

CREATIVE ASSOCIATES INTERNATIONAL^{INC}



July 26, 1991

Ms. Adele H. Liskov
Appropriations Assistant
Office of Rep. William Lehman
Room 2347 Rayburn H.O.B.
Washington, DC 20515-0917

Dear Ms. Liskov:

As many of you know, Creative Associates International, Inc. has hosted three Haiti Consultative Group (HCG) Meetings. The HCG is designed to produce policy and program guidance to support Haiti in its transition to democracy and economic recovery. The HCG provides an informal forum in which persons working to help Haiti can exchange views, share information and learn from each other. HCG draws its membership from the U.S. Executive Branch and its departments and agencies, the U.S. Congress, the multi-lateral financial institutions, the diplomatic community and private and non-governmental sectors, all of which impact on the level of external support for Haiti.

The Fourth Haiti Consultative Group will be held on **Friday, September 20, 1991** from **2:00 to 5:00 pm**. The venue is the **Inter-American Foundation, 1515 Wilson Boulevard in the Fifth Floor Board Room. 1515 Wilson Boulevard is located near the Rosslyn Metro Station on the Blue and Orange lines.** The meeting will focus on methods of assisting Haiti in the maximization of international resources and efforts to strengthen democratic institutions.

We have enclosed a thematic discussion of the Second HCG for your information or comment. Please call Steve Horblitt at (202) 966-5804 to RSVP. Thank you.

Sincerely,

M. Charito Krivant
President, CEO

Stephen A. Horblitt
Senior Associate

enclosure

Haiti Consultative Group Thematic Points of Meeting Number Three

On June 28, 1991, Creative Associates International, Inc. hosted the third Haiti Consultative Group meeting. The following issues and themes were raised at the meeting:

Economic Policies and Programs

- The situation in Haiti and on the part of the international community can be summarized as one of tremendous needs and available resources. However, significant problems exist in the absorptive capacity of Haiti and in the ability of the international community to calibrate its assistance to meet the emergency needs of Haiti.

International Community

- A number of the international development agencies are not structured to meet emergencies such as those presented by post Duvalier Haiti. Rather, their focus has been on institution building and economic management. They can also give support to the elected government by providing advisers and consultants.
- However, there is a strong desire on the part of these international development organizations to assist Haiti and to be flexible in meeting here and now needs. Nevertheless, short term needs can best be met through bi-lateral donors.
- The IDB recently agreed to a \$12 million loan to Haiti. Additionally, another twenty three million dollars of assistance is now available to Haiti from the IDB and the World Bank but the Government of Haiti has to structure concrete programs to use these resources.

Government of Haiti

- The government is overwhelmed by the needs of the country. It is unable to respond to the offers of assistance it is receiving.
- The Government of Haiti has defined four areas of immediate need:

Energy and petroleum products

Agriculture and rural development. (There appears to be a contradiction in terms of a short term need for food aid and an ideological position rejecting food assistance. However, this is really a combination of meeting short term need with the goal of food self sufficiency). Food assistance in the here and now is required, but timing is most important if indigenous production is to be maintained and food gaps met.

Tourism. The government would like to tie tourism to the 500 year anniversary of the encounter of the Americas and encourage multi-destination tours with other countries of the region.

Education and training . The government would like access to scholarship programs designed to emphasize and channel the return of beneficiaries to Haiti.

- Despite this definition of priorities, the Government of Haiti is having great difficulty in planning, articulating, and implementing a clear set of economic transformation steps that could meet emergency needs and begin a process leading to economic recovery.
- The Government, faced with high expectations and great needs, could succumb to the temptation of protectionist policy and populist rhetoric.
- Some of the immediate problems facing Haiti are the loss of business enterprises and as many as 20,000 jobs, and increased public sector unemployment due to firings in the governmental ministries brought on by the need to reduce expenditures.
- There is a shortage of government personnel capable of developing the policies, programs, and projects necessary to take advantage of the considerable external support and resources that are available.
- Another immediate problem may develop from the impact of seasonal crises. The end of the season for important food crops such as mangoes, melons, and corn could increase food shortages.
- Finally, there is the crisis with the Dominican Republic. The government of the Dominican Republic is carrying out the forced repatriation of young and older Haitians to Haiti thus increasing the stress on the already fragile Haitian economy.
- On the positive side the Government of Haiti has substantially increased tax collections and revenues.
- Public expenditures have been reduced through the firing of 5,000 people. However, these dismissals have not necessarily been based upon merit. They are being carried out primarily on a political basis. This has further complicated and aggravated the shortage of competent personnel available and needed to channel resources into programs and projects.

What to Do

- If requested by the Government of Haiti, the international community should develop an emergency program of technical and programmatic expertise to assist the Haitian government in developing policies, programs, and projects that can utilize the financial resources available to meet the priorities defined by the Government of Haiti.
- The impressive devotion to Haiti of Haitians living abroad can be harnessed to benefit Haiti for example, the Haiti Integrated Technology Corporation (HAITECHI) directed and owned by Haitians and dedicated to producing and marketing world competitive, made in Haiti products, offers great potential for increasing meaningful employment opportunities in Haiti and enhancing the human resources capability vital to the improvement of the Haitian economy.
- Grass root development or bottom up efforts should be emphasized by channeling development assistance through the religious community.
- Micro-enterprise development through a service center to train and support Haitian micro-entrepreneurs offers an avenue for the development and the democratization of the Haitian

economy.

- The concept of pairing and including Haitians in teams responsible for planning, implementing, and evaluating projects should be promoted and can contribute to project excellence and the ability of Haiti to absorb resources.
- One method of addressing the lack of professionally and technically qualified personnel in the government is to attract educated and experienced Haitians from the diaspora to work in Haiti. However, to do this physical security must be assured and the international community will have to provide the resources to cover the gap between the customary Haitian level of compensation and that which a highly skilled professional can earn abroad.