

Draft, March 1997

Haiti Public Expenditure Review Note Number 2

Public Sector Investment Program

by James Elliot
USAID,
Gilles Gavraux
Consultant to CIDA,
and
Naveen Sarna
World Bank

This document is part of the Haiti Public Expenditure Review, being prepared under the leadership of the World Bank. It does not necessarily reflect the views of the Government of Haiti, the World Bank, CIDA, USAID, or other agencies involved in the Haiti Public Expenditure Review.

The Haiti Public Expenditure Review is being prepared as series of nine policy notes:

1. Aggregate Public Sector Finances and Current Expenditure
2. Public Sector Investment Program
3. Agriculture
4. Environment
5. Road Sector
6. Water and Sanitation
7. Education
8. Health
9. Justice

ACKNOWLEDGMENTS

This policy note was prepared by James A. M. Elliott (USAID), Gilles Gauvreau (Consultant to CIDA), and Naveen Sarna (World Bank). We would like to thank the GOH counterpart team, which consisted of Mesdames Mimose Cadet, Joyeuse Berndotte and Juliette Vales, and Messrs. Smith Gerbier, Emmanuel Carl Saint-Aime, and Michel Content, among others, for their time in providing useful insights and access to MPCE documents. The team also is indebted to the participation of other officials from the MPCE including Jean Eric Derice, Lionel Grand Pierre, Geralde Gabeau, Francklin Dorval, Robert Jean, Wilfrid Trenard, Yves- Robert Jean and Robert Jackson. The team benefited from meetings and discussions with the following: Gabriel Bidegain [UNDP with MPCE], Axel Peuker (WB), Angelo Faria (IMF), Jim Walker (WB Consultant) and various other members of the sectoral teams, Sylvain Lafalaise (MEF), Arrol Germain (MEF), Martine Deverson (PAD, BG PL-480 Title III), Gabriel Verret (USAID), Tham Truong (USAID), Edgard Rosemond (USAID), Joseph Goodwin (USAID), Gary Imhoff (USAID), Carol Hornung [USAID], Steven Webb [WB], and others.

TABLE OF CONTENTS

A. OVERVIEW	1
<i>Institutional Framework</i>	1
B. THE PUBLIC SECTOR INVESTMENT PROGRAM	4
<i>Size and Scope of the PSIP and its Utilization</i>	4
<i>Sectoral Composition of the PSIP: Consistency with the Government's Stated</i>	
<i>Priorities</i>	5
<i>Agriculture</i>	6
<i>Environment</i>	7
<i>Industry and Private Sector Development</i>	8
<i>Transport</i>	8
<i>Energy</i>	8
<i>Water and Urban Infrastructure</i>	9
<i>Education</i>	9
<i>Health</i>	10
<i>Poverty and Emergency</i>	10
<i>Justice and Security</i>	11
<i>Other categories</i>	11
C. PLANNING AND BUDGETING	11
D. IMPLEMENTATION AND MONITORING	15
E. DONOR COORDINATION AND AID MANAGEMENT	19
F. RECOMMENDATIONS	20
<i>Recommendations for the Government of Haiti:</i>	21
<i>Recommendations for donors:</i>	22

2. THE PUBLIC SECTOR INVESTMENT PROGRAM (PSIP)

A. OVERVIEW

1. The GOH is currently in the process of developing, for the first time, a three-year rolling PSIP, and a comprehensive unified budget presentation, to support its economic development strategy. The preliminary three-year PSIP aims to help achieve the government's stated objectives (as stated in the most recent PFP) of sustainable growth and poverty reduction, focusing on:
 - (a) reviving growth through rehabilitating the country's neglected infrastructure;
 - (b) improving the population's access to health and education; and
 - (c) reversing the trend of environmental degradation.
2. By developing and regularly updating a PSIP reflective of its development objectives, the GOH can play a more effective role in utilizing resources to complement the workings of the private sector in achieving broadbased, sustainable economic growth.
3. At the same time, PSIP design and management must be consistent with Haiti's macroeconomic stabilization and economic restructuring needs. The PSIP in particular must be cognizant of the harsh domestic budget realities constraining the GOH's ability to finance the recurrent costs of operating and maintaining public sector infrastructure.
4. Current problems of planning, budgeting, and disbursements authorization and scheduling are serious, and demand significant procedural and institutional reforms. These problems tend to retard project implementation, may delay and reduce ultimate project impact, and worsen recurrent cost problems. It will be critical to establish budget and planning processes that make a clean break with those of the past. Reforms in the planning mechanism should be directed to improving the capacity to analyze and design public investment projects, and to improve the quality and sustainability of public investment through better project design and selection methods. In addition, disbursement procedures should be simplified and improved, and implementation and monitoring strengthened.

Institutional Framework

5. The institutional framework is in flux, and the principal players will need to redefine the rules of the game, adapting PSIP planning to modern needs. This has important implications for all institutions currently involved in the PSIP process. These include principally: the Ministry of Plan and External Cooperation (MPCE), the Ministry of Finance (MEF), the key line ministries, the Central Bank (BRH), the *Cour Supérieure des Comptes et des Contentieux Gouvernementaux (CSCCG)*, Parliament, the donors, the

various donor funded management and monitoring units, and the NGOs. A number of other institutions, such as the Presidency, the Office of the Prime Minister, and the Ministry of External Affairs also have a role in the public investment planning and aid management, depending on circumstances. Finally, local authorities may become increasingly important in demanding and executing public investment projects.

Table 1. HAITI - PUBLIC SECTOR INVESTMENT PROGRAM FOR 1995/96 AND 1996/97-98/99
(in US\$ million)

	Actual 1995/96	Estimated 1996/97	1997/98	1998/99	1996-99	Percent
1. ECONOMIC SERVICES	49.6	70.2	99.8	76.7	246.7	23.3
a) Agriculture	28.8	30.8	46.9	34.4	112.0	10.6
Ongoing	28.8	26.7	26.9	34.4	88.0	8.3
New	0.0	4.1	20.0	0.0	24.0	2.3
b) Environment	2.5	12.7	23.0	23.3	59.0	5.6
Ongoing	2.5	0.8	0.5	10.0	11.3	1.1
New	0.0	11.9	22.5	13.3	47.7	4.5
c) Industry & Pvt. Sec.	18.2	26.7	29.9	19.0	75.6	7.2
Ongoing	18.2	18.3	13.1	14.1	45.5	4.3
New	0.0	8.4	16.8	4.9	30.1	2.8
2. INFRASTRUCTURE	89.5	146.8	191.6	136.0	474.4	44.9
a) Transportation	26.3	81.3	123.8	89.7	294.8	27.9
Ongoing	26.3	51.3	54.6	58.2	164.1	15.5
New	0.0	30.0	69.2	31.5	130.7	12.4
b) Electricity	33.9	29.4	29.2	11.7	70.3	6.6
Ongoing	33.9	24.4	13.7	11.7	49.7	4.7
New	0.0	5.0	15.5	0.0	20.5	1.9
c) Water & Urban Infrastructure	29.3	36.1	38.6	34.7	109.4	10.3
Ongoing	29.3	35.5	23.4	24.2	83.1	7.9
New	0.0	0.6	15.2	10.5	26.3	2.5
3. SOCIAL SERVICES	103.4	97.9	129.6	82.4	309.9	29.3
a) Education	7.4	15.7	43.7	32.6	92.0	8.7
Ongoing	7.4	7.3	6.3	32.6	46.1	4.4
New	0.0	8.5	37.5	0.0	45.9	4.3
b) Health	34.1	34.1	37.0	32.0	103.1	9.7
Ongoing	34.1	34.1	21.3	32.0	87.3	8.3
New	0.0	0.0	15.8	0.0	15.8	1.5
c) Poverty / Emergency Projects	62.0	48.1	48.9	17.9	114.8	10.9
Ongoing	62.0	20.0	1.9	10.5	32.4	3.1
New	0.0	28.1	47.0	7.4	82.4	7.8
4. GENERAL CATEGORIES	7.5	21.1	5.4	0.0	26.4	2.5
a) Justice and Security	0.9	15.9	0.7	0.0	16.6	1.6
Ongoing	0.9	2.4	0.7	0.0	3.1	0.3
New	0.0	13.5	0.0	0.0	13.5	1.3
b) Other	6.6	5.2	4.6	0.0	9.8	0.9
Ongoing	6.6	5.2	4.6	0.0	9.8	0.9
New	0.0	0.0	0.0	0.0	0.0	0.0
Total PSIP	250.0	336.0	426.4	295.0	1,057.5	100.0
Ongoing	250.0	225.9	167.0	227.4	620.4	58.7
New	0.0	110.1	259.4	67.6	437.1	41.3

6. Currently, the MPCE is the lead ministry for investment programming and budget preparation as well as for related donor liaison and coordination activities. It works together with the MEF and the line (sectoral) ministries to prepare the PSIP and the annual investment budget and to schedule disbursements of investment resources.

7. Although the MPCE is currently the lead Ministry in the public investment process, the MEF does and ought to make the final decisions regarding the overall budgetary envelope for the investment component of the budget and on disbursement scheduling. The MEF's budget office (DGB) is also supposed to assess the recurrent cost implications, present and future, of the PSIP, but it is not yet equipped to fulfill this responsibility. To improve the Government's economic management capacity, and in the context of establishing a unified budget, MEF will need to take on a larger role in the PSIP process, and strengthen cooperation with the MPCE.

8. Responsibility for management of investment projects is vested mostly with the line ministries. Their management and financial management capability tends to be weak, although on average better than that of the MPCE. Consequently, some donors have set up and funded special project management and monitoring units and contract out implementation, monitoring and design work to private sector entities.

9. Current GOH policy assigns greater responsibilities than previously to line ministries for strategic planning of public investment, for programming, and for donor coordination at the sector level. Some sector ministries, such as Agriculture, are moving ahead more vigorously to exercise this new-found authority than are others. To increase their authority over sector policies and programs, line Ministries also compete more strongly for control or use of external assistance directed to NGOs. The line Ministries still have to go through the Ministry of Plan in their relations with the Ministry of Finance, however, with regard to their investment programs.

10. BRH is linked to the PSIP process through its management of the relevant accounts. Middle and high level Government officials queried in 1996/97 as well as donors in 1995 considered delays in receipt of BHR payments to be a problem. Similarly, the CSCCG has taken upon itself ex-ante auditing responsibilities that duplicate other agencies' work and reportedly cause significant delays in the requisition process, in payment to suppliers, and therefore in project execution. Quantitative information is lacking on the severity of these problems. As pointed out in the macro policy note, currently pending draft legislation (sent to Parliament in November 1996 but still awaiting its approval) would restrict the CSCCG to its original mandate of doing ex post audits. Parliament is another source of delay for projects, through delays in voting the budget and in approving individual debt-financed projects. As significant delays of many important projects have demonstrated, there is need for further clarification of the roles of the executive and legislative bodies in assessing and addressing the country's investment needs, on a macro- as well as on a micro-level.

11. About major 20 donor agencies are active in Haiti, each with an undisbursed balance of over US\$1 million, with overlapping sector involvements and projects, and with often diverse objectives. The four largest donors for the 1996/97-98/99 PSIP are the European Union, the IDB, IDA, and the United States, with significant amounts also coming from Canada, Germany, France, and the family of UN organizations. Donors also provide assistance in a number of ways not included in the PSIP, such as BOP support, humanitarian assistance, and direct provision of security. Donors typically condition their assistance on a variety of reform actions and self help measures.

12. NGOs and the for-profit private sector play a major role Haiti's development, particularly in the social sectors. Hence, line ministries need to take into account the extent to which these actors are planning or executing investments in their respective sectors. GOH ministries must seek to coordinate their own planning with that of the NGOs, to complement rather than displace the contributions of the private sector. At the same time, NGOs will need to provide relevant information to the Government to help achieve the country's development objectives.

B. THE PUBLIC SECTOR INVESTMENT PROGRAM

13. The Government has not yet established the procedure of a rolling three-year PSIP, it has prepared an indicative PSIP in the context of the recent Policy Framework Paper (PFP), which permits a rough assessment of the extent to which planned public sector investments corresponds to the government's priority development objectives as stated in the PFP. The following indicative PSIP is based on the most recent available information provided by donors and line agencies. Partly because of different presentation categories and some changes over time, the estimates differ from those included in the 1996/97 budget prepared in September 1996. As the focus is on capital formation, the indicative PSIP necessarily presents only a subset of government expenditures and of donor assistance provided to Haiti. Donor assistance supporting the GOH's current operations budget has already been discussed in this study's macro and fiscal policy note.

Size and Scope of the PSIP and its Utilization

14. The PSIP will support the Government's development strategy with expected disbursements for public investment totaling US\$ 1057 million cumulatively over the period 1996/97-98/99. This amounts to US\$350 million per year, or some 14 percent of GDP, per year on average. Of this, some 95 percent will be financed from external sources. About 51 percent of the external financing is provided in the form of grants; the remainder is comprised of highly concessional credit financing.

15. While perhaps small in relation to Haiti's needs, the PSIP and the expected disbursements of external-source funds for the PSIP relative to GDP are large, and at historically unprecedented levels. To realize the government's program objectives, full and timely utilization of these resources is essential - but thus far is not being achieved. There is thus an urgent need for procedural and institutional reforms, stressed in the following sections of this policy note, to fully absorb and utilize them, especially since they cannot be

expected to remain at their current and projected levels indefinitely. Indeed, according to the data now available, projected external funding and with it PSIP disbursements reach a peak in FY 1998 and begin to decline in FY 1999. The projected decline may exaggerate the degree to which, not to mention the point in time at which assistance flows for public investment in fact will decline, since they cannot take full account of disbursements which may be made for projects currently only in the design stage or not yet identified. But it is only prudent to begin planning now for the possibility that next year's revised figures may confirm the medium term decline indicated by the data now at our disposal.

16. A further concern relates to how to maximize the long term impact of the outlays to be made under the PSIP. In virtually every sector the majority of the PSIP outlays are for rehabilitation of long-neglected infrastructure, and thus in effect amount essentially to capitalized maintenance expenditures. This raises the issue of the sustainability of the ongoing and planned large investment undertakings - both fresh investment and rehabilitation. Unless GOH nonwage operations and maintenance expenditures can be expanded - on a sustained basis - to well above their current levels, the country will neither be able to take full advantage of these investments, nor will it be capable of sustaining them. Hence, the need for policies to increase domestic resource mobilization as donor inflows are likely to decline over the medium-term, and the need for streamlining and upgrading the civil service to free up and better utilize resources for improved maintenance.

Sectoral Composition of the PSIP: Consistency with the Government's Stated Priorities.

17. The composition of the PSIP (Table I) appears to be largely consistent with the Government's priorities, in that the bulk (some 80 percent) of the PSIP investments are for basic infrastructure, health, education, and environment. About 35 percent of the PSIP is for projects whose main purpose is to support growth -- agriculture, industry and private sector development, transportation and electricity. About 39 percent goes for social objectives -- expanded access to education, health, water and sanitation, as well as poverty and emergency safety-net projects. About 6 percent goes directly to halt environmental degradation, and some of the agriculture projects will have side benefits in this area. Justice, security, and other general categories receive about 3 percent of the PSIP, since most spending in these areas is recurrent.¹ This distribution of PSIP outlays seems broadly

¹ With categories used in previous summaries of the aid programs, about US\$474 million, or some 45 percent of expenditure under the PSIP, is devoted to basic infrastructure, including rehabilitation of roads to improve access to markets, modernization of the electricity sector to support economic activity, and rehabilitation of water systems, and improvements in drainage and sanitation to the benefit of the urban and rural populations. Treating all of the infrastructure as contributing to the growth objective, 45 percent of PSIP investments support economic growth. About US\$310 million, or 29 percent of total PSIP investment expenditures, are allocated to covering basic social needs in health and education and for poverty and emergency projects (expanding access to health and education). Treating projected PSIP investments in both environment and agriculture as contributing to halting environmental degradation, the percentage going to support the environment is 16 percent. US\$16.6 million, or 3 percent of investment expenditures, is targeted for justice and security and a diverse group of minor projects, and the

consistent with stated GOH objectives. Although the level of investment for environment may seem somewhat low for a priority area, the Ministry of Environment is a new one, and its capacity to implement investment may be limited for the time being. In addition, while the economy is being revived, it is reasonable to put the greatest emphasis on the first two objectives. In any event, PSIP disbursements projected for environmental protection increase significantly through FY 1999, to almost 8 percent of PSIP outlays in that year from the initial level of 3.8 percent in FY 1996.

18. The projected composition of the PSIP some change over the period FY1996 - FY 1999. Physical infrastructure investment disbursements peak in FY 1998 in dollar terms and then decline considerably (Table I), however, as a percentage of the each year's projected PSIP outlays (table II) they rise gradually throughout the period, though they peak in FY 1998 if transportation and electricity infrastructure only are included. Social service investment outlays defined to exclude infrastructure development in water and urban infrastructure are projected to peak both in dollar terms and as a percentage of total PSI in FY 1998 and then decline as a result of the sharp fall off in outlays for emergency projects and poverty. Inclusive of infrastructure development in water and urban infrastructure, this category of PSIP investment also peaks in dollar terms in FY 1998 but a percentage of PSIP investment stays roughly constant from year to year. The one strong exception to the general pattern is, as noted, investment for the environment, which rises from a low of US\$12.7 million in FY 1997 and, after almost doubling in FY 1998 to US\$23 million, continues to grow slightly in FY 1999, to US\$23.3. As noted earlier, new projects might come on-line in FY 1999 that are not taken account by donors in their current projections, making disbursements in FY 1999 possibly considerably above the projections given here.

Agriculture

19. Projected PSIP disbursements in agriculture amount to US\$112 million or 11 percent of the PSIP over the next three years. Reversing the agricultural sector's twenty year long decline is a major priority of the government. The decline has been both severe and prolonged: agriculture's share in exports has fallen from about 50 percent in 1980 to less than 10 percent in 1990, and production suffered greatly during the 1991-1994 crisis. Agriculture currently provides about 30 percent of GDP and 60 percent of employment in Haiti. Agriculture's decline has been caused in large part by years of neglect of rural infrastructure, weaknesses in agricultural research and extension services, ill-defined land tenure rights, limited access of producers to rural credit, and under-investment in rural human capital. These factors and the high rate of population increase have contributed to the growth of increasingly small parcel sizes, and complex, informal, tenure systems, associated with ever more narrowly constrained peasant choices, worsening rural poverty and discouragement of long-term investments in agriculture. Cultivation of marginal lands with steep slopes, encroachment onto forest/marginally arable lands, and destruction of the

balance - 7 percent - is for other purposes, including reviving growth through public investment in agriculture, industry and private sector support.

watersheds have further aggravated Haiti's delicate environmental situation. Externally funded programs under the PSIP include irrigation projects financed by the IDB, rehabilitation efforts supported by the EU, and integrated agricultural projects funded by German assistance. IDA is looking at rural financing schemes to recapitalize small peasants in the context of a proposed project.

Environment

20. Projected disbursements in the environment sector amount to some US\$59 million or 6 percent of the PSIP - which may seem somewhat low, given the sector's priority status. The relatively low level of funding may have something to do with the fact that a plan for dealing with environmental issues is only now becoming available. In addition, the Ministry is a new one, and for the time being at least, revival of economic growth and improved access to health and education may rank well above the - third place - environment objective. The Ministry of Environment has funding from USAID, the World Bank and UNDP for the preparation of a National Environmental Action Plan, which is due to be presented in March this year. IDA is funding a Project on Poverty and Park Protection which will be implemented with the Ministry of Agriculture and the Ministry of Environment. A soil conservation project, Rete Te Kenbe Dlo, is financed by UNDP, and the USAID agriculture/natural resource activity, PLUS, is repackaged as an environment activity, ASSET, a \$62 million project with disbursements estimated at \$26.3 million (between 1996-98). CIDA will be funding four different environmental activities projects amounting to about US\$3 million a year over the next three years. MDE's activities are implemented largely through nine private sector organizations.

Table 2: PUBLIC SECTOR INVESTMENT PROGRAM, 1995/96-98/99 (in percent of total PSIP)

	1995/96	1996/97	1997/98	1998/99	1996-99
1. ECONOMIC SERVICES	19.8	20.9	23.4	26.0	23.3
a) Agriculture	11.5	9.2	11.0	11.7	10.6
b) Environment	1.0	3.8	5.4	7.9	5.6
c) Industry & Pvt. Sec.	7.3	7.9	7.0	6.4	7.2
2. INFRASTRUCTURE	35.8	43.7	44.9	46.1	44.9
a) Transportation	10.5	24.2	29.0	30.4	27.9
b) Electricity	13.5	8.8	6.8	4.0	6.6
c) Water & Urban Infrastructure	11.7	10.7	9.1	11.7	10.3
3. SOCIAL SERVICES	41.4	29.1	30.4	27.9	29.3
a) Education	3.0	4.7	10.3	11.0	8.7
b) Health	13.6	10.2	8.7	10.8	9.7
c) Poverty / Emergency Projects	24.8	14.3	11.5	6.1	10.9
4. GENERAL CATEGORIES	3.0	6.3	1.3	0.0	2.5
a) Justice and Security	0.4	4.7	0.2	0.0	1.6
b) Other	2.6	1.5	1.1	0.0	0.9
TOTAL PSI	100.0	100.0	100.0	100.0	100.0

Industry and Private Sector Development

21. Projected disbursements in the industry and private sector development sector amount to US\$ 59 million or 6 percent of the PSIP and are to be financed by CIDA, EU, EIB, France, IDA, UNDP and USAID. Included are projected disbursements for private sector development, industrial sector recovery, financial development and assistance to a range of private sector enterprise including telecommunication rehabilitation and extension. (To some extent, therefore, some of the PSIP investments in this area are for economic growth-promoting basic infrastructure rehabilitation and development.) Almost all of the projected external assistance is in the form of grants.

Transport

22. Projected disbursements in the transport sector amount to US\$289 million or 28 percent of the PSIP. The transportation infrastructure requires major rehabilitation. The system consists of about 4,500 km of roads, two international airports, four domestic airfields, and ten ports capable of accommodating ships of medium tonnage as well as a dozen ports and wharves of more limited capacity. It has suffered from severe maintenance neglect and institutional weakness, exacerbated by the political crisis in 1991. This poses a difficult challenge to the Ministry of Public Works, Transport and Communications (MTPTC), whose implementation capacity is hampered by inadequate organization, lack of qualified staff, and insufficient budgetary resources. As a result, ongoing projects in FY 1995/96 recorded considerable implementation delays. Actions need to be taken to address Haiti's increasingly intensive urbanization, including the rehabilitation and/or construction of drainage systems as well as the rehabilitation of key thoroughfares in Haiti's urban centers. Under the proposed PSIP the rehabilitation of key national roads would be financed by IDA, IDB, KfW, EU, and the CFD. Rural roads are also being rehabilitated under agriculture and emergency programs financed by IDA, IDB, and EU.

Energy

23. Projected disbursements in the energy sector amount to US\$ 70 million or 7 percent of the PSIP and are to be mostly financed by CIDA, EIB, EU, France Germany, IDA and IDB. Per capita energy consumption in Haiti is among the lowest in the world. While access to electricity and gas is very limited, firewood, charcoal, and bagasse are widely used. Cumulatively, these represent more than 50 percent of industrial energy consumption. Shortages and inefficient provision of energy are impeding Haiti's economic growth. In particular, a reliable, cost-effective supply of power will be essential to the revival of the export assembly industry and to the growth of tourism. Electricity generation is not sufficient to meet demand. *Electricité d'Haiti* (EdH) has 199 mw of capacity, of which 144 mw in thermal power and 55 mw in hydroelectric power, which is well short of meeting the peak demand. Insufficient generation capacity is only part of the problem. Nontechnical losses and theft represent some 40 percent of production. In order to address this situation the Government has adopted a three-pronged strategy: (i) the achievement of sufficient production capacity and its efficient utilization; (ii) the

establishment of a permanent maintenance program as well as improved transmission and distribution networks; and (iii) the institution of private sector managerial practices at EdH.

Water and Urban Infrastructure

24. Projected disbursements in water and urban infrastructure amount to US\$ 109 million or 10 percent of the PSIP. Well chosen investments in this sector can be expected to have positive impacts both on economic growth and on health conditions, though perhaps primarily on the latter. As potable water and sanitation service levels in Haiti are much too low, major investments will be required to repair, rehabilitate, and expand the country's water supply and distribution facilities. Significant public investments will be required for the storm drainage systems of the urban areas, as well as for the preparation and phased implementation of sanitation development plans. These actions will have to be coordinated with the establishment of a sustainable system of solid wastes removal for the metropolitan area of Port au Prince. In addition to funding the large project for the Drainage of Port au Prince, IDB is financing four technical assistance and preinvestment credits to assist the government and SNEP in preparing the reform of the sector and initiate three pilot projects for secondary cities. IDA and CFD are financing the technical assistance and the investment projects of CAMEP. The sector as a whole has been unable to finance its own operations and maintenance, much less investments. Lack of cost recovery has compounded institutional weaknesses. The result has been inadequate maintenance, insufficient investment, reliance on central Government subsidies to cover operating costs and dependence on foreign aid donors for almost all investment financing. The government has given high priority to the establishment of a strategy and of a plan of action to improve the provision of services and improve the impact of public expenditures on the performance of the sector.

Education

25. Projected disbursements in education amount to US\$ 92 million or 10 percent of the PSIP. The largest contributors are the (i) the European Union with a Structural Adjustment Credit that refinances all non-salary recurrent expenditures and some investment of the MENJS budget (approx. \$12.5 million per year for three years) and an annual \$4 million allocated for school rehabilitation; (ii) the IDB financing of an emergency education project primarily distributing textbooks (EXENP II \$17 million over 2 years), a basic education project supporting the training of teachers, school construction and the introduction of a new curriculum in two pilot districts (\$30 million over 4/5 years) and a Professional and Technical Education project financing the rehabilitation of the public vocational training system (\$17 million over 3 years); (iii) the IDA financing of a basic education project supporting the national implementation of the revised curriculum (\$20 million over 5 years); and (iv) the UN system financing of institutional strengthening, school rehabilitation, educational material distribution and teacher training projects (approximately \$3 million per year). In addition to support to the public sector, there is a large and unquantified amount of support to the non-public sector through bilaterals

(USAID contributes \$2 million annually), international NGOs, religious institutions and twinning arrangements. Finally, there are a number of national school feeding programs. Direct support to the MENJS has been absent over the interim Government period, and investment to the sector was allocated to emergency programs and the non-public sector. The budgetary support of the EU allows the MENJS to concentrate on the investment program and the EXENP II has provided emergency support to educational materials. The external investment program is now shifting focus to support an improvement in the quality of basic education and technical education. Technical assistance programs are currently in place to strengthen the administrative, pedagogic and financial capacity of the MENJS to implement the investment program. Further consideration needs to be given to involving the non-public education sector in the education reform process.

Health

26. Projected disbursements in health amount to US\$ 103 million or 10 percent of the PSIP. Although the 1970s and 1980s saw a longterm reduction in infant mortality, this indicator still remains very high, and starting in 1991, health conditions in Haiti deteriorated sharply - a decline from which they have yet to recover. Epidemics of measles, meningitis, rabies, and anthrax, along with worsening nutritional standards, reflect the breakdown of public services, widespread poverty, and environmental degradation. Diarrhea and malnutrition are currently still major causes of illness and death; infant and maternal mortality rates are among the highest in the world. With a total fertility rate of five children per woman and a contraceptive prevalence rate of about 10 percent, population growth, estimated at 2 percent per year, threatens to reduce living standards further. In addition, the rate of HIV, estimated at 10 and 5 percent of the population, in the urban and rural areas, respectively, is now becoming a primary cause of concern. Health infrastructure (hospitals and clinics) has also suffered greatly from the lack of maintenance over the last several years. The allocation of funds to this sector show broad dispersion with the emphasis changing from an earlier-years focus on specific disease-related interventions, to a stronger focus on strengthening the institutional structures for health delivery. This is a logical sequence given Haiti's recent history of rising poverty, high health needs, and deterioration of the public sector infrastructure for health-service delivery. Projects programmed for 1996-97/1998-99 are consistent with the policy thrust defined by the health authorities. This thrust is based on two basic foundations: decentralization of public health-care service delivery and reliance on community-based centers for delivering a minimum basket of services in a context of partnership among the public sector and NGO and for-profit private institutions.

Poverty and Emergency

27. Projected disbursements in Poverty and Emergency amount to US\$ 115 million or 11 percent of the PSIP. In the context of pervasive poverty, poor health conditions, and illiteracy, Haiti's strategy for economic recovery and development attend specifically to alleviating poverty and investing in human resources through programs integrating employment creation with the population's health and education needs. Because of this it

seem reasonable to categorize outlays on poverty and emergency programs as contributing primarily to the health and education access objectives. Economic and social policies in the early 1990s further reduced the population's already inadequate access to basic services, as outlays for the social sectors fell considerably during the years of military rule. An important instrument to strengthen the safety net has included emergency employment schemes (such as USAID's Job Creation Program and IDA's recent US\$50 million Employment Generation Project). In addition, the Economic and Social Fund (FAES) will remain essential for the delivery of social services directly and swiftly to the poor. In cooperation with IDA and the IDB, an extension of FAES' activities is also being proposed in the PSIP.

Justice and Security

28. Projected disbursements in Justice and Security amount to US\$ 16.6 million or 1.6 percent of the PSIP. The investment budget of the MOJ and the judiciary is totally funded by USAID, CIDA, EU, and France. Donor development funding has been directed toward building up the HNP. Donor funding for FY97 is estimated to be about US\$15.5 million. Most of this is from the U.S. (USAID, DOJ, DEA, and DOD), UN, and Taiwan. Given the heavy burden of covering HNP recurrent costs, GOH resources for development of the police in the FY97 budget are limited to Gd. 52 million (about US\$3 million at the current exchange rate). To sustain its successful start-up, the HNP needs to pursue its organization infrastructure development consistent with its five year Business Plan. The financial implications of the Plan will be available for the Port Au Prince Consultative Group Meeting in April. However, without continued significant donor contributions, it is doubtful that the GOH would be able to invest the necessary funds to develop further the logistic capacity of the HNP to ensure its effectiveness. The development budget for FY97 includes US\$2.5 million for institutional strengthening of the prison system. This is inadequate to provide for needed humanitarian improvements.

Other categories

29. Projected disbursements in other categories amount to US\$ 10 million or 1 percent of the PSIP. These include outlays on Women in Development and multisector projects, most of which would involve some mixture of economic services, infrastructure and social services delivery. External financing for this category is 100 percent in the form of grants.

C. PLANNING AND BUDGETING.

30. The MPCE is formally responsible for preparing the PSIP as well as the annual investment component of the budget. In reality, the MPCE has not yet prepared a three year PSIP and its contribution to the preparation of the yearly budget is somewhat minimal. It seems clear that the MPCE's performance in obtaining and working with up-to-date projections of externally funded PSIP disbursements, and needs to be extended beyond the year for which the annual budget is being prepared. It appears that the MPCE has overestimated counterpart requirements for the 1996/97 in not taking account of

waivers for counterpart requirements by many donors. To improve its performance in the planning and budgeting process, the MPCE needs to focus more on obtaining latest available, best projections of external disbursements as part of its investment budget preparation process.

31. The Government has so far not yet been able to design, let alone to put into place, a three year rolling investment program. The Ministry of Planning prepares instead an investment budget that covers only the next fiscal year. The stated intention of the Government is to have the technical ministries prepare, each one in its own sector, a three year investment program. The general guidelines for this, along with the financial constraints applicable, are in theory to be established and provided by the Ministry of Planning to the technical ministries. A few ministries are already in the process of preparing these public investments programs such as, for instance, the Ministry of Agriculture and the Ministry of Education.

32. This idea of deconcentrating the detailed and sectoral investment planning process is in all probability the best approach for the foreseeable future given the specifics of each sector but also, more basically, because investment choices, project planning and monitoring have to be redefined on the basis of sectoral opportunities and constraints. Such an approach would bypass the institutional capacity problem at the Ministry of Planning, which is more severe than those of most of the sectoral ministries. With the human resources left and the sectoral expertise available, the Ministry of Planning is quite incapable, for the time being, of preparing on its own a set of Public Sectoral Investment Programs. It follows that technical assistance should be provided, in priority, to those technical ministries that wish to prepare their own sectoral investment programs.

33. Resource requirements and availability are poorly estimated and projected, if at all. Although the more immediate problem is with disbursement of what is proposed and belatedly budgeted, the GOH should begin now to strengthen its capacity to estimate and project its medium term requirements for both capital and recurrent. Both, of course, need to be reconciled with resource availability.

34. Criteria for planning are lacking. For example, there is currently little or no cost-benefit analysis or recurrent cost analysis done. Such analysis should be performed by the Ministry of Plan and by the relevant sectoral Ministries. Public sector project designs advanced by donor agencies should contain such analyses to be reviewed by the GOH's public sector investment planning institutions. But the donors typically do not perform such analyses, and to that the extent such analyses are performed, they have little influence on PSIP choices or discussion with the GOH.

35. A forward looking approach to investment programming is lacking. So far, there are no systematic projections either of resource availability or investment needs. No thought is given to the evolution of the project portfolio composition beyond the next fiscal year, and no obvious effort is made by the GOH to develop these by consultation with donors.

36. The Ministry of Finance's role in PSIP investment planning is minimal and passive, and seems likely to remain so in the foreseeable future. It also seems that communications with the sectoral ministries are sparse and somewhat strained.

37. As regards to budgeting, the Government has prepared a Budget is unified in the sense that first time it includes externally financed public sector capital expenditures. This new approach to investment budgeting is a welcome improvement in terms of public expenditure management that could also be an important step towards establishing a budget that can also be an effective instrument of economic policy. To follow the improvement in presentation, it will be most useful to unify the process of preparing the public investment and the recurrent budgets as noted in the appendix to the macro policy note.

38. The budget document presents the fiscal year's proposed credits by institution or ministry. For each ministry or other institution, the recurrent expenditures are presented on a line item basis in one section (*Crédits de fonctionnement*) while the capital outlays are identified on a project by project basis in a different section (*Crédits d'investissement*). The Budget thus includes for the first time a list of public investment projects for which disbursements are expected during the fiscal year.

39. This much welcomed improvement to budgeting still remains to be completed, since a serious defect has yet to be resolved. In effect, the proposed credit for each project is a global amount that includes both the Government's contribution and the expected disbursements from the donor financing that project. It follows that there is no credit ceiling explicitly identified on locally financed investment expenditures per se. The risk thus exists that domestic funds can be disbursed over and above the level of justified local counterparts funding needs, or even disbursed to the account of projects that are fully funded by donors.

40. There is as yet no normal or formal budgeting process. Yet describing the actual preparation of the 1996/97 budget may highlight the *de facto* process. The budget cycle opened in March of 1996 when the Minister of Planning made a presentation to his colleges at a *Conseil des ministres* meeting. The main priorities of the PSPI, namely roads, health and education were set in reference to the Government's *Document de politique générale*. There were also announced general financial envelopes which had been agreed with the Ministry of Finance and which reflected the constraints of the adjustment program. These guidelines were later explained and detailed in the *directives budgétaires* that were sent by the Ministry of Finance to all departments of the Administration.

41. Regarding the projected credit amounts, the MPCE proceeded on the basis of best estimates from donors, in *toto* and sector by sector, for disbursement for investment projects in the course of the coming fiscal year. The reliability of these projections is low. No consideration was actually given to the following years, that is, the second and third years of the PSIP. No attention was given to the prioritization of projects and no

distinction was made between the fully funded ones and those whose financing still remained to be finalized or even found.

42. But here, the basic issue is the timely enactment of the budget. The 1995/96 Budget was voted in July of 1996, some nine months into the fiscal year. In late February 1997, the 1996/97 Budget was still under discussion at the Parliament. The Chambre of Deputies at the end of January to approve it; as of late February a vote had not yet taken place in the Senate. So this year again the budget will become effective at a very late stage of the fiscal year. This state of affairs translates into implementation difficulties that especially affect the investment projects because the so-called *douzième budgétaire* procedure used, pending the approval of the budget, albeit at the previous year's level, to provide for current expenditures does not applied to capital outlays.

43. The proposed 1996/97 budget includes a substantial amount of credits allocated to autonomous projects, that is, projects which are 100 percent financed with the GOH's own funds. In practice, many of those autonomous projects outlays amount to discretionary expenditures. This is for instance the case of the so-called *Programme d'investissement du Gouvernement* for which credits of 265 million gourdes were set aside. The issue is not primarily the desirability of having a reserve for contingencies but, more basically, the size of such credits relative to the resources available. These discretionary funds, that add to close to 300 million gourdes worth of outlays, may not be large in relation to the total investment budget (3.8 percent), but they account for a high fraction (26 percent) of the total locally financed part of the investment credits, that is, 1150 million gourdes. In the final analysis, the best measure of the weight of those discretionary credits might well be the sum of counterpart funds that the Government has budgeted, that is 250 million gourdes for jointly funded projects in the 1996/97 budget.

44. These local counterpart funds, that is, the credits needed in order to pay the contributions of the Government for those projects jointly financed with donors, are badly budgeted. In many cases, local counterpart funds have been budgeted for projects that are fully financed by donors while, quite to the contrary, local counterpart funds have frequently not been budgeted for projects where the donor involved calls upon such local contributions. This is to a large extent explainable by the fact that such donors are willing, it seems, to waive those local counterparts due to the special circumstances in which they have been operating in the last years. But, as the sense of urgency that marked the period of the economic recovery program fades away, these donors will certainly start requiring that their contractual counterpart funds be appropriately budgeted and disbursed as needed.

45. Requirements for local counterpart funds should increase over the coming years, especially in the infrastructure sector. Indeed, as the road program that is only now really getting under way takes on scope and speed, disbursements of external as well as local credits will increase. These infrastructure projects usually call for counterpart funds more frequently and in higher amounts than is the case in other sectors. Furthermore, the donors involved in this sector usually set as a condition that road maintenance credits be

increased, either through a domestically financed road maintenance credit in the recurrent budget or through a special fund. The Government should anticipate, as of now, this inevitable outcome and take as soon as possible, concrete measures in order to provide financing for those foreseeable and increasing maintenance needs.

D. IMPLEMENTATION AND MONITORING

46. Project implementation is primarily the responsibility of the sectoral ministries and their executing agencies. As for investment monitoring, regarding both the PSIP and the annual budget, the MPCE is the responsible department. Reality is somewhat different since most sectoral ministries, as well as the MPCE, face severe organizational, administrative and technical deficiencies. Faced with this feeble institutional capacity, many donors insist on having their own executing project units. Furthermore, some basic issues at the very level of budget management, that can directly affect project implementation, are still not resolved.

47. To start with, there is no formal rule regarding who has or does not have the authority to sign grant and loan external financing agreements. More often than not, donors propose to negotiate and sign with the sectoral ministry concerned the project grant agreements. Loan agreements, however, have to go through an approval procedure in Parliament, where they frequently are held up for very long periods, thus postponing project starts.

48. Quite a few donors have complained that local companies that provide goods and services or perform works related to investment projects often face serious cash flow problems that can sometimes bring about delays in the project implementation schedules.

49. As noted earlier, launching of projects as well as timeliness of disbursements are complicated, and perhaps in large part caused, by delays in programming and budgeting. For instance, without a voted budget in effect, any disbursement of credits from the investment part of the budget is virtually impossible under current rules.

50. As for disbursement procedures, it should be emphasized that the Ministry of Plan has a role in authorizing disbursement only of domestic-source budgetary investment credits. Yet the MPCE role remains a powerful one. Sectoral ministries must go through the MPCE before the MEF can authorize disbursements of internal credits. This can affect autonomous projects as well as the local counterpart funds of jointly financed projects. Refusal to authorize disbursements in timely fashion obviously can block investment project implementation. Yet, macro stabilization policy reasons may dictate that, as frequently seems to be the case, that not all such requests for disbursement can be honored at once without significant delay.

51. It is not clear to what extent the MPCE in the past prioritized the disbursement requests of the sectoral ministries and held back some requests while sending forward only those which it views as being in greatest conformity with the plan. It may be that disbursements may have to be staggered through time, on a first come first serve basis, on

a sector priority list, on a random or haphazard basis, or even according to political pressure.

52. It has always been difficult for the MPCE to play the arbitrator's role because of a certain conflict of interest. Indeed, as the direct manager of a large portfolio of development project of its own, for which it had an evident interest in securing its own share of budgeted credits, the MPCE was seen as a self-interested party and incapable of setting priorities objectively in packaging requests to MEF.

53. There is also the possibility that autonomous projects are granted overly generous budget credits and that they are given some preference at the level of credit disbursements. Such a development risks the possibility that inadequate GOH funds will remain to cover counterpart funding requirements for jointly funded projects, of which many happen to be priority projects. Yet, for the time being, it appears that failure to provide counterpart funds does not severely hinder implementation of externally funded projects, mainly because some donors have waived their counterpart requirements.

54. Regarding the disbursement of external credits, payment requests are prepared and processed by the project units or, if not, directly by the sectoral ministry involved and, in all cases, sent directly to the donors whose home offices then pay the contractors directly.

55. An important change was introduced this year in regard to investment expenditure management. In the past, although it reviewed the proposed credits at a detailed level, Parliament nevertheless voted the investment credits at a highly aggregated level, one global credit for each of the so-called administrative sectors which are (a) *Secteur économique*, (b) *Secteur politique* and (c) *Secteur socio-économique*. It followed that the Government did not have to return to Parliament during the fiscal year for transfer authority among investment programs or ministries within the sectors, as long as investment expenditures remained inside the credit ceilings for each of those three administrative sectors. Transfers of investment credits were possible during the fiscal year between ministries of the same administrative sector.

56. In the current fiscal 1996/97 investment credits are being voted at a much more detailed level than was the case in the past. Indeed, the Parliament is said to be voting this year's investment credits on a program by program basis. It follows that the credit ceilings would be set at two levels lower in the budget structure, first from the sector to the ministry level, and secondly from the ministry level to the program level. But that new budget approval system also points to the necessity for the Government to establish credit transfer procedures that reflect the now greater level of detail of the budget. In the absence of such procedures, the Government will have to return to Parliament whenever program level credit ceilings are reached.

57. Procedures for investment credits have to be somewhat less rigid than those pertaining to recurrent expenditures given the very nature of capital outlays. For example, the investment part of the Budget is based on many implicit assumptions regarding the speed with which contracts are awarded and projects implementation occurs. Inevitably some of these assumptions will not play out well and some adjustments will be necessary.

The credit management procedures then have to be prudent without unnecessarily slowing or retarding the advancement of projects.

58. In that regard, it is useful to distinguish between (a) credits for projects fully funded by donors, (b) credits that relate to the local counterpart of a donor financing and (c) credits for projects fully financed by the Government. In the first case, the credits should be considered as merely indicative since they are fully externally financed. On the contrary, for projects fully financed by the Government, the credits should be defined as limitative for exactly the opposite reason. As for the case of jointly financed projects, the management procedures relating to the local credits should be rigid enough to prevent overspending of budgeted counterparts and at the same time flexible enough to avoid blocking unduly good projects that proceed ahead of schedule.

59. As for credits transfers during the fiscal year, the Government should streamline and simplify procedures for such transfers, first within a given ministry, and secondly between two ministries. In order to be fully operational, and remain secure from abuse, these transfers should be approved by the Ministry of Planning and the Ministry of Finance systematically informed of any of these transfers.

60. It would appear that the multiplicity if not the multiplication of autonomous project management units is viewed by many as a questionable practice that is imposed by the donors. In reality, what is resented by many in the Administration as a situation specific to Haiti has now, and for quite a while, became the standard practice of many donors in all countries where they finance development projects. The issue should thus more appropriately be taken to be to strengthen the management capacity of those project units to program, implement, control and monitor the procurement of goods and services and works their projects call for. Furthermore, the Government should arrange for those units to report on a regular basis to their responsible ministry and, from there, to the Ministry of Planning. Finally, as it happens, those project units are more often than not a pragmatic and effective way to assure the control of quality and costs since, not only are they properly funded by the donors, they are also staffed with representatives of both parties involved, personnel detached from the Administration and experts provided by the donors.

61. According to the 1984 legislation establishing a *Fonds d'Investissement Public* (FIP), all funds for each and every project should be channeled through a bank account opened in the name of the Government at the Central Bank. If this requirement seems reasonable in relation to local funds allocated to projects, either as counterparts to externally financed projects or to fully locally financed projects, it appears out of touch with today's standards and practices in the field of project management.

62. In regard to foreign financing, firstly, this requirement is not respected as donors frequently manage their projects through the means of commercial bank accounts. As is the case in all other countries, furthermore, payments on foreign credits are to a large extent made directly from the donor's headquarters to suppliers and contractors and, thus, do not transit through the Treasury or the Central Bank. It would thus be a measure of

realism for the Government to abandon any obligation for the donors to channel their resources through any specific bank, public or private.

63. Secondly, in the case of internal funds, the project account practice could be maintained under the condition that three issues are settled. First, the mechanisms that prevent overdrafts on those accounts, that is outlays over and above the credit ceiling, should be fully operational and complied with. Secondly, it should be made clear to what extent, and for how long, undisbursed credits of a given fiscal year can be used in the following fiscal year. Thirdly, in the case of new projects, measures have to be implemented so that disbursements cannot be made before the project itself and its related credits are voted and enacted, especially during the period pending the vote of the budget.

64. Another important change was introduced through this year's Budget proposal in regard to the management of expenditures pertaining to material and equipment purchases. These expenditures that were up to now paid for under the *crédits de fonctionnement*, under the so-called articles 4 and 5, would not only be transferred to the investment component of the consolidated budget but, furthermore, their planning and management would be centralized at the Ministry of Planning. If this measure can be defended on the grounds that central and thus larger purchase orders could translate into lower unit prices, it is quite certain that it will lengthen the procurement schedule of most ministries, thus increasing other recurrent costs. This increase of costs may well even be higher than the anticipated potential economies. Furthermore, material and equipment purchases cannot be isolated from inventory management. In all probability, material and equipment stocks will remain the responsibility of the technical departments. Also, it is not clear for the time being to what extent that measure would affect the procedures related to operation and maintenance needs in connection to these materials and equipment.

65. Over and above those possible problems of the future, a real and present problem has been created for most ministries because a key procedure does not apply to these categories of outlays (materials and equipment) anymore following the (provisional, but expected to be ratified) decision to centralize these purchases and transfer them to investment credits. The so-called *douzième budgétaire* procedure which in the past had applied to these outlays under their previous classification, pending the approval of the budget, does not apply to any expenditures classified as investment expenditures. As a result, most ministries were unable to purchase materials and equipment since the beginning of the current fiscal year, except for the health and education departments whose non-salary expenditures are financed through budgetary support from the European Union.

66. There is not much evidence of effective monitoring of investment projects by any of the ministries except for some cases in which there are donor funded monitoring and implementation units in place. It is clear that the GOH cannot delay putting into place an investment monitoring system.

67. As for the central level, namely the Ministry of Planning, it would be unrealistic to expect that it can perform any thorough monitoring of investment projects. It would seem

more appropriate and more efficient to have the sectoral ministries being made responsible for the task of project monitoring. As a general rule, each sectoral ministry should be asked to send an annual Investment execution Report to the Ministry of Planning so that it can produce an overview of the public investment program, the sectoral and regional distribution of development projects underway, and the level and structure of capital outlays taking place in the country.

E. DONOR COORDINATION AND AID MANAGEMENT

68. Aid management and donor coordination still have to be reinforced in order to make them more effective. But the actual duplications and, at times, contradictions in the policies and actions of the donor community are to a large extent understandable given the short time since their return to Haiti, and the urgency with which they had to set up their operations.

69. The multiplicity of donors in almost every sector complicates both GOH and donor efforts to coordinate planning and implementation of public investment. Yet, donors are already forming sectoral working groups, and even coordination mechanisms like regular meetings, as is the case for instance in the agriculture sector, and in some cases make use of each other's special management units to avoid duplication of effort..

70. Some officials of the GOH have expressed their concern with diversity of donor procedures for project identification, design, funding, management and monitoring. They make an even bigger case of the multiplicity and complexity of the donor's disbursement procedures. Since near to nothing can be done to remedy that situation, donors should nevertheless provide training to those units that review project proposals and, especially, those that process payments.

71. Some officials of the GOH are further concerned by the fact that PSIP is largely being driven by donor objectives, policies, and procedural requirements while the GOH's input is minimal. The first step the GOH should take in this regard is to organize and produce its own PSIP which is per se the best and most pragmatic donor coordination instrument.

72. Public investment planning, implementation and monitoring have to be reinforced for yet another reason: external assistance and aid have to be better absorbed and utilized. A sustainability problem is also involved since, unless domestic government institutions' capabilities are strengthened, when the transition from assistance ever be made.

73. Donors' general failure to adequately address recurrent cost and cost-benefit analysis concerns - a crucial element of the sustainability problem - in their project and program design documents is not helpful. Until the GOH's ability to perform this kind of analysis on its own is greatly strengthened, such analysis must come largely from the donors.

74. There are currently quite a few donor funded management and monitoring units attached to a variety of ministries with public investment management responsibilities, and their number seems likely to grow. While there are good reasons for donors to set up and operate such units, it can be argued that they compound the overall donor coordination and aid management problem of the GOH. In the worst case, the number of donor-funded special units in a ministry would grow to equal the number of donors in the sector covered by the Ministry. Undue proliferation of donor funded special units is a matter of concern.

75. Yet, donor funded investment project management units, when well conceived and well managed, can provide a training and proving ground for Haitians in sound financial management and project design, implementation and monitoring practices. It appears also that at least some donor funded management units make important contributions to speeding up disbursements of (a) external resources (b) other counterpart funds resources, (c) treasury resources to investment projects in the GOH's unified budget.

76. A more important and somewhat complex issue is that of the large number of NGOs and donor assisted NGOs that implement projects, most frequently outside the reach of the Government and thus outside of the budget and other public finance accounts. Coordination of actions and plans of those NGOs among themselves, and with the GOH entities, would seem to be a major priority. Given the variety of assistance modalities at the NGO's disposal, their financial weight and technical expertise can be very important in the country as a whole, and even more in some particular sectors as agriculture, education and health.

77. A further difficulty, which may be quite difficult for the GOH to deal with, is donor conditions for the disbursement and programming of funds. If conditions have been imposed which prove impossible to satisfy and which cannot be waived by the donor, actual disbursements may fall short of the amounts projected by the PSIP or be delayed beyond the relevant programming period. The GOH's aid management process will have to be flexible enough to take into account and deal with such eventualities.

78. Finally, the UNDP data base on donor assistance flows in the MPCE, which should be a projections tool for aid management and planning purposes, needs improvement. The data base needs to be made forward-looking by expansion to include projections of external assistance flows for the current and future fiscal flows, as well as actual flows for previous years, and the data should be on a fiscal year rather than a calendar year basis.

F. RECOMMENDATIONS

79. As it has been pointed out throughout this chapter, public investment management is still very weak in Haiti. Hence, the following recommendations aim at very basic actions and suggest a modest step by step approach.

Recommendations for the Government of Haiti:

- (a) The first measure to be taken with regards to public expenditure management is to have the budget enacted in due time. Such a measure would help improve project implementation as well as expenditure control, especially in regard to domestically funded investment credits. The Government should thus take all necessary actions, starting with a budget enactment schedule, so that the next Budget, that is for fiscal 1997/98, can be prepared, approved and enacted in due time.
- (b) In order to secure the management of public funds from possible abuse, the GOH should revise as soon as possible the actual Budget presentation format so as to introduce the necessary distinction to be made between credits that are funded by the GOH as opposed to those provided for by donors. The domestically funded credits for investment projects should then be defined as limitative ceilings while the projected disbursements of foreign donor loans and grants should be considered as indicative amounts.
- (c) The GOH should as of now proceed to establish and implement a three year rolling investment program. Because of the virtual absence of investment planning activities for nearly a decade now, it would be more prudent to start by asking, and helping, the sectoral ministries to establish such PSIPs, especially in the infrastructure, agriculture, health and education sectors.
- (d) In this connection, the MPCE should assume only a role of information manager. The Ministry needs to refrain from any over ambitious aims, and proceed by small incremental and yet practical actions if the current situation is ever to be improved. The first step would be to revise and update the portfolio of investment projects and disbursements figures that appeared in this year's budget. Then, by setting up a simple mechanism of exchange of information with donors as well as technical ministries, the Ministry should revise, complete and project those data over the next years so to fit in a three year program horizon. In order to achieve that goal, the MPCE and the MEF should set a joint task force, with a precise agenda and a finite calendar.
- (e) The MPCE, along with the MEF, need to revise the 1996/97 budget credits for local counterparts for externally funded projects. They should first and foremost cancel the counterparts allocations that were budgeted for donor financed projects that do not call for a GOH contribution.
- (f) Investment credits management procedures have to be designed and implemented as soon as possible. Indeed, Parliament is now voting the investment credits at a much more detailed and disaggregated level than it did in the past. That is becoming more and more urgent as regards specifically the domestically funded credits, and especially for transfers of

such credits, between programs as well as between ministries, during the fiscal year if and when need may arise.

- (g) In regard to internal investment credits, the MEF should take those measures deemed appropriate to exclude all possibilities of (a) overdraft on project accounts, (b) of disbursements out of the unused credits of a former fiscal year other than for payments of goods and services purchased during that fiscal year, and (c) of any disbursement on any new project before it has been duly approved throughout the normal Budget process.
- (h) The MPCE should begin as of now to design a annual status report on PSIP disbursements, implementation and achievements. The Ministry should do this for fiscal 1995/96 to start with and then take necessary measures in order to be able to publish a similar report each year, at most three months after the end of the fiscal year.

Recommendations for donors:

- (a) Standardize procedures to the extent possible.
- (b) Use each other's project management and monitoring units wherever possible.
- (c) Cooperate with the GOH and with each other to help the GOH make wisest use of its already stretched counterpart funds and skilled liaison and technical personnel, and avoid putting excessive demands on these resources. To the extent possible, for the time being and on an interim basis only, waive remaining counterpart funds requirements. Avoid postponing decisions on counterpart waivers, since their postponement tends to delay implementation.
- (d) Do cost-benefit and recurrent cost analyses in project design documents and transmit these analyses to the GOH.
- (e) Provide technical assistance, in the first instance to the technical ministries, to help strengthen the GOH's project implementation and financial management capabilities and ability to prepare and manage investment projects.
- (f) Provide any additional technical assistance needed to strengthen the GOH budgetary process, especially the requisitions process, and to speed processing of payments requests.
- (g) Consider the overall balance, in the total package of assistance from all donors, between support to public investment projects in the PSIP and budget support to finance/pay for essential nonwage operating and maintenance costs. (Or, putting it more directly, consider the need for, and

coordinate in providing, more budget support, over a limited period and on a temporary bases, while the tax base is being expanded and the civil service is reformed, to provide more GOH budget funds for investment and recurrent costs).

- (h) Seek greater exchange of information with and coordination of plans with NGOs, and encourage and facilitate coordination of NGOs' own planning and actions with each other and the relevant GOH entities, especially in those sectors such as agriculture, education and health, in which NGOs play an especially important role.
- (i) Help enhance the contribution of the UNDP data base on donor assistance flows in the MPCE by providing data on a fiscal year basis and by helping to make the data base forward looking by providing projections of assistance over the 3 year planning period.

Annex 1: PUBLIC SECTOR INVESTMENT PROGRAM, 1995/96-98/99 (in US\$ million)					
	Actual 1995/96	Estimated 1996/97	1997/98	1998/99	1996-99
1. ECONOMIC SERVICES	49.6	70.2	99.8	76.7	246.7
a) Agriculture	28.8	30.8	46.9	34.4	112.0
b) Environment	2.5	12.7	23.0	23.3	59.0
c) Industry & Pvt. Sec. Development	18.2	26.7	29.9	19.0	75.6
2. INFRASTRUCTURE	89.5	146.8	191.6	136.0	474.4
a) Transportation	26.3	81.3	123.8	89.7	294.8
b) Electricity	33.9	29.4	29.2	11.7	70.3
c) Water & Urban Infrastructure	29.3	36.1	38.6	34.7	109.4
3. SOCIAL SERVICES	103.4	97.9	129.6	82.4	309.9
a) Education	7.4	15.7	43.7	32.6	92.0
b) Health	34.1	34.1	37.0	32.0	103.1
c) Poverty / Emergency Projects	62.0	48.1	48.9	17.9	114.8
4. GENERAL CATEGORIES	7.5	21.1	5.4	0.0	26.4
a) Justice and Security	0.9	15.9	0.7	0.0	16.6
b) Other	6.6	5.2	4.6	0.0	9.8
TOTAL PSI	250.0	336.0	426.4	295.0	1,057.5
(in percent of GDP)	10.2	13.5	16.7	11.4	13.9
Memorandum Item:					
Total Donor Flows (US\$ Million)	442.3	560.5	558.9	398.1	1,517.5
Total Donor Flows (% of GDP)	18.0	22.6	21.9	15.3	19.9
GDP (US\$ Million)	2,462.2	2,482.9	2,549.8	2,594.1	7,626.8

Annex 2: HAITI - PUBLIC SECTOR INVESTMENT PROGRAM, 1995/96-98/99

(in US\$ million)

Project	Source	Type	1995/96			1996/97			1997/98			1998/99		
			Total	External	Local	Total	External	Local	Total	External	Local	Total	External	Local
1. ECONOMIC SERVICES			49.6	47.3	2.2	70.2	67.1	3.1	99.8	95.0	4.8	76.7	73.1	3.7
a) Agriculture			28.8	27.5	1.4	30.8	29.3	1.5	46.9	44.7	2.2	34.4	32.8	1.6
Agricultural Projects (tools)	CIDA	G	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rehab. volet Agriculture	EU	G	2.7	2.6	0.1	0.0	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.0
STABEX, v. Agriculture	EU	G	1.8	1.7	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
STABEX, v. rehabilitation	EU	G	1.3	1.3	0.1	4.3	4.1	0.2	2.4	2.2	0.1	0.0	0.0	0.0
Eighth EDF	EU	G	0.0	0.0	0.0	0.0	0.0	0.0	15.8	15.0	0.8	26.3	25.0	1.3
Agri. Reform Support	FAO	G	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support for Porchine	France	G	0.7	0.6	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Small Rural Development Projects	France	G	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Porchine Cultivation Project	France	G	0.0	0.0	0.0	1.1	1.0	0.1	1.2	1.1	0.1	0.0	0.0	0.0
Irrigation of Arcachon Plain	France	L	2.6	2.5	0.1	4.2	4.0	0.2	4.2	4.0	0.2	0.0	0.0	0.0
Integrated Rural Devp. Hinch	Germany	G	1.6	1.5	0.1	3.1	3.0	0.1	3.1	3.0	0.1	0.0	0.0	0.0
Integrated Rural Devp. St. Raphael	Germany	G	1.6	1.5	0.1	2.9	2.8	0.1	2.9	2.8	0.1	0.0	0.0	0.0
Intensification of Farming System	IDA	L	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	2.8	0.1
Irrigation Artibonite I	IDB	L	1.1	1.0	0.1	2.1	2.0	0.1	0.8	0.8	0.0	0.0	0.0	0.0
Irrigation Artibonite II	IDB	L	1.1	1.0	0.1	2.0	1.9	0.1	3.2	3.0	0.2	3.2	3.0	0.2
Porchine Project	IDB	L	0.9	0.9	0.0	1.1	1.0	0.1	6.3	6.0	0.3	2.1	2.0	0.1
Cul de Sac Irrigation	IDB	L	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
L'Asile Irrigation	IDB	L	0.1	0.1	0.0	1.1	1.0	0.1	0.5	0.5	0.0	0.0	0.0	0.0
NGO Rural Development	Netherlands	G	0.8	0.8	0.0	0.2	0.2	0.0	0.2	0.2	0.0	0.0	0.0	0.0
Agricultural Projects	OPEC	L	0.0	0.0	0.0	3.0	2.9	0.1	3.0	2.9	0.1	0.0	0.0	0.0
Food Production	UNDP	G	0.8	0.8	0.0	0.0	0.0	0.0	1.3	1.2	0.1	0.0	0.0	0.0
Productive Land Use	USAID	G	6.5	6.2	0.3	2.9	2.8	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Coffee Project	USAID	G	1.4	1.3	0.1	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Seed Production	USAID	G	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assistance to Min. of Agriculture	WFP	G	1.7	1.7	0.1	1.7	1.7	0.1	1.8	1.7	0.1	0.0	0.0	0.0
b) Environment			2.5	2.4	0.1	12.7	12.3	0.5	23.0	21.9	1.1	23.3	22.2	1.1
Environment projects (4)	CIDA	G	0.0	0.0	0.0	2.4	2.4	0.0	3.2	3.0	0.2	3.2	3.0	0.2
Forestry and Environment	IDA	L	0.0	0.0	0.0	3.2	3.0	0.2	5.3	5.0	0.3	4.9	4.7	0.2
Environment Resources Protection	IDB	L	0.0	0.0	0.0	0.0	0.0	0.0	3.2	3.0	0.2	5.3	5.0	0.3
National Hazard Mitigation Project	OAS	G	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Watershed Management	UNDP	G	1.8	1.8	0.1	0.5	0.5	0.0	0.5	0.5	0.0	0.0	0.0	0.0
NEAP Micro-financing	UNDP	G	0.0	0.0	0.0	0.1	0.1	0.0	0.9	0.9	0.0	0.0	0.0	0.0
Targeted Watershed Management	USAID	G	0.4	0.4	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ASSET	USAID	G	0.0	0.0	0.0	6.3	6.0	0.3	10.0	9.5	0.5	10.0	9.5	0.5
c) Industry & Pvt. Sec. Development			18.2	17.5	0.7	26.7	25.6	1.1	29.9	28.5	1.4	19.0	18.1	0.9
Private Sector Development	CIDA	G	2.5	2.5	0.0	3.3	3.3	0.0	3.4	3.3	0.2	0.0	0.0	0.0
Support of pvt. sec. SME's	EIB	G	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Risk Capital	EIB	G	4.9	4.7	0.2	4.9	4.7	0.2	4.9	4.7	0.2	4.9	4.7	0.2
Private Sector Development	EU	G	0.0	0.0	0.0	3.2	3.0	0.2	4.2	4.0	0.2	0.0	0.0	0.0
Culture	EU	G	0.0	0.0	0.0	0.0	0.0	0.0	3.2	3.0	0.2	2.1	2.0	0.1
Tourism and Commerce	EU	G	0.0	0.0	0.0	0.0	0.0	0.0	3.2	3.0	0.2	2.1	2.0	0.1
Teleco ext. and Rehab.	France	G	1.6	1.5	0.1	1.6	1.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Accor refin banques	France	G	0.0	0.0	0.0	5.3	5.0	0.3	6.3	6.0	0.3	5.3	5.0	0.3
Industrial Recovery & Development	IDA/UNDP	L/G	4.0	3.8	0.2	0.5	0.5	0.0	0.7	0.7	0.0	0.9	0.9	0.0
PSD project	UNDP	G	0.8	0.7	0.0	0.4	0.4	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Tourism, Employment	UNDP	G	2.5	2.4	0.1	1.7	1.6	0.1	0.3	0.3	0.0	0.0	0.0	0.0
Private Enterprise Development	USAID	G	0.3	0.3	0.0	0.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PRET/Economic Growth	USAID	G	1.2	1.1	0.1	5.0	4.8	0.2	3.7	3.5	0.2	3.7	3.5	0.2

Annex 2: HAITI - PUBLIC SECTOR INVESTMENT PROGRAM, 1995/96-98/99														
(in US\$ million)														
Project	Source	Type	1995/96			1996/97			1997/98			1998/99		
			Total	External	Local	Total	External	Local	Total	External	Local	Total	External	Local
			89.5	85.5	4.0	146.8	140.0	6.8	191.6	182.5	9.1	136.0	129.5	6.5
2. INFRASTRUCTURE			26.3	25.0	1.3	81.3	77.5	3.9	123.8	117.9	5.9	89.7	85.4	4.3
a) Transportation														
Rehab. v. routes et rues	EU	G	4.2	4.0	0.2	9.5	9.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0
STABEX: v. Routes	EU	G	3.2	3.0	0.2	7.4	7.0	0.4	6.3	6.0	0.3	0.0	0.0	0.0
Rehab. RN3	EU	G	0.0	0.0	0.0	26.3	25.0	1.3	26.3	25.0	1.3	0.0	0.0	0.0
8 EDF	EU	G	0.0	0.0	0.0	0.0	0.0	0.0	15.8	15.0	0.8	31.5	30.0	1.5
Bridge rehab. of Jacmel	France	G	0.5	0.5	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trou ou Nord Bridge	France	G	0.6	0.6	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hippolyte Reconstr.	Germany	G	0.0	0.0	0.0	0.0	0.0	0.0	2.4	2.3	0.1	0.0	0.0	0.0
Bridge rehab. and Maintenance	Germany	G	0.0	0.0	0.0	3.7	3.6	0.2	3.8	3.6	0.2	0.0	0.0	0.0
Transport VII	IDA	L	3.6	3.5	0.2	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Road Rehab.	IDA	L	2.3	2.2	0.1	11.1	10.6	0.5	11.6	11.0	0.6	15.8	15.0	0.8
National Program for Road Rehab.	IDB	L	5.6	5.3	0.3	13.7	13.0	0.7	15.8	15.0	0.8	12.3	11.7	0.6
Pont Sonde Mirabalais Road	IDB	L	6.3	6.0	0.3	8.4	8.0	0.4	21.0	20.0	1.0	9.1	8.7	0.4
Rural Roads	IDB	L	0.0	0.0	0.0	0.0	0.0	0.0	21.0	20.0	1.0	21.0	20.0	1.0
b) Electricity			33.9	32.5	1.4	29.4	28.2	1.2	29.2	27.8	1.4	11.7	11.1	0.6
Delco Mobiles /Steam Plants	CIDA	G	4.1	4.1	0.0	0.2	0.2	0.0	0.2	0.2	0.0	0.0	0.0	0.0
Electricity Production & Transm.	EIB	G	2.1	2.0	0.1	7.4	7.0	0.4	8.4	8.0	0.4	0.0	0.0	0.0
Rehab. Vareaux centrale	EU	G	10.2	9.7	0.5	5.3	5.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
EDH Assistance	France	G	1.3	1.3	0.0	3.7	3.7	0.0	1.1	1.0	0.1	0.0	0.0	0.0
Varreux/Carrefour rehab.	France	G	2.8	2.7	0.1	1.2	1.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Emer. Rural	Germany	G	0.0	0.0	0.0	3.5	3.4	0.2	3.6	3.4	0.2	0.0	0.0	0.0
Hydro-electric deluge -Lanzac	Germany	G	0.0	0.0	0.0	1.5	1.4	0.1	1.5	1.4	0.1	0.0	0.0	0.0
Power V	IDA	L	13.4	12.7	0.6	6.7	6.4	0.3	4.0	3.8	0.2	1.2	1.1	0.1
Electric Generation and Trans.	IDB	L	0.0	0.0	0.0	0.0	0.0	0.0	10.5	10.0	0.5	10.5	10.0	0.5
c) Water & Urban Infrastructure			29.3	28.0	1.4	36.1	34.4	1.7	38.6	36.8	1.8	34.7	33.0	1.7
Rehab. v. adduction d'eau	EU	G	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rehab. divers	EU	G	4.2	4.0	0.2	4.2	4.0	0.2	8.7	8.3	0.4	0.0	0.0	0.0
Rehabilit. divers	EU	G	0.0	0.0	0.0	0.0	0.0	0.0	10.5	10.0	0.5	10.5	10.0	0.5
CAMEP (Potable Water)	France	L	4.7	4.5	0.2	5.3	5.0	0.3	3.8	3.6	0.2	0.0	0.0	0.0
CAMEP (alim. eau)	France	L	0.6	0.6	0.0	0.8	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bornes water fountains	France	G	0.0	0.0	0.0	0.6	0.6	0.0	0.4	0.4	0.0	0.0	0.0	0.0
Small urban infrastructure	France	G	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	9.5	0.5
Potable Water & Sanitation	Germany	G	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.0	4.2	4.0	0.2
Port-au-Prince Water Supply	IDA	L	5.8	5.6	0.3	3.8	3.6	0.2	5.0	4.8	0.2	2.1	2.0	0.1
Water and Sanitation	IDA	L	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Drainage of Port-au-Prince	IDB	L	7.7	7.3	0.4	16.8	16.0	0.8	4.7	4.5	0.2	0.0	0.0	0.0
Rural Potable Water	IDB	L	1.8	1.7	0.1	0.9	0.9	0.0	0.0	0.0	0.0	7.9	7.5	0.4
Water in Provinces	IDB	L	0.0	0.0	0.0	0.0	0.0	0.0	3.7	3.5	0.2	0.0	0.0	0.0
Water supply project	OPEC	G	1.1	1.0	0.1	1.2	1.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Water Supply and Sanitation	PAHO-WHO	G	0.4	0.4	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Drinking Water Project	UNDP	G	1.7	1.6	0.1	1.7	1.6	0.1	0.6	0.6	0.0	0.0	0.0	0.0
Small Water System	UNICEF	G	0.8	0.8	0.0	0.6	0.6	0.0	0.6	0.6	0.0	0.0	0.0	0.0

Annex 2: HAITI - PUBLIC SECTOR INVESTMENT PROGRAM, 1995/96-98/99														
(in US\$ million)														
Project	Source	Type	1995/96			1996/97			1997/98			1998/99		
			Total	External	Local	Total	External	Local	Total	External	Local	Total	External	Local
3. SOCIAL SERVICES			103.4	99.1	4.3	97.9	94.0	4.0	129.6	124.1	5.5	82.4	79.0	3.4
a) Education			7.4	7.1	0.4	15.7	15.1	0.6	43.7	41.8	2.0	32.6	31.0	1.6
Moncton; MENJS	CIDA	G	0.0	0.0	0.0	2.2	2.2	0.0	2.2	2.2	0.0	0.0	0.0	0.0
Rehab. v. ecoles	EU	G	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education	France	G	0.8	0.8	0.0	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Reading Support	France	G	0.7	0.7	0.0	0.4	0.4	0.0	0.4	0.4	0.0	0.0	0.0	0.0
Small Education and Culture	France	G	0.2	0.2	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Basic Education Credit	IDA	L	0.0	0.0	0.0	0.0	0.0	0.0	2.1	2.0	0.1	4.2	4.0	0.2
Primary Education	IDB	L	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Primary Education II	IDB	L	0.0	0.0	0.0	6.3	6.0	0.3	12.2	11.6	0.6	0.0	0.0	0.0
Vocational and Professional Training	IDB	L	0.0	0.0	0.0	0.0	0.0	0.0	10.5	10.0	0.5	5.3	5.0	0.3
Basic Education	IDB	L	0.0	0.0	0.0	0.0	0.0	0.0	10.5	10.0	0.5	21.0	20.0	1.0
Education Projects	UNESCO	G	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Improvement in Basic Education	USAID	G	2.6	2.5	0.1	4.2	4.0	0.2	4.2	4.0	0.2	2.1	2.0	0.1
CLASP II	USAID	G	0.1	0.1	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support for Min. Of Education	WFP	G	1.6	1.5	0.1	1.6	1.5	0.1	1.6	1.5	0.1	0.0	0.0	0.0
b) Health			34.1	33.0	1.0	34.1	33.1	1.0	37.0	35.8	1.2	32.0	31.0	1.0
Contraceptives	CIDA	G	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ECHO Phase II, III and IV	EU	G	7.1	6.8	0.3	10.5	10.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Public Health Support	France	G	0.7	0.7	0.0	0.5	0.5	0.0	0.4	0.4	0.0	0.0	0.0	0.0
Health Project	IDA	L	4.0	3.8	0.2	5.3	5.0	0.3	4.2	4.0	0.2	4.2	4.0	0.2
Nutrition and Food Program	IDB	L	0.0	0.0	0.0	0.0	0.0	0.0	5.3	5.0	0.3	5.3	5.0	0.3
Reorganization of Health Sector	IDB	L	0.0	0.0	0.0	0.0	0.0	0.0	10.5	10.0	0.5	10.5	10.0	0.5
Health Project (PAHO/UNICEF/PSI)	Netherlands	G	0.6	0.6	0.0	1.7	1.6	0.1	1.7	1.6	0.1	0.0	0.0	0.0
Health Statistics	PAHO/WHO	G	0.9	0.9	0.0	0.3	0.2	0.0	0.2	0.2	0.0	0.0	0.0	0.0
Women, Child Health and Family Plan.	PAHO/WHO	G	0.7	0.6	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Access to Health Care	PAHO/WHO	G	0.6	0.6	0.0	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AIDS	PAHO/WHO	G	0.2	0.2	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Development and Management	PAHO/WHO	G	0.9	0.8	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malaria and Midwife Training	UNDP	G	0.4	0.4	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reproductive Health	UNFPA	G	2.6	2.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General health and Nutrition	UNICEF	G	2.6	2.4	0.1	2.6	2.4	0.1	2.5	2.4	0.1	0.0	0.0	0.0
Private Sector Family Planning	USAID	G	3.7	3.7	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Expanded Urban Health	USAID	G	2.1	2.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Awareness & Preven. of Drug Abuse	USAID	G	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AIDS Control	USAID	G	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health Systems 2004	USAID	G	4.3	4.3	0.0	12.1	12.1	0.0	12.0	12.0	0.0	12.0	12.0	0.0
Child Survival	USAID	G	1.5	1.5	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
c) Poverty / Emergency Projects			62.0	59.0	3.0	48.1	45.8	2.3	48.9	46.6	2.3	17.9	17.0	0.9
Economic and Social Fund	IDA	L	6.0	5.7	0.3	3.2	3.0	0.2	1.9	1.8	0.1	0.0	0.0	0.0
Employment Generation	IDA	L	35.9	34.2	1.7	11.1	10.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Economic and Social Fund II (FAES II)	IDA	L	0.0	0.0	0.0	0.0	0.0	0.0	3.2	3.0	0.2	7.4	7.0	0.4
Investment Emergency Works (PURE I)	IDB	L	18.4	17.5	0.9	3.7	3.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0
PURE II	IDB	L	0.0	0.0	0.0	21.0	20.0	1.0	31.5	30.0	1.5	0.0	0.0	0.0
Small Projects (FHAF, SHEC ORE)	IDB	L	0.0	0.0	0.0	0.8	0.8	0.0	0.8	0.8	0.0	0.0	0.0	0.0
Economic and Social Fund	IDB	L	1.7	1.6	0.1	2.1	2.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
FAES II	IDB	L	0.0	0.0	0.0	6.3	6.0	0.3	11.6	11.0	0.6	10.5	10.0	0.5

[illegible]



