

UPDATE

HAITI

March 25, 1997

PROJECT NAME:

Modernization of the State

PROJECT NUMBER:

HA-0034, HA-0082, HA-0083, HA-0084, HA-0086

EXECUTING AGENCY:

To Be Determined

BENEFICIARIES:

Government of Haiti

FINANCING PLAN:

IDB: US\$14.4 million

Local counterpart funding: US\$ 1.8 million

Total: US\$16.2 million

CESI:

April 11, 1997

I. BACKGROUND

A. Context

1.1 Since the return of Constitutional government in October 1994, the Government of Haiti (GOH) has embarked upon a process to attain sustainable long-term development anchored in social justice and the installation of an irreversible democratic order. Three priorities have been established by the GOH for the medium-term: (i) reform of the public administration; (ii) decentralization to local governments; and (iii) enhanced governance, which encompasses strengthening the role of the Parliament and civil society. The GOH is also committed to undertaking a process of modernization of the key institutions of the State in the Executive, Judiciary and Legislative Branches. [\(1\)](#)

B. Strategy and Justification for the Participation of the IDB

1.2 To respond to the national priorities and objectives enunciated by the Haitian authorities, the Bank has initiated discussions with representatives of the GOH, the private sector and NGOs, as well as undertaking a series of diagnostic assessments of the GOH and its policy-setting mechanisms. These comprehensive assessments included the Country Paper, an inventory and in-depth analysis of donor assistance in the area of governance, institutional profiles of selected GOH institutions, and summaries of key studies previously conducted by donor agencies, the GOH and academic institutions.

1.3 An analysis of the diagnostics, with particular emphasis on ensuring that IDB support to the modernization of the Haitian State demonstrates value-added and contributes to the institution-building process, resulted in the identification of a single Modernization of the State (MOS) operation with four programs: I - Institutional Strengthening of the Parliament; II - Modernization of the Civil Registry; III - Support to the Executive Branch and Reform of the Public Administration; and IV - Institutional Strengthening of the Superior Court of Accounts and Administrative Disputes.

1.4 Each of the four programs reflects the main priorities for modernization of the Haitian State determined by the GOH and identified for Bank support through an analysis of planned and programmed donor activities.⁽²⁾ These include focussing on: (i) increasing the transparency and accountability of the management of public resources; (ii) capacity-building for public policy design and implementation, oversight and control; (iii) improvements in the efficiency and effectiveness of the public sector; and (iv) increased participation by the civil society.

II. OBJECTIVES AND DESCRIPTION OF THE PROJECT

1. Program I - Parliament

A. Institution

2.1 The Haitian Parliament is a bicameral legislature composed of 27 Senators and 83 Deputies. The current legislative structure devolves from the 1987 Constitution, which gives significant powers to the Parliament to address public policy issues. The Constitution also places the Parliament at the center of the political system with the legislative mandate for the passage of laws, the oversight function of the Executive power of the Government, and the constituency function as the representatives of the Haitian people.

B. Statement of Problem

2.2 The Haitian Parliament is in a developmental stage and is experiencing some difficulties in executing its legislative, representative and control responsibilities. The institutional framework governing the functions of the Parliament is not well-developed, including a weak legal and regulatory framework and minimal human resource policies, making daily Parliamentary operations less focussed and directed. The Parliamentary committee process is rudimentary, with little organizational and management structure or advisory support systems to facilitate the functioning of the committees. There is limited availability of technical expertise on specific subject matters, especially legal and legislative aspects, resulting in the slow passage of laws.

2.3 The deficiencies of the physical infrastructure of the Parliament are critical. The current buildings are

inadequate to accommodate the needs of the Parliamentarians and support personnel, and there is insufficient furniture, equipment, and material support. Finally, at present there are few avenues available to the Parliamentarians to engage in dialogue with the civil society to conduct their representative functions. There is also a severe lack of financial and material resources to carry out press and public relations functions.

C. Objectives

2.4 In light of the foregoing, it is proposed that the IDB program focus on support to: (i) improve the efficiency and effectiveness of daily Parliamentary operations through training to upgrade the skills of Parliamentarians and support personnel, including areas to be addressed, main skills to be upgraded, leadership skills, and women and gender issues; (ii) enhance the capacity of Parliamentary committees to fulfill their legislative and law-making functions through advisory support services, including areas and issues to be addressed by them; and the development of a legislative information system; (iii) reinforce the dialogue between Parliament and the civil society through the establishment of local constituency offices and the preparation of a civic education campaign, including women and youth groups or organizations; and (iv) improve the physical working conditions through an Infrastructure Fund for renovations to the existing facilities and the purchase of equipment and materials. The proposed IDB program will be designed to ensure complementarity with the UNDP and USAID programs already under implementation.⁽³⁾ The projected project costs are as follow:

**MODERNIZATION OF THE PARLIAMENT
COST AND PROJECT FINANCING**

COMPONENTS	(in thousands US\$)		TOTAL
	SOURCE OF FINANCING		
	IDB	COH	
1. MANAGEMENT AND ADMINISTRATION	660.0	200.0	860.0
Management, Administration and Evaluation of Project	660.0	200.0	860.0
2. PROJECT COMPONENTS	5,758.4	400.0	6,158.4
Support to Parliament Operations	726.0	100.0	826.0
Strengthening of Legislative Process	1,312.0	100.0	1,412.0
Relations with the Civil Society	1,420.4	100.0	1,520.4

Improvement of Physical Infrastructure, Furniture and Equipment	2,300.0	100.0	2,400.0
3. INCIDENTAL EXPENSES	16.6		16.6
4. FINANCIAL COSTS	269.8		269.8
Interest	153.3		153.3
Credit Commission	52.1		52.1
Supervision	64.4		64.4
TOTAL	6,704.8	600.0	7,304.8

2. Program II - Civil Registry

A. Institution

2.5 The Civil Registry in Haiti is an administrative service of the Ministry of Justice with 176 offices throughout the country. The offices are responsible for registering births, deaths, marriages and divorces and ensuring they are forwarded to the National Archives, which maintains all official State records. The National Archives are under the jurisdiction of the Ministry of Culture.

B. Statement of Problem

2.6 The Civil Registry in Haiti has suffered for many years from deteriorating physical conditions in the Registry offices and the National Archives and significant administrative deficiencies resulting in problems of accessibility, reliability of information, efficiency of operations and security of information. The Registry offices, while distributed throughout the country, do not correspond to population densities, and as a result, there is a significant lack of capacity in many rural areas for receipt of registrations. Hospitals do not provide data on births and deaths.

2.7 There has been a breakdown in the transmission and maintenance of the demographic information in the National Archives. The demographic information which is being collected is not being transmitted to the National Archives, therefore reducing the capacity for policy planning in the central Ministries, prohibiting the development of a permanent electoral registry, and hindering tax collection.

C. Objectives

2.8 Considering the condition of the Civil Registry, a comprehensive long-term program of assistance is required. It is proposed that the Bank consider a technical assistance operation to improve registration procedures immediately and to undertake a preparatory program and diagnostic studies to establish a foundation for a subsequent medium and long-term program. The objectives of the preparatory operation being explored include: (i) improve the delivery of services through training and rehabilitation of the National Archives; diagnostics of the physical, financial, human and material resources at both the urban and rural levels; and the preparation of a pilot program to test management information systems, to make them as friendly and accessible to women as possible; and (ii) the preparation of a second phase Bank operation focussing on a new legal framework; a civil identification program; rehabilitation of civil registry offices; cost recovery initiatives; a communications strategy, which will include messages geared to women; and means to improve the administration and management of the civil registry. The following table contains the estimated costs of the operation.

MODERNIZATION OF CIVIL REGISTRY COST AND PROJECT FINANCING

(in thousands of US\$)

COMPONENTS	SOURCE OF FINANCING		
	IDB	LOCAL	TOTAL
MANAGEMENT AND ADMINISTRATION	273.9	75.6	349.5
Management, Administration and Evaluation of Project	273.9	75.6	349.5
PROJECT COMPONENTS	2,277.7	180.6	2,458.3
Strengthening of Support Services	1,669.9	162.6	1,832.5
Preparation Integration Program, Phase II	607.8	18.0	625.8
FINANCIAL COSTS	65.9		65.9
Interest	29.8		29.8
Credit Commission	10.6		10.6
Supervision	25.5		25.5
TOTAL	2,617.5	256.2	2,873.7

3. Program III - Executive Branch and Administrative Reform

A. Institution

2.9 The Constitutional norms of Haiti establish the responsibilities of the Executive Branch of government for defining, implementing and monitoring public policy. The Executive Branch is characterized by the division of responsibilities between the President of the Republic and the Office of the Prime Minister, which has a principal role in coordinating government activities, facilitating the dissemination of information, and inter-sectorial coordination. To support the GOH reform efforts, two commissions have been established under the auspices of the Office of the Prime Minister: the National Commission on Governance and the National Commission on Reform of the Public Administration.

B. Statement of Problem

2.10 The Office of the Prime Minister was created under the 1987 Constitution but has functioned as it was designed only since late 1994. As a result, there are still relatively few formal governmental mechanisms currently in place to facilitate the work of the Office of the Prime Minister, resulting in poor inter-sectorial coordination and a lack of capacity for consensus-building within the Executive Branch and between the Executive Branch and the Parliament. There is also limited public information capacity and little experience within the Executive Branch for external communications, thereby restricting the dissemination of public policy decisions.

2.11 The Executive Branch is supported in its functions by the public administration, which is widely recognized as disorganized and inefficient and in need of reform. At present, there is no common vision for modernization of the public service and no overall strategy for public sector reform in Haiti. The public service is governed by an outdated regulatory framework with insufficient human resource policies and poor management and administration practices.

C. Objectives

2.12 The proposed objectives of this program are: (i) to reinforce the institutional and leadership capacity of the Prime Minister's Office to coordinate government actions through the installation of an

information and strategic planning capacity, implementation of coordination mechanisms, and the development of a program of internal budget management and administration; (ii) to establish and reinforce the dialogue with the civil society through the implementation of a public information and communication program; and (iii) to undertake preparatory diagnostics leading to a strategy for a second phase program of administrative reform to be funded in a subsequent operation. The strategy will be based on the development of a human resources management plan; diagnostics on the legal and regulatory framework; a rehabilitation plan for infrastructure; mechanisms for consensus-building; and the design of a new organizational framework. Training will also be conducted in the first phase. The estimated project costs are as follow:

SUPPORT TO THE PREPARATORY PHASE OF THE CIVIL SERVICE REFORM

AND TO THE EXECUTIVE BRANCH COST AND PROJECT FINANCING

(in thousands of US\$)

COMPONENTS	SOURCE OF FINANCING		
	IDB	LOCAL	TOTAL
MANAGEMENT AND ADMINISTRATION	56.0	582.5	638.5
Management, Administration and Evaluation of Project	56.0	582.5	638.5
PROJECT COMPONENTS	1,864.5	36.0	1,900.5
Support to the Preparatory Phase of the Civil Service Reform	788.1	36.0	824.1
- Support to the CNRA	30.0	36.0	66.0
- Diagnostic and Strategic Planning	368.1		368.1
- Preparatory Activities	390.0		390.0
Support to the Executive Branch	1,076.4		1,076.4
- Prime Minister's Office	476.0		476.0
- Support to Government Coordination Mechanism	155.3		155.3
- Public Information Program	445.1		445.1
FINANCIAL COSTS	45.3		45.3

Interest	17.2	17.2
Credit Commission	8.9	8.9
Supervision	19.2	19.2
TOTAL	1,965.8	618.5 2,584.3

4. Program IV - Superior Court of Accounts and Administrative Disputes

A. Institution

2.13 The Superior Court of Accounts and Administrative Disputes (the Court) is an autonomous body charged with the audit of expenditures and revenues of the State and other public institutions. The Court is granted the powers to conduct both ex-ante and ex-post audits. It also has a mandate for taking decisions with respect to cases of non-compliance with the financial laws and regulations through a Financial Disputes Chamber, and an administrative disputes function, whereby the Court takes decisions involving administrative disputes with the State through an Administrative Disputes Chamber.

B. Statement of Problem

2.14 The Court currently has a very broad mandate, with its roles and responsibilities dispersed across many different types and pieces of legislation. This has resulted in functions which are often inconsistent or duplicate those of other ministries. The Court has limited financial, human and material resources and technical capacity to effectively carry out this mandate.

2.15 The ex-ante audit functions of the Court are incompatible with its ex-post responsibilities, since an auditor cannot render an independent opinion on a matter in which he had a previous role. Many of the ex-ante functions also fall within the responsibilities of the Executive Branch and there is considerable duplication and overlap with the mandate of the Ministry of Finance and the Economy. Though the more important function, the Court has been unable to conduct ex-post audits due to insufficiently qualified and trained personnel, a lack of documentation and access to the records of Ministries and State institutions, and long delays in the presentation of records of expenditures.

2.16 Serious delays occur in the deliberations of cases brought before the Administrative and Financial

Disputes Courts, and there are no mechanisms in place to ensure the implementation of decisions is carried out. Overall, the Court suffers from inefficient internal administration and management practices including a lack of procedures, a weak human resource base, and deficiencies of physical space, equipment and materials.

C. Objectives

2.17 Four major objectives have been proposed to support the institutional strengthening of the Court which are also linked to the ongoing program for fiscal and expenditure management reform supported by the World Bank, the IMF, the IDB and UNDP: (i) strengthening the ex-post audit capacity through the development of audit methodologies and training and facilitating the transfer of ex-ante functions to the Ministry of Finance and the Economy through the design of a new organic law for the Court; (ii) improving the internal management of the Court by streamlining its activities, training personnel and developing human resource policies; (iii) improving the public profile of the Court through the development of a communications capacity and the design of a long-term communications strategy; and (iv) identification of technical requirements to strengthen the role and functions of the Administrative and Financial Disputes Chambers. The following table contains the approximate budget for the operation.

SUPERIOR COURT OF ACCOUNTS COST AND PROJECT FINANCING			
(in thousands of US\$)			
COMPONENTS	SOURCE OF FINANCING		
	IDB	LOCAL	TOTAL
MANAGEMENT AND ADMINISTRATION	700.0	70.0	770.0
Management, Administration and Evaluation of Project	700.0	70.0	770.0
PROJECT COMPONENTS	2,250.0	225.0	2,475.0
Strengthening Post-Audit Function	1,800.0	180.0	1,980.0
Improving Public Profile	350.0	35.0	385.0

Identification of TC needs of Administrative and Financial Disputes	100.0	10.0	110.0
INCIDENTAL EXPENSES	50.0		50.0
FINANCIAL COSTS	123.0		123.0
Interest	66.0		66.0
Credit Commission	27.0		27.0
Supervision	30.0		30.0
TOTAL	3,123.0	295.0	3,418.0

III. EXPERIENCE OF THE BID AND OTHER DONORS

3.1 The donor community has committed roughly US\$308 million to support a variety of governance activities in Haiti, including assistance for the Executive, Legislative and Judicial branches and civil society. The principal donors which are currently active in this area include: the United Nations, primarily the UNDP; Canada; the United States; the European Union; France; the Organization of American States; the World Bank and the IDB. An inventory of donor activities has been prepared (available in OD4 files for reference). The proposed IDB interventions in the four program areas reflect consideration of ongoing and planned donor activities and position the Bank to support those priorities not addressed by other donor agencies.

3.2 The Bank has extensive experience in operations to support reform of the public sector, including technical cooperation operations begun in Argentina in 1994, Costa Rica in 1993, and Honduras and Nicaragua in 1996. Only a limited number of programs have been approved by the Bank in support of the legislative branch. These programs include technical cooperation operations in Costa Rica and Peru in October 1993, and programs in Panama, Bolivia and Nicaragua in 1996. The Bank has never supported a comprehensive program for improving public audits such as the one proposed for the Superior Court of Accounts and Administrative Disputes. Bank programs are currently in implementation for improving civil registry functions in Bolivia and Paraguay.

3.3 General lessons emerging in the region for MOS programs emphasize: (i) the need for simplified project designs which are suitable and viable for the respective national conditions; (ii) political

consensus must be a priority for the long-term success of reform efforts, particularly in countries with recent democratic histories; (iii) significant efforts should be placed on the supervision and execution of projects, the use of periodic evaluations, and flexible project designs so changes emerging in evaluations can be made; (iv) in measuring sustainability, qualitative rather than quantitative performance indicators should be utilized; (v) public policy conceptualization and execution must be included in any reform efforts along with the reinforcement of the institutions responsible for implementing the public policy agenda; (vi) programs should ensure institutional integration with the socioeconomic strategy; and (vii) permanent dialogue with the principal institutional actors and beneficiaries is essential to ensure continuity and the maintenance of political will and commitment to the operations.

IV. ENVIRONMENTAL AND SOCIAL EQUITY

4.1 **Environmental Impact:** The activities envisioned under this Technical Cooperation's four programs are not expected to cause or induce negative environmental effects. To the contrary, new environmental legislation could be initiated as a result of the improvement of the analytical capabilities and the strategic planning functions in the Executive Branch. The Parliament will be better able to evaluate environmental legislation and revise existing ones. The effectiveness of the Superior Court of Account analysis will enhance the proper utilization of budgetary funds for environmental and social programs. Particular attention will be given to coordination with the future Bank's environmental agricultural intensification, water management programs, and the technical cooperation for intersectoral water policy.

4.2 **Social Impact:** The Executive Branch and the Parliament will be better able to take into account existing social conditions and develop programs and legislation for specific improvement of human conditions. The public information function will lead to a better exchange of information and understanding between the Executive Branch, the Parliament and the public. Thus, the citizenry will be less distant and the government will be more accurately informed, which will facilitate the decision making process and consensus building. The modernization of the Civil Registry will improve access of women to its administrative services such as marriage, birth and death certificates. In addition, one of the criteria for the implementation of these programs is to attract and train qualified women to serve in various functions. Furthermore, the training programs will include activities to raise environmental awareness, and the need for consultation and public participation in decision making.

V. SPECIAL ISSUES

5.1 The MOS operation proposed for Bank support represents an attempt to ensure a comprehensive and consolidated approach to bolster GOH efforts towards modernization of the state apparatus. Consensus and political will are going to be critical to ensuring the successful implementation of the overall operation. Since consensus-building has not been a traditional aspect of the Haitian Parliamentary or governmental systems and the technical capacity of the GOH is limited, these could become constraints to the achievement overall goals and objectives of the operation. The impact of these constraints could significantly delay the implementation and successful outcomes of the project.

VI. PLAN OF ACTION

6.1 Following a review of the Technical Cooperation Profile II, the Plan of Operations will be completed for presentation in July 1997.

1. ¹ Enonce de Politique Generale by Prime Minister Rosny Smarth, 4 March 1996.
2. Annex I provides an overview of donor support for governance in Haiti.
3. An overview of other donor programs supporting the Haitian Parliament is attached as Annex II.