



Sensing the dependency, implementing the same, Bill Clinton makes their mutual positions clear to his IHRC co-chair, Haitian Prime Minister Jean-Max Bellerive. Photo Credit: [www.brikourinouvelgaye.com](http://www.brikourinouvelgaye.com)

## *Deconstructing the IHRC's Reconstruction*

# Beyond Relief, Beyond Belief

As they quaffed champagne in their Port-au-Prince headquarters on Harry Truman Boulevard, the staff of the secretariat of the Interim Haiti Reconstruction Commission (IHRC) finally seemed to have something to celebrate: their own demise.

On the afternoon of Friday October 21, the IHRC's 18-month mandate, part of emergency legislation which saw all control of reconstruction spending removed from parliamentary scrutiny, was up. Despite the joint appeals of both the President, Michel Martelly and his newly-ratified Prime Minister, Garry Conille, for a one-year extension of the IHRC's mandate, parliament was in no mood to even debate the proposal until it had answers to the most basic questions about the IHRC – its people, its processes and its product.

For once, Haitian MPs and senators seemed to be in sync with public opinion on the still rubble-strewn streets. The IHRC was widely seen as a foreign-donor dominated body, implementing a foreign-designed agenda, with a foreign staff, using foreign finance, much of which had been pledged but not delivered. “Flawed in design, dysfunctional in execution, dire in results,” concluded one former civil servant.

It is a sentiment echoed by many who had worked within it: it's just that the “all necessary transparency and accountability” clause written into the IHRC's mandate does not apply when talking about it. Ex-staff are adamant they are not identified.

“Look, you have to realize the IHRC was not intended to work as a structure or entity for Haiti or Haitians. It was simply designed as

a vehicle for donors to funnel multinationals' and NGOs' project contracts,” says one IHRC consultant.

“Project plans were initiated by the institutions that have always run Haiti, the IDB, the World Bank, the UN, USAID and individual donor countries that had pledged enough to secure a seat on the IHRC board. That meant there could, by definition, be no effective realisation of the IHRC's declared main aim of assessing reconstruction needs and responding to them in a systematic, co-ordinated manner.”

The idea that dysfunctional design and a not-fit-for purpose structure of the sole reconstruction authority in Haiti post-earthquake was actually deliberate, is a shocking illustration of what is now a well-established phenomenon, ‘disaster capitalism’.

“There was no consultation with

stakeholders as to what they needed. Outreach, although nominally an IHRC requirement, was minimal at best and, even if done, had no bearing on the design of any project with which I was involved,” says our anonymous source.

For stakeholders, read government and victims – those most in need of what reconstruction was supposed to provide – shelter, sanitation, security or just space. Non-existent consultation should of course have been much more, namely integral co-operation.

### **Blueprint: Disaster for Disaster**

The IHRC had a nominal blueprint, the PARDN [the Action Plan for National Recovery and Development]. A glossy, 55-page, reconstruction wish-list, designed for presentation

## Aid Ineffectiveness Means Development Failure

# Has Aid Changed...? No Good, Bad & Ugly



Debating aid effectiveness. Haitian CSOs attend a 2-day forum in Port-au-Prince. Photo credit: JP Emmanuel



Doing the same thing, getting the same result. Donors and multilaterals are failing to follow their own prescriptions for aid improvement.

In June 2011, the UN Office of the Special Envoy (OSE) to Haiti published a detailed report: *Has Aid Changed? Channeling Assistance to Haiti before and After the Earthquake*. The introduction by Paul Farmer, Bill Clinton's deputy as Special Envoy and long-time Haiti grassroots expert, made it clear this was designed to be a catalyst as well as an assessment.

"We know from our shared experience in Haiti and elsewhere that the way aid is channeled matters a great deal, and determines the impact on the lives of Haitian people. The Haitian proverb *sak vid pa kanpe* – 'an empty sack cannot stand' – applies here. To revitalise Haitian institutions, we must channel money through them."

The report demonstrated that what had changed post-earthquake in aid delivery seemed to be temporary, and some of the worst practices and procedures, as evidenced by the IHRC (see main article), had actually been reinforced by the increased flow of funds. In particular:

- The report confirmed the extent to which the Haitian government had been bypassed. Direct budget support slowed to a trickle in the immediate aftermath of the earthquake. More than 50% of the \$225m in direct budget support disbursed in 2010 arrived in the last two

months of the Haitian fiscal year, August and September, eight and nine months after the earthquake. In 2011, direct budget support dropped again, with only \$48.8m disbursed in the nine months to June 2011, less than half the comparable figure for 2009.

- The vast majority of relief and reconstruction aid was in direct grants to multilateral agencies and non-Haitian providers, namely NGOs and private contractors. Bilateral donors provided some 99% of their relief aid and at least 75% of their recovery aid through these non-Haitian, non-state providers.

What does this mean? Put simply, the relief and recovery funds flowing into Haiti had further diminished the capacity of the Haitian government to deliver for its own people, and further reinforced the relative power of the thousands of non-Haitian multilaterals, NGOs and private contractors on the ground there. All this in spite of the lip service paid by donors to the need for the Haitian government to lead the recovery and reconstruction and the accepted need to build-up the capacity of the Haitian government to do so.

Why is this? The reality is that, as the IHRC demonstrates, aid is still seen as a donor's pre-

rogative, for donor's firms, consultants or NGOs to spend on donor-designed projects. As of September 15, 2011, 1537 contracts worth \$204.6 million had been awarded by the US federal government for relief and reconstruction in Haiti post-earthquake. Of those, only 23 had gone to Haitian companies, adding up to \$4.84 million or 2.4% of the total value.

USAID, the US government's international development agency, was actually the worst offender. In the same period, it had awarded contracts worth \$32.5 million for relief and recovery in Haiti. Not a single contract went to a Haitian company, let alone a Haitian ministry.

These figures were compiled exactly a year after President Obama announced the US's first ever Global Development Policy. Billed as "a new approach" it was built around the new aid buzzword, 'ownership,' committing Washington to investing solely in efforts designed, led and controlled by recipients. A key element was USAID delivering contracts to and investing in the beneficiary's government systems and organizations in order to increase their capacity 'to do things themselves.'

On the first anniversary of the Haitian earthquake Raymond C. Offenheiser the President of

Oxfam America wrote: "Haiti is Exhibit A for everything that is wrong with the old model of development." We at HSG agree. Yet, despite the rhetoric and aspirations of President Obama, and the Clintons, both Hillary and Bill, it is equally clear that on the second anniversary of the earthquake, nothing has changed.

Study after study has agreed on the key reasons development policy and aid in Haiti has so often had so little impact – and in some cases done much harm. On-the-ground analysis stresses the same basic reasons as big-picture think-tank studies based in donor countries.

Lack of national or local government capacity, often a direct result of years of bypassing or even undermining democratically-elected regimes and authorities; a subsequent lack of ownership of projects and policies by said governments, local officials and their voters; an uncoordinated and piecemeal approach by donors; a lack of accountability and transparency – particularly to those who are supposed to benefit – are always the key reasons.

This is not just the opinion of external evaluators, political critics, Haitian CSOs (Civil Society Organisations) or discerning politicians. It is actually the view of the major donors and pol-

icy implementers, including the multilaterals such as the IMF, World Bank, IDB and UNDP who are most responsible for the abject track record.

In 2008, Terry Buss and Adam Gardner published a major study from the Brookings Institute, a leading think-tank. Entitled, *Haiti in the Balance: Why Foreign Aid Has Failed and What We Can Do About It*, the book was based on a detailed analysis of in-house evaluations of development policy and aid effectiveness in Haiti by the multilateral agencies. In essence, the book demonstrated that the multilaterals and bilateral donors agree with us: they have got it wrong for all the reasons cited above.

Aid and development effectiveness was a key theme of a two-day NGO/CSO forum in Haiti during late November. The forum was designed to feed into the Fourth High Level Forum on Aid Effectiveness in Busan, South Korea, assessing progress on implementing agreed changes to aid policy by both donors and recipients in the Paris Declaration of 2005 and the subsequent Accra Agenda for Change of 2008.

The Paris Declaration is based on five principles: **ownership** of national development strategies by aid recipient governments and their parliaments; for donors to support these strategies

(**alignment**) and work to streamline their efforts in country (**harmonisation**); for development policies to be directed to achieving clear results and progress to be monitored (**results**) and for donors and recipients to be jointly responsible for achieving these goals (**mutual accountability**).

A 2011 OECD (the Organisation for Economic Co-operation and Development) survey monitoring implementation revealed just how far short donors in particular had fallen, citing the "tying of aid" (earmarking or preferencing) and co-ordination as two of the biggest failings. As Oxfam concluded: "Recipient countries have mostly kept their promises. Donors have not."

And while the Busan Forum proved long on rhetoric, results were as ever more elusive. Agreement on more effective monitoring systems was postponed – until June 2012 – largely because having produced such a poor scorecard to date, donor countries want to change the aid effectiveness rules. So the key question remains unanswered: when and how for the sake of the Haitian people are they going to put it right, particularly in view of the fact that the IHRC has reinforced everything that is, according to donors as much as their critics, seriously wrong. ■

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at the key March 31, 2010 donor's conference in New York, it bears all the hallmarks of advertising: the product being Haiti, the audience the donors.

Generic, unspecific and inoffensive, it is divided into four sections, Territorial Rebuilding, Economic Rebuilding, Social Rebuilding and Institutional Rebuilding. The result mirrored the motive: almost any project proposal put to the IHRC could be considered congruent with the PARDN – and certainly was.

From hydroelectric dams on the Artibonite River that the Brazilian army wanted to build to a massive textile assembly-plant complex in the north that Washington wanted, it was all 'reconstruction'. No matter that many schemes mirrored projects and plans that were widely regarded as having failed on development, environmental and economic criteria in previous decades.

That lent a real resonance to Haitian CSO's assertions that post-earthquake funding would not focus on the sustainable, equitable,

people-centred, decentralised "construction" they had advocated for decades, but "reconstruction" of a *déjà vu* failed socio-economic model that had brought the exclusion, inequality and desperation that were the defining features of Haiti pre-earthquake.

In other words, these defining features of Haitian society, all indirectly responsible for the scale of the disaster, would be reinforced by the "reconstruction" in its aftermath.

Rubble clearance, the first and most urgent task for any reconstruction effort, would remain unprioritised and then uncoordinated because donors wanted to push prestige projects they could, in one IHRC Board member's words, "put national flags on."

Most of the funds pledged by donors for reconstruction were earmarked for their own pet projects, many of which had been on the drawing board for years, some of which, had, ironically, fallen victim to the donors' collective failure to deliver on aid pledges made in the years before the earthquake. With the term "earmarked" now as disdained in

the development funding world as it is in the US Congress, Haiti's donors coined a new term: " 'preferred' ".

Popular housing, water and sanitation solutions, were not the sexy, show-boat projects the donors most wanted to fund, even though they became steadily more urgent from the second half of 2010 as the humanitarian agencies withdrew from Haiti and a cholera epidemic ran rampant. People's priorities were not the donors' and, with parliament suspended, the government and its civil service devastated and civil society bypassed, there were no intermediaries to advocate otherwise.

As such the PARDN was simply the successor to all the previous donor macro-economic blueprints for Haiti of the past decade, and for absolute clarity, the central tenets of these were reiterated in the last section of the PARDN, 'The Macro-Economic Framework 2009-2015.'

This was the reconstruction version of a neo-liberal, export-oriented, open economy, whose key features are minimum-wage assembly plants, privatisation, deregulation, rock-

bottom import tariffs and a minimal public sector. It was, and is, ironically, a model recognised as being responsible not just for the growth of massive socio-economic inequality, but the recent devastation of the economies of Haiti's leading donors.

It was perhaps not surprising then that work on both the PARDN and the initial Post-Disaster Needs Assessment (PNDA), on which it was based, was led by foreign consultants. "The only thing Haitian about it was the government name and the national emblem on the front cover," says one.

In the days and weeks immediately after the earthquake, with 20 of 21 ministries flattened and nearly 20% of civil servants dead, the Haitian government had no capacity to produce such a document. Indeed, lack of "government capacity," the rebuilding of which the IHRC would studiously avoid prioritising over the next 18 months, was the main rationale for establishing the IHRC.

The reality of course was that the earthquake had obliterated the Haitian government's already min-

imal leverage in relation to its foreign paymasters, and the donors took full advantage. As Prime Minister Jean-Max Bellerive lamented to his Parliament in April 2010 as it met to consider the enactment of an 18-month State of Emergency that would kill them off and give birth to the IHRC: "I hope you sense the dependency..."

They did. The bill passed.

### IHRC Practice: Fraud As Farce

The pretence, contradictions and hypocrisy that underpinned the principle of the IHRC soon found a deeply tragi-comic expression in its practice. The concept and execution were the brainchild of two thirty-somethings, Eric Braverman, a partner at the management consultants McKinsey & Co. in Washington DC, and Laura Graham, chief of staff at the William J. Clinton Foundation, the former US President's development charity.

Neither had any knowledge of Haiti or of post-disaster reconstruction. But Bill Clinton, already UN Special Envoy for Haiti, and soon to pop on another hat as

IHRC co-chair with Bellerive, had both, having been called into UN action after a series of hurricanes hit Haiti in late 2008. As such, the neo-liberal, macro-economic, disaster capitalism agenda of the PARDN and IHRC would now blend with the personalised philanthrocapitalism that is the *modus operandi* of the Clinton Foundation's development agenda.

Braverman and Graham were quickly joined by others in their own image. On the grounds that it would enable the IHRC to "hit the ground running" most staff were initially seconded from the multilateral agencies, such as the IDB and World Bank, with a healthy dose of Clinton Foundation staff thrown in.

For the first nine months, local staff were almost non-existent, not least because any Haitian applicants that made it to interview were offered much worse terms than foreign staff, none of whom seemed to be interviewed at all. Exclusion and exclusivity in the world outside the tent in the grounds of the former US embassy that was the IHRC's first home in Port-au-Prince, became

the norm inside.

The unwieldy IHRC organisational organigram had one slot for a Haitian government liaison official in each of the five directorates but given the environment and context few ministries bothered to dispatch anything other than juniors. Matters were hardly improved by Haitian Ministers being excluded from attending one IHRC board meeting because their names were "not on the list" of approved attendees.

The results were predictable. Fourteen months after the earthquake, eight months after the IHRC's first meeting, only half the secretariat's core posts had been filled. More Clinton Foundation staff and consultants arrived. "It was a dual problem really," one UN official told *Rolling Stone*. "First they had no background in development – they didn't know what they were talking about... secondly, they didn't even realise it."

A US Government Accountability Office (GAO) report in May 2011, a year into the IHRC's existence, was scathing. It found two of

the five directorates without Directors and a further 22 of the IHRC's key 34 positions unfilled. The crucial Performance and Anti-Corruption Office (PAO), designed to oversee the IHRC approved-projects had no staff at all.

As a result, there was no risk analysis, monitoring or control of projects, an extraordinary state of affairs, given that one key reason the IHRC existed was that donors did not trust the Haitian government to carry out such activities itself. The GAO noted laconically that, "funding for reconstruction projects...does not necessarily reflect government priorities." It specifically cited the refusal of donors to fund some priority areas, "such as rubble removal."

### Resigned to Board Room Strife

Things were hardly much better on the IHRC board. Nominally, Haitian representation, with twelve members, was to equal international representation, a balance reflected in the two co-chairs, Bill Clinton and Prime Minister, Jean-Max Bellerive, who also held the key Min-

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istry of Planning and External Co-operation (MPEC) post.

*De facto*, representing no one, with no staff or office space, the Haitian members were barely even window dressing. Foreign NGOs and Haitian CSOs, who had one seat each on the IHRC board, did not even have voting rights, even though the PARDN had specifically envisaged them being key engines of IHRC-approved project implementation. As several Haitian CSOs lamented in a press release in July 2010: “This vast masquerade would be laughable if it wasn’t about the future of our country.”

By the time of the Fourth IHRC Board Meeting – not in Haiti but in Santo Domingo on December 14, 2010 – even Haitians who had been compliant enough to accept seats on these terms had had enough. One of them, Suze Percy Filippini read out a statement signed by all 12 Haitian IHRC Board members.

“Projects submissions are often forwarded as summary tables to the Board on the eve of meetings. Procedural changes related to the formalities for submission of online projects vary without notice. Staffing and consultant selection are undertaken without our knowledge... in reality, Haitian members of the board have only one role: to endorse decisions made by others.”

The letter went on to cite an earlier complaint by Haitian Board member Professor Jean-Marie Bourjolly, who argued for focusing on the strategic, coordinated planning role enshrined in the IHRC’s mandate. “Our actions have been limited to approving projects on, as far as I can judge, a first-come, first-served basis. We risk ending up with a variety of ill-assorted projects, some of which are certainly interesting and useful taken individually, but which collectively can neither meet the urgency or lay the foundation for the rehabilitation of Haiti, let alone its development.”

Together the two statements are a perfect summary of not just the inadequacies of the IHRC but of the key reasons for development failure in Haiti over the past half century.

The idea that the IHRC was going to produce co-ordinated, strategic development thinking, in response to a disaster of this scale, let alone execute it, when it could not produce or publish minutes, answer basic press inquiries, run a meeting or even agree its own voting procedures, was by now laughable.

By February 2011, the IHRC was proving as dysfunctional for the donors as it was the donees. The EU’s ambassador Lut Fabert-Goosens said the secretariat ran “like a square wheel.” P J Patterson representing CARICOM was just one IHRC Board member who could not hide his disdain.

Rows broke out in public as IHRC members argued over who had said what

when, how Project Concept Notes should be drawn up and made available, even how they should approve projects. For as of February 28, 2011, the date of its fifth meeting, the IHRC Board had not even agreed its ultimate function: voting on project proposals.

Nine months in, even the IHRC’s Executive Director, Gabriel Verret, a rare Haitian in the Secretariat, seemed to have given up. In an exclusive interview on March 31, 2011, HSG challenged Verret with a quote from one Board member about IHRC’s failure to co-ordinate the reconstruction. “I think that every single one of them would have to admit that. The thing is, though, that every single one of them is responsible,” he replied.

Within two weeks, Gabriel Verret had “resigned” as IHRC Executive Director. As ever with the IHRC, whose failure to issue statements or respond to press inquiries was by now becoming legendary, there was no explanation, or announcement of a replacement. But replacement there was. It was Laura Graham herself.

### Martelly: Beyond Repair?

By now, Michel Martelly had emerged as the donors’ choice as President of Haiti, if not his people’s. Even before his inauguration he had appointed a key adviser, sociologist Michèle Oriol to take a close look at the IHRC. Scathing in private, she was a little more diplomatic in public. “The IHRC itself has become this extra entity outside of government. That is what we need to fix,” she noted after a few meetings.

Trying to save whatever was left of its image, the IHRC tried a relaunch and a *mea culpa*. In December it had published a *Strategic Plan for the Remainder of the IHRC’s Mandate*, which did at least lay out plans, without projects, for rubble-removal, housing, and sanitation. It was followed, at the April 2011 IHRC meeting, by the announcement of a whole new project approval process with an extraordinary admission by Projects Director Aurélie Boukobza.

The IHRC, she said, had put in place “certain tools” that “super-impose, duplicate those of the government.” There had, as a result, been a “disconnection with regard to certain government mechanisms.” In a paper issued simultaneously, the IHRC reiterated: “...the need to align the current process of project review with existing government practices.”

The only pretence that remained was that the bypassing of the government and the marginalization of any effort to get it off its knees post-earthquake was by accident, rather than design, or that the change in approach now being announced was voluntary. With a new parliament elected, a new president awaiting inauguration and a restive population demanding relief, Haitian pressure was finally be-

ing felt – even at the IHRC.

As two Haitian Senate committees announced investigations into what had been going on at the IHRC, as Martelly appointed a working group to make recommendations on how the IHRC might “work better” and respond to his priorities rather than its donors, it became clear that even if it survived, the IHRC’s status would be radically altered.

There was time for just one more IHRC meeting in late July at which Martelly finally got a major popular housing/resettlement project approved (see HB 68, November 2011). But as the IHRC voted what became known as the ‘6/16 project’ \$78m in funds it did not actually have, the Commission’s carnival clown image could not be masked.

Didier Lavron, a senior accountant in the finally-functional PAO directorate gave his unit’s first and last presentation to the IHRC Board to complain that the donors’ whose projects had been approved were refusing him the data needed to do his job. They all insisted that they had their own compliance, monitoring and assessment procedures, which negated any need to comply with those of the IHRC, he moaned.

Responsible for all aspects of project monitoring, from finance to fiduciary duty, from inception to impact assessment, the PAO was the watchdog on which the IHRC’s transparency and accountability function was based. Disagreement among donors over the definition and extent of the PAO’s remit had actually been a key reason it had only become nominally operational in April 2011, ten months after the IHRC itself began work.

In the process, yet another IHRC row broke out over the award of the contract to run the PAO office to Price, Waterhouse and Coopers (PwC), who, in a blatant conflict of interest, had written the specifications for the call to tender. Several IHRC representatives representing the countries of the five companies on the shortlist who had missed out, were furious.

What none of them noted in their outrage was the irony: the process of the appointment of the watchdog had, in itself, broken all contracting rules. That raised an obvious question: what equally egregious violations might have taken place in the year when there was no such monitoring because the watchdog did not exist?

When asked about this in his interview with HSG in March, Gabriel Verret admitted the IHRC’s vulnerability to criticism – if not corruption and fraud – on this issue but insisted that his sector leads “were monitoring personally, below the radar.” Given that nothing that was visible at the IHRC inspired even minimal confidence, invisible, unaccountable, untransparent “monitoring,” seemed unlikely to be any antidote. ■