

## Why GAO Did This Study

On January 12, 2010, an earthquake in Haiti killed an estimated 230,000 people, displaced about 2 million more, and exacerbated longstanding challenges. In July 2010, Congress appropriated more than \$1.14 billion in supplemental funds for reconstruction assistance, most of which was provided to the U.S. Agency for International Development (USAID) and the Department of State (State). In April 2010, the Haitian government created the Interim Haiti Recovery Commission (IHRC), a joint Haitian-international entity, for an 18-month term to coordinate donors, conduct strategic planning, approve reconstruction projects, and provide accountability. In this report, GAO addresses (1) the planned uses for U.S. reconstruction assistance and the amounts provided so far, (2) USAID's internal controls for overseeing U.S. funds, and (3) IHRC's progress establishing governance and oversight structures. GAO interviewed U.S. government officials in Washington, D.C., and Haiti, as well as officials from Haitian ministries, the IHRC, and nongovernmental organizations, and reviewed U.S. and IHRC documents.

## What GAO Recommends

GAO recommends USAID take steps to ensure planned monitoring and evaluation activities are implemented in a timely manner. We also recommend State work with IHRC to make it fully operational. State agreed with our recommendations and USAID noted steps it is taking in line with our recommendation.

View [GAO-11-415](#) or key components. For more information, contact David Gootnick at (202) 512-3149 or [Gootnickd@gao.gov](mailto:Gootnickd@gao.gov), or Susan Ragland at (202) 512-8486 or [Raglands@gao.gov](mailto:Raglands@gao.gov).

# HAITI RECONSTRUCTION

## U.S. Efforts Have Begun, Expanded Oversight Still to Be Implemented

### What GAO Found

The U.S. government plans to allocate about \$918 million of the \$1.14 billion in supplemental Haiti reconstruction funds available through the end of fiscal year 2012 to USAID and State. USAID and State plan to allocate \$770 million and \$148 million, respectively, to projects in three geographic regions of Haiti, selected for their development potential, and four key sectors: (1) infrastructure and energy; (2) governance and rule of law; (3) health and other basic services; and (4) food and economic security. About half of the total funding is intended for infrastructure and energy projects and an additional third is for governance and rule-of-law programs. State and USAID reported they had obligated over \$184.3 million, or about 20 percent of the funding, as of March 2011. USAID provided most of this amount to fulfill the U.S. government's pledge of \$120 million to the multidonor Haiti Reconstruction Fund. State and USAID reported that they obligated most of the remaining \$64.3 million to a small number of bilateral activities, including projects to restore basic government functions.

USAID intends to expand and enhance its internal control framework to address the increased risk factors associated with the almost \$650 million of the \$770 million in supplemental reconstruction funds allocated to the agency and is at varying stages of implementing new internal controls. The agency plans to (1) augment existing internal controls to provide additional financial management and oversight of reconstruction projects, and (2) establish a new independent monitoring and evaluation unit. As of April 2011, while the agency had taken initial steps to implement some new controls, such as reorganizing staff to address the increase in oversight of supplemental reconstruction funds, it is in planning stages for other controls, particularly the new monitoring and evaluation unit. Additionally, the USAID Office of Inspector General plans to expand its audit and oversight activities and has begun to implement these plans.

Although IHRC has established key governance structures and procedures, the commission is not fully operational. IHRC, which State officials said has helped improve transparency and coordination, has made progress setting up a new organization in a challenging environment. However, although the commission's mandate ends in October 2011, IHRC is not fully operational due to delays in staffing the commission and defining the role of its Performance and Anticorruption Office—which IHRC officials cited as key to establishing the commission as a model of good governance. IHRC also has made progress developing project review procedures and approving reconstruction projects, but IHRC's ability to direct funding to Haitian priorities is limited, in part because those priorities have not been clear. As a result, funding for approved projects is uneven across sectors and not necessarily aligned with Haitian priorities. For example, although the Haitian government identified nearly equal 18-month funding requirements for debris removal and agriculture, IHRC has approved about 7 times more funding for agriculture projects. IHRC has recently developed a strategic plan to begin to help clarify Haitian priorities.