

# Capacity Development BRIEFS

SHARING KNOWLEDGE AND LESSONS LEARNED

## ASSESSING GOVERNANCE AND STRENGTHENING CAPACITY IN HAITI

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*Haiti has been ranked among the most corrupt nations for the past several years in Transparency International's Corruption Perceptions Index.<sup>1</sup> This fragile low-income country has a long history of political instability, poverty, and inequality. In 2005 the interim government of President Boniface Alexandre asked for the World Bank Institute's support in Haiti's efforts to address institutional vulnerabilities and improve governance. The government created a semi-autonomous anticorruption agency—Unité de Lutte Contre la Corruption—and a multistakeholder steering committee to lead the process of a governance and corruption diagnostic. This Capacity Development Brief explores the experience of that exercise and describes some of the findings of the diagnostic, which was completed in 2006. It highlights some of the positive changes that began to take hold following dissemination of the diagnostic report as well as some of the challenges that remain.*

In August 2007, when Haiti's anticorruption unit publicly disseminated its report on governance and corruption in Port-au-Prince, coverage of the event saturated the country's media. The president, prime minister, and finance minister all attended. Television covered the proceedings live and replayed this coverage every evening for three days. People in Haiti heard evidence about corruption in the courts and financial leakages in provision of basic services, such as electricity and water. And they heard promises from their leaders about what they planned to do to fix the problems.

Dissemination of the report culminated many months of debate and discussion and a long process of gathering data from households, private firms, and providers of public services. Although it was a remarkable show of the government's determination to air its problems and stimulate debate, it was only the beginning of a long process of governance reform and tough decisions. "In Haiti, the engagement of political leaders for the promotion of ethics should reinforce the ethical behavior of the practitioners of their policies," said Amos Durosier, director of Unité de Lutte Contre la Corruption (ULCC).

### Diagnosing Governance and Corruption

The World Bank Institute (WBI) has developed governance and anticorruption (GAC) diagnostics as a country-level assessment methodology to complement the broad, multicountry overview provided by global indicators, such as the Bank's Worldwide Governance Indicators or Transparency International's Corruption Perceptions Index.<sup>2</sup> The country-level diagnostics tool, which relies on surveys of households, public sector firms and public sector employees, is intended to obtain more in-depth and specific knowledge on the state of governance in a country. The diagnostics are designed to be in-depth, participatory processes that generate reliable evidence on the state of governance and corruption.

<sup>1</sup> In 2007 Haiti was ranked 177th in Transparency International's Corruption Perceptions Index, higher only than Iraq, Somalia, and Myanmar.

<sup>2</sup> For information on various governance indicators, please visit [www.worldbank.org/wbi/governance](http://www.worldbank.org/wbi/governance).



## Measuring Governance

A wide range of indicators has been developed by research institutions and development practitioners to measure various components of governance. Among the best known are Transparency International's Corruption Perception Index and the World Bank's Worldwide Governance Indicators, both of which are updated annually for more than 200 countries. The latter indicators measure six dimensions of governance: voice and accountability, rule of law, government effectiveness, regulatory quality, control of corruption, political stability, and absence of violence.

The process itself has proved a useful tool in promoting dialogue among development actors and their constituencies, highlighting issues of corrupt practices on the national agenda, building local capacity, and harnessing support for reform. The GAC process helps countries gather baseline data on governance that will be comparable across time in subsequent collection exercises. The diagnostics also help determine priorities for reform and build the "demand side of governance" by enhancing the oversight role of civil society organizations and other nongovernmental players.

Understanding the manifestations and causes of corruption is a challenge and requires a broad look at issues affecting different actors and sectors and the relationships among them. The value added of the GAC diagnostic is that it produces a broad picture of the situation based on triangulated data, collected by interviewing both providers and users of public services. It provides a geographical dimension, because it helps increase understanding on how poor governance and corruption manifest themselves differently throughout a country, based on regional dynamics.

## The GAC Diagnostic in Haiti: Context, Opportunities, and Challenges

The election of René Préval in 2006 to Haiti's presidency brought some degree of political stability to a country that has been plagued by a series of military coups and years of political deadlock between governing and opposition political parties. In Haiti, 1 percent of the population controls nearly half the country's wealth. Eighty-three percent of the population is self-employed or works in the informal sector. Income inequality, the highest in the world, contributes to social exclusion.<sup>3</sup> Drug traffickers and other criminal activity continue to dominate and control many of Haiti's poverty-stricken areas.<sup>4</sup>

Although Haiti's economy has at last begun to show modest growth—gross domestic product was up 1.6 percent in 2006<sup>5</sup>—more than half of Haitians still live under the absolute poverty line of \$1 a day.<sup>6</sup>

The government of the democratically elected President Préval has placed the fight against corruption and governance reform as a top priority on its agenda. After ratifying the Organization of

American States' Inter-American Convention against Corruption in 2004, the Haitian government created the semi-autonomous ULCC to lead the fight against corruption and devise a national strategy. In 2005 the Government sought a partnership with the World Bank Institute to embark on a national GAC diagnostic survey. The survey was to help ULCC analyze and evaluate the impact of poor governance on economic growth and also help craft an anticorruption strategy.

Open and transparent exchanges on corruption challenges and the strengths of entrenched networks that control the Haitian economy dominated the first months of interaction between WBI and Haitian counterparts. Ensuring the success of the GAC survey as a

*"We are building the means in Haiti to address corruption. We have started to work to strengthen state structures and consider the legal and regulatory reforms needed in order for this endemic disease to disappear from our institutional practices, in politics as in business."*

—Haitian President René Préval, in his address to the United Nations General Assembly (September 26, 2007)

tool for promoting open dialogue and commitment for policy reform in the Haitian context was the agreed goal. Supported by a number of highly committed individuals both in the government and in nongovernmental organizations (NGOs), a 23-member steering committee was formed from the ULCC and civil society organizations to manage the GAC diagnostic process. The committee members brought to the table unique perspectives on governance priorities.

Sustained dialogue and collaboration between the government and citizens' groups helped to legitimate the process and build consensus and ownership around the specific reforms to be undertaken. Strong leadership by the ULCC and the GAC survey steering committee helped foster broad national ownership. The Haiti experience with the GAC diagnostic led to valuable insight on how such national initiatives can help engage a divided population into national dialogue.

A separate technical subunit of the steering committee began to participate in regular discussions with WBI on, among other topics, design of survey tools for

<sup>3</sup> See World Bank (2006), *Country Social Analysis*, Washington D.C.

<sup>4</sup> See <http://www.crisisgroup.org/home/index.cfm?id=3485&l=1>.

<sup>5</sup> See [http://www.indexmundi.com/haiti/economy\\_profile.html](http://www.indexmundi.com/haiti/economy_profile.html).

<sup>6</sup> See International Monetary Fund (2006), *Haiti: Interim Poverty Reduction Strategy Paper*, Washington D.C. Available at <http://www.imf.org/external/pubs/ft/scr/2006/cr06411.pdf>.



data collection, analysis of data, preparation of a report with results and findings of the survey, and design of a communication and dissemination strategy to present the results of the survey at the national level. This process of continuous exchange on how best to adapt technical methods to the country context promoted local capacity building and collective action. WBI took advantage of the opportunity for exchange of experiences with countries to help connect Haiti with other countries with experience in improving governance and fighting corruption. Practitioners from Madagascar came to Haiti several times to share their experiences and help Haiti learn from their approaches.

To ensure transparency and reinforce the value of the exercise, the Haitian survey firm BRIDES collected data using specially customized instruments. Working with WBI, the firm's specially designed surveys collected data from citizens, the public sector, private firms, and NGOs. Because Haitian NGOs play an important role in the delivery of public services, capturing the experience and perceptions of this community was considered key to understanding how they related to the state and how their efficiency as service providers was affected by poor governance. Collecting data from NGO providers in the context of the GAC survey in Haiti was a new experience for those undertaking the survey. Approaching public sector institutions known to be highly corrupt and controlled by powerful networks and asking difficult questions related to entrenched corrupt practices was not easy. WBI assisted with capacity building on survey techniques to ensure collection of reliable data: for example, shaping survey instruments to gather data on key issues and covering the links between security and governance failures.<sup>7</sup>

## Some Key Survey Results

Although Haiti's governance problems are fairly widespread, release of the survey has already started to have some impact, at least in terms of growing understanding and consensus on the nature of the problems the country faces. The survey served to focus minds on a set of critical areas that are impeding the country's economic and political stability. In the days following the survey, the country's media focused on these key shortcomings and debated some of the measures necessary to addressing the problems.

The lack of a properly functioning judicial system, for example, was widely cited by survey respondents as a critical problem affecting many other problem areas in the country's institutions. Large majorities described the courts and judicial authorities as inefficient, unresponsive, and vindictive. More than 82 percent of households and 76 percent of public officials said they feared reprisals if they reported acts of official malfeasance to the courts. Less than a third of respondents said they had confidence in the judicial system; more than 80 percent said the system was manipulated by political or economic interests. Eighty-

### The Power of Data

The GAC diagnostic process raised awareness among local Haitian leaders on how data could be used to pinpoint problems and they called for efforts to develop local capacity to conduct such assessments. The exercise has also created demand from universities and research institutions for capacity building on data collection and use of data to promote public sector reform.

two percent of households found the justice system to discriminate against the poor. The judiciary also came out on "top" as the poorest performing public service.

The government's ability to deliver basic services also emerged as a fundamental weakness. Inefficiencies and poor management plague the country's utilities—electricity, telephone and water services—leading to major problems for households, private sector firms, and public officials.

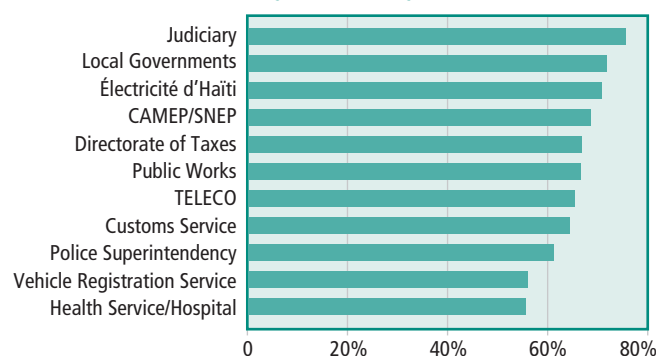
Making matters worse, respondents saw the lack of basic security as a major governance problem in Haiti. Violence in the streets, robbery, kidnapping, and murder are widespread in Haiti and seriously undermine the fabric of society. More than 98 percent of private firms said that lack of security is a serious obstacle to doing business in the country. NGOs said that insecurity is the second major obstacle, after high cost, to providing quality basic services.

The GAC diagnostic was only a first step in identifying problems in Haiti and may require further, more specific evaluations at the organizational level; however, public airing of this information can with time have an impact in itself. In some countries, direct comparison among service providers has helped spur competition and helped improve performance and efficiency.

National media coverage of the survey helped understanding of regional differences through data on such aspects as the quality of life and public services and the frequency and cost of bribes across regions and major geographical areas. This type of data can allow policy makers to differentiate and adapt reform options to local needs and priorities. For example, private enterprises were surveyed about their experiences with the customs service. Although 57 percent of businesses overall estimated paying 1–15 percent of the cost of imported goods in customs fees and bribes to the customs service, the numbers differed among regions. In Cap Hatien, Haiti's second largest city, up to 36 percent of businesses reported paying between 15–25 percent of the cost of goods in customs fees and bribes to the custom service.

<sup>7</sup> The results of the GAC survey showed that private enterprises reported insecurity as a serious obstacle to accessing public services and conducting activities. In addition, 60 percent of victims of violence chose not to turn to the National Police, because they saw it as inefficient and corrupt.

**Figure 1: Percentage of Haitian Households Classifying Services as of Poor or Very Poor Quality**



An interesting finding of the survey revealed that a majority of Haitian citizens would be willing to devote an average of between 7 and 8 percent of their income to get rid of corruption. Such comments from the survey provide an insight into how important people in Haiti see this problem and its perceived high costs to the country.

## Translating into Impact

An important element in the governance reform process is to make reliable data available to citizens. In Haiti, GAC diagnostic results has led to a carefully planned dissemination and communication strategy that included the media in all public events as well as measures to help journalists understand the survey and how to interpret the results. This approach can draw attention to both good and weak performers and help policy makers focus their efforts on the most pressing problems. In response to the poor ratings received from households and private sector respondents, representatives from both the customs service and public telephone company in Haiti addressed the audience at the high-profile conference on corruption in August 2007 at which the results of the survey were presented to the public. They addressed the survey findings and discussed possible causes for the reported

lack of effectiveness and integrity in their respective institutions, while proposing specific solutions on improving governance and reducing corruption.

The GAC process in the country has also helped parliamentarians understand the importance of access to information within a well-regulated environment. A draft access-to-information law has been prepared that is being discussed in Parliament. In fact, making the results of the survey available to the public and the media can already be seen as contributing to reinforcing the demand for good governance and to building coalitions for reform.

Translating the diagnostics' findings into real reforms and actual results is a tremendous challenge for Haiti's leadership. At the end of the event in August, participants elaborated an action plan that included measures to improve governance and reduce corruption in key areas: justice, public finance management, education, the media, and the financial, private, and public sectors. A first positive measure taken by the Government after dissemination of the survey results has been institutionalization of a working group of control institutions to collaborate and undertake joint efforts to reduce corruption. This working group comprises representatives of eight institutions that are mandated to fight corruption and money laundering. WBI in coordination with other major Haitian development partners will continue working with Haiti to support actions of the working group and strengthen anticorruption networks and the role of democratic institutions in curbing corruption.<sup>8</sup>

*The author thanks Mariéta Fall for her contributions to this brief.*

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<sup>8</sup> For information on the GAC diagnostic in Haiti, visit: <http://web.worldbank.org/WBSITE/EXTERNAL/WBI/EXTWBIG-OVANTCOR/0,contentMDK:20750460~pagePK:64168445~piPK:64168309~theSitePK:1740530,00.html>.

## About World Bank Institute (WBI): Unleashing the Power of Knowledge to Enable a World Free of Poverty

The World Bank Institute (WBI) helps countries share and apply global and local knowledge to meet development challenges. WBI's capacity development programs are designed to build skills among groups of individuals involved in performing tasks, and also to strengthen the organizations in which they work, and the sociopolitical environment in which they operate.

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