



June 2015

# HAITI RECONSTRUCTION

## USAID Has Achieved Mixed Results and Should Enhance Sustainability Planning

## Why GAO Did This Study

On January 12, 2010, an earthquake struck Haiti, the poorest country in the Western Hemisphere, causing an estimated 230,000 deaths and displacing about 2 million persons. According to the Department of State, U.S. government agencies have allocated \$4 billion to earthquake-related efforts, including \$2.7 billion for reconstruction. USAID, which is responsible for over half of reconstruction funding, has directed its efforts to eight sectors: energy, shelter, ports, education, governance and rule of law, economic security, health, and food security.

GAO was asked to review U.S. reconstruction efforts in Haiti. This report examines (1) USAID's allocations, obligations, and disbursements of reconstruction funding; (2) USAID/Haiti's progress in implementing planned reconstruction activities; and (3) USAID/Haiti's efforts to ensure the sustainability of these activities. GAO analyzed funding data; reviewed documents; interviewed U.S. officials in Washington, D.C., and Haiti; and visited reconstruction activity sites. GAO focused its review on 23 key activities, each with allocations exceeding \$10 million.

## What GAO Recommends

GAO recommends that USAID/Haiti perform sustainability analyses for noninfrastructure activities during design. GAO also recommends that USAID provide guidance for identifying projects for which sustainability must be certified and specifying information that these certifications should include. USAID agreed with GAO's recommendations.

View [GAO-15-517](#). For more information, contact David Gootnick at (202) 512-3149 or [gootnickd@gao.gov](mailto:gootnickd@gao.gov).

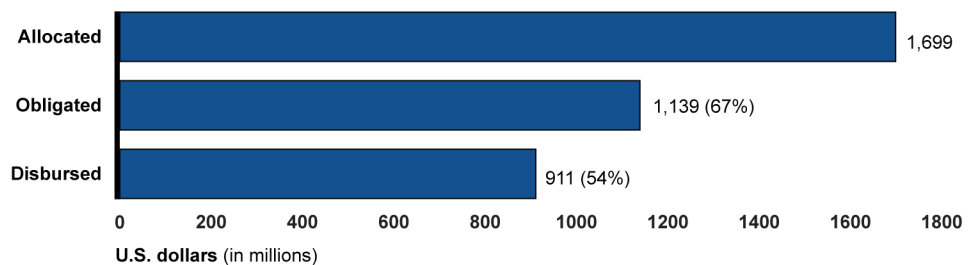
## HAITI RECONSTRUCTION

### USAID Has Achieved Mixed Results and Should Enhance Sustainability Planning

## What GAO Found

As of September 30, 2014, the U.S. Agency for International Development (USAID) had allocated \$1.7 billion to the Haiti reconstruction effort, directing more than half of this funding to the health and food security sectors. USAID had obligated two-thirds and disbursed more than half of all allocated funding.

USAID Funding for Haiti Earthquake Reconstruction as of September 30, 2014



Source: GAO analysis of USAID funding data. | GAO-15-517

Note: GAO defined obligations as orders placed, contracts awarded, and similar transactions during a given period that will require payments during the same or a future period. The U.S. Agency for International Development (USAID) categorizes these as "subobligations," because it considers these funds to have been obligated through a bilateral agreement with Haiti to deliver assistance.

Most of the 23 reconstruction activities that GAO reviewed have achieved mixed results and some have faced delays, leading USAID's Haiti mission (USAID/Haiti) to extend its reconstruction time frame. The mission reduced planned outcomes for 5 of the 6 key infrastructure activities and encountered delays in 4 of these activities, including port improvements. USAID/Haiti also reduced planned outcomes for 3 of the 17 key noninfrastructure activities, including providing access to basic health care. Key noninfrastructure activities met or exceeded the target for half of all performance indicators and met at least 75 percent of the target for nearly a quarter of all indicators. Mission officials said that factors affecting results and causing delays included inadequate staffing and unrealistic initial plans. As a result, USAID/Haiti has increased staffing and extended its reconstruction time frame by 3 years, to 2018.

USAID/Haiti has taken steps to ensure the sustainability of its reconstruction activities, but sustainability planning could be enhanced. The mission planned activities to address sustainability risks that it identified, such as the Haitian government's low technical and budgetary capacity. The mission also plans to conduct sustainability analyses to determine how to address risks for infrastructure activities. However, the mission plans to conduct such analyses when designing new noninfrastructure activities only after it begins operating under a new strategy in October 2018. In addition, USAID does not have agency-wide guidance for completing required certifications of the sustainability of large capital assistance projects, including infrastructure activities. Partly as a result, USAID/Haiti may not have completed all required certifications and included inconsistent information in those it completed. A USAID report found that 21 percent of required certifications were completed agency-wide from 2011 to 2013. Federal internal control standards call for agencies to assess risks to achieving their objectives and to communicate information that enables management and others to achieve compliance with laws and regulations.

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# Contents

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Letter		1
	Background	3
	USAID Has Disbursed More than Half of \$1.7 Billion in Reconstruction Funds, with Disbursements Varying by Sector	7
	Key Activities Have Achieved Mixed Results and Some Have Been Delayed, Leading to a 3-Year Extension of USAID's Haiti Reconstruction Time Frame	14
	USAID Has Implemented Activities to Address Sustainability Risks but Should Further Enhance Sustainability Planning Procedures	38
	Conclusions	47
	Recommendations for Executive Action	48
	Agency Comments and Our Evaluation	49
Appendix I	Status of USAID Reconstruction Funding from the Supplemental Appropriation Act, 2010, as of September 30, 2014	52
Appendix II	Objectives, Scope, and Methodology	57
Appendix III	USAID/Haiti Key Infrastructure and Noninfrastructure Activities	63
Appendix IV	Performance Data for Key USAID/Haiti Noninfrastructure Activities	65
Appendix V	Summary and Updates of USAID/Haiti's Determinations of Haitian Government Capacity as Outlined in Completed 611(e) Certifications	70
Appendix VI	Comments from the U.S. Agency for International Development	73
Appendix VII	GAO Contact and Staff Acknowledgments	76

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Related GAO Products

77

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Tables

Table 1: USAID's Total Haiti Reconstruction Allocations, Obligations, and Disbursements by USAID Operating Units, as of September 30, 2014	13
Table 2: Primary Focus Areas for USAID/Haiti Activities Planned to Build Haitian Government Capacity, as of September 30, 2014, by Reconstruction Sector	40
Table 3: Distribution of Fiscal Year 2010 Supplemental Funding to Federal Agencies for Post-earthquake Reconstruction in Haiti, as of September 30, 2014	52
Table 4: Start and End Dates and Amounts of Haiti Reconstruction Funding Allocated, Obligated, and Disbursed by USAID/Haiti for 23 Key Infrastructure and Noninfrastructure Activities as of September 30, 2014	63
Table 5: Summary and Updates of USAID/Haiti's Determinations of Haitian Government Capacity as Outlined in 611(e) Certifications Completed as of August 2014	71

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Figures

Figure 1: Development Corridors Targeted by U.S. Post-earthquake Assistance	5
Figure 2: USAID's Total Haiti Reconstruction Allocations, Obligations, and Disbursements from Supplemental and Annual Appropriations, as of September 30, 2014	8
Figure 3: USAID's Total Haiti Reconstruction Allocations, Obligations, and Disbursements as of September 30, 2014, by Fiscal Year Appropriation	9
Figure 4: USAID's Total Haiti Reconstruction Allocations as of September 30, 2014, by Sector	10
Figure 5: USAID's Total Haiti Reconstruction Allocations, Obligations, and Disbursements as of September 30, 2014, by Sector	11
Figure 6: USAID's Total Haiti Reconstruction Allocations by Operating Unit, as of September 30, 2014	12
Figure 7: Planned Results and Status of Key USAID/Haiti Energy Sector Activities	16
Figure 8: Planned Results and Status of a Key USAID/Haiti Health and Disabilities Sector Infrastructure Activity	18

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Figure 9: Planned Results and Status of a Key USAID/Haiti Shelter Sector Infrastructure Activity	21
Figure 10: Planned Results and Status of a Key USAID/Haiti Ports Sector Infrastructure Activity	23
Figure 11: Planned Results and Status of a Key USAID/Haiti Food Security Sector Infrastructure Activity	24
Figure 12: USAID Supplemental Funding for Haiti Earthquake Reconstruction Obligated and Disbursed as of September 30, 2014	53
Figure 13: USAID Supplemental Funding for Haiti Reconstruction Allocated, by Sector, as of September 30, 2014	54
Figure 14: USAID Allocations, Obligations, and Disbursements of Haiti Reconstruction Supplemental Funding, by Sector, as of September 30, 2014	55
Figure 15: USAID Supplemental Funding for Haiti Reconstruction, Allocations by Operating Unit, as of September 30, 2014	56
Figure 16: Most Recent Full Fiscal Year Performance Data for Key USAID/Haiti Food Security Sector Noninfrastructure Activities	65
Figure 17: Most Recent Full Fiscal Year Performance Data for Key USAID/Haiti Health and Disabilities Sector Noninfrastructure Activities	66
Figure 18: Most Recent Full Fiscal Year Performance Data for Key USAID/Haiti Governance and Rule of Law Sector Noninfrastructure Activities	67
Figure 19: Most Recent Full Fiscal Year Performance Data for Key USAID/Haiti Economic Security Sector Noninfrastructure Activities	68
Figure 20: Most Recent Full Fiscal Year Performance Data for Key USAID/Haiti Education Sector Noninfrastructure Activities	69

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## Abbreviations

AAD	activity approval document
CDC	Centers for Disease Control and Prevention
DLA	decreed land area
ESF	Economic Support Fund
FY	fiscal year
HTT	Haiti Task Team
OIG	U.S. Agency for International Development Office of Inspector General
State	Department of State
State/INL	Department of State Bureau of International Narcotics and Law Enforcement Affairs
the Supplemental Treasury	Supplemental Appropriations Act, 2010 U.S. Department of the Treasury
USAID	U.S. Agency for International Development
USAID/Haiti	U.S. Agency for International Development mission in Haiti

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June 3, 2015

### Congressional Requesters

On January 12, 2010, an earthquake centered near Port-au-Prince, Haiti, caused physical, social, and economic devastation to the poorest country in the Western Hemisphere. The earthquake is estimated to have caused approximately 230,000 deaths, resulted in 300,000 injuries, and displaced approximately 2 million people from their homes. According to the United Nations, the earthquake killed more than 16,000 of Haiti's civil service employees and destroyed almost all government ministry buildings. The World Bank reported that the earthquake caused \$7.8 billion in damage, equivalent to about 120 percent of Haiti's 2009 gross domestic product. Following the earthquake, the country received unprecedented pledges of support from around the globe, including \$13.3 billion from bilateral and multilateral donors and \$3.1 billion in private donations.

According to the Department of State (State), as of September 30, 2014, U.S. government agencies had allocated \$4 billion in funding for efforts related to the 2010 earthquake, including \$1.3 billion for humanitarian relief and \$2.7 billion for reconstruction. Funding for reconstruction has come from two sources. First, in July 2010, Congress passed the Supplemental Appropriations Act, 2010 (the Supplemental), appropriating \$1.2 billion for Haiti reconstruction, including \$650 million appropriated for the Economic Support Fund and administered by the U.S. Agency for International Development (USAID) for its bilateral reconstruction activities.<sup>1</sup> Second, U.S. government agencies have chosen to allocate \$1.5 billion for Haiti reconstruction activities from their annual appropriations since the earthquake. USAID is responsible for

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<sup>1</sup>Supplemental Appropriations Act, 2010, Pub. L. No. 111-212, 124 Stat. 2302, 2323 (July 29, 2010). The Supplemental appropriated \$1.14 billion in reconstruction funding in specific amounts to USAID, State, and the U.S. Department of the Treasury (Treasury) for bilateral reconstruction activities and to Treasury for debt relief. As authorized by the Supplemental, Treasury provided an additional \$33.4 million for debt relief to Haiti in February 2012. In the Supplemental, Congress also made funds available to GAO to monitor U.S. post-earthquake assistance to Haiti. For a list of previous reports responding to this provision, see "Related GAO Products" at the end of this report. For an update of information in these reports regarding the status of USAID's reconstruction funding from the Supplemental Appropriations Act, 2010, see app. I.

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administering about two-thirds of the Haiti reconstruction funding from annual appropriations.

You asked us to review USAID's reconstruction efforts in Haiti. This report examines

- 1) USAID's allocations, obligations, and disbursements of reconstruction funding;
- 2) the USAID mission in Haiti's (USAID/Haiti) progress in implementing planned reconstruction activities; and
- 3) USAID/Haiti's efforts to ensure the sustainability of its reconstruction activities.<sup>2</sup>

To address these objectives, we reviewed reports, documents, and funding data and interviewed officials from USAID and State in Washington, D.C., and Haiti. To determine the status of reconstruction funding, we analyzed USAID and State data showing all allocations, obligations, and disbursements for Haiti reconstruction through September 30, 2014. We examined USAID and State data sources and conducted interviews with cognizant officials from USAID and State to assess the reliability of these data. We determined that the data we used were sufficiently reliable for our purpose of reviewing USAID funding provided for Haiti reconstruction. To assess USAID/Haiti's progress in implementing planned reconstruction activities, as well as identify any challenges the mission has encountered, we reviewed information about 23 key activities—that is, activities for which USAID/Haiti had allocated at least \$10 million each as of March 31, 2014.<sup>3</sup> To learn about progress as well as challenges for each key activity, we compared documentation of progress with USAID plans and interviewed USAID officials. We also

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<sup>2</sup>For our review, we defined sustainability, in accordance with USAID's definition, as the continuation of benefits after major assistance has been completed.

<sup>3</sup>The 23 activities that we reviewed consisted of six groups of infrastructure contracts or grants, whose sole purpose was the construction or rehabilitation of buildings or physical systems, and 17 individual noninfrastructure contracts or grants, whose sole purpose was not the construction or rehabilitation of buildings or physical systems. We grouped noninfrastructure and infrastructure activities differently, because outcomes of the two types of activities may be measured differently. As of September 30, 2014, USAID/Haiti had allocated \$854 million for the 23 key activities that we reviewed, or about 67 percent of the total allocated reconstruction funding managed by USAID/Haiti and about half of USAID's overall Haiti reconstruction funding.



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visited sites under construction or intended for construction for some of these activities. To examine USAID/Haiti efforts to ensure the sustainability of reconstruction activities, we reviewed USAID planning documents to identify sustainability risks. We also examined documents describing USAID/Haiti plans and progress in activities intended to address these types of sustainability risks. Finally, we compared the sustainability procedures USAID/Haiti has undertaken with USAID and statutory requirements. (See app. II for further details of our scope and methodology.)

We conducted this performance audit from March 2014 to June 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

The January 2010 earthquake that devastated parts of Haiti, including the capital, exacerbated the country's general poverty, economic weakness, and political turmoil. In 2012, approximately 60 percent of Haiti's population was living below the national poverty line, on less than \$2.44 a day, and Haiti's economy has long been hampered by political disorder. Moreover, since the earthquake, Haiti has suffered a cholera epidemic that as of November 2014 had affected more than 717,000 persons and caused more than 8,700 deaths. In addition, Haiti has continued to be affected by other natural disasters, such as Hurricane Tomas in November 2010 and Hurricane Sandy in October 2012, which caused additional loss of life and severe flooding. Haiti has been further challenged by violence and political turmoil arising from the disputed results of the presidential and legislative elections on November 28, 2010, and by delays in holding elections since then. Factors such as these have presented significant challenges to international efforts to deliver reconstruction assistance and ensure the sustainability of this assistance.

As part of a large-scale international humanitarian effort in the year following the earthquake, U.S. and international relief activities helped feed more than 4 million people and removed over 7 million cubic meters of rubble. These activities also included vaccinating about 1 million internally displaced persons against communicable diseases in the first 6 months after the quake. U.S. agencies, principally the Department of Defense and USAID, spent \$1.3 billion on humanitarian aid, such as food,

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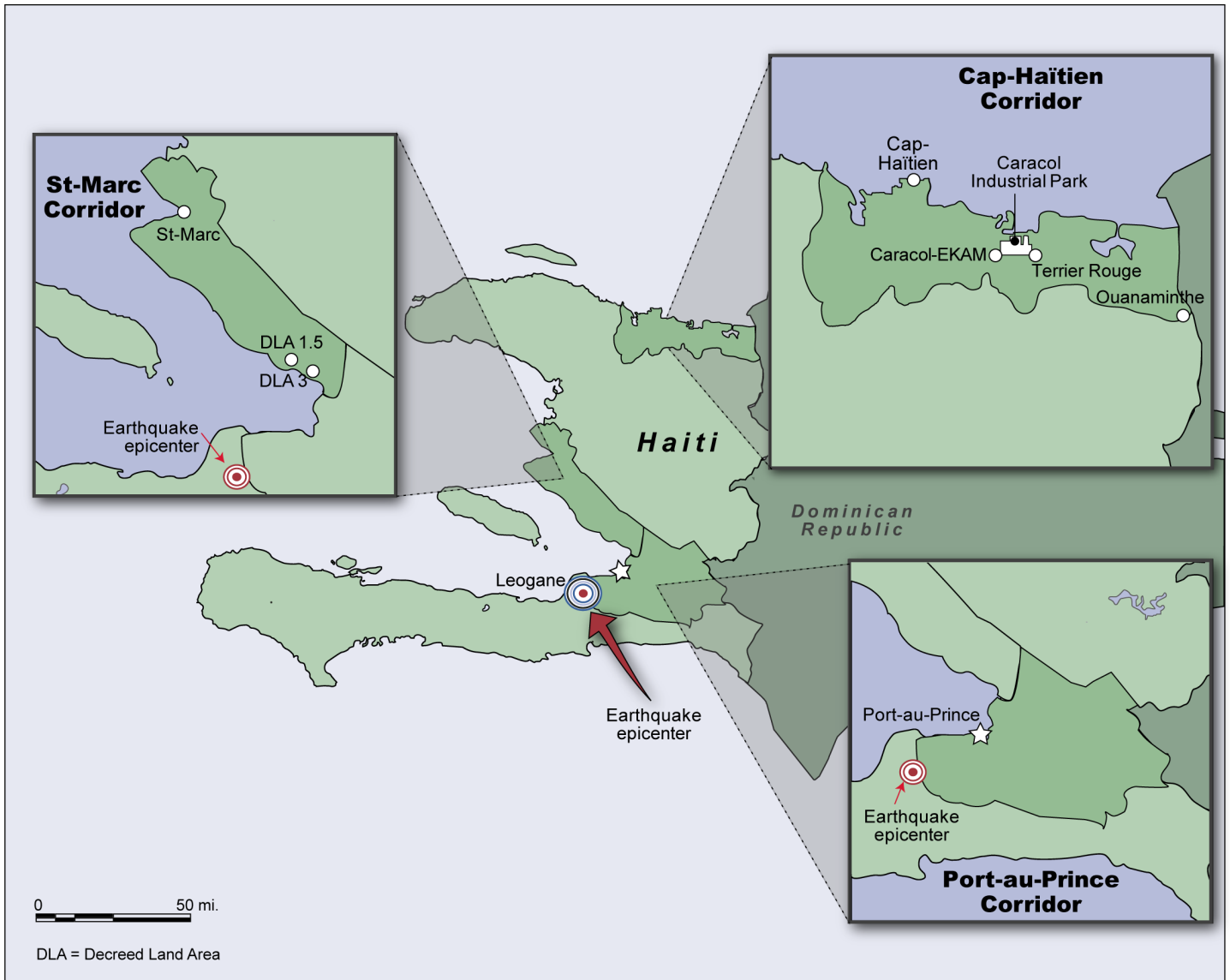
medical assistance, temporary shelter, and short-term employment. The U.S. military led the initial response, providing more than 22,000 personnel for critical security, transportation, and logistics tasks, while State and other agencies deployed about 1,000 additional U.S. and Haitian staff on a temporary basis to the U.S. embassy in Port-au-Prince. As of March 2011, USAID humanitarian programs had provided temporary shelter for 1.5 million internally displaced persons. In addition, USAID grantees had helped the government of Haiti assess more than 380,000 buildings and completed repairs to earthquake-damaged buildings sufficient to accommodate 3,900 households.

To guide the use of reconstruction funding, the U.S. government issued the U.S. reconstruction strategy for Haiti, titled *Post-Earthquake USG Haiti Strategy: Toward Renewal and Economic Opportunity*, in January 2011. This strategy, for fiscal years 2011 through 2015, defines reconstruction as helping Haiti “build back better,” reconstructing what was directly affected by the earthquake but also working to achieve economic growth and long-term stability. The strategy focused on several regions of the country, known as development corridors: (1) the Port-au-Prince corridor, which suffered the most damage from the earthquake; (2) the Cap-Haïtien corridor on Haiti’s northern coast; and (3) the St-Marc corridor on Haiti’s western coast (see fig. 1).<sup>4</sup>

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<sup>4</sup>Although the Cap-Haïtien and St-Marc corridors were not close to the earthquake’s epicenter, the strategy notes that 65 percent of Haiti’s economic activity was located in greater Port-au-Prince and that the U.S. government’s intent is to support new economic opportunities in other development corridors, in addition to assisting with reconstruction in the Port-au-Prince corridor.

**Figure 1: Development Corridors Targeted by U.S. Post-earthquake Assistance**



Sources: Multiple U.S. government agencies, *Post-Earthquake USG Haiti Strategy: Toward Renewal and Economic Opportunity* (Washington, D.C., January 2011); USAID planning documents; Map Resources (map). | GAO-15-517

To address the portions of the strategy for which it is responsible, USAID determined to concentrate its efforts on implementing activities in eight

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sectors: shelter, energy, ports, food security, economic security, health and disabilities, education, and governance and rule of law.<sup>5</sup> Although USAID is the principal agency responsible for implementing reconstruction activities, State's Bureau of International Narcotics and Law Enforcement Affairs (State/INL) and the Department of Health and Human Services' Centers for Disease Control and Prevention (CDC) are also responsible for portions of the strategy in the governance and rule of law sector and the health and disabilities sector, respectively. In particular, State/INL activities have included renovation and construction of local police stations and corrections facilities as well as provision of capacity-building assistance to the Haitian National Police. CDC works with USAID to provide access to health services for 43 percent of the Haitian population and also led the U.S. government's response to Haiti's cholera outbreak, providing prevention and treatment efforts such as by training municipal water technicians to monitor water quality in community water systems.

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<sup>5</sup>For each sector, USAID drafted activity approval documents to guide activity implementation in that sector. Activity approval documents are detailed planning documents that include a description of the related activities, their intended results, implementation methods, and financing plans. The activity approval documents for six of the eight sectors were approved by the Assistant Administrator of USAID's Bureau for Latin America and the Caribbean between April 2011 and September 2011, the document for the economic security sector was approved in June 2012, and the document for the ports sector was first drafted in August 2011 and has not yet been approved. These documents encompass USAID/Haiti's initial plans for reconstruction activities and are referred to as such throughout our report.

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## USAID Has Disbursed More than Half of \$1.7 Billion in Reconstruction Funds, with Disbursements Varying by Sector

As of September 30, 2014, USAID had obligated<sup>6</sup> two-thirds and disbursed<sup>7</sup> more than half of the \$1.7 billion it had allocated to the Haiti earthquake reconstruction effort. USAID had allocated half of its funding to the health and disabilities sector and food security sector and had disbursed at least half of the amount allocated to five of eight sectors. USAID/Haiti manages 75 percent of Haiti reconstruction funding allocations.

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## USAID Has Disbursed Over Half of Its Reconstruction Funding

As of September 30, 2014, USAID had obligated two-thirds and disbursed over half of the \$1.7 billion it had allocated to Haiti earthquake reconstruction (see fig. 2). USAID's allocations include funds appropriated in fiscal years 2009 through 2014, including \$650 million in Supplemental funding from the Economic Support Fund (ESF) account and more than \$1 billion in annual appropriations from various accounts.<sup>8</sup> As of September 30, 2014, most of USAID's Haiti reconstruction allocations from annual appropriations were from the appropriations for fiscal years 2010 to 2013. USAID had also reallocated \$5 million to Haiti reconstruction from the fiscal year 2009 appropriation. In addition, USAID had allocated \$6 million of the \$197 million it plans to allocate from the fiscal year 2014 appropriation.

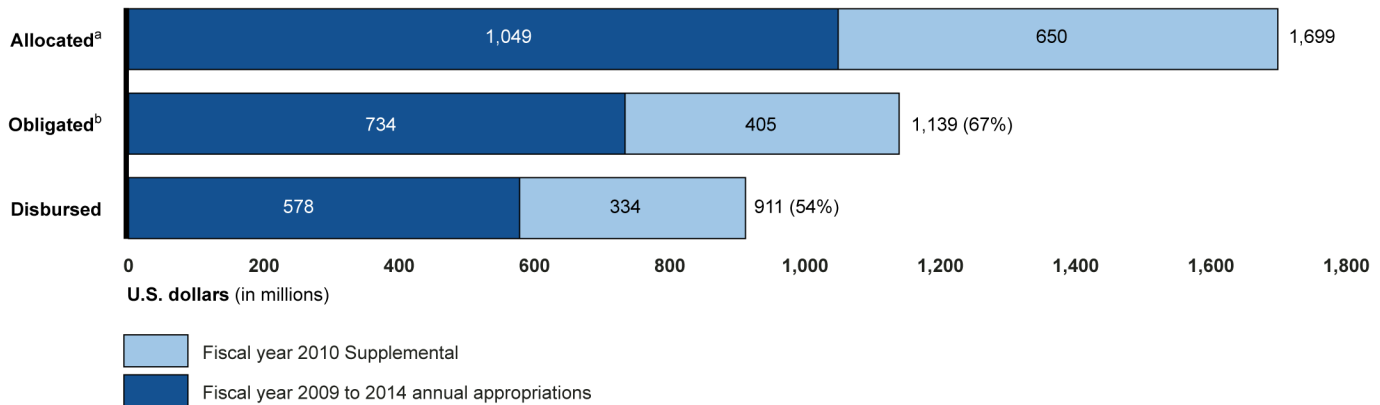
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<sup>6</sup>An obligation is a definite commitment that creates a legal liability of the U.S. government for the payment of goods and services ordered or received. See GAO, *A Glossary of Terms Used in the Federal Budget Process*, [GAO-05-734SP](#) (Washington, D.C.: Sept. 1, 2005). Consistent with 31 U.S.C. §1501, which defines when an agency can record an obligation, USAID generally treats as obligations the bilateral agreements it makes with other countries to deliver assistance. USAID therefore considers all Haiti reconstruction funding to have been legally obligated on the signing of the United States–Haiti bilateral reconstruction agreement in May 2011. This report defines obligations as the total amount of orders placed, contracts awarded, and similar transactions during a given period that will require payments during the same or future period. USAID labels these transactions “subobligations.”

<sup>7</sup>A disbursement is an amount paid by a federal agency, by cash or cash equivalent, during the fiscal year to liquidate government obligations. See [GAO-05-734SP](#).

<sup>8</sup>USAID Haiti reconstruction funding comes from the following funding accounts: ESF, Development Assistance, Global Health Programs-State, Global Health Programs-USAID, P.L. 480 Title II, Development Credit Authority, and USAID Operating Expenses.

**Figure 2: USAID’s Total Haiti Reconstruction Allocations, Obligations, and Disbursements from Supplemental and Annual Appropriations, as of September 30, 2014**



USAID = U.S. Agency for International Development

Source: GAO analysis of USAID funding data. | GAO-15-517

Notes: Because of rounding, amounts shown do not sum to totals shown.

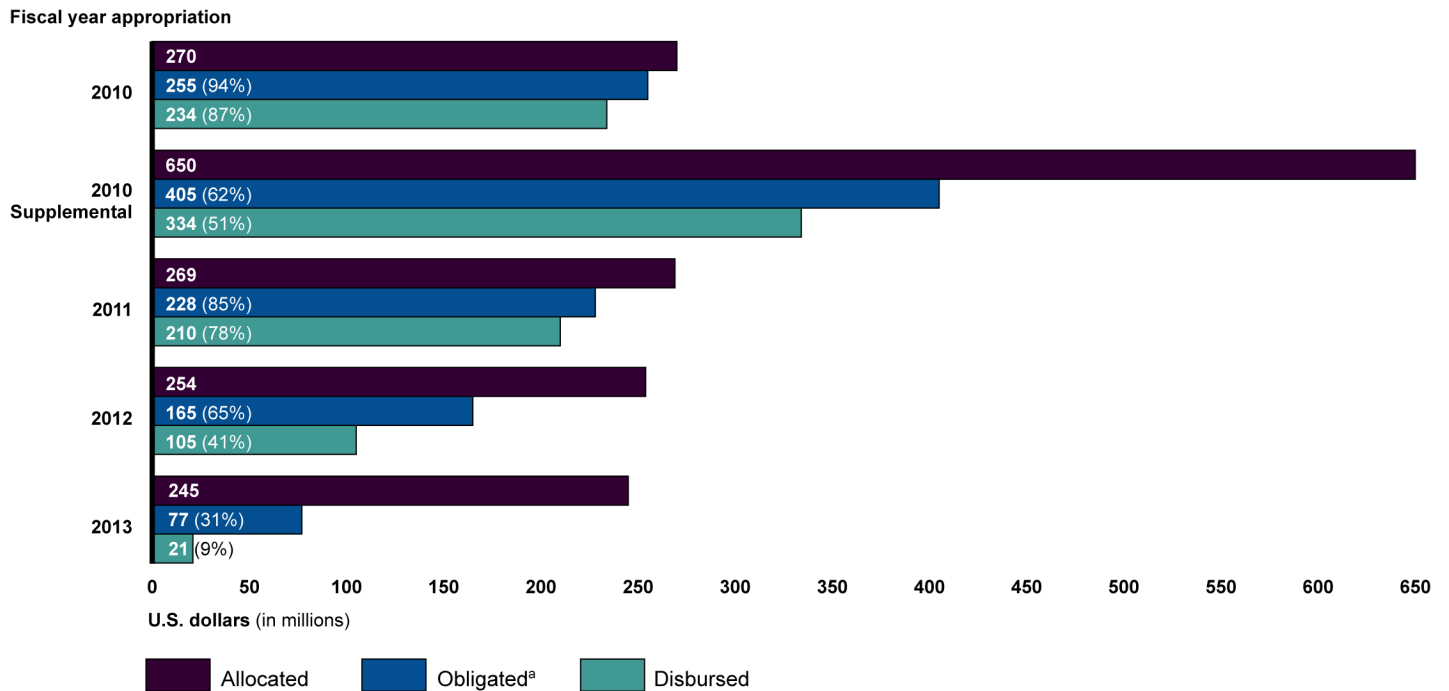
As of September 30, 2014, USAID had allocated funds to Haiti reconstruction primarily from annual appropriations for fiscal years 2010 to 2013. USAID had also reallocated \$5 million to Haiti reconstruction from the fiscal year 2009 appropriation and, as of September 30, 2014, had allocated \$6 million of the \$197 million it plans to allocate from the fiscal year 2014 appropriation.

<sup>a</sup>The amount shown for USAID allocations includes \$15.5 million that USAID has notified Congress it intends to obligate for a direct apportionment to State for the expansion of the Caracol Industrial Park.

<sup>b</sup>We define obligations as orders placed, contracts awarded, and similar transactions during a given period that will require payments during the same or a future period. USAID categorizes these as “subobligations,” because USAID considers these funds to have been obligated through a bilateral agreement with Haiti to deliver assistance.

As of September 30, 2014, USAID had obligated and disbursed allocations of funds for Haiti reconstruction from appropriations for fiscal years 2010 through 2013 at varying rates. USAID had obligated 70 percent and disbursed 55 percent of the funds allocated from the annual appropriations for fiscal years 2010 through 2013 and had obligated 62 percent and disbursed 51 percent of the funds allocated from the fiscal year 2010 Supplemental. As might be expected given more time has elapsed, the percentages of obligated and disbursed allocations from the fiscal year 2010 through 2012 annual appropriations were higher than those from the fiscal year 2013 annual appropriation (see fig. 3). However, USAID had obligated a lower percentage of its allocation from the fiscal year 2010 Supplemental than of its allocations from the fiscal years 2011 and 2012 annual appropriations.

**Figure 3: USAID’s Total Haiti Reconstruction Allocations, Obligations, and Disbursements as of September 30, 2014, by Fiscal Year Appropriation**



USAID = U.S. Agency for International Development

Source: GAO analysis of USAID funding data. | GAO-15-517

Notes: Because of rounding, amounts shown may not sum to totals shown elsewhere in this report.

In addition to making the allocations shown, USAID reallocated \$5 million of fiscal year 2009 funding to Haiti reconstruction, of which it had obligated \$4 million and disbursed \$1 million as of September 30, 2014. Also as of September 30, 2014, USAID had allocated, obligated, and disbursed \$6 million of fiscal year 2014 funding. As of January 2015, USAID planned to allocate an additional \$191 million of fiscal year 2014 appropriations to Haiti reconstruction.

<sup>a</sup>We define obligations as orders placed, contracts awarded, and similar transactions during a given period that will require payments during the same or a future period. USAID categorizes these as “subobligations,” because USAID considers these funds to have been obligated through a bilateral agreement with Haiti to deliver assistance.

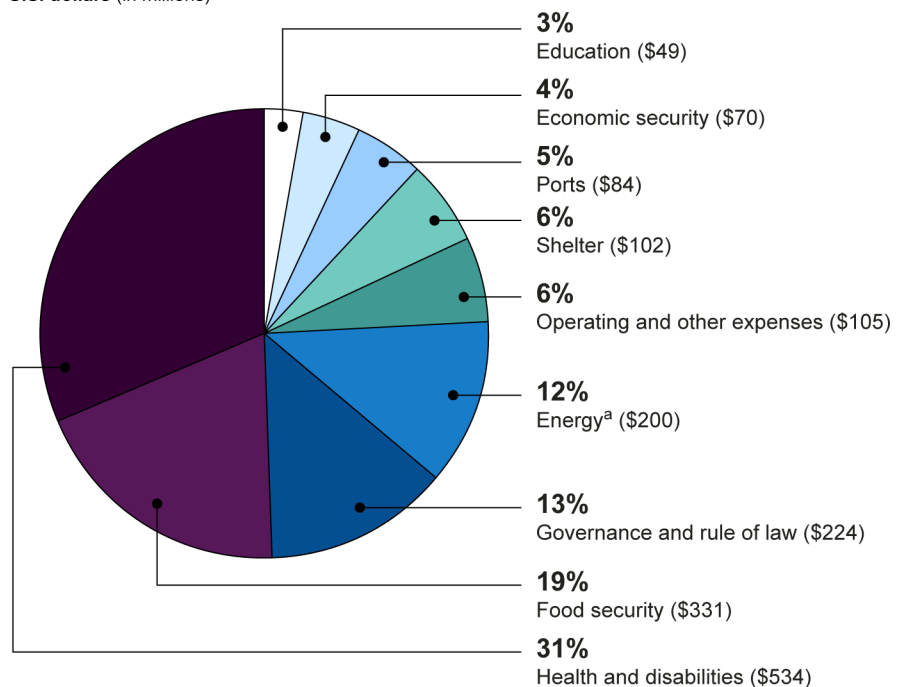
## USAID Has Allocated Half of Reconstruction Funds to Health and Food Security Sectors and Disbursed at Least Half of Allocations from Five of Eight Sectors

As of September 30, 2014, USAID had allocated half of its Haiti reconstruction funding to the health and disabilities sector and the food security sector and allocated one-quarter of its Haiti reconstruction funding to the governance and rule of law sector and the energy sector. As figure 4 shows, USAID allocated the remaining one-quarter of Haiti reconstruction funding to operating and other expenses and to the shelter, ports, economic security, and education sectors.

**Figure 4: USAID's Total Haiti Reconstruction Allocations as of September 30, 2014, by Sector**

Total reconstruction funding = \$1.7 billion

U.S. dollars (in millions)



USAID = U.S. Agency for International Development

Source: GAO analysis of USAID funding data. | GAO-15-517

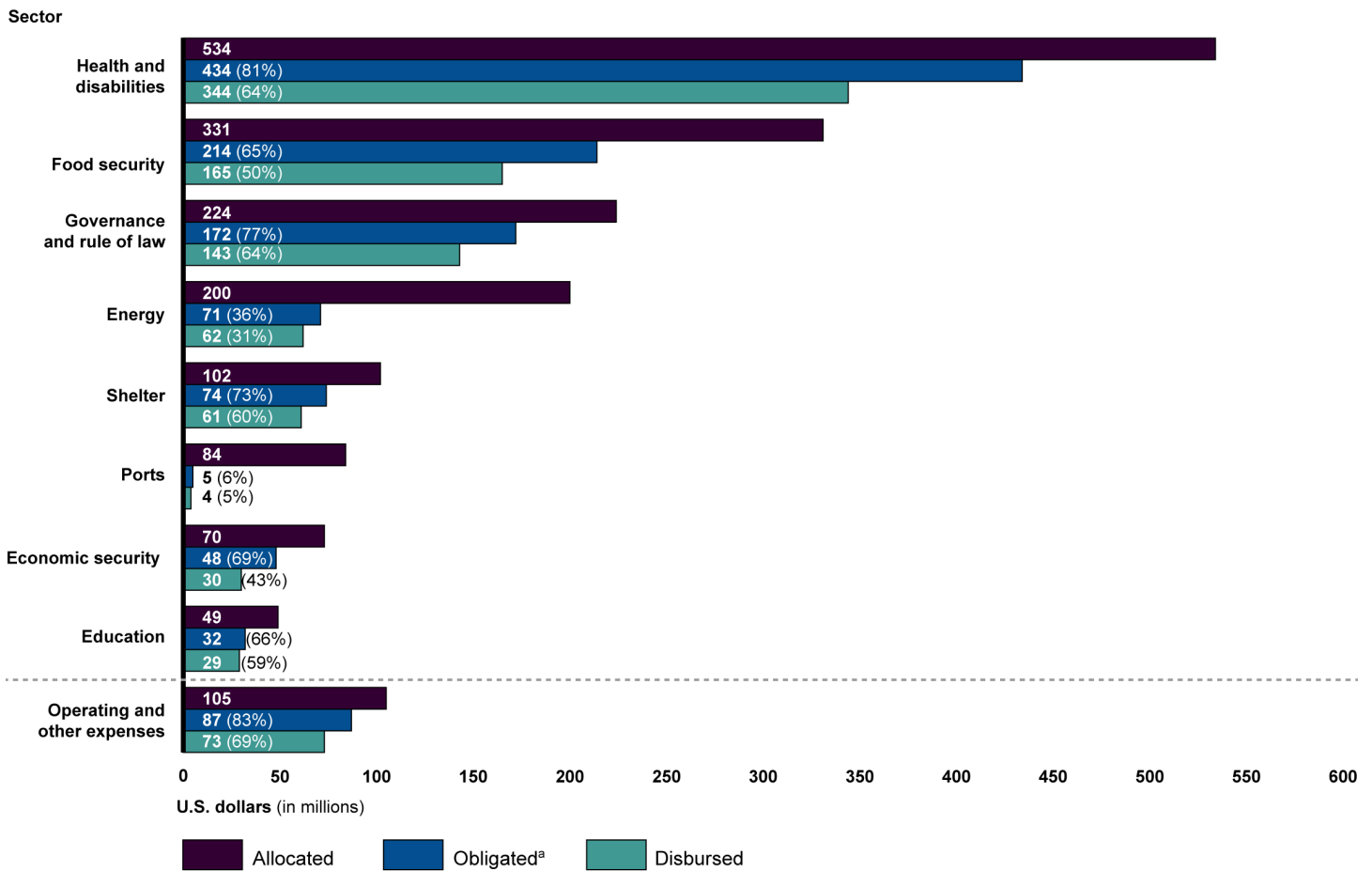
Notes: Because of rounding, percentages shown do not sum to 100.

<sup>a</sup>Allocations shown for the energy sector include (1) \$51.8 million of the fiscal year 2010 supplemental appropriation for the Economic Support Fund (ESF) and funds allocated from the 2012 and 2013 annual appropriations for the ESF that USAID notified Congress in December 2014 it intends to reprogram from the energy sector to the governance and rule of law sector, health and disabilities sector, and shelter sector; and (2) \$15.5 million of the fiscal year 2010 supplemental appropriation for the ESF that USAID notified Congress in January 2015 it intends to obligate for a direct apportionment to State for the expansion of the Caracol Industrial Park. Energy sector allocations will be reduced by those amounts.



As of September 30, 2014, USAID had obligated more than half of funding allocated to all sectors except ports and energy and disbursed at least half of funding allocated to five of eight sectors (see fig. 5). USAID obligated more than three-quarters of allocated funding in the health and disabilities sector and the governance and rule of law sector. In the energy sector, USAID obligated and disbursed 36 percent and 31 percent, respectively, and in the ports sector, 6 percent and 5 percent, respectively.

**Figure 5: USAID’s Total Haiti Reconstruction Allocations, Obligations, and Disbursements as of September 30, 2014, by Sector**



USAID = U.S. Agency for International Development  
 Source: GAO analysis of USAID funding data. | GAO-15-517

Notes: Because of rounding, amounts shown may not sum to totals shown elsewhere in this report and may not produce percentages shown.

<sup>a</sup>We define obligations as orders placed, contracts awarded, and similar transactions during a given period that will require payments during the same or a future period. USAID categorizes these as “subobligations,” because USAID considers these funds to have been obligated through a bilateral agreement with Haiti to deliver assistance.

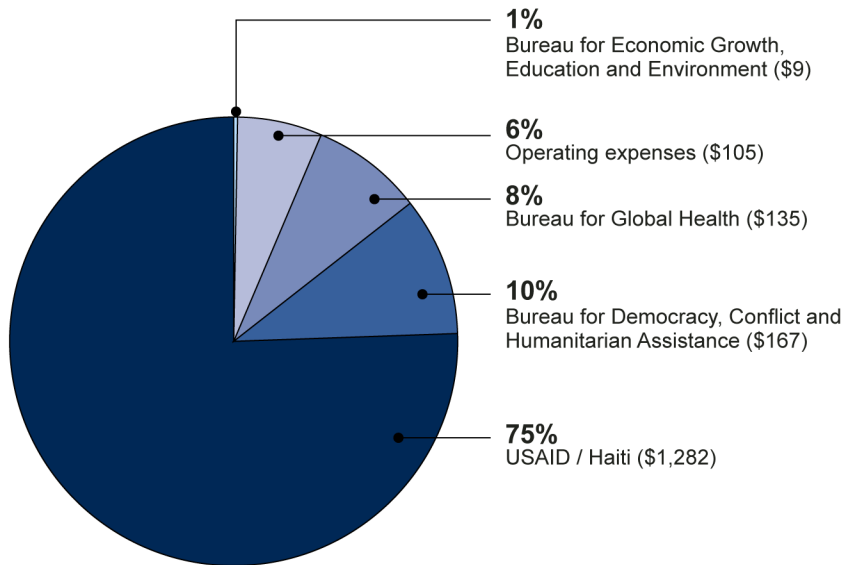
## USAID/Haiti Manages 75 Percent of USAID’s Haiti Reconstruction Funding

Several USAID operating units manage the implementation of Haiti reconstruction funding. As figure 6 shows, these operating units include USAID/Haiti, which manages 75 percent of USAID’s Haiti reconstruction funding. In addition, three USAID headquarters bureaus—the Bureau for Democracy, Conflict and Humanitarian Assistance; the Bureau for Global Health; and the Bureau for Economic Growth, Education and Environment—manage most of the remainder of USAID’s Haiti reconstruction funding.

**Figure 6: USAID’s Total Haiti Reconstruction Allocations by Operating Unit, as of September 30, 2014**

Total reconstruction funding = \$1.7 billion

U.S. dollars (in millions)



USAID = U.S. Agency for International Development

USAID/Haiti = USAID mission in Haiti.

Source: GAO analysis of USAID funding data. | GAO-15-517

USAID operating units have obligated and disbursed Haiti reconstruction funding at varying rates, owing to factors such as the timing of their involvement in the reconstruction effort. USAID/Haiti; the Bureau for

Global Health; and the Bureau for Economic Growth, Education and Environment have been involved in the reconstruction effort continuously. However, by the end of fiscal year 2014, USAID/Haiti had obligated and disbursed lower percentages of its reconstruction funding than the bureaus had, as table 1 shows. Most of these bureaus' funding is obligated through worldwide contracts that did not require additional procurement processes to begin work in Haiti. The Bureau for Democracy, Conflict and Humanitarian Assistance ended its involvement in the reconstruction effort in 2013 and, as a result, had obligated and disbursed almost all funding by the end of fiscal year 2014. Examples of activities that this bureau's funding supported included providing temporary employment through infrastructure rehabilitation and restoring basic government functions in the aftermath of the earthquake.

**Table 1: USAID's Total Haiti Reconstruction Allocations, Obligations, and Disbursements by USAID Operating Units, as of September 30, 2014**

Dollars in millions

USAID operating unit	Amount allocated	Amount obligated <sup>a</sup>	Percentage obligated <sup>a</sup>	Amount disbursed	Percentage disbursed
USAID/Haiti	\$1,282	\$748	58%	\$567	44%
Bureau for Democracy, Conflict and Humanitarian Assistance	167	167	100	165	99
Bureau for Global Health	135	128	94	101	75
Bureau for Economic Growth, Education and Environment	9	9	99	6	59
<i>Operating expenses</i>	<i>105</i>	<i>87</i>	<i>83</i>	<i>73</i>	<i>69</i>
<b>Total</b>	<b>\$1,699</b>	<b>\$1,139</b>	<b>67%</b>	<b>\$911</b>	<b>54%</b>

USAID = U.S. Agency for International Development

Source: GAO analysis of USAID data. | GAO-15-517

Notes: Because of rounding, amounts shown may not sum to totals shown and may not produce percentages shown.

Reconstruction funding includes appropriations from the fiscal year 2010 Supplemental for the Economic Support Fund and fiscal years 2009 through 2014 annual appropriations for various accounts.

<sup>a</sup>We define obligations as orders placed, contracts awarded, and similar transactions during a given period that will require payments during the same or a future period. USAID categorizes these as "subobligations," because USAID considers these funds to have been obligated through a bilateral agreement with Haiti to deliver assistance.

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## Key Activities Have Achieved Mixed Results and Some Have Been Delayed, Leading to a 3-Year Extension of USAID's Haiti Reconstruction Time Frame

Most of the key USAID/Haiti reconstruction activities that we reviewed have achieved mixed results and some have faced delays, leading USAID to extend its Haiti reconstruction timeframe by 3 years.<sup>9</sup> At the end of fiscal year 2014, five of the six key infrastructure activities had not achieved all of their intended results and four of the activities had exceeded initial cost and schedule estimates. In the most recent full fiscal year, key noninfrastructure activities met or exceeded the target set for half of their performance indicators. In addition, these activities met at least 75 percent of the target set for almost another quarter of indicators. Noninfrastructure activities initiated after the 2010 earthquake also faced significant procurement delays. According to USAID/Haiti officials, factors that affected the activities' results and caused delays included lack of staff with relevant expertise, unrealistic initial plans, challenges encountered with some implementing partners, and delayed or revised decisions from the Haitian government. USAID/Haiti also canceled some infrastructure and noninfrastructure activities for reasons such as lack of feasibility, poor performance, and low Haitian government interest. As a result, in December 2013, USAID extended its time frame for implementing its portion of the Haiti reconstruction strategy by 3 years to allow additional time to achieve intended results.

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## Most Key Infrastructure Activities Have Not Achieved Intended Results and Have Met with Increased Costs and Delays

We reviewed six key infrastructure activities in the energy, health and disabilities, shelter, ports, and food security sectors.<sup>10</sup> In the energy sector, the Caracol Industrial Park Power Plant was constructed within its estimated costs and schedule and five electrical substations were rehabilitated as planned. However, USAID/Haiti suspended and canceled two planned efforts—respectively, the expansion of the power plant's capacity and the construction of a new port in northern Haiti. In addition, as of September 2014, activities in the shelter sector and health and disabilities sector exceeded initial cost and schedule estimates to varying degrees. Mission officials said that factors such as lack of staff with engineering expertise, unrealistic planning, and Haitian government design changes contributed to cost overruns and delays.

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<sup>9</sup>We reviewed six key infrastructure activities and 17 key noninfrastructure activities representing all eight sectors of USAID/Haiti's activities. For information about the cost and schedule of each activity we reviewed, see app. III.

<sup>10</sup>As of September 30, 2014, USAID/Haiti had allocated \$356.2 million to the six infrastructure activities we reviewed.

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## Energy Sector

We reviewed two infrastructure activities in the energy sector—the Caracol Industrial Park Power Plant and the rehabilitation of five electrical substations in the Port-au-Prince area.<sup>11</sup>

**Caracol Industrial Park Power Plant** (\$75.4 million).<sup>12</sup> Construction of the Caracol Industrial Park Power Plant cost less than estimated and was completed on time. As of September 2014, USAID/Haiti had suspended its previous plans to expand the plant’s capacity from 10 megawatts to at least 25 megawatts owing to lower than expected demand at the Caracol Industrial Park, according to USAID/Haiti officials. The related electricity distribution from the power plant to residential customers had created 7,845 connections to the grid as of September 2014.

**Rehabilitation of five electrical substations** (\$15.2 million). The five electrical substations in the Port-au-Prince area were rehabilitated as intended, but the activity exceeded the initial cost estimate by about \$2.2 million (17 percent) and took 8 months longer than planned. According to USAID/Haiti officials, this delay was due in part to the need for additional work at one substation and the incorporation of design changes requested by the Haitian government to facilitate the substations’ operation.<sup>13</sup>

Figure 7 shows the planned results for the two activities as well as the activities’ status as of September 30, 2014.

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<sup>11</sup>For more information on the power plant activity, see [GAO-13-558](#).

<sup>12</sup>For each key infrastructure activity, we present the amount of post-earthquake reconstruction funding allocated as of September 30, 2014. For more information about the costs and schedules of all 23 key activities, see app. III.

<sup>13</sup>In addition, according to USAID officials, the mission suspended work on the rehabilitation of the electrical substations for 3 months while a bid protest challenging the award of the contract was under consideration by GAO. The protest was denied. Comptroller General of the United States, “Decision. Matter of: Symbion Power, LLC-Haytrac, JV; Symbion Power, LLC,” B-405507, Nov. 16, 2011.

**Figure 7: Planned Results and Status of Key USAID/Haiti Energy Sector Activities**

Key Infrastructure Activities: Energy Sector		
<b>Caracol Industrial Park Power Plant</b>		
	<b>Planned results as of September 2011<sup>a</sup></b>	<b>Status as of September 2014</b>
<b>Design and construction</b>		
<b>Completed</b>	Build 10MW capacity facility <b>Allocation:</b> \$20.6 million <b>End date:</b> July 2013	Built 10MW capacity facility <b>Allocation:</b> \$19.1 million <b>End date:</b> June 2012
<b>Expansion</b>		
<b>Suspended</b>	Expand capacity to 25 MW  <b>Allocation:</b> \$36.0 million <b>End date:</b> April 2014	No expansion planned due to low demand for current capacity; facility produces a daily average of 1.1 MW  <b>Allocation:</b> \$27.6 million <sup>b</sup> <b>End date:</b> Not applicable
<b>Operations, maintenance, and distribution</b>		
<b>Ongoing</b>	Provide operations and maintenance for 5 years and establish up to 30,000 residential connections to the grid  <b>Allocation:</b> \$27.0 million <b>End date:</b> September 2016	Providing operations and maintenance for 3 years and 7,845 residential connections established.  <b>Allocation:</b> \$28.7 million <b>End date:</b> May 2016
<b>Rehabilitation of electrical substations</b>		
	<b>Planned results as of September 2011<sup>a</sup></b>	<b>Status as of September 2014</b>
<b>Completed</b>	Rehabilitate 5 electrical substations in the Port-au-Prince area  <b>Allocation:</b> \$13.0 million <b>End date:</b> August 2012	Rehabilitated 5 electrical substations in the Port-au-Prince area  <b>Allocation:</b> \$15.2 million <b>End date:</b> April 2013 <sup>c</sup>

Caracol Industrial Park Power Plant, June 2014



Electricity distribution lines, June 2014



Port-au-Prince area electrical substation, April 2013



Sources: GAO (analysis, upper and middle images); U.S. Agency for International Development (data, lower image). | GAO-15-517

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Notes: Any plans, end dates, or costs listed as the current status of ongoing activities represent projections by the U.S. Agency for International Development's Haiti mission (USAID/Haiti) as of September 2014, unless otherwise noted, and are subject to change.

<sup>a</sup>USAID's initial plan for this sector was finalized in September 2011.

<sup>b</sup>Although USAID has suspended plans for the power plant expansion, USAID had allocated funding for this plan as of September 30, 2014. In December 2014 and January 2015, USAID notified Congress of its intent to reprogram this funding from the power plant expansion to support other development efforts in Haiti.

<sup>c</sup>Time to completion includes 3 months when work was stopped because of a bid protest.

## Health and Disabilities Sector


**Haiti Health Infrastructure Program (\$87.0 million).** We reviewed one infrastructure activity in the health and disabilities sector, the Haiti Health Infrastructure Program. Through this activity, USAID/Haiti intends to construct or rehabilitate health facilities at multiple sites in the Port-au-Prince corridor, Cap-Haïtien corridor, and central Haiti.<sup>14</sup> As of September 2014, USAID/Haiti's allocations for the activity exceeded planned allocations by \$26.7 million (44 percent). Moreover, although upgrades at four sites had been completed,<sup>15</sup> work on the other sites was delayed by 1 to 3 years or had not yet started. For example, as of September 2014, work on the State University Hospital in Port-au-Prince had begun but was scheduled to end 3 years later than planned. USAID/Haiti officials noted that delays in rehabilitation of the hospital, which occurred during the procurement phase, resulted from lengthy negotiations among the activity's donors—the U.S., French, and Haitian governments—and from logistical challenges due to the Haitian government's decision to keep the hospital open during the rehabilitation. USAID/Haiti officials attributed delays at other sites to land tenure issues, delays in the Haitian government's approval of activity design, lack of relevant construction engineering experience among USAID staff, and lack of local technical capacity. Figure 8 shows the planned results for the activity and its status as of September 30, 2014.

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<sup>14</sup>The Haiti Health Infrastructure Program comprises construction and rehabilitation at the State University Hospital, the National Campus for Health Sciences, and a multidrug-resistant tuberculosis center, all in the Port-au-Prince corridor. The activity also includes construction or rehabilitation of a pediatrics ward in Cap-Haïtien, two health centers and four medical supply locations in central Haiti, and various health referral network sites and an antiretroviral infection control site at yet to be determined locations.

<sup>15</sup>According to USAID/Haiti officials, steel security bars were installed on doors and windows at the four sites to prevent theft of medical equipment. Renovation of two areas of the State University Hospital was also completed before work began on the main building.

**Figure 8: Planned Results and Status of a Key USAID/Haiti Health and Disabilities Sector Infrastructure Activity**

Key Infrastructure Activity: Health and Disabilities Sector			
Haiti Health Infrastructure Program			
	Planned results as of April 2011 <sup>a</sup>	Status as of September 2014	
Ongoing	Rehabilitate the State University Hospital and other unidentified damaged health infrastructure  <b>Allocation:</b> \$60.3 million <b>End date:</b> March 2014	Rehabilitation of State University Hospital, National Campus for Health Sciences, and one additional site in progress; upgrades at four sites completed; construction or rehabilitation planned at more than 5 other sites <sup>b</sup>  <b>Allocation:</b> \$87.0 million <b>End date:</b> Planned completion by 2017	Construction at the State University Hospital, June 2014 

Sources: GAO (analysis and image); U.S. Agency for International Development (data). | GAO-15-517

Notes: Any plans, end dates, or costs listed as the current status of ongoing activities represent projections by the U.S. Agency for International Development's Haiti mission (USAID/Haiti) as of September 2014, unless otherwise noted, and are subject to change.

<sup>a</sup>USAID's initial plan for this sector was finalized in April 2011.

<sup>b</sup>Construction is in progress at three sites: the State University Hospital, the National Campus for Health Sciences, and a multidrug-resistant tuberculosis center, all in the Port-au-Prince corridor. Construction or rehabilitation is planned for a pediatrics ward in Cap-Haïtien, two health centers in central Haiti, and various health referral network sites and an antiretroviral infection control site at yet to be determined locations. Work to upgrade four medical supply locations has been completed.

**Shelter Sector**

**New Settlements Program** (\$75.7 million). We reviewed one infrastructure activity in the shelter sector, the New Settlements Program.<sup>16</sup> USAID/Haiti initially intended to spend \$55.4 million to prepare 15,000 plots of land for housing construction and to build houses on up to 4,000 of those plots.<sup>17</sup> As of September 2014, the mission had reduced the planned number of plots to 2,013, or by 87 percent, with 906 of the houses to be built by USAID, a reduction of 77 percent. The houses are located at three sites in the Cap-Haïtien corridor and two sites in the St-

<sup>16</sup>For more information about this activity, see [GAO-13-558](#).

<sup>17</sup>USAID/Haiti planned that partner donors would provide additional funds for the construction of the remaining 11,000 houses.



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Marc corridor.<sup>18</sup> The activity's total allocations increased to \$75.7 million, because actual per plot and per house costs substantially exceeded planned costs.

- Initially, in July 2011, USAID/Haiti estimated costs at \$1,800 per plot and \$8,000 per house.
- USAID/Haiti later revised these estimates to, on average, \$7,214 per plot and \$15,692 per house.<sup>19</sup>
- As of September 2014, the average costs had risen to \$13,746 per plot and \$24,283 per house.<sup>20</sup>

According to USAID/Haiti officials and our review of documentation for the activity, these cost differences stemmed from (1) inaccuracies in USAID's original estimates; (2) Haitian government requests for design changes, including larger units and the inclusion of flush toilets rather than the traditional dry toilet system; and (3) the need for additional land preparation and water system work at some sites. Further, USAID/Haiti has obligated additional funding beyond the September 2014 average costs shown above because of problems with quality at the New

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<sup>18</sup>Of the 2,013 plots, 1,865 had been prepared as of September 2014. USAID built houses on 906 of the plots at the Caracol-EKAM and Decreed Land Area 1.5 sites, and donor partners are in the process of building houses on 426 plots in Terrier Rouge and Ouanaminthe. USAID is exploring ways in which another 533 plots already prepared at the Caracol-EKAM site could be used for housing or other investments, because, according to USAID officials, the donor partner that had agreed to build houses there decided not to do so because of the community's large size. USAID/Haiti plans to prepare another 148 plots at the Decreed Land Area 3 site and, after lengthy negotiations, signed an agreement with an implementing partner in February 2015 to work on the site.

<sup>19</sup>USAID/Haiti's revised cost estimates were independent government cost estimates, which USAID requires as part of the contracting process. These estimates serve as the basis for reserving funds during acquisition planning and as an objective basis for determining the reasonableness of contractors' cost proposals. Between September 2011 and February 2013, the mission developed such estimates for the Caracol-EKAM, Decreed Land Area 1.5, Ouanaminthe, and Terrier Rouge sites.

<sup>20</sup>USAID/Haiti's revised estimates and the actual costs as of September 2014 are the weighted average costs of (1) housing at the two completed sites where USAID/Haiti built houses (Caracol-EKAM and Decreed Land Area 1.5), and (2) site preparation at the four sites where USAID/Haiti prepared plots (Caracol-EKAM, Decreed Land Area 1.5, Ouanaminthe, and Terrier Rouge).

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Settlements Program's Caracol-EKAM site.<sup>21</sup> During our visit to this site in June 2014, we observed unresolved concerns such as blocked drainage pipes and ditches that led to flooding in the settlement after heavy rains, and blocked and crushed sewage pipes. We also observed open water catchment tanks adjacent to some houses that had become breeding areas for mosquitoes.<sup>22</sup> Although USAID/Haiti planned to complete this activity by December 2012, as of September 2014, it was still ongoing, largely because of, according to USAID/Haiti officials, (1) difficulties securing proper land title, (2) difficulties in partnering with other donors, (3) Haitian government requests for design changes, and (4) the need for additional land preparation and water system work at some sites. Figure 9 shows the planned results of the activity and its status as of September 30, 2014.

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<sup>21</sup>After an independent assessment identified deficiencies in the work of the construction contractor for this site, USAID/Haiti obligated \$3 million to a contract in October 2014 to assess problems at this site and help determine how to address them. The contract listed drainage problems, exposed water pipes, poorly designed and installed water tanks, improperly installed and substandard sewer pipes, and nonfunctioning solar security lights among the known problems at the site. Additional funding may be needed to address the problems once fully identified.

<sup>22</sup>We also visited the Decreed Land Area 1.5 site in June 2014 and observed no similar concerns.

**Figure 9: Planned Results and Status of a Key USAID/Haiti Shelter Sector Infrastructure Activity**

Key Infrastructure Activity: Shelter Sector		
New Settlements Program		
	Planned results as of July 2011 <sup>a</sup>	Status as of September 2014
Ongoing	Prepare 15,000 plots of land for housing construction and build up to 4,000 houses <sup>b</sup>	1,865 plots prepared; 148 more planned (2,013 total) Built 906 houses <sup>b</sup>
	<b>Allocation:</b> \$55.4 million \$1,800 per plot \$8,000 per house <sup>c</sup>	<b>Allocation:</b> \$75.7 million \$13,746 per plot \$24,283 per house
	<b>End date:</b> December 2012	<b>End date:</b> Caracol-EKAM and DLA 1.5: November 2013; Ouanaminthe and Terrier Rouge: January 2015; DLA 3: To be determined
		Houses at DLA 1.5, June 2014 
		Sewage pipes at Caracol-EKAM, June 2014 

DLA = Decreed Land Area

Sources: GAO (analysis and images); U.S. Agency for International Development (data). | GAO-15-517

Notes: Any plans, end dates, or costs listed as the current status of ongoing activities represent projections by the U.S. Agency for International Development's Haiti mission (USAID/Haiti) as of September 2014, unless otherwise noted, and are subject to change. For example, the costs per plot and per house shown as of September 2014 do not include additional funding obligated in October 2014 to assess problems found at the Caracol-EKAM site or any future funding that may be needed to address those problems.

<sup>a</sup>USAID's initial plan for this sector was finalized in July 2011.

<sup>b</sup>USAID/Haiti planned that donor partners would provide additional funds for the construction of the remaining 11,000 houses. As of September 2014, the donor partners planned to build 574 houses.

<sup>c</sup>USAID/Haiti later performed independent government cost estimates that resulted in revised estimates of, on average, \$7,214 per plot and \$15,692 per house.

## Ports Sector

**Northern port** (\$74.8 million). We reviewed one infrastructure activity in the ports sector. USAID/Haiti initially planned to allocate \$72.5 million to build a new container port in the Cap-Haïtien corridor and to complete

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minor upgrades to the existing port in Cap-Haïtien,<sup>23</sup> with work at both ports to be completed by September 2015.<sup>24</sup> However, USAID/Haiti revised its original plan after a feasibility study in February 2013 showed that construction of a new port was not viable for a variety of technical, environmental, and economic reasons. Then, after determining in late 2013 that relevant private sector entities had no interest in supporting the construction of a new port in northern Haiti, USAID/Haiti refocused the activity on a more extensive rehabilitation of the existing Cap-Haïtien port for \$70.5 million. As of September 2014, according to USAID/Haiti officials, the mission was in the initial stages of designing improvements to the port's infrastructure, operations, and services with the intention of converting it into a modern, regionally competitive seaport for northern Haiti. Figure 10 shows the planned results of this activity and its status as of September 30, 2014.

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<sup>23</sup>Because USAID/Haiti had not yet finalized planning documents for the ports sector as of March 2015, we reference a draft of the ports sector's planning document from August 2011. Other sector planning documents that we reviewed were finalized between April 2011 and June 2012.

<sup>24</sup>USAID/Haiti expected that the private sector would contribute additional funds for construction of the new container port through a public-private partnership. For more information about the northern port activity, see [GAO-13-558](#).

**Figure 10: Planned Results and Status of a Key USAID/Haiti Ports Sector Infrastructure Activity**

Key Infrastructure Activity: Ports Sector			
Northern port			
	Planned results as of August 2011 <sup>a</sup>	Status as of September 2014	
<b>New port in the Cap-Haitien corridor</b>			
Cancelled	Build a new greenfield port in the Cap-Haitien corridor  <b>Allocation:</b> \$67.5 million <b>End date:</b> September 2015	This plan was cancelled because it was determined to be unfeasible for technical, environmental, and economic reasons.  <b>End date:</b> Not applicable <b>Allocation:</b> \$4.3 million for feasibility study	
<b>Rehabilitation of port at Cap-Haitien</b>			
Ongoing	Minor upgrades to existing port at Cap-Haitien  <b>Allocation:</b> \$5.0 million <b>End date:</b> March 2014	Plan a more extensive rehabilitation of the existing port at Cap-Haitien  <b>Allocation:</b> \$70.5 million <b>End date:</b> To be determined	Cap-Haitien port, June 2014 

Sources: GAO (analysis and image); U.S. Agency for International Development (data). | GAO-15-517

Notes: Any plans, end dates, or costs listed as the current status of ongoing activities represent projections by the U.S. Agency for International Development's Haiti mission (USAID/Haiti) as of September 2014, unless otherwise noted, and are subject to change.


<sup>a</sup>While all other sectors' planning documents were finalized by June 2012, the planning document for the ports sector had not been finalized as of March 2015. We have used the August 2011 draft to show initial plans for this sector.

## Food Security Sector

**Rural road rehabilitation** (\$28.2 million). We reviewed one infrastructure activity in the food security sector, the rehabilitation of rural farm-to-market roads in the Cap-Haitien, Port-au-Prince, and St-Marc corridors. The road rehabilitation was intended to increase farmers' access to local markets by addressing Haiti's poor road system, which makes it expensive to transport produce. In 2011, USAID/Haiti's plans for this food security sector activity included the construction and repair of an undefined number of kilometers of road for about \$108 million. In March 2013, USAID/Haiti contracted with the U.S. Army Corps of Engineers for design work and environmental assessments. As of September 2014,

USAID/Haiti planned to rehabilitate up to 150 kilometers of roads for a cost of about \$28.2 million.<sup>25</sup> Figure 11 shows the planned results of the activity and its status as of September 30, 2014.

**Figure 11: Planned Results and Status of a Key USAID/Haiti Food Security Sector Infrastructure Activity**

Key Infrastructure Activity: Food Security Sector			
Rural road rehabilitation			
	Planned results as of August 2011 <sup>a</sup>	Status as of September 2014	
Ongoing	Rehabilitation of roads in the Cap-Haitien, Port-au-Prince, and St-Marc corridors, but no specific targets established  <b>Allocation:</b> \$108.6 million <b>End date:</b> Not established	Plan to rehabilitate up to 150 km of rural roads in the Cap-Haitien, Port-au-Prince, and St-Marc corridors  <b>Allocation:</b> \$28.2 million <b>End date:</b> To be determined	Bas Boen Rural Center for Sustainable Development access road, June 2014  

Sources: GAO (analysis and image); U.S. Agency for International Development (data). | GAO-15-517

Notes: Any plans, end dates, or costs listed as the current status of ongoing activities represent projections by the U.S. Agency for International Development's Haiti mission (USAID/Haiti) as of September 2014, unless otherwise noted, and may change.

<sup>a</sup>USAID's initial plan for this sector was finalized in August 2011.

<sup>25</sup>According to USAID/Haiti officials, allocations for this activity were reduced as part of cuts to the mission's budget made in order to shift funding to USAID activities in other countries, and State is in the process of notifying Congress of these reductions.

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## Key Noninfrastructure Activities Have Shown Mixed Results, and Some Have Faced Delays

Our review of 17 key noninfrastructure activities in the food security, health and disabilities, governance and rule of law, economic security, and education sectors found that these activities had achieved mixed results and in some cases have been delayed.<sup>26</sup> While some activities met their performance indicators' targets, other activities did not meet these targets or USAID/Haiti reduced their planned outcomes for reasons such as challenges encountered with some implementing partners and delayed or revised decisions from the Haitian government.<sup>27</sup> Across all noninfrastructure activities, activities met or exceeded targets for 50 percent of performance indicators and met at least 75 percent of targets for an additional 23 percent of indicators in their most recent full fiscal year of activity.<sup>28</sup> In addition, several activities encountered significant procurement delays because of inadequate mission staffing or staff's lack of familiarity with procuring large activities, according to USAID/Haiti officials. The mission reduced planned outcomes for 3 of the 17 key noninfrastructure activities, and ended 1 of these and an additional 2 activities early because of poor performance and insufficient Haitian government support.

### Food Security Sector

We reviewed two key noninfrastructure activities in the food security sector, Feed the Future West and Feed the Future North. These activities were intended to increase agricultural productivity by providing technical

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<sup>26</sup>For this review, we defined noninfrastructure activities as contracts and grants that were not focused solely on constructing or rehabilitating physical systems or buildings. Three of the 17 key activities that we defined as noninfrastructure—Feed the Future West, Feed the Future North, and the education reform activity—have some construction-related aspects but also serve other purposes. As of September 30, 2014, USAID/Haiti had allocated \$498.2 million to the 17 noninfrastructure activities that we reviewed.

<sup>27</sup>According to USAID guidance, performance indicators are used to observe progress and to measure actual results compared with expected results. USAID and implementing partners design performance indicators for each activity during the first 90 days of an award. Performance indicators consist of a target to be achieved within an explicit timeframe, and actual performance is measured against those targets.

<sup>28</sup>For each of the activities in this section, we reviewed the most recent full fiscal year of performance data, unless otherwise noted. These data were provided to USAID/Haiti by implementing partners. For more information on our methodology, see app. II. For more detail on each activity's performance, see app. IV.

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assistance to farmers in western and northern Haiti and rehabilitating roads and irrigation systems.<sup>29</sup>

**Feed the Future West** (\$93.5 million).<sup>30</sup> USAID/Haiti began Feed the Future West in June 2009, to support agricultural productivity in western Haiti. After the earthquake in 2010, USAID/Haiti modified the activity to allow it to respond to immediate needs by distributing humanitarian aid, providing employment cleaning irrigation and drainage canals, and facilitating access to affordable credit for small businesses affected by the earthquake.<sup>31</sup> In 2011, the mission refocused this activity on promoting agricultural productivity. This activity met or exceeded its target for 51 percent of its performance indicators and met at least 75 percent of its target for another 20 percent of its indicators for fiscal year 2014, its final full fiscal year.<sup>32</sup> Targets met included those related to helping farmers achieve higher profits and yields for some crops in the Port-au-Prince and St-Marc corridors. According to USAID/Haiti officials, Feed the Future West was able to meet these targets because farmers chose to participate in the activity after seeing the success of fellow farmers who incorporated the activity's agricultural practices—for example, practices taught at seven agricultural education centers established to transfer knowledge and technology to farmers. The activity did not meet targets for other indicators, including kilometers of roads improved or constructed, because of delays in the completion of preliminary cost-benefit analyses, according to USAID/Haiti officials. In addition, because

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<sup>29</sup>Feed the Future West and Feed the Future North have some construction-related aspects while also serving other purposes. The roads to be rehabilitated under Feed the Future West and Feed the Future North are distinct from those to be rehabilitated under the rural road rehabilitation activity.

<sup>30</sup>Some of the noninfrastructure activities we reviewed began before the earthquake, but funds were allocated for these activities after the earthquake from reconstruction funding. For these activities, the allocation amounts shown include only reconstruction funding and do not represent total allocations to the activity.

<sup>31</sup>USAID/Haiti issued a modification to several activities that were ongoing at the time of the earthquake, authorizing the activities to be redirected as needed to respond to the earthquake's immediate aftermath.

<sup>32</sup>The activity did not meet the target for 17 of its 35 fiscal year 2014 performance indicators, although it met the overall target set for the life of the activity for 9 of those 17 indicators. For example, in fiscal year 2014, the activity helped to create 234 jobs, falling short of the fiscal year 2014 target of 300 jobs. However, over the life of the activity, the activity helped to create 10,031 jobs, exceeding its life-of-activity target of 10,000 jobs. Overall, Feed the Future West met or exceeded the target for 71 percent of its indicators for the life of the activity.



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of delays in completing an environmental assessment, USAID/Haiti extended the activity's time frame by 9 months to February 2015 to allow time to finish ongoing rehabilitation of an irrigation system and the construction of a water diversion structure, according to USAID/Haiti officials.

**Feed the Future North** (\$87.8 million). USAID/Haiti initiated Feed the Future North in April 2013 to enhance agricultural productivity in the Cap-Haïtien corridor by supporting the cultivation of cacao, rice, and other crops as well as enhancing watershed stability and improving roads and irrigation systems. This ongoing activity met or exceeded its target for 13 percent of its performance indicators and met at least 75 percent of its target for another 9 percent of its indicators for fiscal year 2014. Targets met included the number of technologies or management practices made available to farmers and the number of watershed management associations formed. The activity did not meet targets for other indicators, including the number of farmers applying new technologies and the number of kilometers of irrigation systems repaired. According to USAID/Haiti officials and implementing partner reports, the activity has faced challenges including two seasons of severe drought, difficulty in finding staff with necessary expertise who were willing to move to northern Haiti to manage the activity, and delays in evaluations required to start irrigation system repair. In addition, the activity was delayed 18 months in procurement because, according to USAID/Haiti officials, mission staff set unrealistic procurement time frames, owing to unfamiliarity with the procurement process for an activity of this size.

## Health and Disabilities Sector

We reviewed seven key noninfrastructure activities in the health and disabilities sector: four activities intended to provide access to basic health care services, an activity intended to combat HIV/AIDS, an activity intended to improve Haiti's health commodities logistics system, and an activity using social marketing to provide health education.

**Health care access.** USAID/Haiti has supported four health care access activities to provide a variety of health services, including HIV/AIDS services, tuberculosis detection, maternal and child health support, and family planning counseling, at 164 clinics, which, according to USAID, reach 43 percent of the population of Haiti. In addition, these activities have attempted to build the capacity of the Haitian Ministry of Health.

- **Health care access 1** (\$28.2 million). USAID/Haiti initiated this activity nationwide in August 2007. It met or exceeded its target for 63 percent of its performance indicators and met at least 75 percent of its

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target for another 27 percent of its indicators for fiscal year 2012, its final full fiscal year. Targets met included the number of individuals who received counseling and testing for HIV, the number of people trained for tuberculosis and HIV testing, the percentage of women provided with postnatal care, and the number of Haitian health departments with a donor coordination mechanism. An external evaluation noted that the activity's expansion of health care service delivery was due to active oversight and a multifaceted approach that included training for health workers as well as technical and support personnel.<sup>33</sup> The activity did not meet targets for other indicators, including the number of people trained in children's health care and nutrition, because of logistical constraints and competing priorities for staff time, according to USAID/Haiti officials. The activity also did not meet a target for the number of Haitian government entities with new financial management systems. The activity's external evaluation noted that the Haitian government lacked a clear framework for addressing critical issues in health care financing.

- **Health care access 2** (\$25.1 million). USAID/Haiti initiated this activity in August 2012 as an extension of the "health care access 1" activity.<sup>34</sup> As of July 2013, "health care access 2" met or exceeded its target for 44 percent of its performance indicators, and met at least 75 percent of its target for another 32 percent of its indicators.<sup>35</sup> Targets met included the number of people trained in maternal and newborn health, the number of community health workers providing reproductive health services, and the percentage of locations implementing quality assurance measures. The activity did not meet targets for other indicators, including the number of HIV-positive individuals receiving antiretroviral therapy and the number of Haitian government entities with improved accounting. According to an implementing partner report, the activity failed to meet these targets because of delays in, respectively, the start of work at antiretroviral

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<sup>33</sup>Gerard Bowers, Rachelle Cassagnol, and Williams Ojo, *USAID/Haiti: Sante pour le Developpement et la Stabilite d'Haiti (SDSH) Project Evaluation* (Washington, D.C.: Global Health Technical Assistance Project, November 2011).

<sup>34</sup>USAID/Haiti implemented this extension activity in order to maintain service during procurement delays for the "health care access 3—North" and "health care access 3—Central/South" activities.

<sup>35</sup>This extension activity began in August 2012 and ended in January 2014. The implementing partner reported the activity's progress for each year of operation rather than for fiscal years.

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sites and the Haitian government's selection of a financial software package.

- **Health care access 3—Central/South** (\$41 million). USAID/Haiti initiated this activity in September 2013 in 6 of the country's 10 departments, which include areas in and adjacent to the Port-au-Prince and St-Marc corridors. This ongoing activity met or exceeded its target for 37 percent of its performance indicators and met at least 75 percent of its target for another 44 percent of its performance indicators for fiscal year 2014. Targets met included the number of individuals with advanced HIV infection receiving antiretroviral therapy and the percentage of births attended by a skilled doctor, nurse, or midwife. The activity did not meet targets for other indicators, including the number of sites providing care for vulnerable groups and the percentage of sites implementing a continuous quality improvement plan. According to USAID/Haiti officials, the activity did not meet these targets because of the activity's complexity and because fiscal year 2014 was the implementing partner's first year of operating the activity. In addition, procurement for this activity was delayed by 20 months because, according to USAID/Haiti officials, the mission redesigned its health care access activities to address the findings of a financial risk assessment that was completed later than planned.<sup>36</sup>
- **Health care access 3—North** (\$29.7 million). USAID/Haiti initiated this activity in September 2013 in 4 of the 10 departments in the country, which include areas in and adjacent to the Cap-Haïtien corridor. This ongoing activity met or exceeded its target for 38 percent of its performance indicators and met at least 75 percent of its target for another 34 percent of its indicators for fiscal year 2014. Targets met included the number of individuals who received HIV testing and counseling, the number of HIV-positive patients screened for tuberculosis, and the percentage of assisted sites providing family planning counseling. The activity did not meet targets for other indicators, including targets for the percentage of U.S.-supported laboratories performing tuberculosis testing with correct results and the percentage of sites maintaining auditable financial reports and implementing timely procurement processes. USAID/Haiti officials attributed the activity's failure to meet some targets in part to the fact

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<sup>36</sup>A public financial management risk assessment, required by USAID guidance, was completed in November 2013 instead of March 2012 as planned, according to USAID/Haiti officials.

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that, similar to the “health care access 3–Central/South” activity, “health care access 3–North” is a complex effort, and fiscal year 2014 was the implementing partner’s first year of operating the activity. USAID/Haiti officials and an implementing partner report also noted that finding appropriate staff presented challenges to implementation of this activity. In addition, similar to the “health care access 3–Central/South” activity, procurement for “health care access 3–North” was delayed by 20 months. Further, although the “health care access 3” activities were initially planned to fully support 12 health referral networks, during the design of these procurements USAID/Haiti determined to primarily support 3 of the networks while providing limited support to the other 9, because of the costs of staffing, maintaining, and operating the networks.

**Community health and AIDS mitigation** (\$19.0 million). USAID/Haiti initiated this activity nationwide in May 2009, to work with community-based organizations to integrate social and health services for individuals with HIV and AIDS. In response to the outbreak of cholera that began in October 2010, the mission redirected the activity to implement related relief efforts, including conducting home visits, providing health care referrals, and distributing water purification packets. USAID/Haiti refocused the activity on its initial purpose in early 2011. The activity met or exceeded its target for 45 percent of its performance indicators and met at least 75 percent of its target for another 6 percent of its indicators for fiscal year 2012, its final full fiscal year. Targets met included the number of individuals served. The activity did not meet targets for other indicators, including the number of individuals with HIV/AIDS referred for tuberculosis screening. In addition, over the course of the activity, some targets were significantly reduced, including reducing the intended number of HIV/AIDS service centers established from 80 to 32. Because of poor performance and concerns about the implementing partner’s financial management and oversight, USAID/Haiti ended the activity about 1 year early, in May 2013.<sup>37</sup>

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<sup>37</sup>In January 2013, USAID/Haiti found that in addition to not meeting targets, the implementing partner for the activity had spent \$1.9 million beyond the amount obligated for this activity to sub-recipients in fiscal year 2011, indicating serious financial mismanagement. USAID/Haiti notified the USAID Office of Inspector General, and requested a dismissal of the implementing partner’s in-country manager of the activity. Performance and financial management concerns continued, which led USAID/Haiti to determine to end the activity a year early.

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**Health logistics (\$15.1 million).** USAID/Haiti initiated this activity nationwide in March 2010, to lower the incidence of medication and contraception shortages by improving health commodities logistics. The mission also used the activity to help with earthquake relief and respond to the cholera outbreak that began in October 2010 by providing a way to transport needed medication. After USAID/Haiti refocused the activity on its core purpose, the activity met or exceeded its target for 52 percent of its performance indicators and met at least 75 percent of its target for another 39 percent of its indicators for fiscal year 2014, its final full fiscal year. Targets met included the number of capacity-building activities conducted to improve Haitian government leadership. The activity did not meet targets for other indicators, including the percentage of sites submitting accurate and timely reporting. Both USAID/Haiti and the implementing partner noted that the activity's performance in some areas was affected by high staff turnover at health commodities sites.

**Health social marketing (\$11.9 million).** USAID/Haiti initiated this activity nationwide in April 2009. The activity was intended to improve health outcomes by providing a variety of health-related information to the public—including instructions for correctly using condoms to reduce the risk of HIV infection, and for treating contaminated water—and distributing related products. The activity met or exceeded its target for 50 percent of its performance indicators and met at least 75 percent of its target for another 31 percent of its indicators for fiscal year 2013, its final full fiscal year. Targets met included contraceptive distribution, which was due to two major promotional campaigns. The activity did not meet targets for other indicators, including the number of people trained in avoiding contaminated water. According to an implementing partner report, the activity failed to meet this target because the activity was intended to coordinate trainings with the community health and AIDS mitigation activity, which ended sooner than planned.

## Governance and Rule of Law Sector

We reviewed four key activities in the governance and rule of law sector that were intended, respectively, to strengthen local governance, reform the criminal justice system, provide technical assistance to the national parliament, and prevent human rights abuses.

**Strengthening local governance (\$19.7 million).** USAID/Haiti initiated this activity in January 2013 to work with officials in the Cap-Haïtien and Port-au-Prince corridors to strengthen local governments' capacity to provide services, including by increasing local tax revenue. This ongoing activity met or exceeded its target for 60 percent of its performance indicators and met at least 75 percent of its target for another 5 percent of

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its indicators for fiscal year 2014. Targets met included the change in tax revenues generated in target communities. USAID/Haiti officials attributed the achievement of targets for performance indicators such as this one to the activity's awareness campaigns that explain the uses of local tax funds. The activity did not meet targets for other indicators, including targets for the number of communities that adopt their local development plans by legal ordinance and the number of journalists trained on local government competencies. In addition, this activity, which follows previous USAID/Haiti efforts to strengthen local governance, faced a 1-year procurement delay.<sup>38</sup> According to USAID/Haiti officials, a revision of the activity's initial design, necessary to more thoroughly involve local organizations, took longer than expected because of staffing deficits at the mission in the post-earthquake period.<sup>39</sup>

**Criminal justice reform** (\$19.3 million). USAID/Haiti initiated the criminal justice reform activity in June 2009, targeting certain cities in the Cap-Haïtien, Port-au-Prince, and St-Marc corridors, to strengthen the judiciary, reduce pretrial detention, and provide legal assistance. In the aftermath of the earthquake, the mission refocused the activity on reconstituting destroyed case files, which continued into fiscal year 2013. This ongoing activity met or exceeded its target for 79 percent of its performance indicators and met at least 75 percent of its target for another 7 percent of its indicators for fiscal year 2014. Targets met included the number of initiatives implemented to improve the effectiveness of the judiciary. USAID/Haiti officials attributed the activity's success in such areas to strong working relationships with local government officials. Indicators for which the activity met at least 75 percent of its target included the number of people in illegal or pretrial detention assisted by the U.S. government. In recognition of the time spent on post-earthquake assistance, USAID/Haiti extended this activity by 15 months, to July 2015, to provide more time to focus on the activity's original purpose.

**Strengthening parliament** (\$11.9 million). USAID/Haiti initiated this activity in September 2011 to provide technical assistance to the national

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<sup>38</sup>USAID/Haiti issued a bridge contract to the implementing partner of the prior activity in order to maintain service during procurement delays for this activity.

<sup>39</sup>This focus on local organizations was initiated to comply with the USAID initiative called USAID Forward, which, among other elements, promotes sustainable development through high-impact partnerships and local solutions.

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parliament. The activity met or exceeded its target for 44 percent of its performance indicators and met at least 75 percent of its target for another 33 percent of its indicators for fiscal year 2013, its final full fiscal year. Targets met included the partial development of a strategic planning process to govern the parliament's long-term institutional development. The activity did not meet targets for other indicators, including the number of executive oversight actions taken by the legislature. USAID/Haiti officials said that challenges for this activity included political tensions between the executive branch and the parliament. According to USAID/Haiti, the mission determined not to fund a planned second phase of the activity and instead to end it in July 2014, after a change in parliamentary leadership led to a lack of support for the activity in the parliament.

**Prevention of human rights abuses** (\$10.1 million). USAID/Haiti initiated this activity in March 2012 in the Cap-Haïtien, Port-au-Prince, and St-Marc corridors, to improve the safety and security of women, children, and youth by decreasing the incidence of human rights abuse and expanding access to treatment and care. However, according to USAID/Haiti officials, performance targets for the activity were not established because of disagreements with the implementing partner regarding the activity's intended outcomes. USAID/Haiti subsequently terminated the activity in March 2014, 3 years earlier than planned, owing to the implementing partner's management challenges that resulted in the activity not achieving results expected under the cooperative agreement, according to a USAID/Haiti internal memo requesting approval to cancel the agreement. Further, a November 2014 USAID Office of Inspector General (OIG) report noted that the activity's broad scope contributed to poor performance.<sup>40</sup> USAID/Haiti officials further stated that the activity faced a 6-month procurement delay because of a lack of staff to handle post-earthquake procurements.

## Economic Security Sector

We reviewed two key activities in the economic security sector, which were intended, respectively, to increase employment and economic growth, and increase access to financing.

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<sup>40</sup>USAID Office of Inspector General, *Audit of USAID/Haiti's Protecting the Rights of Children, Women, and Youth Program*, Audit Report No. 1-521-15-001-P (San Salvador, El Salvador: Nov. 12, 2014).

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**Increased employment and economic growth** (\$32.6 million).

USAID/Haiti initiated this activity in December 2013 to increase employment and enhance economic growth in the Cap-Haïtien, Port-au-Prince, and St-Marc corridors. The activity intended to accomplish these goals by creating relationships among firms that purchase and supply goods and services and that provide technical and financial support in the construction, apparel, and agriculture industries. This ongoing activity met or exceeded its target for 33 percent of its performance indicators and did not meet at least 75 percent of its target for any of its remaining indicators in fiscal year 2014, its first year of operation.<sup>41</sup> USAID/Haiti officials noted that the activity nonetheless reached key milestones in fiscal year 2014 that laid the foundation for achieving expected results in future years. This activity also faced a 17-month procurement delay.

**Access to finance** (\$27.7 million). USAID/Haiti initiated this activity nationwide in June 2009 to increase access to finance, primarily in rural areas, and to encourage remittances from the Haitian diaspora be made accessible for productive investments in Haiti's development. The activity met or exceeded its target for 60 percent of its performance indicators and met at least 75 percent of its target for another 15 percent of its indicators for fiscal year 2014. Targets met included the number of clients of microfinance institutions assisted and the number of new financial products and services launched. According to USAID/Haiti officials, success in these efforts was due in part to the growth of credit unions in Haiti after the activity started. The activity did not meet targets for other indicators, including those related to directing remittances to economic development and promoting mobile money—the use of mobile technology to purchase goods and services. An external evaluation noted that USAID/Haiti faced difficulties mobilizing remittances for investment purposes because remittances were commonly used to cover basic needs such as food and shelter.<sup>42</sup> In addition, USAID/Haiti officials attributed the activity's failure to meet its targets for mobile money indicators to logistical challenges related to changes in the telecommunications market in Haiti. As a result, USAID/Haiti extended

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<sup>41</sup>Because the activity started in December 2013, performance data for this activity cover the period from the activity's start through September 2014. For this period, expectations for performance were set for only 3 of the activity's 24 performance indicators.

<sup>42</sup>Tom Easterling and Wasmith François, *Evaluation of the USAID/Haiti Integrated Financing for Value Chains and Enterprises (HIFIVE) Program* (Bethesda, MD: Mendez England & Associates, Aug. 1, 2012).



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this activity for an additional year, until May 2015, to further develop the use of mobile money and modified the contract to eliminate the focus on directing remittances in light of the challenges in this area.

## Education Sector

We reviewed two key activities in the education sector, intended, respectively, to develop French and Creole early grade reading instruction materials and provide technical support to the Ministry of Education to promote education reform.

**All Children Reading** (\$13.0 million). USAID/Haiti initiated this activity in the Cap-Haïtien, Port-au-Prince, and St-Marc corridors in August 2012 to develop reading instruction curriculum for grades 1 through 3 and to implement the grades 1 and 2 materials in target schools. This activity met or exceeded its target for 63 percent of its performance indicators and met at least 75 percent of its target for another 19 percent of its indicators for fiscal year 2014, its final full fiscal year. Targets met included the proportion of students with improved reading skills at the end of grades 1 and 2. The activity did not meet targets for other indicators, including the number of learners receiving reading interventions because, according to USAID/Haiti officials, the Ministry of Education data on which these targets were based overestimated the number of students in schools. Further, according to USAID/Haiti officials, the activity faced challenges in meeting activity deadlines for deliverables as a result of the implementing partner's lack of staff with relevant expertise. The officials also noted that because the implementer was able to pilot but not fully implement grade 2 materials as initially planned, the mission modified the contract to reduce this requirement and reflect actual implementation.

**Education reform** (\$12.5 million). USAID/Haiti initiated this activity nationwide in May 2008 to provide technical assistance to the Ministry of Education. The mission redirected the activity after the earthquake to construct classrooms in addition to continuing to provide some support to the Ministry of Education.<sup>43</sup> The activity met or exceeded its target for 93 percent of its performance indicators and met at least 75 percent of its target for the remaining 7 percent of its indicators for fiscal year 2011, its final full fiscal year. Targets met included the number of officials trained

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<sup>43</sup>For this review, we defined noninfrastructure activities as contracts and grants that were not focused solely on constructing or rehabilitating physical systems or buildings. The education reform activity has some construction-related aspects while also serving other purposes.

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and the number of schools repaired to enable access by disabled children.

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### USAID/Haiti Has Taken Steps to Address Implementation Challenges and Extended Its Reconstruction Time Frame by 3 Years

Since the January 2010 earthquake, USAID/Haiti has taken several steps to address challenges that affected implementation of its reconstruction activities. For example, to address lack of staff as a problem for several key activities, USAID/Haiti increased the proportion of filled direct-hire staff positions from 41 percent soon after the earthquake to 81 percent as of December 2012.<sup>44</sup> USAID/Haiti has continued to fill positions, with 87 percent filled as of June 2014, although some technical positions remain unfilled.<sup>45</sup> In addition, according to USAID/Haiti officials, the mission plans to establish a satellite office in Cap-Haïtien to strengthen monitoring of activities implemented in northern Haiti and has engaged USAID contracting officers in Washington, D.C.; the Dominican Republic; and other locations, as well as a private firm, to expedite procurement actions.

USAID/Haiti has also addressed challenges that it identified through several internal progress reviews.

- **Portfolio reviews.** Since fiscal year 2013, the mission has conducted biannual reviews of ongoing activities as recommended by USAID policy. These reviews allow mission management to view progress in related activities and make recommendations for improvement. For example, in a May 2014 review of activities in the food and economic security sectors, USAID/Haiti discussed ongoing procurement delays and stated its intention to clarify roles, responsibilities, and authorities to minimize further delays during the activity design review and approval process.

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<sup>44</sup>In our November 2011 report on Haiti reconstruction, we reported that USAID had difficulties securing staff—particularly technical staff such as contracting officers and engineers—who were willing to work in Haiti after the earthquake and who could supply the expertise necessary to plan and execute large, complex infrastructure activities. We also reported that such difficulties had contributed to delays in U.S. efforts. See [GAO-12-68](#).

<sup>45</sup>These included positions in the infrastructure office, such as the ports advisor position that USAID/Haiti has had difficulties filling. In January 2011, May 2013, and December 2014, the mission attempted to solicit a ports advisor to oversee that sector's activities, but, as of February 2015, this position remained unfilled. For more information, see [GAO-13-558](#).

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- **USAID Administrator’s review.** In October 2013, the USAID Administrator initiated a review of progress in all Haiti reconstruction sectors. As a result of the Administrator’s review, USAID/Haiti has shifted plans for meeting goals in the U.S. government strategy related to some sectors. For example, USAID/Haiti is developing new activities in the shelter sector to provide housing assistance without building homes, such as by providing access to financing for home purchases and improvements. The mission also determined to refocus its ports sector activity on rehabilitating the existing port at Cap-Haïtien instead of also building a new port.
  - **Mission management assessment.** In December 2013, at the request of USAID/Haiti management, USAID headquarters undertook a review of mission operations to identify ways to strengthen performance.<sup>46</sup> This review included recommendations related to improving interagency management and staffing support required to achieve sector goals, including providing necessary training to new staff. According to USAID/Haiti officials, as of March 2014, the mission had implemented most of the recommendations from this assessment.

After these internal reviews as well as external reviews,<sup>47</sup> the mission determined that it faced several key challenges in managing reconstruction activities—including inadequate time for activity design, the need to hire and train additional staff, and unanticipated delays in implementation—and that many activities required additional time to achieve desired results.<sup>48</sup> As a result, in December 2013, USAID/Haiti

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<sup>46</sup>According to USAID guidance, such reviews can be conducted to help senior managers identify immediate issues, and propose feasible steps to address gaps. See U.S. Agency for International Development, *Mission Management Assessment Guidance: A Mandatory Reference for ADS Chapter 527 and 596*, partially revised May 23, 2014.

<sup>47</sup>Other internal reviews include USAID’s Regional Inspector General reports: *Audit of USAID/Haiti’s Health Infrastructure Program*, Audit Report No. 1-521-14-008-P (San Salvador, El Salvador: Apr. 25, 2014); *Audit of USAID’s New Settlement Construction Activities*, Audit Report No. 1-521-14-007-P (San Salvador, El Salvador: Apr. 14, 2014); and *Audit of USAID/Haiti’s Watershed Initiative for National Natural Environmental Resources Program*, Audit Report No. 1-521-12-003-P (San Salvador, El Salvador: Apr. 27, 2012). External reviews include prior GAO reports on Haiti reconstruction listed in the “Related GAO Products” section at the end of this report.

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extended the time frame for its activities under the *Post-Earthquake USG Haiti Strategy* from September 2015 to a new end date of September 2018.<sup>49</sup>

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## USAID Has Implemented Activities to Address Sustainability Risks but Should Further Enhance Sustainability Planning Procedures

USAID/Haiti has taken actions to address risks to the sustainability of its post-earthquake reconstruction activities, but sustainability planning could be improved. USAID/Haiti determined that the chief risks to its activities' sustainability were the Haitian government's limited technical capacity, budgetary capacity, and political will. Activities that the mission planned to address such risks have had mixed outcomes, with certain activities demonstrating progress and other activities encountering delays or failing to achieve intended outcomes because of a lack of Haitian government support. USAID/Haiti has committed to conducting sustainability analyses for its infrastructure reconstruction activities but does not plan to conduct such analyses for any noninfrastructure activities until October 2018. As a result, the mission may lack detailed information about, and the ability to address, risks to the sustainability of its noninfrastructure activities. In addition, USAID has not provided missions with guidance for completing statutorily required certifications of the sustainability of certain types of activities, and partly as a result, USAID/Haiti may not have completed all required certifications and has included inconsistent information in those it has completed.

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<sup>48</sup>USAID/Haiti initially planned to implement 19 activities that as of September 2014 it had not yet initiated and to which it continued to allocate \$111.4 million, or 8.7 percent of its total allocations. As of September 30, 2014, allocations for these 19 planned activities ranged from \$0.35 million to \$27.3 million. We did not review any of these planned activities because no aspect of these activities had been initiated as of March 31, 2014.

<sup>49</sup>In February 2015, State issued a 3-year extension to the *Post-Earthquake USG Haiti Strategy: Toward Renewal and Economic Opportunity* through January 2018. State issued this extension in response to the Assessing Progress in Haiti Act of 2014, Pub. L. No. 113-162, Aug. 8, 2014, which required State to coordinate writing a 3-year Haiti strategy. According to State officials, to determine how the extension would reflect lessons learned and circumstances changed since when the original strategy was issued in January 2011, State proposed that all agencies follow the process that USAID had undertaken for its strategy extension by examining lessons learned and identifying necessary adjustments.

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## USAID/Haiti Identified the Haitian Government's Limited Technical and Budgetary Capacity and Political Will as Key Sustainability Risks

According to USAID planning documents for all reconstruction sectors, USAID/Haiti determined that the most significant risks to the sustainability of post-earthquake reconstruction activities were the Haitian government's limited technical capacity, budgetary capacity, and willingness to support the completed activities and any needed reforms.<sup>50</sup>

- **Technical capacity.** USAID/Haiti sector planning documents note that the technical capacity of Haiti's national ministries and departmental and local governments had been limited before the earthquake and was further diminished by losses suffered as a result of the earthquake, including the deaths of more than 16,000 personnel. As a result, it could be difficult for the Haitian government to operate and maintain completed USAID/Haiti activities in the long term. For example, according to the shelter sector's 2011 planning document, Haiti lacked the institutional capacity to provide the long-term maintenance required to ensure the sustainability of the settlements built through the New Settlements Program. In addition, multiple planning documents noted inefficient Haitian government practices—for example, in the ports sector, excessive port charges and slow port clearance processes—that could undermine gains made through USAID/Haiti activities.
- **Budgetary capacity.** USAID/Haiti sector planning documents state that the Haitian government lacked necessary resources to fund government activities and had long relied on donor funding to supplement its annual budget. Data from the United Nations Office of the Special Envoy for Haiti indicate that this situation worsened after the earthquake and that aid from bilateral and multilateral donors represented approximately 80 percent of total government revenue in 2010. As a result, it could be difficult to ensure that the Haitian government will be able to provide recurring funding to manage and maintain completed USAID/Haiti activities.
- **Political will.** USAID/Haiti sector planning documents note that Haiti's evolving political landscape and shifting government priorities could lead to uncertainty regarding future political leaders' support for necessary reforms and any operations and maintenance needed for

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<sup>50</sup>The planning documents also mentioned other particular risks that could affect the sustainability of reconstruction activities in some sectors. For example, severe storms could diminish the sustainability of activities in the food security sector, and lack of regional economic opportunities could affect the sustainability of the New Settlements Program in the shelter sector.

completed USAID/Haiti activities. In addition, multiple planning documents stated that corruption within the Haitian government could undermine gains made through USAID/Haiti activities.

**USAID/Haiti’s Planned Activities to Build Haitian Government Capacity Have Had Mixed Outcomes**

While some activities that USAID/Haiti planned to strengthen the Haitian government’s capacity to sustain reconstruction activities have demonstrated progress, others have encountered delays or have not achieved intended results. Table 2 shows the primary focus areas for capacity-building activities that USAID/Haiti planned for each reconstruction sector.<sup>51</sup>

**Table 2: Primary Focus Areas for USAID/Haiti Activities Planned to Build Haitian Government Capacity, as of September 30, 2014, by Reconstruction Sector**

Sector	Focus areas for planned activities
Health and disabilities	<ul style="list-style-type: none"> <li>Improve the financial management, information systems, planning and priority setting, and service delivery of the departmental and central levels of the health ministry</li> </ul>
Food security	<ul style="list-style-type: none"> <li>Strengthen the capacity of the agriculture ministry to perform research and provide extension services and market information</li> <li>Provide technical assistance to the Haitian government to monitor agricultural statistics</li> </ul>
Governance and rule of law	<ul style="list-style-type: none"> <li>Strengthen local government capacity to manage resources and deliver services, including through technical assistance to targeted municipalities to improve urban planning, budgeting, program management, and communication with citizens</li> </ul>
Energy	<ul style="list-style-type: none"> <li>Restructure the national electric utility</li> <li>Promote legal and regulatory reform</li> </ul>
Shelter	<ul style="list-style-type: none"> <li>Promote community development at New Settlements Program sites</li> </ul>
Ports	<ul style="list-style-type: none"> <li>Help build the capacity of the national port authorities</li> <li>Promote regulatory and customs reforms</li> </ul>
Economic security	<ul style="list-style-type: none"> <li>Support macroeconomic policy and tax reform</li> <li>Strengthen the Haitian government’s financial management</li> </ul>
Education	<ul style="list-style-type: none"> <li>Embed consultants in the Ministry of Education to provide technical assistance</li> <li>Support curriculum reform efforts focused on early grade reading</li> </ul>

Source: GAO analysis of U.S. Agency for International Development (USAID) documents. | GAO-15-517

<sup>51</sup>According to USAID/Haiti planning documents and USAID officials, USAID/Haiti has also addressed sustainability risks to its reconstruction activities by (1) encouraging the passage of reform legislation, such as a bill that would increase municipalities’ fiscal and legal authority to administer services to their communities, and (2) working with local organizations, such as civil society organizations, associations, and private firms, to build their capacity to help sustain services.

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Certain USAID/Haiti capacity-building activities have demonstrated intended results. For example,

- **Governance and rule of law sector.** USAID/Haiti funded the development of software for municipal tax collection and management, designed to increase local revenues and transparency in funds management. According to implementing partner reports, local tax revenue in two targeted communities increased by more than 100 percent in fiscal years 2011 and 2012 as a result of the new software's use, with subsequent continued gains in these and other communities. In fiscal year 2014, the Haitian government adopted the software for expansion beyond the targeted communities.
- **Shelter sector.** USAID/Haiti has funded community development activities for the two New Settlements Program sites with USAID-funded housing. According to USAID/Haiti officials and implementing partner staff, these activities aided in the development and implementation of the beneficiary selection process and establishment of community management committees to help create cohesive communities at these sites.

Other planned capacity-building activities have encountered delays. For example,

- **Ports sector.** USAID/Haiti initially planned to help build the national port authority's capacity and to improve the legal and regulatory framework for the country's ports sector through activities that were to start by 2013. However, no capacity-building activities in this sector had begun as of September 2014 and plans for these activities have been redesigned to focus on the Cap-Haïtien port. In addition, funding for capacity building in this sector could be further delayed because, according to USAID/Haiti officials, USAID/Haiti does not plan to provide any funding in this sector until the Haitian port authorities take steps toward needed reforms.
- **Food security sector.** USAID/Haiti initially planned a capacity-building activity to strengthen the institutional capacity of the Haitian agriculture ministry, including its capacity to deliver education and market information to agricultural producers. According to USAID/Haiti officials, the activity will take at least 2 years longer than expected because of frequent turnover among ministry officials and, consequently, the need to seek commitments to support the activity from multiple new officials.

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In addition, according to USAID officials, certain USAID/Haiti capacity-building activities have not achieved intended results because of a lack of Haitian government commitment to reform. For example,

- **Energy sector.** USAID/Haiti initially planned a capacity-building activity to help the national electric utility better operate and sustain the country's power infrastructure. However, according to USAID officials, initial gains from this activity were later reversed because of a lack of support among new officials at the utility. USAID officials told us that, as a result, USAID/Haiti decided to suspend a follow-on activity to promote legal and regulatory reform in the energy sector until the Haitian government takes concrete steps necessary for sector reform.
- **Economic security sector.** USAID/Haiti placed a consultant in the Ministry of Economy and Finance to help build the government's fiscal and institutional capacity and assist with customs tax reform. However, according to USAID/Haiti officials, the consultant has produced few results because of the ministry's lack of commitment to these types of reforms.

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### USAID/Haiti Requires Sustainability Analysis for Infrastructure Activities but Not for Noninfrastructure Activities

USAID/Haiti requires sustainability analysis for infrastructure activities but does not plan to require such analysis for noninfrastructure activities until October 2018, after the U.S. post-earthquake strategy is set to end. According to USAID/Haiti officials, the mission is not required to conduct such analyses until it begins to operate under a new strategy. However, both infrastructure and noninfrastructure activities in Haiti face key risks to sustainability, including the limited budgetary and technical capacity of the Haitian government.

**Infrastructure.** USAID/Haiti has required sustainability analysis for all infrastructure activities since December 2014.<sup>52</sup> As of March 2015, according to USAID/Haiti officials, the mission had begun a sustainability

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<sup>52</sup>In September 2014, USAID/Haiti issued a mission order requiring sustainability analysis for all infrastructure activities beginning in December 2014. The mission issued the order in response to an April 2014 OIG report that found that, despite considerable risks to the sustainability of infrastructure activities in Haiti, the mission had not performed sustainability analyses encouraged by agency-wide policy. See USAID/Haiti, "Mission Order 36: Implementation of Projects/Programs with Engineering and/or Construction Activities," Sept. 30, 2014. A mission order provides mission-specific procedures for implementing USAID-wide policy.



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analysis for 1 infrastructure activity and planned to perform such analyses for all infrastructure activities. USAID/Haiti and others have observed obstacles to the sustainability of USAID/Haiti's ongoing infrastructure activities, which the planned sustainability analyses may help the mission to address. For example, revenue from industrial park tenants for the Caracol Industrial Park power plant has been less than expected and has not helped to cover plant operations and maintenance costs to the extent planned. In addition, at the State University Hospital—part of the Haiti Health Infrastructure Program—hospital officials' estimates of the rehabilitated hospital's operations and maintenance costs are significantly higher than the Ministry of Health's current budget for the hospital, while no additional revenue sources have been identified to cover the difference.<sup>53</sup>

**Noninfrastructure.** As of December 2014, USAID/Haiti did not plan to begin performing sustainability analysis during the design of its noninfrastructure activities until October 2018, according to mission officials. Since January 2012, an agency-wide policy has required that sustainability analysis be conducted during design of all projects in countries operating under a Country Development Cooperation Strategy and has encouraged other missions to adopt this policy incrementally.<sup>54</sup>

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<sup>53</sup>USAID officials stated that as of March 2015, final estimates of the operations and maintenance costs of the rehabilitated hospital were not known because a business plan for the hospital, which is the responsibility of the French government, had not been completed. Nevertheless, USAID officials did not expect the Haitian government to sustain the hospital's operations and maintenance until 5 years after the rehabilitation is completed, when the Haitian government has agreed to provide the full costs. USAID officials further noted that the Haitian government had severely underfunded the hospital for decades and that routine maintenance had not been a budget priority. However, USAID officials stated that the Haitian government had honored its funding commitments to the hospital through March 2015 and was aware of its need to responsibly manage the facility in future.

<sup>54</sup>USAID Automated Directives System 201.3.16.3c. According to the policy, the sustainability analyses should include, among other things, (1) a recurrent cost analysis that estimates the costs and revenues during and after the project, (2) an identification of the source of future income or revenues and confirmation of the sufficiency of that source, and (3) an assessment of institutional capacity that should be put in place or developed through the project. USAID guidance on sustainability analysis states that sustainability analysis is required for all types of activities even though, depending on the context, the degree and kind of sustainability may differ, with some activities designed not to be sustainable or to be only partially sustainable. In these cases, the analysis should encourage mindfulness of sustainability, provide an honest assessment of the sustainability of the project, and show how sustainability considerations affected the activity's design.

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Internal control standards for the federal government call for agencies to assess and analyze risks associated with achieving their objectives.<sup>55</sup> USAID/Haiti officials noted that the mission drafted initial sector planning documents for Haiti reconstruction before January 2012, when the policy took effect, and is not required to comply with the policy until October 2018, when the mission will replace its extended strategy and the current sector planning documents expire. As a result, USAID/Haiti will continue to obligate funding to new noninfrastructure activities despite a lack of detailed information about—and, consequently, with limited ability to address—risks to these activities’ sustainability. As an example of sustainability challenges to noninfrastructure activities in the health and disabilities sector, according to USAID officials, 90 percent of the Haitian health ministry’s budget goes to salaries, leaving the ministry with little funding to take over the provision of health services that USAID/Haiti currently supplies.

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### USAID Has Not Provided Guidance for Completing Required Certifications of Large Infrastructure Activities’ Sustainability

USAID headquarters has not provided missions with guidance for completing required certifications of large infrastructure activities’ sustainability, and partly as a result, USAID/Haiti may not have completed all required certifications and has included inconsistent information for those it has completed. Section 611(e) of the Foreign Assistance Act of 1961 requires that USAID missions complete what is known as a 611(e) certification, attesting to the host country’s capability to effectively maintain and utilize any capital assistance project whose estimated costs exceed \$1 million.<sup>56</sup> According to USAID policy officials in Washington, D.C., as of February 2015, the only guidance USAID had provided to missions regarding the 611(e) certification requirement consisted of a checklist that mentions the requirement for capital assistance projects and names construction as an example.<sup>57</sup> The officials stated that USAID

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<sup>55</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

<sup>56</sup>Section 611(e) of the Foreign Assistance Act of 1961, as amended, states that no assistance “shall be furnished with respect to any capital assistance project estimated to cost in excess of \$1,000,000 until the head of the agency . . . has received and taken into consideration a certification from the principal officer of such agency in the country in which the project is located as to the capability of the country (both financially and human resources) to effectively maintain and utilize the project.” 22 U.S.C. § 2361(e).

<sup>57</sup>See U.S. Agency for International Development, *FY 2015 Statutory Checklists: An Additional Help for ADS Chapters 200-203*, partially revised Feb. 10, 2015.

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had not established a mandatory definition of “capital assistance project” because of the complex nature of activities that may fall under the 611(e) requirement. For example, the officials noted that construction and construction-related activities may take place under different contracts or grants and that this could affect whether a 611(e) certification is required. The officials further stated to us that when determining whether a capital assistance project exceeds the 611(e) certification requirement’s \$1 million threshold, they would consider the cost of construction, expansion, or alteration of vertical physical structures and infrastructure projects. The policy officials said that they also would consider related activities, such as technical assistance or engineering design, only if the same contract or grant is used for both the construction and the related activities.

In the absence of agency-wide guidance—including a definition of a capital assistance project—USAID/Haiti has developed its own interpretation of, and approach to meeting, the 611(e) certification requirement. According to USAID/Haiti officials, they define capital assistance as construction of physical infrastructure. The officials said that cognizant technical officers, in consultation with the mission’s legal officer, decide whether to complete a certification for each infrastructure activity and what information the certification should contain. After determining that an activity requires a 611(e) certification, technical staff write a memo describing the activity and the Haitian government’s ability to operate and maintain it. On the basis of this information, the mission director and USAID management in Washington, D.C., determine whether to sign the certification.

However, partly as a result of the lack of agency-wide guidance, USAID/Haiti officials have not completed a 611(e) certification for every activity that might require it and have provided inconsistently detailed information in the completed certifications. Consequently, the agency may not be in full compliance with the 611(e) requirement, and agency officials may lack access to information about risks to the sustainability of large infrastructure activities. According to internal control standards for the federal government, information should be communicated to management and others in an agency who need it in a form and within a time frame that enables them to carry out their internal control and other

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responsibilities, including responsibilities to achieve compliance with laws and regulations.<sup>58</sup>

- **All required 611(e) certifications may not have been completed.** According to USAID/Haiti officials, when determining whether an activity meets the 611(e) certification requirement's \$1 million threshold, they include funding for construction but exclude funding for planning and design, supervision, or maintenance. As of August 2014, the mission had completed certifications for 7 reconstruction infrastructure activities that met its interpretation of the requirement. USAID/Haiti did not complete a 611(e) certification for an education sector activity to build temporary classrooms and other related structures at a cost of more than \$5.6 million.<sup>59</sup> In addition, although the mission completed a 611(e) certification for the Caracol Industrial Park power plant, the certification did not mention electricity distribution plans; USAID officials stated that they consider the building of the distribution network to be an installation activity, not a construction activity. Further, given its interpretation of the 611(e) certification requirement's cost criterion, USAID/Haiti may not complete a certification for a shelter sector activity to convert an informal post-earthquake settlement into a community with sustainable housing and services. USAID's direct construction costs for the activity total approximately \$870,000, but other line items bring the activity's total cost to more than \$2.4 million.
- **Completed 611(e) certifications contain inconsistent levels of detail.** The information in USAID/Haiti's seven completed 611(e) certifications for reconstruction infrastructure activities provides varying levels of detail.<sup>60</sup> Each certification states the mission's reasons for believing that the Haitian government is capable of

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<sup>58</sup>[GAO/AIMD-00-21.3.1](#).

<sup>59</sup>USAID/Haiti officials noted that they did not consider a 611(e) certification to be required for this education sector activity because construction costs did not exceed \$1 million for any individual site and because the classrooms were intended to be temporary. However, it is unclear whether other structures built under the contract with combined estimated costs of \$1.6 million—for example, ramps for disabled access, perimeter fencing, latrines, and hand-washing stations—were intended to be temporary or permanent. In addition, because USAID has not provided guidance regarding 611(e) certifications, it is unclear whether the agency would require the certifications for temporary structures.

<sup>60</sup>For summaries of the content of USAID/Haiti's completed 611(e) certifications and updates on their status, see app. V.

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maintaining and operating the completed infrastructure. Six of the seven certifications also include information about USAID/Haiti's and other donors' plans to improve the Haitian government's capacity before the infrastructure is built. Also, three certifications completed since 2012 include estimates of operations and maintenance costs and copies of agreements with the Haitian government in which it agrees to bear these costs.<sup>61</sup>

In addition, USAID has determined that other USAID missions have failed to complete 611(e) certifications for many projects that require them. According to a November 2014 USAID report, an agency-wide survey of mission officials regarding infrastructure activities indicated that 611(e) certifications were completed in 21 percent of cases for capital projects with costs greater than \$1 million.<sup>62</sup> In response to this and other findings in that report, USAID has set up working groups that, according to USAID policy officials, will discuss the 611(e) certification requirement.<sup>63</sup>

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## Conclusions

In the 5 years since an earthquake devastated parts of Haiti, the USAID mission has implemented a variety of activities designed to help the country reconstruct the damaged areas, build up its economy, and

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<sup>61</sup>In April 2014, the OIG reported that two of USAID/Haiti's certifications related to health infrastructure activities, completed in July 2012 and January 2013, respectively, were insufficient because initial estimates of operations and maintenance costs were not properly conducted, further planning revealed that costs would significantly exceed initial estimates, and no detailed analysis was done to determine whether the Haitian government can cover these costs. As a result, the OIG recommended that USAID/Haiti update 611(e) certifications as necessary based on changing circumstances. USAID/Haiti agreed with the recommendation and plans to update its existing certifications by March 31, 2015. See USAID OIG, USAID Audit Report No. 1-521-14-008-P.

<sup>62</sup>This worldwide survey of USAID's construction portfolio focused on activities supported by USAID during the period from July 1, 2011, to June 30, 2013, and identified 316 construction projects valued at over \$1 million that were active during this period. Mission officials indicated through the survey that 611(e) certifications were not completed for 58 percent of these projects and mission officials did not know whether a certification was completed for 21 percent of these projects. See U.S. Agency for International Development, *USAID Construction Assessment* (Washington, D.C.: Nov. 21, 2014).

<sup>63</sup>According to USAID policy officials, USAID has constituted a Construction Subcommittee of the agency's Management Operations Council to follow up on the recommendations of the USAID Construction Assessment (November 2014). Two of the working groups (under the subcommittee) will focus on (1) laws and regulations affecting construction, and (2) standardizing contracting and programming processes for construction.

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promote long-term stability. However, challenges such as overly ambitious plans, inadequate mission staffing, and slow or revised decisions from the Haitian government have led to delays and lower than expected results for most activities. USAID/Haiti has taken several steps to address these and other challenges and has extended by 3 years its time frame for implementing its portion of the U.S. government's Haiti reconstruction strategy.

To address risks to the long-term sustainability of its infrastructure and noninfrastructure activities, the mission has undertaken some activities intended to strengthen the Haitian government's technical and budgetary capacity. Also, in September 2014, the mission committed to conduct detailed sustainability analyses for all infrastructure activities in accordance with an agency-wide policy. However, as of December 2014, USAID/Haiti did not plan to require such analysis for noninfrastructure activities until October 2018, when the next reconstruction strategy will take effect. As a result, USAID/Haiti is missing an opportunity to obtain more detailed information about—and, consequently, to better address—key risks to the sustainability of its noninfrastructure activities during their design.

Moreover, in part because USAID has not provided agency-wide guidance for identifying capital assistance projects that require 611(e) certifications or for completing the certifications, USAID/Haiti may not have certified the Haitian government's capability to maintain and operate certain infrastructure activities with costs exceeding \$1 million. In addition, the certifications that the mission completed may not provide all information needed to attest to the Haitian government's capability. USAID's November 2014 assessment of infrastructure activities worldwide found that only 21 percent of required 611(e) certifications were completed from mid-2011 to mid-2013. Agency-wide guidance would help to ensure USAID missions' full compliance with Section 611(e) of the Foreign Assistance Act as well as ensure USAID management's access to all necessary information about risks to the sustainability of activities in which the agency has made large investments.

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## Recommendations for Executive Action

To strengthen USAID's ability to promote the sustainability of its activities in Haiti, we recommend that the USAID Administrator take the following three actions:

- to better ensure the sustainability of any noninfrastructure activities that USAID/Haiti initiates under the current reconstruction strategy,

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instruct the mission to perform sustainability analyses when designing these activities;

- to help ensure full compliance with Section 611(e) of the Foreign Assistance Act of 1961, provide guidance for identifying capital assistance projects, including infrastructure activities, for which missions must certify sustainability; and
- to ensure that USAID management has access to all information necessary to certify a host government's capability to maintain and operate a capital assistance project, such as an infrastructure activity, provide guidance specifying the types of information that missions should include in 611(e) certifications.

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## Agency Comments and Our Evaluation

We provided a draft of this report to USAID and State for their review. USAID provided written comments, which are reprinted in appendix VI, and provided technical comments, which we incorporated as appropriate. State provided no comments.

In its written comments, USAID agreed with our recommendation that the USAID Administrator instruct USAID/Haiti to perform sustainability analysis during the design of noninfrastructure activities. USAID noted that since December 2014, USAID/Haiti has begun to incorporate sustainability analysis during the design phase of noninfrastructure activities. According to a USAID official, the mission has undertaken such analysis in the education sector and has been considering undertaking such analysis in other sectors. We will continue to monitor USAID/Haiti's actions to implement our recommendation.

USAID also wrote that it agreed with our two recommendations regarding agency-wide guidance for the 611(e) certification process.

- Regarding our recommendation that USAID provide guidance identifying capital assistance projects that require 611(e) certifications, the agency noted the importance of the 611(e) certification process and acknowledged that the process has not always been undertaken when required. USAID also wrote that it had taken several steps to address 611(e) compliance. According to USAID's letter, some missions have issued guidance for construction activity management, including 611(e) compliance; also the agency provided a training session on 611(e) compliance in December 2014 and is taking steps to track construction activities once they are identified. We look forward to USAID more fully implementing our recommendation by

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providing written guidance that defines capital assistance projects, to help mission officials determine the types of projects for which a 611(e) certification is required.

- Regarding our recommendation that USAID provide guidance specifying the type of information that missions should include in 611(e) certifications, USAID wrote that it expected to provide such guidance within 6 to 12 months. We will continue to monitor USAID's implementation of our recommendation.

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We are sending copies of this report to interested congressional committees, the Secretary of State, and the USAID Administrator. We will also provide copies to others on request. In addition, the report is available at no charge on the GAO web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-3149 or [gootnickd@gao.gov](mailto:gootnickd@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix VII.



David Gootnick  
Director, International Affairs and Trade



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*List of Requesters*

The Honorable Edward R. Royce  
Chairman

The Honorable Eliot L. Engel  
Ranking Member  
Committee on Foreign Affairs  
House of Representatives

The Honorable Jeff Duncan  
Chairman

The Honorable Albio Sires  
Ranking Member  
Subcommittee on the Western Hemisphere  
Committee on Foreign Affairs  
House of Representatives

The Honorable Ileana Ros-Lehtinen  
House of Representatives

The Honorable Barbara Lee  
House of Representatives

# Appendix I: Status of USAID Reconstruction Funding from the Supplemental Appropriation Act, 2010, as of September 30, 2014

Congress provided approximately \$1.18 billion in reconstruction funds for Haiti in the Supplemental Appropriations Act, 2010 (the Supplemental), of which the U.S. Agency for International Development (USAID) received \$650 million through the Economic Support Fund for its bilateral reconstruction activities.<sup>1</sup> Table 3 shows the distribution of the Supplemental to federal agencies as of September 30, 2014.

**Table 3: Distribution of Fiscal Year 2010 Supplemental Funding to Federal Agencies for Post-earthquake Reconstruction in Haiti, as of September 30, 2014**

Dollars in millions	
Recipient	Amount
<b>State and USAID</b>	<b>\$917.7</b>
<b>State</b>	<b>144.7<sup>a</sup></b>
<b>USAID</b>	<b>773.0<sup>a</sup></b>
Bilateral reconstruction activities	650.1
Transfer to Haiti Reconstruction Fund <sup>b</sup>	120.0
Transfer to Smithsonian Institution	2.0
Transfer to Haiti Fulbright Program	0.6
Transfer to USAID/Haiti operating expenses	0.3
<b>Treasury</b>	<b>253.2<sup>c</sup></b>
<b>USAID Inspector General</b>	<b>4.5</b>
<b>Total</b>	<b>\$1,175.4</b>

Sources: Congressional Research Service; GAO analyses of U.S.-government fiscal year 2010 supplemental budget request; updated Department of State (State) and U.S. Agency for International Development (USAID) funding data; Supplemental Appropriations Act, 2010 (Pub. L. No. 111-212, 124 Stat. 2302, Jul. 29, 2010). | GAO 15-517

<sup>a</sup>The Supplemental Appropriations Act, 2010 (the Supplemental), directed \$147.7 million to State and \$650 million to USAID for bilateral reconstruction activities. State subsequently transferred \$3 million of its Supplemental funding to USAID. Separately, USAID transferred \$2.0 million to the Smithsonian Institution, \$0.6 million back to State for the Haiti Fulbright Program, and \$0.3 million was absorbed within the mission for operating expenses.

<sup>b</sup>The Haiti Reconstruction Fund is a multidonor trust fund organized to help finance high-priority post-earthquake reconstruction activities.

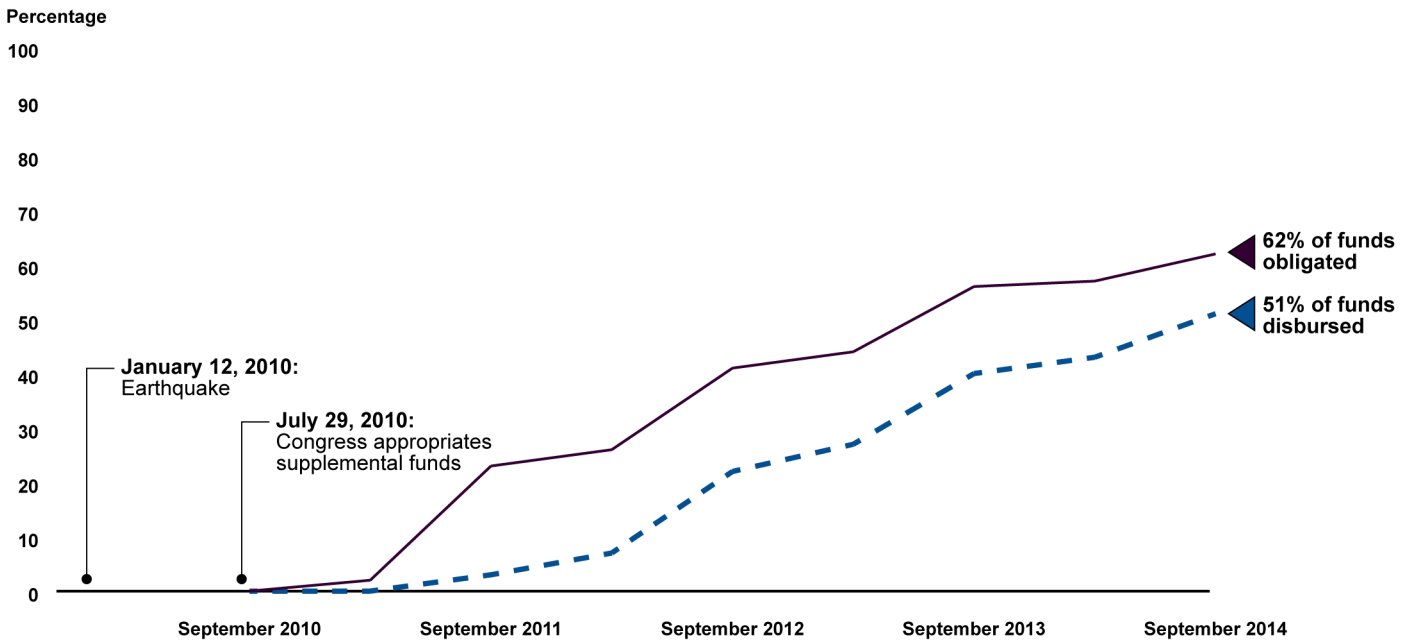
<sup>c</sup>Appropriations for the U.S. Department of the Treasury (Treasury) included \$212 million for Haitian debt relief and \$7.8 million for a Treasury attaché office in the U.S. embassy in Port-au-Prince and for technical assistance. As authorized by the fiscal year 2010 Supplemental, Treasury provided an additional \$33.4 million for debt relief to Haiti in February 2012.

<sup>1</sup>This appendix updates data presented in our previous reports on Haiti reconstruction. For a list of these products, see Related GAO Products at the end of this report.

**Appendix I: Status of USAID  
Reconstruction Funding from the  
Supplemental Appropriation Act, 2010,  
as of September 30, 2014**

As figures 12 through 15 show, USAID had obligated and disbursed over half of the \$650 million allocated from the Supplemental as of September 30, 2014. USAID's allocations from the Supplemental were split among six sectors, with some additional funding allocated to operating and other expenses. Disbursements of funding from these sectors vary, with the highest percentage of disbursements from the governance and rule of law sector and food security sector and the lowest percentage from the ports sector. The USAID mission in Haiti (USAID/Haiti) is the primary USAID operating unit responsible for managing reconstruction activities funded by the Supplemental, overseeing 85 percent of the Supplemental funding.

**Figure 12: USAID Supplemental Funding for Haiti Earthquake Reconstruction Obligated and Disbursed as of September 30, 2014**



USAID = U.S. Agency for International Development

Source: GAO analysis of USAID quarterly funding data. | GAO-15-517

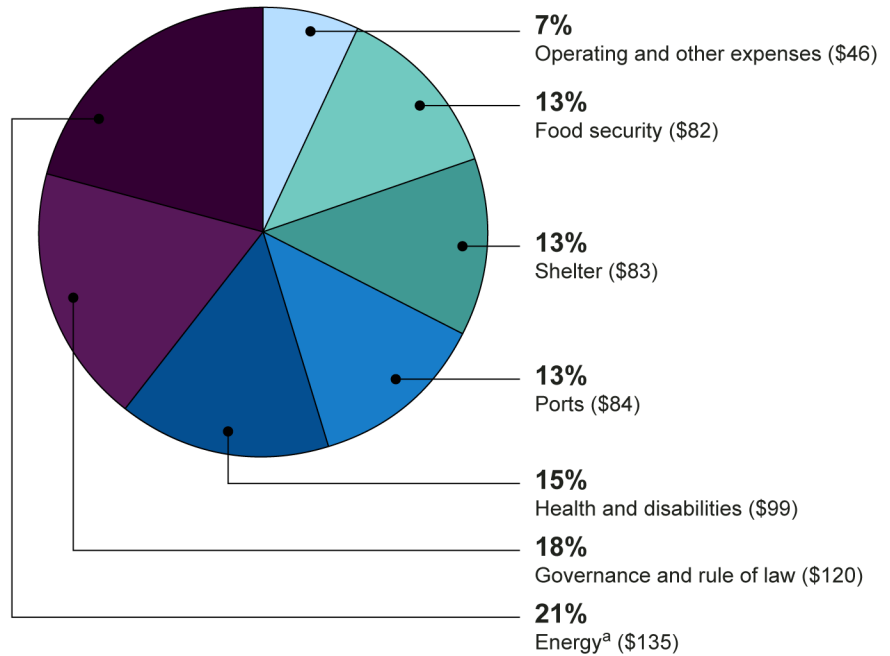
Note: We define obligations as orders placed, contracts awarded, and similar transactions during a given period that will require payments during the same or a future period. USAID categorizes these as "subobligations," because USAID considers these funds to have been obligated through a bilateral agreement with Haiti to deliver assistance.

**Appendix I: Status of USAID  
Reconstruction Funding from the  
Supplemental Appropriation Act, 2010,  
as of September 30, 2014**

**Figure 13: USAID Supplemental Funding for Haiti Reconstruction Allocated, by Sector, as of September 30, 2014**

Total Supplemental reconstruction funding = \$650 million

U.S. dollars (in millions)



USAID = U.S. Agency for International Development

Source: GAO analysis of USAID funding data. | GAO-15-517

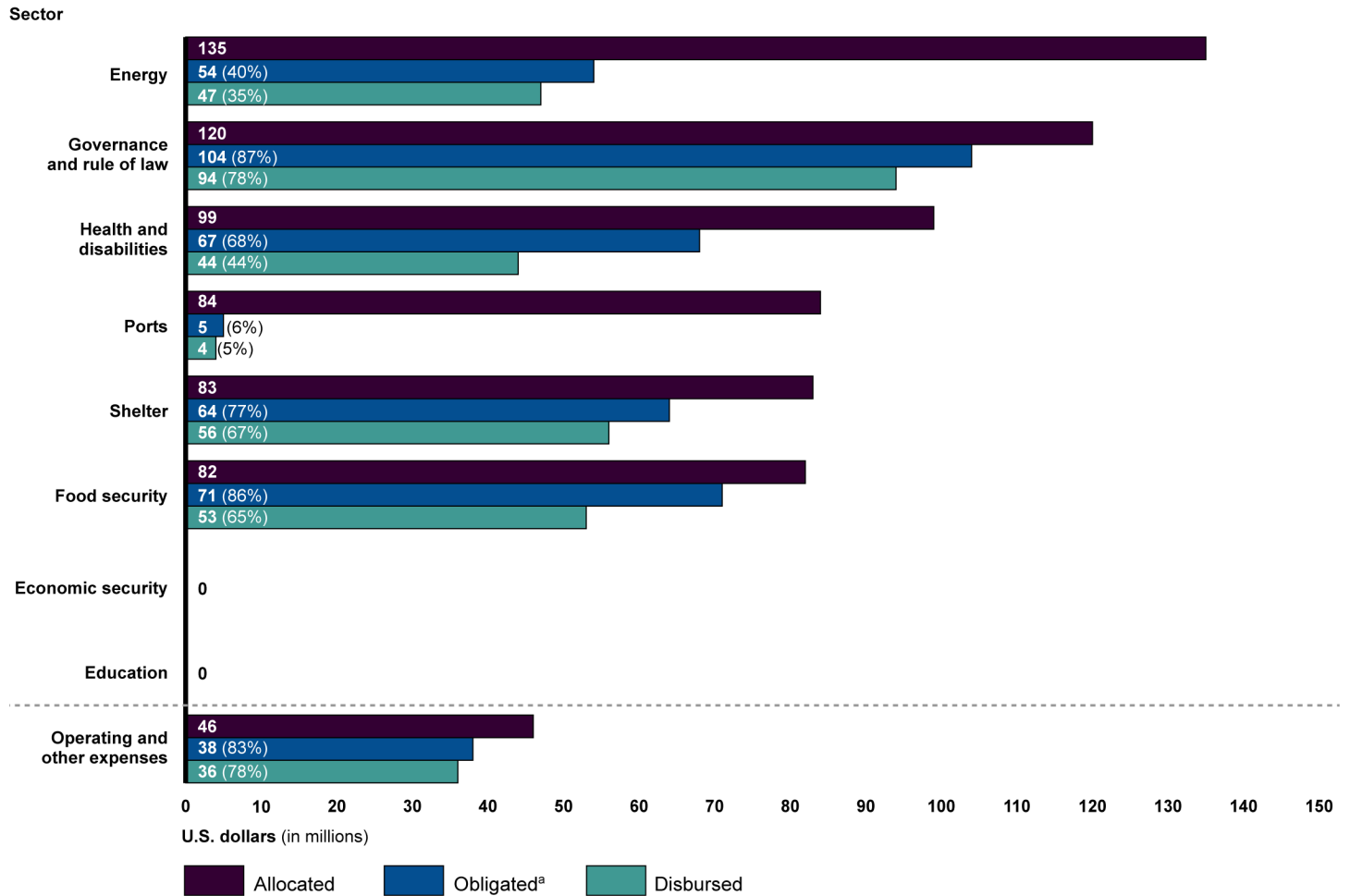
Notes: Because of rounding, amounts shown do not sum to total shown.

As of September 30, 2014, USAID had not directly allocated funds for the education and economic security sectors from the fiscal year (FY) 2010 supplemental appropriation for the Economic Support Fund (ESF). However, USAID expressed a preference that some of the \$120 million in FY2010 supplemental funding that the law directed USAID to provide to the Haiti Reconstruction Fund be used for related purposes. Specifically, USAID expressed a preference that \$10 million be used for activities in the education sector to support plans to build or rehabilitate schools, improve teacher quality, and promote better enforcement of education standards and that \$12.5 million be used for activities in the economic security sector to facilitate implementation of a partial credit guarantee fund to encourage banks to refinance distressed or nonperforming loans held by small and medium-sized businesses negatively affected by the earthquake.

<sup>a</sup>Allocations shown for the energy sector include (1) \$24 million of the FY 2010 supplemental appropriation for the ESF that USAID notified Congress in December 2014 of its intent to reprogram from the energy sector to the health and disabilities sector, and (2) \$15.5 million of the FY 2010 supplemental appropriation for the ESF that USAID notified Congress in January 2015 it intends to obligate for a direct apportionment to the Department of State for the expansion of the Caracol Industrial Park. Energy sector allocations will be reduced by those amounts.

Appendix I: Status of USAID  
 Reconstruction Funding from the  
 Supplemental Appropriation Act, 2010,  
 as of September 30, 2014

Figure 14: USAID Allocations, Obligations, and Disbursements of Haiti Reconstruction Supplemental Funding, by Sector, as of September 30, 2014



USAID = U.S. Agency for International Development

Source: GAO analysis of USAID funding data. | GAO-15-517

Notes: Because of rounding, amounts shown may not sum to totals shown elsewhere in this report and may not produce percentages shown.

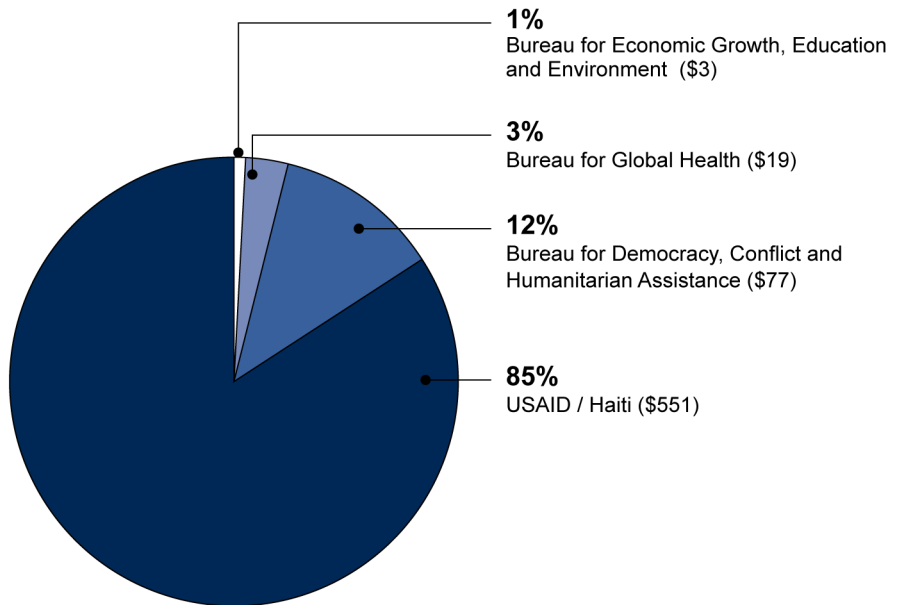
<sup>a</sup>We define obligations as orders placed, contracts awarded, and similar transactions during a given period that will require payments during the same or a future period. USAID categorizes these as "subobligations," because USAID considers these funds to have been obligated through a bilateral agreement with Haiti to deliver assistance.

**Appendix I: Status of USAID  
Reconstruction Funding from the  
Supplemental Appropriation Act, 2010,  
as of September 30, 2014**

**Figure 15: USAID Supplemental Funding for Haiti Reconstruction, Allocations by Operating Unit, as of September 30, 2014**

Total Supplemental reconstruction funding = \$650 million

U.S. dollars (in millions)



USAID = U.S. Agency for International Development

Source: GAO analysis of USAID funding data. | GAO-15-517

Note: Because of rounding, percentages shown do not sum to 100.

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# Appendix II: Objectives, Scope, and Methodology

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Congressional requesters asked us to review post-earthquake reconstruction efforts in Haiti undertaken by the U.S. Agency for International Development (USAID). This report examines (1) USAID's allocations, obligations, and disbursements of reconstruction funding; (2) the USAID mission in Haiti's (USAID/Haiti) progress in implementing planned reconstruction activities; and (3) USAID/Haiti's efforts to ensure the sustainability of its reconstruction activities.

To determine the status of USAID appropriations, allocations, and planned and ongoing uses of USAID reconstruction funding for Haiti, we collected USAID Haiti reconstruction funding data from USAID's Haiti Task Team (HTT) as of September 30, 2014.<sup>1</sup> USAID defines reconstruction funding as all funding that it has allocated to activities under the interagency *Post-Earthquake USG Haiti Strategy: Toward Renewal and Economic Opportunity*, issued by the Department of State (State) in January 2011. USAID's reconstruction funding has two main sources: (1) appropriations for the Economic Support Fund for Haiti post-earthquake reconstruction in the fiscal year 2010 Supplemental Appropriation Act (the Supplemental), some of which was allocated to USAID,<sup>2</sup> and (2) fiscal years 2009 through 2014 annual appropriations for various accounts that USAID has chosen to allocate under the strategy.<sup>3</sup> We reviewed the Supplemental and annual appropriations to determine any applicable restrictions on this funding. We then analyzed total allocation, obligation,<sup>4</sup> and disbursement amounts by appropriation, by

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<sup>1</sup>In February 2010, USAID created HTT to help coordinate U.S. emergency relief and reconstruction work and provide technical and staff support. HTT, located at USAID headquarters in Washington, D.C., is now part of USAID's Bureau for Latin American and Caribbean Affairs.

<sup>2</sup>Supplemental Appropriations Act, 2010, Pub. L. No. 111-212, 124 Stat. 2302, 2323 (July 29, 2010).

<sup>3</sup>Reconstruction funding from annual appropriations comes from the following accounts: Economic Support Fund, Development Assistance, Global Health Programs-State, Global Health Programs-USAID, P.L. 480 Title II, Development Credit Authority, and USAID Operating Expenses.

<sup>4</sup>Consistent with 31 U.S.C. §1501, which defines when an agency can record an obligation, USAID generally treats as obligations the bilateral agreements it makes with other countries to deliver assistance. USAID therefore considers all Haiti reconstruction funding to have been legally obligated on the signing of the bilateral reconstruction agreement with the government of Haiti in May 2011. This report defines obligations as the total amount of orders placed, contracts awarded, and similar transactions during a given period that will require payments during the same or a future period. USAID labels these transactions "subobligations."

sector of USAID activity, and by USAID operating unit (e.g., USAID/Haiti, headquarters bureaus). We also separately analyzed the allocation, obligation, and disbursement amounts by sector and USAID operating unit for Supplemental funding, and we calculated the quarterly obligation and disbursement rates of the Supplemental funding from September 30, 2010, to September 30, 2014. To assess the reliability of these data, we checked the data for inconsistencies and questioned HTT officials about any inconsistencies. We also compared USAID's data with State data on U.S. government agencies' funding to Haiti reconstruction. In addition, to assess the reliability of USAID's and State's data, we asked USAID and State officials about the use of the data, how the data were collected and generated, and how the agencies ensured that the data were complete and accurate. We determined the data to be sufficiently reliable for the purposes of this report.

To describe USAID/Haiti's progress in implementing planned reconstruction activities, as well as identify any challenges the mission encountered, we first obtained preliminary information about the activities that the mission managed in each sector by interviewing and requesting written responses from cognizant USAID officials, including HTT and USAID/Haiti officials. To select the activities for which we would assess progress,<sup>5</sup> we reviewed a list of all USAID contracts, grants, and cooperative agreements to which USAID/Haiti had allocated Haiti reconstruction funding as of March 31, 2014.<sup>6</sup> This list included information about the amounts of reconstruction funding allocated, obligated, and disbursed to each activity; descriptions of the activities;

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<sup>5</sup>We defined activities as individual contracts or grants, except when we grouped contracts or grants with construction or rehabilitation of buildings or physical systems as their sole purpose. Since 2012, USAID has used "activity" to mean "an award using a specific implementing mechanism or a component of a project such as policy dialogue" and has used "project" to mean "a set of executed interventions, over an established timeline and budget intended to achieve a discrete development result through resolving an associated problem." However, because USAID/Haiti still operates under a strategy and planning documents created before the agency issued the 2012 definition, we use "activity" to mean each award or set of awards we reviewed, grouping these as appropriate in consultation with USAID officials.

<sup>6</sup>Elsewhere in this report, we use "grants" to represent grants and cooperative agreements.



and the USAID operating unit responsible for managing each activity.<sup>7</sup> To focus our review on the mission's major activities, we selected a subpopulation including those activities to which USAID/Haiti had allocated at least \$10 million as of March 31, 2014. We identified 26 activities that met this criterion, including 3 activities focused primarily on capacity building that we reviewed in assessing USAID/Haiti efforts to ensure the sustainability of its reconstruction activities. Allocations for the 23 remaining activities, which we labeled "key activities," totaled \$854 million, accounting for about 67 percent of the total funding managed by USAID/Haiti as of September 30, 2014.

These 23 key activities included both infrastructure and noninfrastructure activities. We defined infrastructure and noninfrastructure activities differently because outcome measurement differs for the two types of activities. We defined infrastructure activities as groups of contracts that had rehabilitating or constructing physical systems or buildings as their sole purpose. Six of the 23 key activities met this criterion. To group contracts and grants as part of each infrastructure activity, we compared the list of USAID reconstruction activities in Haiti as of March 30, 2014 with the activity approval document (AAD) for each sector in order to match current activities to planned activities.<sup>8</sup> We submitted the matched listing to HTT for confirmation and correction, and we updated this analysis with information as of September 30, 2014. Allocations for the 6 key infrastructure activities totaled \$356.2 million, or about 28 percent of the total amount of USAID/Haiti reconstruction funding allocations as of September 30, 2014. We defined noninfrastructure activities as contracts or grants that did not have rehabilitating or constructing physical systems as their sole purpose, although some of the activities we reviewed had infrastructure components. Seventeen of the 23 key activities met this criterion. Allocations for the 17 key noninfrastructure activities totaled

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<sup>7</sup>The reconstruction funding we reviewed includes funds allocated, obligated, and disbursed to activities under the post-earthquake strategy. Activities that began before the earthquake also received funding under a prior strategy, which is outside the scope of this report.

<sup>8</sup>Our report refers to the AADs as initial plans or initial planning documents. The AADs for seven of the sectors were finalized between April 2011 and June 2012, while the AAD for the ports sector has been in draft since August 2011. According to USAID/Haiti officials, USAID/Haiti is currently revising the AADs to incorporate updated plans; however, the original AADs remained in force as of March 2015 and contain initial plans for each sector.

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\$498.2 million, or about 39 percent of USAID/Haiti reconstruction funding allocated as of September 30, 2014.

To analyze the performance of and understand challenges the mission encountered with the key infrastructure and noninfrastructure activities, we reviewed USAID/Haiti's AADs, which contain the initial plans for each of the eight sectors of USAID activities. We also reviewed agreement documentation, including, as applicable, contracts and grants, as well as related modifications, implementing partner performance reports, and other relevant documentation (e.g., work plans, monitoring and evaluation plans). We also conducted interviews with and obtained written responses from cognizant officials.

- **Infrastructure.** For each of the 6 key infrastructure activities, we compared the planned costs, time frames, and results from its sector's AAD with the activity's status as of September 30, 2014. We determined the activity's status by reviewing agreements and modifications; monthly, quarterly, or annual implementer reports; and related documentation described above. We obtained written responses from cognizant officials to clarify the activities' context and any challenges faced.
- **Noninfrastructure.** We compared the key noninfrastructure activities' planned costs and schedules in the applicable sector's AAD with the allocated funding and schedules as of September 30, 2014.<sup>9</sup> We did not use the AADs to measure progress for noninfrastructure activities, because the plans for these activities generally did not contain the level of detail needed for such analysis. For example, the AADs included sample monitoring and evaluation plans for noninfrastructure activities, but these listed potential indicators with no baselines or targets. Instead, to determine the extent to which the activity had achieved intended results, we reviewed performance indicator data presented in annual reports, performance management plans, or monitoring and evaluation plans for the most recent full fiscal year available. The activities' implementing partners prepared these reports. For each indicator, we compared target values with actual values to calculate the percentage of the target that the activity achieved. For example, if the activity met or exceeded the target for 9

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<sup>9</sup>We compared planned against actual start dates only for activities begun after that sector's AAD was approved, since any activities begun earlier included actual and not planned dates in the AAD.

of 15 indicators, we report the activity as having met or exceeded the target for 60 percent of its indicators.<sup>10</sup> We categorized the results of this comparison as (1) met or exceeded target, (2) achieved 75 to 99 percent of target, (3) achieved 50 to 74 percent of target, (4) achieved 25 to 49 percent of target, and (5) achieved 0 to 24 percent of target. To improve data reliability, we excluded from our analysis any performance indicators with reportedly incomplete data—that is, any indicators for which the implementing partner reported targets as zero or not applicable as well as any indicators for which the implementing partner reported concerns about the data used as the basis for reporting performance. In addition, we reviewed implementing partner reports associated with the performance data, and we interviewed cognizant officials regarding factors that affected the activities' performance for specific indicators. We believe these steps were sufficient to allow for the use of these data for the purposes of this report. For all activities, in reporting examples of performance indicators met and not met, we took steps including (1) considering the primary purposes of the program; (2) consulting USAID/Haiti's annual performance management plan where possible to identify performance indicators of significance to the mission's management; and (3) reviewing information we obtained from USAID/Haiti and HTT officials through interviews or written responses to further clarify observed performance, learn the context for each of the key activities, and discuss any challenges they faced.

To identify and assess USAID/Haiti's efforts to plan for the sustainability of its reconstruction activities in Haiti, we examined each sector's AAD and interviewed USAID officials to identify risks to the sustainability of reconstruction activities.<sup>11</sup> We then reviewed the AADs to identify USAID/Haiti's initial plans to address these risks. For any such plans that involved activities to build Haitian government capacity, we compared the initial plans for those activities, in terms of the types of work they would entail and planned allocations and start dates, with actual allocations, start dates, and work planned under the same or similar activities as of

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<sup>10</sup>We decided that this measure of performance was appropriate because USAID missions are allowed to adjust and revise target levels on an annual basis to better reflect available information in the field. The data we reviewed were collected by USAID implementing partners, so a full assessment of this data was outside the scope of this report.

<sup>11</sup>For our review, we define sustainability, in accordance with USAID's definition, as the continuation of benefits after major assistance has been completed.

September 30, 2014. We also interviewed USAID officials to further understand USAID/Haiti's progress in implementing these projects. To determine whether USAID/Haiti's sustainability planning met statutory and policy requirements, we reviewed the applicable language in Section 611(e) of the Foreign Assistance Act of 1961, as amended; reviewed USAID policy and procedural documents; sent written questions to USAID officials in Washington, D.C., to better understand their interpretation of these requirements; and interviewed and sent written questions to USAID/Haiti officials.

We traveled to Haiti in June 2014. There we conducted interviews with cognizant mission officials who represent all eight reconstruction sectors as well as mission management offices, discussing USAID/Haiti's progress in implementing reconstruction activities, the sustainability of these activities, and related challenges. We also visited two locations of the New Settlements Program (Caracol-EKAM and Decreed Land Area 1.5); the Carradeux Community Vitalization Program; the State University Hospital, which was being reconstructed as part of the Haiti Health Infrastructure Program; the Caracol Industrial Park Power Plant (and an apparel factory at the associated industrial park); the port at Cap Haïtien; and two efforts being conducted as part of the Feed the Future West activity—the Bas Boen Rural Center for Sustainable Development and a site on the Grise River where a water diversion structure was being constructed as part of this activity. We also spoke with officials of the city of Cap Haïtien to discuss the ongoing local governance activity in the city.

We conducted this performance audit from March 2014 through June 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix III: USAID/Haiti Key Infrastructure and Noninfrastructure Activities

Table 4 shows the start and end dates for the 23 key infrastructure and noninfrastructure activities that we reviewed.<sup>1</sup> The table also shows amounts of Haiti reconstruction funding that the U.S. Agency for International Development mission in Haiti (USAID/Haiti) had allocated, obligated, and disbursed for these activities as of September 30, 2014.

**Table 4: Start and End Dates and Amounts of Haiti Reconstruction Funding Allocated, Obligated, and Disbursed by USAID/Haiti for 23 Key Infrastructure and Noninfrastructure Activities as of September 30, 2014**

Sector and activity	Start and end dates	Amount allocated	Amount obligated <sup>a</sup>	Amount disbursed
<b>Infrastructure</b>				
Energy: Caracol Industrial Park Power Plant	<i>Start:</i> April 2011 <i>End:</i> May 2016	\$75,397,439	\$31,362,068	\$24,805,402
Energy: Rehabilitation of electrical substations	<i>Start:</i> November 2010 <i>End:</i> April 2013	15,163,221	15,163,221	15,163,159
Health and disabilities: Haiti Health Infrastructure Program	<i>Start:</i> March 2012 <i>End:</i> 2017	87,021,939	51,708,456	26,873,932
Shelter: New Settlements Program	<i>Start:</i> October 2011 <i>End:</i> To be determined <sup>b</sup>	75,650,463	60,207,971	52,207,651
Ports: Northern port	<i>Start:</i> September 2011 <i>End:</i> To be determined <sup>b</sup>	74,774,414	4,419,684	4,229,467
Food security: Rural road rehabilitation	<i>Start:</i> March 2014 <i>End:</i> To be determined <sup>b</sup>	28,234,868	3,300,000	1,293,300
<b>Noninfrastructure</b>				
Food security: Feed the Future West	<i>Start:</i> June 2009 <i>End:</i> February 2015	93,533,860	93,533,860	85,073,055
Food security: Feed the Future North	<i>Start:</i> April 2013 <i>End:</i> March 2016 <sup>c</sup>	87,825,079	30,000,000	14,385,615
Health and disabilities: Health care access 1	<i>Start:</i> August 2007 <i>End:</i> September 2012	28,199,751	28,199,751	28,066,451
Health and disabilities: Health care access 2	<i>Start:</i> August 2012 <i>End:</i> January 2014	25,103,973	24,982,536	24,963,096
Health and disabilities: Health care access 3—Central/South	<i>Start:</i> September 2013 <i>End:</i> September 2016 <sup>c</sup>	41,030,279	16,036,859	2,397,302
Health and disabilities: Health care access 3—North	<i>Start:</i> September 2013 <i>End:</i> September 2016 <sup>c</sup>	29,678,366	11,740,937	2,249,227
Health and disabilities: Community health and AIDS mitigation	<i>Start:</i> May 2009 <i>End:</i> May 2013	18,983,672	18,657,356	17,718,568

<sup>1</sup>We reviewed information about 23 key activities—that is, activities for which USAID/Haiti had allocated at least \$10 million each as of March 31, 2014.

**Appendix III: USAID/Haiti Key Infrastructure  
and Noninfrastructure Activities**

<b>Sector and activity</b>	<b>Start and end dates</b>	<b>Amount allocated</b>	<b>Amount obligated<sup>a</sup></b>	<b>Amount disbursed</b>
Health and disabilities: Health logistics	<i>Start:</i> March 2010 <i>End:</i> March 2015	15,126,023	15,126,023	10,820,890
Health and disabilities: Health social marketing	<i>Start:</i> April 2009 <i>End:</i> April 2014	11,878,500	11,877,848	11,142,989
Governance and rule of law: Strengthening local governance	<i>Start:</i> January 2013 <i>End:</i> January 2018	19,749,345	10,855,313	5,524,016
Governance and rule of law: Criminal justice reform	<i>Start:</i> June 2009 <i>End:</i> July 2015	19,273,911	16,273,911	12,694,265
Governance and rule of law: Strengthening parliament	<i>Start:</i> September 2011 <i>End:</i> July 2014	11,941,000	8,941,000	7,832,850
Governance and rule of law: Prevention of human rights abuses	<i>Start:</i> March 2012 <i>End:</i> March 2014	10,121,987	6,446,000	3,812,722
Economic security: Increased employment and economic growth	<i>Start:</i> December 2013 <i>End:</i> December 2016	32,649,293	10,671,521	2,193,607
Economic security: Access to finance	<i>Start:</i> June 2009 <i>End:</i> May 2015	27,657,000	25,857,000	23,736,763
Education: All Children Reading	<i>Start:</i> August 2012 <i>End:</i> December 2014	12,965,642	12,965,642	10,353,866
Education: Education reform	<i>Start:</i> May 2008 <i>End:</i> December 2011	12,489,938	12,489,938	12,489,938
<b>Total funding</b>		<b>\$854,449,963</b>	<b>\$520,816,895</b>	<b>\$400,028,132</b>

Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-15-517

Notes: The amounts shown reflect funds that the USAID mission in Haiti (USAID/Haiti) allocated, obligated, and disbursed to the 23 key activities under the U.S. government's *Post-Earthquake USG Haiti Strategy: Toward Renewal and Economic Opportunity*. The amounts shown do not include funding that activities begun before the earthquake received under the pre-earthquake strategy, *USAID Haiti Strategy Statement FY 2007-2009*. We defined infrastructure activities as groups of contracts or grants with construction or rehabilitation of buildings or physical systems as their sole purpose, because multiple related contracts are often used to implement these types of construction activities. We defined noninfrastructure activities as contracts and grants that did not have constructing or rehabilitating physical systems or buildings as their sole purpose. Three of the 17 key activities that we defined as noninfrastructure activities have some construction-related aspects but also serve other purposes.

<sup>a</sup>We define obligations as orders placed, contracts awarded, and similar transactions during a given period that will require payments during the same or a future period. USAID categorizes these as "subobligations," because USAID considers these funds to have been obligated through a bilateral agreement with Haiti to deliver assistance.

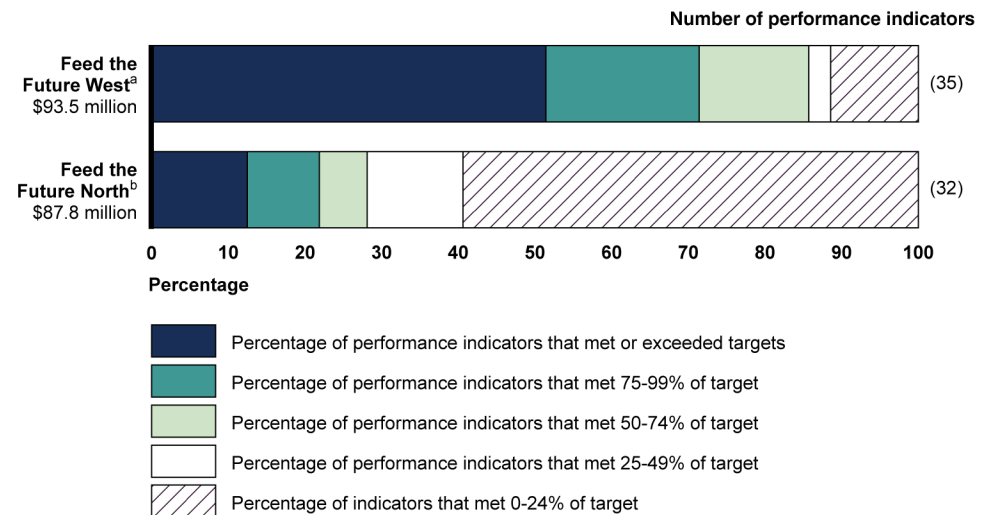
<sup>b</sup>No projected end date is listed for this activity because at least one of the activity's multiple planned contracts had not started as of September 30, 2014.

<sup>c</sup>The end date shown represents the end of the base period of the activity's contract. The contract includes option years through which USAID/Haiti may decide to extend the activity for up to 2 additional years through September 2018.

# Appendix IV: Performance Data for Key USAID/Haiti Noninfrastructure Activities

Figures 16 through 20 present performance data for the most recent full fiscal year for the 17 key noninfrastructure activities that we reviewed.<sup>1</sup> To determine each activity's performance, we compared data on each activity's actual performance, provided by the activity's implementing partner, with targets that had been set for the activity. To maintain a consistent unit of analysis across activities and because targets were expected to be met by fiscal year, we reviewed the most recent full fiscal year of performance data for each activity, although more recent partial year information was available for some activities. For further information about our methodology for analyzing these data, see appendix II.

**Figure 16: Most Recent Full Fiscal Year Performance Data for Key USAID/Haiti Food Security Sector Noninfrastructure Activities**



USAID = U.S. Agency for International Development  
 USAID/Haiti = the USAID mission in Haiti

Source: GAO analysis of USAID implementing partner data. | GAO-15-517

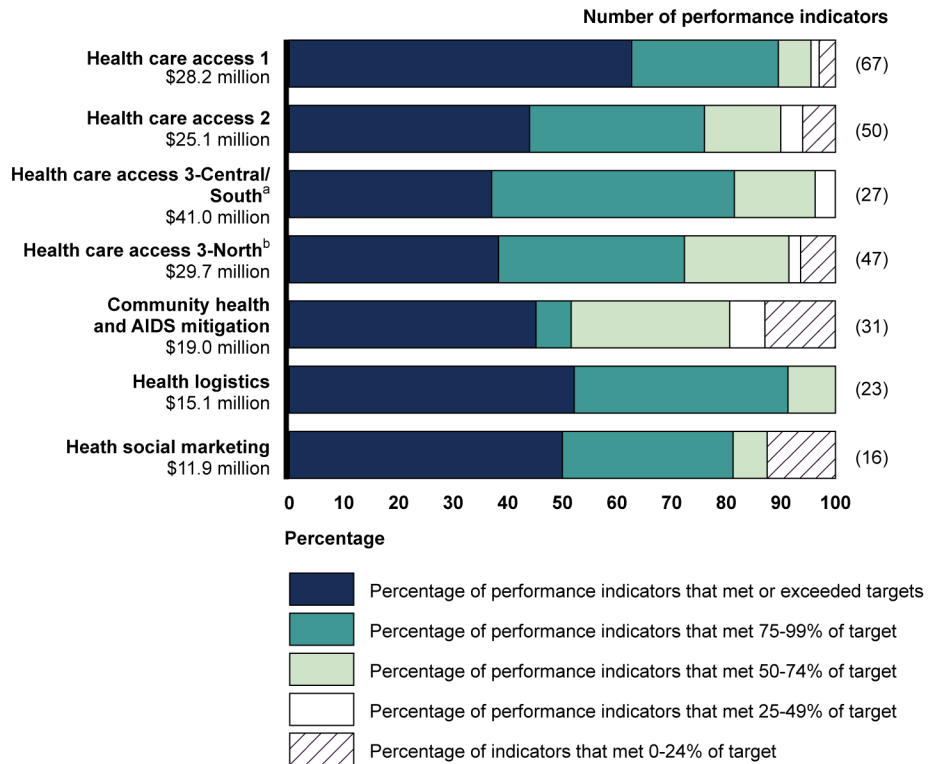
Notes: Performance data analyzed for Feed the Future West and Feed the Future North are for fiscal year 2014.

<sup>a</sup>Feed the Future West met or exceeded nine targets over the life of the activity that it did not meet in fiscal year 2014. These life-of-activity targets were met because the activity exceeded its targets for those performance indicators in previous years.

<sup>b</sup>We analyzed data for 32 of this activity's 43 performance indicators, because the implementer did not report complete data on results achieved for the remaining 11 indicators.

<sup>1</sup>We defined key activities as those for which USAID/Haiti had allocated at least \$10 million each as of March 31, 2014.

**Figure 17: Most Recent Full Fiscal Year Performance Data for Key USAID/Haiti Health and Disabilities Sector Noninfrastructure Activities**



USAID = U.S. Agency for International Development  
 USAID/Haiti = the USAID mission in Haiti

Source: GAO analysis of USAID implementing partner data. | GAO-15-517

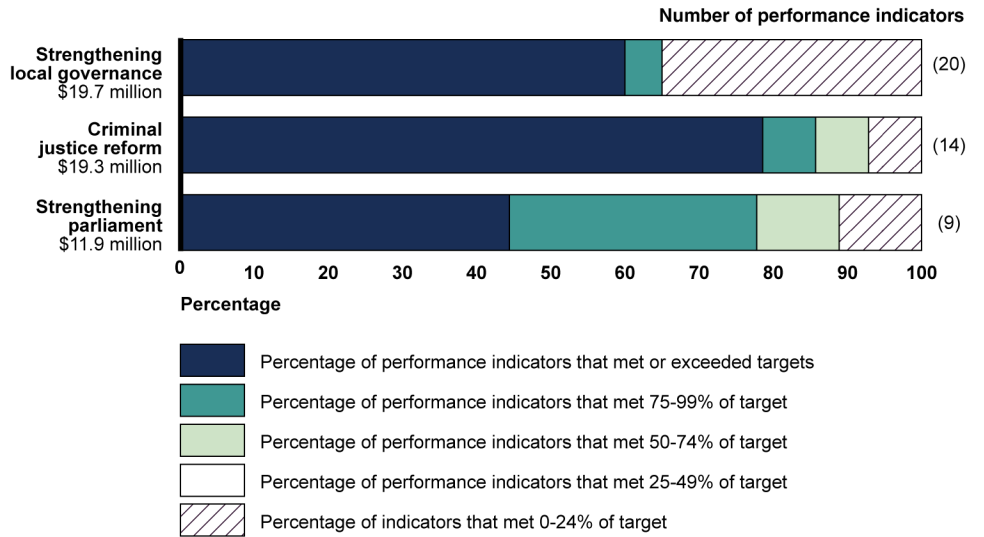
Notes: We analyzed performance data for the “health care access 1” activity for fiscal year 2012. We analyzed performance data for the “health care access 2” activity for August 2012 to July 2013, because the reporting of this activity’s targets and actual performance against these targets did not align with a fiscal year. We analyzed performance data for fiscal year 2014 for the “health care access 3–Central/South” activity and the “health care access 3–North” activity. We analyzed performance data for fiscal year 2012 for the community health and AIDS mitigation activity, for fiscal year 2014 for the health logistics activity, and for fiscal year 2013 for the health social marketing activity.

<sup>a</sup>We analyzed data for 27 of this activity’s 41 performance indicators, because the implementer did not report complete data on results achieved for the remaining 14 indicators.

<sup>b</sup>We analyzed data for 47 of this activity’s 53 performance indicators, because the implementer did not report complete data on results achieved for the remaining 6 indicators.



**Figure 18: Most Recent Full Fiscal Year Performance Data for Key USAID/Haiti Governance and Rule of Law Sector Noninfrastructure Activities**

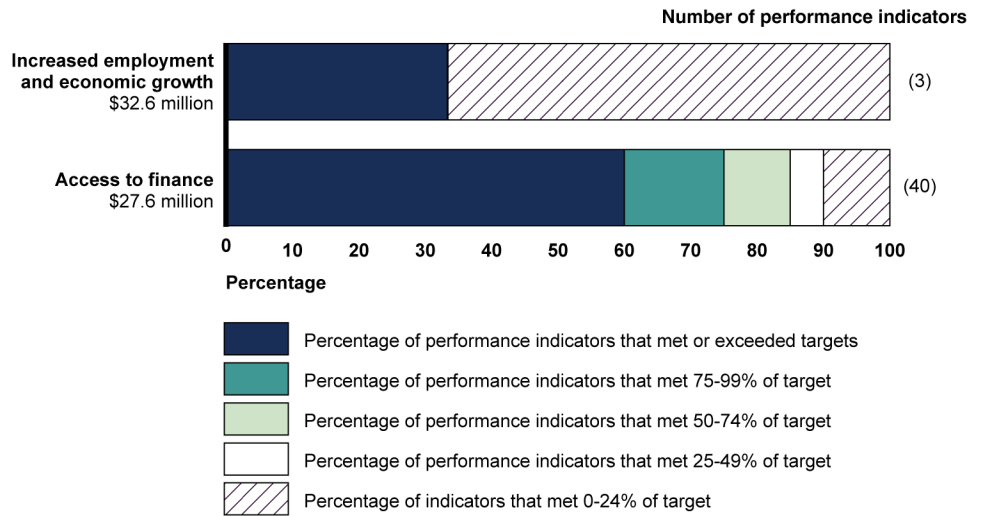


USAID = U.S. Agency for International Development  
 USAID/Haiti = the USAID mission in Haiti

Source: GAO analysis of USAID implementing partner data. | GAO-15-517

Note: We analyzed performance data for fiscal year 2014 for the strengthening local governance activity, for fiscal year 2014 for the criminal justice reform activity, and for fiscal year 2013 for the strengthening parliament activity. The prevention of human rights abuses activity did not set performance targets during the 2 years it was operating, from March 2012 to March 2014. As a result, we were not able to analyze, and do not show, performance data for this activity.

**Figure 19: Most Recent Full Fiscal Year Performance Data for Key USAID/Haiti Economic Security Sector Noninfrastructure Activities**



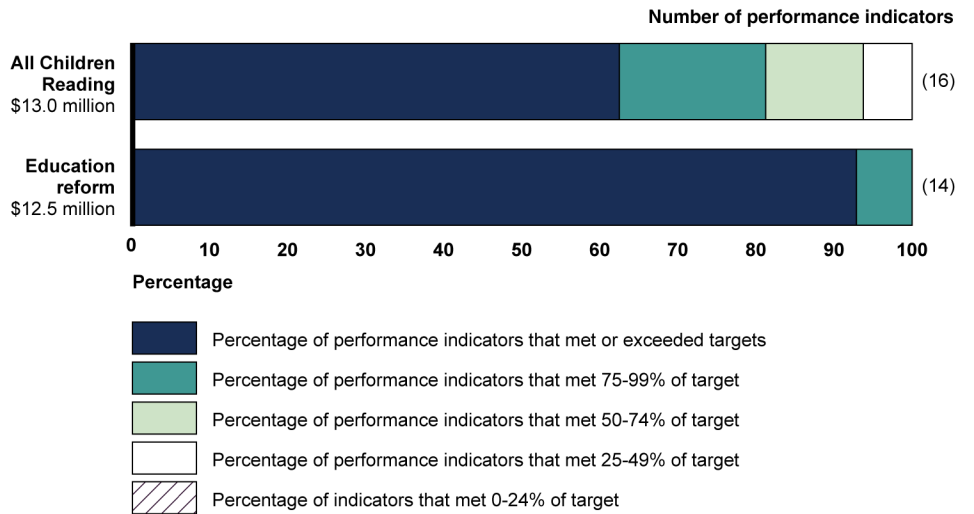
USAID = U.S. Agency for International Development

USAID/Haiti = the USAID mission in Haiti

Source: GAO analysis of USAID implementing partner data. | GAO-15-517

Note: We analyzed fiscal year 2014 performance data for the increased employment and economic growth activity and the access to finance activity.

**Figure 20: Most Recent Full Fiscal Year Performance Data for Key USAID/Haiti Education Sector Noninfrastructure Activities**



USAID = U.S. Agency for International Development

USAID/Haiti = the USAID mission in Haiti

Source: GAO analysis of USAID implementing partner data. | GAO-15-517

Note: We analyzed fiscal year 2014 performance data for All Children Reading and fiscal year 2011 performance data for the education reform activity.

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# Appendix V: Summary and Updates of USAID/Haiti's Determinations of Haitian Government Capacity as Outlined in Completed 611(e) Certifications

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As of August 2014, the U.S. Agency for International Development's mission in Haiti (USAID/Haiti) had completed seven 611(e) certifications for Haiti reconstruction activities. These certifications are required for all capital assistance projects, including infrastructure activities, that cost more than \$1 million. The certifications are to attest to the capability of the Haitian government to operate and maintain the activities once completed.<sup>1</sup> Table 5 provides a summary and update of USAID/Haiti's determination of the Haitian government's capacity to operate and maintain each activity, as documented in the relevant 611(e) certification and updates on the Haitian government's capacity with regard to each activity.

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<sup>1</sup>Section 611(e) of the Foreign Assistance Act of 1961, as amended, states that no assistance "shall be furnished with respect to any capital assistance project estimated to cost in excess of \$1,000,000 until the head of the agency . . . has received and taken into consideration a certification from the principal officer of such agency in the country in which the project is located as to the capability of the country (both financially and human resources) to effectively maintain and utilize the project." 22 U.S.C. § 2361(e).

**Appendix V: Summary and Updates of  
USAID/Haiti's Determinations of Haitian  
Government Capacity as Outlined in  
Completed 611(e) Certifications**

**Table 5: Summary and Updates of USAID/Haiti's Determinations of Haitian Government Capacity as Outlined in 611(e) Certifications Completed as of August 2014**

Activity (date of 611(e) certification)	Determination of Haitian government capacity to operate and maintain the activity	Update on Haitian government's capacity to operate and maintain the activity
<b>Completed activities</b>		
Caracol Industrial Park Power Plant (April 2011) <sup>a</sup>	<ul style="list-style-type: none"> <li>• A private management company would initially be responsible for operations and maintenance before handing the plant over to the Haitian government.</li> <li>• The power plant was projected to generate an excess of revenues over expenditures to fund upkeep.</li> </ul>	<ul style="list-style-type: none"> <li>• A 3-year management contract began in May 2013. The plant will be turned over to the Ministry of Finance in June 2016.</li> <li>• According to USAID officials, because of the low rates negotiated with tenants of the Caracol Industrial Park, the plant is not making enough revenue to fund upkeep.</li> </ul>
Rehabilitation of five electricity substations in Port-au-Prince (April 2011)	<ul style="list-style-type: none"> <li>• The U.S. Agency for International Development mission in Haiti (USAID/Haiti) planned to strengthen the capacity of Haiti's electric utility and support the modernization of the electricity sector through a management contract.</li> </ul>	<ul style="list-style-type: none"> <li>• USAID/Haiti's management contract to modernize the national electric utility did not meet its targets, and, according to the U.S. Agency for International Development (USAID), many of the gains made under the contract that ended in February 2014 have already been reversed. USAID/Haiti is currently involved in discussions with the Haitian government and other donors focused on new reform efforts for the energy sector and the electric utility.</li> </ul>
Rehabilitating a road and building a water diversion structure under Feed the Future West (November 2013)	<ul style="list-style-type: none"> <li>• The Ministry of Agriculture made written commitments to provide specific amounts of annual funding for maintaining the completed infrastructure.</li> <li>• USAID/Haiti planned to strengthen the capacity of local community-based organizations to participate in the road's maintenance through a follow-on activity.</li> </ul>	<ul style="list-style-type: none"> <li>• The follow-on activity has undergone procurement delays.</li> </ul>
<b>Ongoing activities</b>		
State University Hospital in Port-au-Prince (April 2011) <sup>b</sup>	<ul style="list-style-type: none"> <li>• The Ministry of Health agreed to fund the hospital's recurring operations and maintenance costs up to a level consistent with recent years of funding it had provided, unless the new hospital's budget exceeds the budget of the current hospital. In this case, the ministry agreed to assume full operations and maintenance costs by 5 years after the rehabilitation's completion.</li> </ul>	<ul style="list-style-type: none"> <li>• According to hospital officials, the hospital's current funding from the Ministry of Health is insufficient to cover current operating costs and the rehabilitated hospital is projected to be significantly more expensive to operate, while, according to USAID/Haiti officials, the Ministry of Health is uncertain how it will provide recurring funding in the long run.</li> </ul>

**Appendix V: Summary and Updates of  
USAID/Haiti's Determinations of Haitian  
Government Capacity as Outlined in  
Completed 611(e) Certifications**

Activity (date of 611(e) certification)	Determination of Haitian government capacity to operate and maintain the activity	Update on Haitian government's capacity to operate and maintain the activity
New Settlements Program (May 2011)	<ul style="list-style-type: none"> <li>• A Haitian government entity would be responsible for providing services at the settlements as well as managing the infrastructure and the communities.</li> <li>• A community management committee, consisting of community members, will be responsible for community property management in each settlement.</li> </ul>	<ul style="list-style-type: none"> <li>• According to USAID/Haiti officials, a local Haitian government entity is managing two completed sites. Rent from beneficiaries in part goes to a fund to be used for maintenance costs at the sites.</li> <li>• USAID/Haiti implementing partners have helped to set up community management committees at these sites and have provided related community building, according to USAID/Haiti officials.</li> </ul>
National Campus for Health Sciences (January 2013) <sup>b</sup>	<ul style="list-style-type: none"> <li>• The Haitian government agreed to fund recurring operation and maintenance costs, which were estimated in the certification.</li> </ul>	<ul style="list-style-type: none"> <li>• According to the USAID Office of Inspector General (OIG), following completion of initial design work, USAID/Haiti performed a more detailed cost analysis and determined that the estimated annual operations and maintenance costs could exceed four times the estimated costs agreed to by the Haitian government, if the campus is operated to U.S. standards.<sup>c</sup></li> </ul>
<b>Activities not yet begun</b>		
Saint Michel De L'Attalaye Health Referral Network (July 2012) <sup>b</sup>	<ul style="list-style-type: none"> <li>• The Haitian government will fund recurring operation and maintenance costs, which were estimated in the certification.</li> </ul>	<ul style="list-style-type: none"> <li>• To be determined.</li> </ul>

Sources: GAO analysis of U.S. Agency for International Development (USAID) documents and interviews with officials of USAID's Haiti mission (USAID/Haiti), USAID/Haiti implementing partners, and Haitian government officials. | GAO-15-517

<sup>a</sup>USAID/Haiti completed a 611(e) certification for the construction of the Caracol Industrial Park Power Plant. Although the construction was finished in June 2012, related distribution from the plant and operations and maintenance are ongoing.

<sup>b</sup>As of December 2014, USAID/Haiti had completed three separate 611(e) certifications for efforts under the Haiti Health Infrastructure Program.

<sup>c</sup>See U.S. Agency for International Development Office of the Inspector General, USAID Audit Report No. 1-521-14-008-P.

# Appendix VI: Comments from the U.S. Agency for International Development



MAY 22 2015

David Gootnick  
Director, International Affairs and Trade  
U.S. Government Accountability Office  
Washington, DC 20548

Dear Mr. Gootnick:

I am pleased to provide USAID's formal response to the Government Accountability Office (GAO) draft report entitled: "HAITI RECONSTRUCTION: USAID Has Achieved Mixed Results and Should Enhance Sustainability Planning" (GAO-15-517).

This letter, together with the enclosed USAID comments, is provided for incorporation as an appendix to the final report.

Thank you for the opportunity to respond to the GAO draft report and for the courtesies extended by your staff in the conduct of this audit review.

Sincerely,

A handwritten signature in black ink, appearing to read "Angelique M. Crumbly".

Angelique M. Crumbly  
Assistant Administrator  
Bureau for Management  
U.S. Agency for International Development

Enclosure: a/s

U.S. Agency for International Development  
1300 Pennsylvania Avenue, NW  
Washington, DC 20523  
www.usaid.gov

- 2 -

**USAID COMMENTS ON GAO DRAFT REPORT**  
No. GAO-15-517

To strengthen USAID's ability to promote the sustainability of its activities in Haiti, we recommend that the USAID Administrator take the following three actions:

**Recommendation 1:** To better ensure the sustainability of any noninfrastructure activities that USAID/Haiti initiates under the current reconstruction strategy, instruct the mission to perform sustainability analyses when designing these activities.

**USAID Response:** We agree with the recommendation.

As noted in the draft GAO-15-517 report, Automated Directive System (ADS) 201.3.15.1, Applicability of Project Design Guidance, states: "Section 201.3.16, Project Design Process, fully applies to all Missions with an approved Country Development Cooperation Strategy (CDCS). For Missions without an approved CDCS, Missions should apply the project design process incrementally, based on its draft Results Framework."

As the Haiti Mission does not yet have a CDCS, the Mission has been working to implement project design incrementally. Since December 2014, the Haiti Mission has begun to incorporate sustainability analysis at the design phase.

**Recommendation 2:** To help ensure full compliance with Section 611(e) of the Foreign Assistance Act of 1961, provide guidance for identifying capital assistance projects, including infrastructure activities, for which missions must certify sustainability.

**USAID Response:** We agree with the recommendation.

Identification of infrastructure projects and follow-through on Section 611(e) requirements for capital investments are integral to USAID's program cycle, particularly at the design stage. Operating units identify infrastructure activities and confirm Section 611(e) requirements are met through completion of mandatory activity checklists and other planning requirements including initial environmental examinations (IEEs).

Nevertheless, the Agency recognizes that, especially where infrastructure is not the primary objective of an activity, identification and sustainability planning can fall short of reasonably expected planning levels. The recently completed USAID Construction Assessment (November 2014) broadly recommends developing further polices "around successfully designing, implementing, and administering construction activities" in order to more effectively and efficiently manage investments and risk around capital projects. To this end, the Agency is already taking action to address Section 611(e) compliance as follows:

- Select operating units have already developed Mission Orders (operating unit specific guidance) for construction activity management including compliance with Section



- 3 -

611(e) requirements.

- The Agency's Global Acquisition and Assistance System (GLAAS) was modified to allow for a simple (check box) identification of construction activities in each active award. This modification allows for a search of GLAAS data fields (location, budget, contract value, etc.) for all activities that include construction across the Agency's portfolio.
- A training program on Section 611(e) compliance and best practice was delivered at the Agency's global infrastructure conference held in Washington, D.C. in December 2014. Attendees at the conference included Agency engineers and contracting officers.
- The Agency's Acquisition and Assistance Planning system now includes a field to track construction activities in planned upcoming awards. This now allows the Agency to generate reports that track construction activities by location, technical sector, award value, anticipated award date, etc.

**Recommendation 3:** To ensure that USAID management has access to all information necessary to certify a host government's capability to maintain and operate a capital assistance project, such as an infrastructure activity, provide guidance specifying the types of information that missions should include in 611(e) certifications.

**USAID Response:** We agree with the recommendation.

As an outgrowth of the construction assessment mentioned above, USAID has formed several working groups to formulate policy and systemic responses to the assessment recommendations. One of the working groups is focused on developing construction activity-specific guidance tools and policies the Agency uses to manage program implementation risk including 611(e) certification. Guidance is expected to be completed and linked to the Agency's ADS in the next 6 to 12 months.

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# Appendix VII: GAO Contact and Staff Acknowledgments

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## GAO Contact

David Gootnick, (202) 512-3149 or [gootnickd@gao.gov](mailto:gootnickd@gao.gov)

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## Staff Acknowledgments

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*Haiti Reconstruction: USAID Infrastructure Projects Have Had Mixed Results and Face Sustainability Challenges.* [GAO-13-558](#). Washington, D.C.: June 18, 2013.

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