
Committee on Appropriations
United States Senate

The Honorable Ileana Ros-Lehtinen
Chairman
The Honorable Howard L. Berman
Ranking Member
Committee on Foreign Affairs
House of Representatives

The Honorable Kay Granger
Chairwoman
The Honorable Nita M. Lowey
Ranking Member
Subcommittee on the Department of State,
Foreign Operations, and Related Programs
Committee on Appropriations
House of Representatives

Appendix I: Scope and Methodology

We reviewed the infrastructure-related post-earthquake reconstruction efforts of the U.S. Agency for International Development (USAID) and the Department of State (State) in Haiti.¹ This report examines, for infrastructure construction activities only, (1) the amounts of USAID and State obligations and expenditures; (2) USAID's staffing; (3) USAID's planning; and (4) potential sustainability challenges USAID faces.

In response to a congressional mandate in the Supplemental Appropriations Act of 2010 (the Act) that made funds available for GAO to review U.S. efforts in Haiti, we focused our review on the \$918 million in bilateral reconstruction funding provided to USAID and State in the Act² as well as other funding provided to USAID and State in annual fiscal year appropriations that support reconstruction activities, including infrastructure construction and rehabilitation, in Haiti. Of the \$918 million, \$770 million was provided through the USAID-administered Economic Support Fund (ESF) account and \$148 million through the State-administered International Narcotics Control and Law Enforcement (INCLE) account. USAID and State have planned to allocate \$356.9 million for infrastructure construction activities from the funding appropriated in the Act. In addition, USAID and State supported infrastructure construction activities with almost \$54.8 million from regular fiscal year appropriations, such as, for example, fiscal year 2010 funding for the Global Health and Child Survival account. Combined, USAID and State have allocated almost \$412 million from both supplemental and regular fiscal year appropriations for infrastructure construction activities.

¹Supplemental Appropriations Act, 2010, Pub. L. No. 111-212, title I, ch. 10, 124 Stat. 2302, 2320 (July 29, 2010). The law mandated that funds previously available to GAO pursuant to Title I, Chapter 4 of Pub. L. No. 106-31 (to monitor provision of assistance to address the effects of hurricanes in Central America and the Caribbean) also be available to GAO to monitor post-earthquake expenses related to Haiti, including relief, rehabilitation, and reconstruction aid. In May 2011, we issued a report that described the planned uses for U.S. reconstruction assistance, USAID's internal controls for overseeing U.S. reconstruction funds, and Interim Haiti Recovery Commission governance and oversight structures. See [GAO-11-415](#).

²In the Act, Congress provided more than \$1.14 billion in reconstruction funds for Haiti available through the end of fiscal year 2012, including about \$918 million for USAID and State and about \$220 million for the Department of the Treasury for debt relief, a Treasury attaché office in Port-au-Prince, and technical assistance. We did not review the funding directed to Treasury. Additionally, we did not review \$1.64 billion in funding provided primarily to reimburse U.S. agencies for their emergency and humanitarian efforts in Haiti immediately following the January 2010 earthquake, nor did we examine the approximately \$144 million in U.S. embassy-related funding included in the law.

To obtain information on the appropriations, allocations, and planned uses of U.S. reconstruction funding for Haiti,³ we reviewed the Supplemental Appropriations Act of 2010, enacted by Congress in July 2010; the State and USAID *FY 2010 Supplemental Appropriations Spending Plan*, issued by State in September 2010; the interagency *Post-Earthquake USG Haiti Strategy: Toward Renewal and Economic Opportunity*, issued by State in January 2011; and Congressional Research Service reports on Haiti. We also reviewed the *Action Plan for National Recovery and Development of Haiti*, issued by the government of Haiti in March 2010. In addition, we reviewed the Haiti Reconstruction Grant Agreement, signed by the U.S. and Haitian governments in May 2011. We met in Washington, D.C., and in Port-au-Prince, Haiti, with officials from USAID and State and other organizations implementing U.S. government-funded activities. USAID defines allocation as the identification and setting aside of resources for a specific program action.

To determine the amounts of funding obligated from USAID's supplemental ESF funding and State's supplemental INCLE funding, as well as funding from other sources for infrastructure construction activities, we analyzed data reported by USAID as of June 30, 2011, and September 30, 2011, and by State as of September 30, 2011. The amounts reported to us by USAID and State include both expenditures and unexpended obligated balances. These data include information on obligations of supplemental appropriation funding overall, as well as amounts provided for particular activities.

To assess the reliability of the data on planned allocations, obligations, and expenditures, we conducted follow-up correspondence and interviews with cognizant officials from USAID and State both in Washington, D.C., and in Haiti. We asked them standard data reliability questions—including questions about the purposes for which funding data were collected, the use of the data, how the data were collected and generated, and how the agencies ensured that the data were complete and accurate—and determined the data to be sufficiently reliable for the purposes of this report.

³ USAID and State have changed amounts allocated for infrastructure construction activities as plans have developed. We are reporting amounts allocated based on the most current information we received.

To assess USAID's staffing challenges in Haiti, we reviewed bidding opportunity notices, staffing pattern analyses produced by the mission Executive Office, and interviewed relevant officials at the mission in Haiti and at USAID's headquarters in Washington, D.C.

To determine the status of USAID's planning activities, we reviewed the agency's policies for planning as outlined in the Automated Directives System. We also reviewed eight sector-specific Activity Approval Documents (AADs), six of which had been finalized as of October 2011, as well as more detailed planning documents for specific activities with infrastructure components, which we obtained during our visits to the USAID mission in Haiti. To determine challenges USAID faces in implementing activities as planned, we reviewed USAID's and State's requests for proposals, amendments, and award documents posted at the U.S. government's Web site www.fedbizopps.gov. We also reviewed USAID's AADs, award documents provided by the mission, and USAID's activity procurement plan. In addition we interviewed relevant officials at the mission's Office of Acquisition and Assistance and the mission's Infrastructure, Energy, and Engineering Office to discuss the procurement plan, bid solicitation process, and activity delays. Due to the small amount of INCLE funding allocated for infrastructure activities, we did not review the State Bureau for International Narcotics and Law Enforcement's planning process.

To describe issues related to the capacity of the Haitian government, we reviewed U.S. government documents such as the U.S. government *Haiti Strategy* and the AADs, and reports from the United Nations Office of the Special Envoy for Haiti and the United Nations Development Program. To discuss USAID's planning process for sustainability and potential sustainability-related challenges, we interviewed relevant officials both at the mission in Haiti and also at USAID's headquarters in Washington, D.C., about sustainability and reviewed agency guidance, documents, and legislation. We also reviewed prior GAO reports with sections on sustainability challenges experienced by the U.S. government in other countries.

We traveled to Haiti in April 2011 and August 2011 and met with U.S. officials from USAID and State, as well as representatives of some of USAID's international and local implementing partners for humanitarian, development, and reconstruction programs—including the Cooperative Housing Foundation and the American Institutes for Research. We also met with officials from the Interim Haiti Recovery Commission. We visited sites damaged by the earthquake where USAID and State have ongoing

or planned reconstruction efforts, such as the State University Hospital, Haitian National Police Academy, and sites in Port-au-Prince where rubble removal was ongoing. In addition, we visited sites in the Cap-Haïtien development corridor that USAID has targeted for reconstruction assistance. While there, we observed and discussed with USAID officials the preliminary results of U.S.-funded development programs, including a planned residential settlement site, a planned port, and various planned agricultural and watershed management activities.

We conducted this performance audit from November 2010 to November 2011 in accordance with generally accepted government audit standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our work objectives.

Appendix II: Sector Fact Sheets

Appendix II provides information on the funding, status of activities, select challenges, and sustainability plans for the six sectors that include infrastructure construction activities: energy, ports, shelter, health, food security, and governance and rule of law.

HAITI RECONSTRUCTION

Introduction

Prior to the January 2010 earthquake, less than 30 percent of Haitians had access to electricity, and many of those had access to less than 10 hours per day. This situation negatively affected economic growth because a functioning energy sector and a dependable supply of electricity are key to creating jobs and supporting a healthy economy in Haiti.

The earthquake compounded the lack of access to electricity by damaging substations, distribution networks, and other components of the sector. Currently, the country's electrical infrastructure cannot meet the needs of industries, businesses, or residents.

Haiti's post-earthquake *Action Plan for National Recovery and Development of Haiti (Action Plan)* states that its priorities are to restore damaged power facilities, repair the electricity transmission and distribution network, and expand access to electricity in regions outside Port-au-Prince. The U.S. government's *Post-Earthquake USG Haiti Strategy Toward Renewal and Economic Opportunity (Haiti Strategy)* includes a goal to improve and modernize Haiti's electrical sector and bring affordable, reliable power to more households and businesses. USAID plans to target projects that will help make the supply of electricity more efficient and the power network more viable.

Energy Sector

Building and Rehabilitating Electrical Transmission Lines, Generation Facilities, and Other Infrastructure

Funding for Infrastructure

USAID allocated \$98.3 million for infrastructure activities in the energy sector, including an estimated \$85.3 million from fiscal year 2010 Economic Support Fund (ESF) supplemental appropriations and \$13.0 million from other sources.

Funding of Energy Activities, as of September 30, 2011

Dollars in millions

	Allocated	Obligated ^a	Expended
FY10 ESF Supplemental	\$85.3	\$28.6	\$0.3
Other funding	13.0	0.2	0.2
Total	\$98.3	\$28.8	\$0.5

Source: GAO analysis of USAID data.

Note: Other funding includes USAID regular fiscal year 2010 and 2011 funds. Allocations are as of September 14, 2011 (approval date of the Activity Approval Document for energy) except for the design and supervision of the rehabilitation of 5 electrical substations in the Port-au-Prince area, which is as of September 30, 2011.

^aObligated funds include both unexpended obligated balances and expenditures.

Status

USAID plans to rehabilitate five electrical substations in the Port-au-Prince area, provide power generation for the North Industrial Park, and construct other power generation, transmission, and distribution facilities for residential customers. Most of these activities are still in the planning phase.

Status of USAID Energy Activities, as of September 30, 2010

Dollars in millions

Activity	Allocation ^a	Obligation	Status
<i>Five electrical substations</i>			
• Design and supervise rehabilitation of 5 electrical substations in the Port-au-Prince area	\$0.2	\$0.2	• Award date: November 8, 2010 • Contract end date: November 9, 2012
• Rehabilitate 5 electrical substations in Port-au-Prince area	12.7	12.7	• Award date: July 28, 2011 • Contract end date: July 27, 2012
<i>Power generation for the North Industrial Park</i>			
• Architect and engineering services for short-term power generation	0.8	0.8	• Award date: April 7, 2011 • Contract end date: April 6, 2012
• Provide 10 megawatts of power generation for the North Industrial Park's start-up electrical needs	19.8	15.0	• Award date: September 15, 2011 • Contract end date: September 14, 2012

Appendix II: Sector Fact Sheets

Selected Challenges

- Haitian government capacity:** The electricity sector in Haiti, which is largely government owned, is characterized by dramatic power shortages and very low coverage of electricity—with only about 12.5 percent of the population having legal regular access to electricity. According to State, the government of Haiti's public electricity utility suffers from inefficiencies, is poorly maintained due to lack of resources, and relies heavily on subsidies and donor funding.
- Completing energy activities as initially scheduled:** USAID awarded a contract to construct a power plant for the new North Industrial Park on September 15, 2011, about 6 weeks later than planned; however, according to a USAID official the delay will not affect the opening of the park, because site work being completed by others has already delayed the opening.

USAID awarded a contract to rehabilitate five electrical substations in July 2011. However, the award was protested and a "stop work" order was issued. As of November 15, 2011, work had not started.

USAID has delayed its initial award of a contract for the expansion of the North Industrial Park power generation facility from November 2011 until April 2013 to better determine the demand for power at the location and the most efficient means to provide electricity when it is needed.

Activity	Allocation ^a	Obligation	Status
<ul style="list-style-type: none"> Install electrical power distribution system to residential customers in the north 	—	0	<ul style="list-style-type: none"> Estimated award date: December 2011 Estimated end date: January 2014
<ul style="list-style-type: none"> Provide an additional 15 to 30 megawatts of power generation for industrial, commercial, and residential uses 	—	0	<ul style="list-style-type: none"> Estimated award date: April 30, 2013 Estimated end date: April 1, 2014
<i>Feasibility study to assess the ability to design and install renewable energy power generation</i>	—	0	<ul style="list-style-type: none"> Estimated award date: To be determined Estimated end date: To be determined
<i>Design and installation of energy solutions for South Industrial Park</i>	—	0	<ul style="list-style-type: none"> Estimated award date: To be determined Estimated end date: To be determined
Total	\$98.3	\$28.8	

Source: GAO analysis of USAID data.

Note: Only energy infrastructure construction activities (including feasibility and design studies) funded with USAID fiscal year 2010 supplemental funds and fiscal years 2010 and 2011 regular funds are included in this table. Amounts may not add to total due to rounding. Allocations are as of September 14, 2011 (approval date of the Activity Approval Document for energy) except for the design and supervision of the rehabilitation of 5 electrical substations in the Port-au-Prince area, which is as of September 30, 2011.

^aFor activities where an award has not been made, USAID planning documents include a "procurement sensitive" cost estimate which is not shown but is included in the table total.

Sustainability Plans

To enhance overall sustainability, USAID awarded a \$10.9 million, 2-year contract in April 2011 to help the Haiti electrical utility manage electricity loss reduction. USAID plans to award a 3-year management contract in early 2012 to support the operation of the North Industrial Park and other utility operations in northern Haiti.

However, USAID planning documents state that the sustainability of the electrical system as a whole, and particularly after the loss reduction management contract ends, depends on, among other things, the achievement of important legal and regulatory reforms to improve the commercial viability of the system and provide necessary resources for proper operations and maintenance of the electrical infrastructure. USAID also acknowledged that the government of Haiti must take necessary but politically challenging steps to do so.

Damaged Transformer at an Electrical Power Plant in the Port-au-Prince Corridor



Source: U.S. Trade and Development Agency 2010.

HAITI RECONSTRUCTION

Introduction

As an island nation with depleted natural resources, ports are crucial to Haiti's economic viability and growth. However, for many years prior to the January 2010 earthquake, Haiti's major international port in Port-au-Prince had deteriorated and lacked the capability to meet the country's cargo and shipping needs. The earthquake caused significant damage to the Port-au-Prince port, further reducing its capabilities.

Haiti's post-earthquake *Action Plan* states that, as part of its overall effort to deconcentrate economic activities in Port-au-Prince, new deep water ports, including a new large-capacity port and harbor facility, need to be constructed in Haiti's northern region. The U.S. government's *Haiti Strategy* states that the United States is considering investing in the design and development of a major port on the northern coast.

Ports Sector

Designing and Building a New Port

Funding for Infrastructure

USAID allocated \$77.7 million in fiscal year 2010 ESF supplemental appropriations to infrastructure activities in the ports sector.

Funding of Port Activities, as of September 30, 2011 (Dollars in millions)

	Allocated	Obligated ^a	Expended
FY10 ESF Supplemental	\$77.7	\$2.8	0
Other	0	0	0
Total	\$77.7	\$2.8	0

Source: GAO analysis of USAID data.

Note: No other funding such as USAID fiscal year 2010 or 2011 regular funding is currently planned for ports activities.

^aObligated funds include both unexpended obligated balances and expenditures.

Status

USAID is conducting a feasibility study and, depending on the results of the study, plans to construct a new port in the Cap-Haïtien development corridor. In addition, USAID plans smaller port rehabilitation and construction in other areas. During our review, we visited an existing port facility in Cap-Haïtien and a potential site in Fort-Liberte. The new port would be less than 20 miles from the site of the North Industrial Park—a post-earthquake public-private project scheduled to begin operation in April 2012.

Status of USAID Port Activities, as of September 30, 2011

Dollars in millions

Activity	Allocation ^a	Obligation	Status
<i>New port in northern Haiti</i>			
• Feasibility study for the design of a new port	\$2.5	\$2.8	• Award date: September 22, 2011 • Contract end date: May 31, 2012
• Construction of a new port	—	0	• Estimated award date: To be determined • Estimated end date: To be determined
<i>Design and oversight of a new port and the Cap-Haïtien port</i>	—	0	• Estimated award date: To be determined • Estimated end date: To be determined
<i>Rehabilitation of the Cap-Haïtien port</i>	—	0	• Estimated award date: To be determined • Estimated end date: To be determined
<i>Contribution to port construction in the Port-au-Prince metropolitan area</i>	—	0	• Estimated award date: To be determined • Estimated end date: To be determined

Appendix II: Sector Fact Sheets

Selected Challenges

- Lack of staff with relevant technical expertise:** USAID's program in Haiti has not previously involved port construction activities. With no staff who have port construction expertise or experience, USAID will rely on (1) a private firm to conduct a feasibility study and make recommendations regarding, among other things, port design, economic feasibility, and financial viability; and (2) a public private partnership to construct a new port.
- Potential funding shortfall:** USAID's current estimated cost of constructing the northern port is \$105 million: Since USAID has allocated only about \$68 million, the remaining \$37 million must be obtained from other sources. According to USAID officials, the northern port feasibility study includes an analysis of financing options under a public-private partnership to provide the additional required funding.
- Delayed port feasibility study:** The northern port feasibility study, originally planned to be awarded in June 2011, was awarded in September 2011. The study is expected to take approximately 8 months to complete.

Activity	Allocation ^a	Obligation	Status
<i>Grant to Haiti (Council for the Modernization of State-Owned Enterprises) for port construction</i>	—	0	<ul style="list-style-type: none"> Estimated award date: To be determined Estimated end date: To be determined
Total	\$77.7	\$2.8	

Source: GAO analysis of USAID data.

Note: Only infrastructure port construction activities (including feasibility and design studies) funded with USAID fiscal year 2010 supplemental funds are included in this table. Allocations are as of August 1, 2011 (date of the draft Activity Approval Document for ports).

^aFor activities where an award has not been made, USAID planning documents include a "procurement sensitive" cost estimate which is not shown but is included in the table total.

Sustainability Plans

According to USAID's current plans, the new port is to be constructed by a public-private partnership and operated by private firms when completed. These plans assume that the government of Haiti, particularly Haitian port officials, will efficiently collect import duties and that sufficient port revenues will be generated to fund recurring costs for port maintenance.

When completed, the economic viability of the port will depend on the amount of income generated. According to USAID officials, the income is projected to be derived from two broad sources, the growth in cargo generated by business activity related to the planned North Industrial Park and the increased cargo diverted from other ports to the new port as the result of it being a modern well managed port. In addition, they stated only one manufacturing firm is currently committed to operating in the North Industrial Park, however discussions are underway with other possible tenants. The economic viability of the port is one of the issues being addressed in the feasibility study.

Wharf at an Existing Port in Cap-Haïtien



Source: GAO (August 2011).

Selected Challenges

- Land tenure:** According to USAID, Haiti lacks a comprehensive, functional system for recording land ownership as well as an effective national cadastre. Prior to the earthquake, customary arrangements and knowledge characterized land tenure with only 40 percent of landowners possessing documentation such as a legal title or transaction receipt. Furthermore, a large proportion of displaced persons were renting property prior to the earthquake—with the plots of land on which they lived often informally settled and haphazardly delineated—and many will have difficulty proving clear, legal tenancy due to document discrepancies or lack of documents.
- Haitian government capacity:** The government of Haiti's limited legislative, regulatory, and institutional capacity to manage urban development severely constrains the establishment of a viable shelter sector. According to USAID, the absence of a single national entity responsible for overseeing the shelter provision process is the most important limitation. Currently, the entities involved in managing different aspects of shelter include the Ministries of Economy and Finance, Public Works, Planning, Interior and Social Affairs, as well as the Central Bank and the inter-ministerial Committee for Land Use.

Shelter Sector

Developing and Building New Residential Settlements

Funding for Infrastructure

USAID allocated \$55.1 million in fiscal year 2010 ESF supplemental appropriations and other funding for the development and construction of new residential settlements.

Funding of Shelter Activities, as of September 30, 2011

Dollars in millions

	Allocated	Obligated ^a	Expended
FY10 ESF Supplemental	\$55.1	\$9.6	\$0.4
Other ^b	1.6	0.6	0.6
Total	\$56.7	\$10.1	\$0.9

Source: GAO analysis of USAID data.

Note: Amounts may not add to total due to rounding.

^aObligated funds include both unexpended obligated balances and expenditures.

^bOther funding includes regular fiscal year appropriations.

Status

USAID is planning to develop new residential settlements in the Port-au-Prince and Cap-Haïtien development corridors that will provide approximately 15,000 households with plots of land, permanent housing, and access to essential services. USAID will manage construction of 4,000 houses. Nongovernmental organizations will manage construction of 11,000 houses using a combination of USAID and other funding.

Status of USAID Shelter Activities, as of September 30, 2011

Dollars in millions

Activity	Allocation ^a	Obligation	Status
<i>Shelter demonstration project near Port-au-Prince</i>	—	\$0	<ul style="list-style-type: none"> Estimated award date: December 2011 Estimated end date: August 2012
Construction of 200 houses for internally displaced persons in the Croix-des-Bouquets municipality			
<i>Up to 8 new settlements in the Cap-Haïtien development corridor</i>	23.6	9.8	<ul style="list-style-type: none"> Award date: June 17, 2011^b Estimated end date: June 15, 2013
Development of 5,000 plots for 25,000-30,000 people and construction of 2,500 core houses by USAID in up to 5 municipalities			
<i>Up to 12 new settlements in the Port-au-Prince development corridor</i>	29.6	0.3	<ul style="list-style-type: none"> Award date: May 26, 2010^c Estimated end date: September 15, 2013
Development of 10,000 plots for 50,000-60,000 people and construction of 1,500 core houses by USAID in the Croix-des-Bouquets and Cabaret municipalities			
Total	\$56.7	\$10.1	

Source: GAO analysis of USAID data.

Appendix II: Sector Fact Sheets

Note: Only shelter infrastructure construction activities (including design studies) funded with USAID fiscal year 2010 supplemental funds and fiscal year 2010 regular funds are included in this table. Amounts may not add to total due to rounding.

^aFor activities where an award has not been made, USAID planning documents include a “procurement sensitive” cost estimate which is not shown but is included in this table total.

^bAward date for engineering and design and environmental assessment, additional contracts will be awarded for remaining site development.

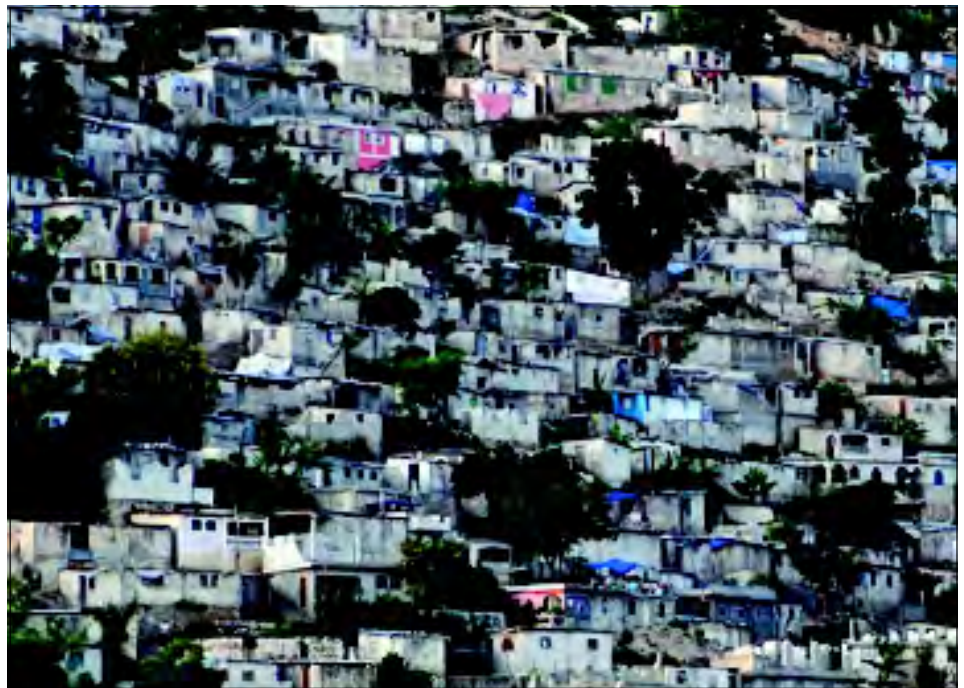
^cAward date for engineering and design, additional contracts will be awarded for remaining site development.

Sustainability Plans

According to USAID’s plans, site locations are being selected in areas where residents have access to jobs and/or transportation. USAID is planning to fund technical assistance programs to improve the capacity of the national government to improve urban management, and will seek possible solutions to policy challenges such as the absence of legislation to guide housing, land-use, and urban planning; lack of an independent regulatory body for the construction sector; and lack of institutional capacity in urban planning. At the local level, USAID plans to provide technical assistance to municipalities in areas such as land use planning, building standards, and enforcement mechanisms; and to establish community management committees to guide community development.

USAID recognizes that the sustainability of the new settlements depends on the ability of Haitians to pay taxes and the ability of the Haitian government to manage and maintain infrastructure and services over the long term. This, in turn, depends on whether the Haitian economy can provide adequate job opportunities and whether the Haitian government can effectively govern.

Neighborhood in Port-au-Prince



Source: GAO (August 2011).

HAITI RECONSTRUCTION

Introduction

Prior to the January 2010 earthquake, a significant portion of the Haitian population had no access to basic health services. Currently, only 12 of the 63 health networks created by the Haitian government in the 1990s are operational.

The earthquake destroyed infrastructure such as hospitals, clinics, medical schools, and Ministry of Health buildings. For example, the State University Hospital (HUEH) was damaged during the earthquake and services such as surgery, and pre- and post-operation work are still being performed in temporary buildings. The earthquake also destroyed 90 percent of the State Faculty of Medicine.

Haiti's post-earthquake *Action Plan* emphasizes rebuilding hospitals and training facilities in the earthquake-affected regions and construction of new hospitals in the department capitals. The U.S. government's *Haiti Strategy* includes a 5-year goal to rebuild and reform management of public health infrastructure, including earthquake-damaged structures and clinics, dispensaries, and hospitals in 9 to 12 health networks. The *Haiti Strategy* also specifies that the State University Hospital will be rebuilt and fully operational in 5 years and have clearly defined responsibility for maintenance and operational costs.

Health Sector

Building and Rehabilitating Health Facilities

Funding for Infrastructure

USAID allocated \$90.5 million for construction in the health sector, of which \$50.5 million is allocated from the fiscal year 2010 ESF supplemental appropriations. An additional \$40.0 million in funding from other accounts is allocated for work on the HUEH and the National Campus for Health Sciences.

Funding of Health Activities, as of September 30, 2011

(Dollars in millions)

	Allocated	Obligated ^a	Expended
FY10 ESF Supplemental	\$50.5	\$0.4	0
Other ^b	40.0	0	0
Total	\$90.5	\$0.4	0

Source: GAO analysis of USAID data.

Note: Allocations are as of March 2011 (finalized Activity Approval Document for health) and July 2011 (USAID procurement plan); obligations and expenditures are as of July 2011 (the most recent data provided by USAID).

^aObligated funds include both unexpended obligated balances and expenditures.

^bOther funding is from the fiscal year 2010 base Global Health and Child Survival—State appropriation.

Status

USAID is planning five construction activities in the health sector. Although these activities are still in the planning stages, USAID began needs assessments of health facilities in the Port-au-Prince, Cap-Haïtien, and Saint-Marc corridors and an environmental assessment of the HUEH campus. The HUEH reconstruction is a joint activity between the U.S., French, and Haitian governments. The three governments signed a memorandum of understanding in September 2010.

Status of USAID Health Activities, as of September 30, 2011

(Dollars in millions)

Activity	Allocation ^a	Obligation	Status
<i>State University Hospital in Port-au-Prince (HUEH)—U.S. portion</i>			
• Environmental assessment of the rehabilitation and reconstruction of the hospital	\$0.4	\$0.4	• Environmental assessment contract award date: July 12, 2011 • Environmental assessment estimated end date: October 28, 2011
• Rehabilitation and reconstruction of HUEH facilities	—	0	• Construction estimated award date: November/December 2011 • Construction estimated end date: June 30, 2013

Appendix II: Sector Fact Sheets

Selected Challenges

- Haitian government capacity:** According to USAID officials, all health planning needs to be done in coordination with the Haitian Ministry of Health, which was consumed for significant parts of 2010 and 2011 by the cholera epidemic and uncertainty about the presidential election. USAID officials are working with the Ministry of Health to identify and prioritize health facilities for repair and construction.
- USAID Haiti mission's lack of staff:** USAID's AAD indicates that several months following the earthquake, the health office was extremely short staffed with only 11 of 21 positions filled. USAID officials also said that delays in staffing the Haiti mission, including the Office of Infrastructure, Energy, and Engineering have been challenging and have resulted in staff responding to demands outside of their usual areas of responsibility.

Activity	Allocation ^a	Obligation	Status
<i>Health facilities in St. Michel de L'Attalaye</i> Construction of a new community reference hospital and dispensary	—	0	<ul style="list-style-type: none"> Estimated award date: November 1, 2011 Estimated end date: October 31, 2013
<i>Health facilities: Cap-Haïtien and Saint-Marc development corridors</i> Construction and expansion of dispensaries, refurbishment and upgrading of hospitals	—	0	<ul style="list-style-type: none"> Estimated award date: March 12, 2012 Estimated end date: April 30, 2015
<i>National Campus for Health Sciences in Port-au-Prince</i> Reconstruction of State Faculty of Medicine buildings destroyed in the earthquake	—	0	<ul style="list-style-type: none"> Estimated award date: April 1, 2012 Estimated end date: March 31, 2014
<i>Facilities for persons with disabilities</i> Construction and equipment of facilities for the disable	—	0	<ul style="list-style-type: none"> Estimated award date: To be determined Estimated end date: May 30, 2014
Total	\$90.5	\$0.4	

Source: GAO analysis of USAID data.

Note: Only health infrastructure construction activities funded with USAID fiscal year 2010 supplemental funds and fiscal year 2010 base Global Health and Child Survival—State appropriations are included in this table. Allocations are as of March 2011 (finalized Activity Approval Document for health) and July 2011 (USAID procurement plan); obligations and expenditures are as of July 2011 (the most recent available from USAID).

^aFor activities where an award has not been made, USAID planning documents include a "procurement sensitive" cost estimate which is not shown but is included in the table total.

Sustainability Plans

USAID plans to make infrastructure investments only where there is a business plan agreed to with the Haitian Ministry of Health in which the USAID portion of operations and maintenance costs is reduced to zero at the end of 3 to 5 years. USAID's plans state that U.S. investments in infrastructure will likely include some support for post-construction operation and maintenance costs.

Earthquake-damaged Building at the HUEH



Source: GAO (April 2011).

HAITI

RECONSTRUCTION

Introduction

Before the earthquake, Haiti already had one of the heaviest burdens of hunger and malnutrition in the Western Hemisphere: 40 percent of households were undernourished (3.8 million people) and 30 percent of children suffered from chronic malnutrition, according to the U.S. government's *Haiti Strategy*. To address this need, USAID had several food security activities under way in Haiti.

Agriculture generates nearly 25 percent of Haiti's gross domestic product, employs approximately 65 percent of the population, and serves as the primary source of income in rural areas. However, the earthquake exacerbated the already significant challenges in the agricultural sector by damaging distribution centers, food processing facilities, warehouses, irrigation canals, and the Ministry of Agriculture's Natural Resources and Rural Development headquarters. Haiti's post-earthquake *Action Plan* includes five agriculture-related programs, including building irrigation networks and rural roads to open up agricultural areas. Aligned with the Haitian government's priorities, the U.S. government's *Haiti Strategy* includes a goal of agriculture sector growth in the U.S. development corridors through improvements in (1) core infrastructure and management, such as rebuilding canals; (2) on-farm productivity, such as use of commercially produced seeds; and (3) post-harvest and market access support, such as farm-to-market roads.

Food Security Sector

Building and Rehabilitating Irrigation Canals and Farm-to-Market Roads

Funding for Infrastructure

USAID allocated \$42.6 million for activities with a construction component in the food security sector.

Funding of Food Security Activities, as of September 30, 2011

Dollars in millions

	Allocated	Obligated ^a	Expended
FY10 ESF Supplemental	\$42.6	\$0.5	0
Other ^b	0	0	0
Total	\$42.6	\$0.5	0

Source: GAO analysis of USAID data.

Note: Planned allocation, obligated, and expended amounts for infrastructure and construction components only. Allocations are as of October 2011 data provided by USAID; obligations and expenditures are as of June 30, 2011 (the most recent provided by USAID).

^aObligated funds include both unexpended balances and expenditures.

^bOther funding is regular fiscal year appropriations. USAID plans to provide \$55.5 million during fiscal years 2011 through 2014 for these food security activities; however, we did not include this amount because USAID did not provide the funding data by fiscal year.

Status

USAID plans two new activities with construction components. USAID has additional activities with construction projects in the food and economic security sectors that began implementation before the earthquake.¹ However, one of these activities, the Watershed Initiative for Natural Environmental Resources (WINNER), received fiscal year 2010 supplemental funding.

Status of USAID Food Security Activities, as of September 30, 2011

Dollars in millions

Activity	Allocation ^a	Obligation	Status
<i>Watershed Initiative for Natural Environmental Resources (WINNER)</i> Erosion prevention, irrigation restoration, and rebuilding and repair of transportation infrastructure.	\$13.7	\$0.5	<ul style="list-style-type: none"> Award date: June 1, 2009^b Contract end date: May 31, 2014
<i>Production Plus</i> Erosion prevention, irrigation construction and repair, and farm-to-market road construction and maintenance.	—	0	<ul style="list-style-type: none"> Estimated award date: March 31, 2012 Estimated end date: March 31, 2015

¹These activities include projects such as rehabilitation of irrigation canals and transportation infrastructure.

Appendix II: Sector Fact Sheets

Selected Challenges

- **Land tenure:** According to USAID officials, many large tracts of land are owned by landlords who rent land tracts to farmers. However, many landlords cannot produce proof of ownership. Uncertainty over land ownership may reduce agriculture investment in Haiti due to the risk of losing that investment. Additionally, the renting of land provides little incentive for people to invest in their farms.
- **Haitian government capacity:** According to USAID's food security AAD, the role and mission of the Haitian Ministry of Agriculture, Natural Resources, and Rural Development has not been clearly defined, causing confusion over the ministry's policy goals. Critical policy questions of whether the ministry should be focused on strengthening food security, increasing farm income, building and maintaining infrastructure, or focusing on another priority have not been answered.
- **Local technical capacity:** Poor infrastructure, few technically skilled companies and people, lack of a maintenance culture, and health-related issues all pose challenges to successful reconstruction in Haiti, according to USAID officials.

Activity	Allocation ^a	Obligation	Status
Rural Transportation Infrastructure	—	0	<ul style="list-style-type: none"> • Estimated award: To be determined • Estimated end date: To be determined
Total	\$42.6	\$0.5	

Source: GAO analysis of USAID data.

Note: Only infrastructure and construction activities funded with USAID fiscal year 2010 supplemental funds appropriations are included in this table. USAID plans to provide \$55.5 million during fiscal years 2011 through 2014 for these food security activities; however, we did not include this amount because USAID did not provide the funding data by fiscal year. WINNER and Production Plus included technical assistance activities that are not included in this table. Allocations are as of October 2011 data provided by USAID; obligations and expenditures are as of June 30, 2011 (the most recent available from USAID). Funding amounts may not add to total due to rounding.

^aFor activities where an award has not been made, USAID planning documents include a "procurement sensitive" cost estimate which is not shown but is included in the table total.

^bWINNER was awarded pre-earthquake, but received fiscal year 2010 supplemental funding; amounts are being obligated incrementally.

Sustainability Plans

USAID's plans state that the U.S. government and other donors regularly meet with the Haitian government and private sector to discuss progress and reforms needed to accelerate agriculture investments in Haiti. In addition, the Haitian government has demonstrated commitment and leadership in agriculture, food security, and economic security program planning and coordination, according to USAID's planning document.

Soil Conservation Project in Bassin Zim (Central Plateau)



Source: GAO (June 2009).

HAITI RECONSTRUCTION

Introduction

Prior to the January 2010 earthquake, much of Haiti's justice infrastructure, including police stations, police training facilities, and prisons, were in need of repair. Many facilities were too small to meet the needs of Haitian law enforcement and corrections systems. The earthquake caused additional destruction and damage, increasing the need to rebuild many facilities.

Haiti's post-earthquake *Action Plan* states the need to rebuild correctional facilities, build and expand police stations, and complete construction of the National Police Academy. The Department of State (State) received fiscal year 2010 supplemental funding in the International Narcotics Control and Law Enforcement (INCLE) account to meet these reconstruction needs in Haiti. In the U.S. government's *Haiti Strategy*, State presents plans to use some INCLE funds for post-earthquake infrastructure rehabilitation and construction activities in the democracy and governance sector, to be managed by State's Bureau of International Narcotics and Law Enforcement (State/INL).

Governance and Rule of Law Sector

Building and Rehabilitating Correctional, Police, and Counternarcotics Facilities

Funding for Infrastructure

State allocated \$45.7 million in fiscal year 2010 INCLE supplemental funds for governance and rule of law construction activities.

Funding of Governance and Rule of Law Activities, as of September 30, 2011

Dollars in millions

	Allocated	Obligated ^a	Expended
FY10 INCLE Supplemental	\$45.7	\$5.6	\$1.7
Other	0.2	0.2	0
Total	\$45.9	\$5.8	\$1.7

Source: GAO analysis of State data.

Note: Other funding is prior fiscal year appropriations. Allocations, obligations and expenditures are as of September 2011.

^aObligated funds include both unexpended obligated balances and expenditures.

Status

State is planning several construction activities in the governance and rule of law sector. Some activities are under way and others are still being planned.

Status of State's Governance and Rule of Law Activities, as of September 30, 2011

Dollars in millions

Activity	Allocation	Obligation	Status
<i>Correctional facilities</i>	\$25.5		
• Construction advisors	0.3	0.3	• Award date: Unknown • Estimated end date: Unknown
• Rebuild of Carrefour men's and Petionville women's prisons	1.4	0.2	• Award date: Unknown • Estimated end date: Unknown
• Construct a new women's prison in Ganthier	TBD	0	• Estimated award date: Unknown • Estimated end date: Unknown
• Repair the National Penitentiary	0.2	0.2	• Award date: Unknown • Estimated end date: Unknown
• Expand inmate capacity	TBD	0	• Estimated award date: Unknown • Estimated end date: Unknown
<i>Police facilities</i>	\$8.7		
• Rehabilitate facilities at the Haitian National Police Academy	5.0	5.0	• Award date: Unknown • Estimated end date: Unknown
• Rehabilitate and construct police stations and barracks	TBD	0	• Estimate award date: Unknown • Estimated end date: Unknown

Appendix II: Sector Fact Sheets

Selected Challenges

- Lack of staff with relevant technical expertise:** State/INL has been involved in counternarcotics programs in Haiti for decades. However, during that period, it has focused on infrastructure activities and has had no U.S. direct-hire engineers or other personnel with construction expertise on its staff. State/INL's programs have focused on institutional capacity building, such as training Haiti's law enforcement and corrections personnel. For its post-earthquake infrastructure activities, State/INL plans to hire (1) private firms to develop infrastructure plans, designs, and estimates for costs, schedules, and scopes of work; and (2) contractors to provide construction; and (3) personal services contractors to monitor and oversee its activities.
- Land tenure:** For several years before the earthquake, State/INL had attempted to acquire clear land title from the Haitian government for several proposed sites for a new women's prison, according to State officials. Despite ongoing efforts, as of October 2011, State/INL officials noted that State still had not obtained land title.
- Initial scope of work may be reduced:** Estimated costs, schedules, and scopes of work for planned infrastructure activities were developed in 2010 by State/INL and early 2011 by private firms contracted by the agency. Since then, estimated costs for materials have risen and estimated schedules have been extended due to land titling issues. As a result, it is unclear whether State/INL will construct all planned activities as initially scheduled.

Activity	Allocation	Obligation	Status
• Police station repair	0.2	0.2	• Award date: Unknown • Estimated end date: Unknown
<i>Counternarcotics facilities</i>	\$11.7		
• Renovate and construct counternarcotics outposts	6.7	0	• Estimated award date: Unknown • Estimated end date: Unknown
• Refurbish a maritime base	\$5.0	\$0	• Estimated award date: Unknown • Estimated end date: Unknown
Total	\$45.9	\$5.8	

Source: GAO analysis of State data.

Note: State provided funding data; State did not provide estimated award dates, award dates, estimated end dates, and end dates. Only infrastructure construction activities funded with State/INL fiscal year 2010 supplemental funds and prior year funds are included in this table. Amounts may not add to total due to rounding. Allocations, obligations, and expenditures are as of September 2011.

Sustainability Plans

In the January 2011 5-year *Haiti Strategy*, State includes plans to provide training programs, introduce needed procurement and maintenance systems, and establish an independent Haitian Directorate of Prisons in an effort to achieve sustainability.

However, State acknowledges that investments in construction and rehabilitation of infrastructure will require some degree of U.S. commitment to support operations and maintenance costs "in the out years."

State-Funded Rehabilitation of a Pavilion at the Haitian National Police Academy



Source: GAO (April 2011).

Appendix III: Comments from the U.S. Agency for International Development



USAID
FROM THE AMERICAN PEOPLE

David Gootnick
Director, International Affairs and Trade
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Gootnick:

I am pleased to provide the U.S. Agency for International Development's formal response to the GAO draft report entitled "Haiti Reconstruction: Factors Contributing to Delays in USAID Infrastructure Construction" (GAO-12-68).

The enclosed USAID comments are provided for incorporation as an appendix to the final report.

Thank you for the opportunity to respond to the GAO draft report and for the courtesies extended by your staff in the conduct of this audit review.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean Carroll".

Sean Carroll
Chief Operating Officer
U.S. Agency for International Development

NOV 10 2011

Enclosure: a/s

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USAID's COMMENTS ON GAO DRAFT REPORT No. GAO-12-68

Thank you for GAO's comprehensive review of the factors contributing to delay in infrastructure construction. The report rightly identified factors beyond the USAID Mission's control, such as institutional weaknesses among host country counterparts, especially as 17% of Government of Haiti (GOH) employees died from the earthquake and almost all government buildings were rendered unusable by the quake. The GAO also correctly cited the difficulties encountered by USAID and other donors vis-à-vis availability of land to move persons displaced by the quake as key factors to the delays. Such recognition of the extremely challenging context within which USAID operates is greatly appreciated.

We also appreciate the recommendation offered by the GAO. USAID acknowledges that staffing difficulties were a factor in delaying USAID infrastructure construction activities in Haiti and subsequently has taken many steps to overcome staffing gaps and delays. USAID would also like to point out, however, that in the aftermath of the earthquake, USAID did rapidly deploy certain direct hire staffing resources – in particular, the USAID Civilian Response Corps.

Recommendation 1: To facilitate USAID's progress in planning and implementing its many post-earthquake infrastructure construction activities in Haiti over the next several years, particularly those requiring key technical staff such as contracting officers, engineers, and program specialists, we recommend that the USAID Administrator ensure that U.S. direct-hire staff are placed at the mission within time frames that avoid staffing gaps or delays.

Management Comments:

Draw on the capabilities of the USAID Civilian Response Corps:

USAID has an expedited process for placing direct-hire staff to work on reconstruction efforts in an urgent post-disaster or post-crisis situation such as Haiti. Specifically, USAID has in place the Civilian Response Corps, which is part of an interagency initiative to provide a civilian direct-hire "surge" capability for reconstruction and stabilization assistance overseas. It is made up of both "active," or full time, members and "standby" members who are regular USAID staff available to be called up in the event of a crisis. Corps members are specially trained in conflict and crisis response and have expertise in all skill sets needed for reconstruction and stabilization activities, ranging from democracy specialists, to

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engineers, to experts in foreign assistance programming, to urban planning specialists.

Within three days of the earthquake, USAID had mobilized and deployed the Corps both to fill in staffing gaps created by departure of Mission Foreign Service staff and to handle other needs that arose in the aftermath of the earthquake. While the Corps could not satisfy all staffing needs, in total, USAID ended up deploying 29 USAID Corps members to Haiti to assist in the response and staff the Office of the Response Coordinator. Since that time and looking forward, the Corps continues to provide ongoing direct-hire support to the Haiti Mission.

Expedite the placement of non-Foreign Service staff in the Haiti Mission:

The USAID Haiti Mission used different mechanisms available in order to expedite the placement of staff – not only U.S. Foreign Service staff formally posted to the Mission, but a cadre of TDY staff from Washington and other missions, U.S. and third country national personal service contractors (PSCs), Civilian Response Corps staff and funding (from which two PSCs were hired), as well as individuals hired through a manpower contract. While waiting for U.S. direct-hire officers to arrive, PSC and manpower contract staff members – including three seasoned program officers with a combined USAID experience of approximately 80 years – were hired to provide coverage throughout the Mission.

Expedite posting of Foreign Service staff in the Haiti Mission:

To ensure that direct-hire positions in Haiti were all filled, the Agency designated Haiti as a Priority Post for assignment purposes and provided a special incentive to officers who completed a two year assignment. To expedite arrival to Post, the Agency also is providing accelerated, one-on-one language training. The Mission has been able to fill almost all U.S. direct-hire positions, with 88% of total anticipated U.S. direct-hire staff in place as of October 27, 2011, and expects to fully reach its anticipated level of 36 by February 2012.

Increase the number of direct-hire Foreign Service staff in the Agency:

The report correctly notes that “during the next four years, U.S. direct-hire staff will have opportunities to bid for other positions at other posts. As U.S. direct-hire staff leave Haiti, the mission will need to replace them in order to continue the progress of infrastructure construction activities.”

Replacing direct-hire Foreign Service staff when they depart Haiti will depend on having adequate numbers of qualified staff to assign to these positions. Recognizing this need to build a strong workforce for the Agency as a whole,

- 4 -

USAID already has taken several steps to increase the number of Foreign Service staff. Most notably, in 2008, the Agency embarked on the Development Leadership Initiative (DLI) with the goal of doubling the size of the Foreign Service. So far, over 800 new Foreign Service Officers (FSOs) have been brought on board across all skill areas, with a particular emphasis on program specialists and contracting officers. For instance, at the time of the earthquake in Haiti, the Agency had only two FS Engineers; since then, the Agency has brought on 22 new Engineers.

The DLI program will continue until 2012. We believe its success at attracting, training, and deploying staff with requisite skills will enable USAID Haiti to fill positions of departing staff on a timely basis.

Final Action Target Date:

- Draw on the capabilities of the USAID Civilian Response Corps: USAID's Civilian Response Corps will continue to provide direct-hire support for the reconstruction effort as needed to fill gaps or otherwise support the effort in Haiti.
- Expedite the placement of non-Foreign Service staff in the Haiti Mission: USAID will continue to utilize mechanisms to supplement Foreign Service staff, as required.
- Expedite posting of Foreign Service staff in the Haiti Mission: USAID expects to continue accelerated, one-on-one language training and special bidding incentives for Haiti to ensure timely replacement of departing staff.
- Increase the number of direct-hire Foreign Service staff in the Agency: The DLI program is ongoing, with a target to hire a total of 1200 new FSOs by the end of 2012. This increase in Foreign Service officers will provide an adequate depth of staff with requisite skills within the Agency so that future Haiti staffing needs can be met in a timely manner.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

David Gootnick, (202) 512-3149 or gootnickd@gao.gov

Staff Acknowledgments

In addition to the contact named above, Leslie Holen (Assistant Director), Michael Armes (Assistant Director), Sada Aksartova, Lynn Cothorn, Rachel Girshick, Leslie Locke, and George Taylor made key contributions to this report. Ashley Alley, Douglas Cole, Martin De Alteriis, Cheron Green, Courtney Lafountain, Jeremy Sebest, and Jena Sinkfield provided technical assistance.

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