

GAO Highlights

Highlights of [GAO-13-558](#), a report to congressional requesters

Why GAO Did This Study

On January 12, 2010, an earthquake in Haiti caused about 230,000 deaths, resulted in 300,000 injuries, and displaced about 2 million persons. Following immediate relief efforts, Congress provided \$1.14 billion for reconstruction in the Supplemental Appropriations Act, 2010. USAID is responsible for implementing \$651 million of this amount, and it has allocated about \$268 million of this and other funding to construct a power plant and port to support the CIP in northern Haiti and permanent housing in several locations. The Act required State to report periodically to Congress on funding obligated and disbursed and program outputs and outcomes. GAO was asked to review USAID's efforts in Haiti. This report examines USAID's (1) funding obligations and disbursements and State's reports to Congress on funding and progress; (2) USAID's progress in two CIP-related activities—a power plant and port; and (3) USAID's progress in constructing permanent housing. GAO reviewed documents and interviewed U.S. officials in Washington, D.C., and Haiti, and visited planned and active sites.

What GAO Recommends

Congress should consider requiring State to provide it with periodic reports on reconstruction progress, funding, and schedules until most funding for each program sector has been disbursed. Also, GAO is recommending USAID (1) hire a port engineer to oversee port planning and construction and (2) provide timely community support mechanisms for each new settlement to help ensure sustainability of its permanent housing program. USAID agreed with GAO's recommendations.

View [GAO-13-558](#). For more information, contact David Gootnick at (202) 512-3149 or gootnickd@gao.gov.

June 2013

HAITI RECONSTRUCTION

USAID Infrastructure Projects Have Had Mixed Results and Face Sustainability Challenges

What GAO Found

As of March 31, 2013, the U.S. Agency for International Development (USAID) had obligated \$293 million (45 percent) and disbursed \$204 million (31 percent) of \$651 million in funding for Haiti from the Supplemental Appropriations Act, 2010 (the Act). The Department of State (State) submitted four of five periodic reports to Congress, as required by the Act. The reports included information on funding obligated and disbursed and anecdotal information on outputs and outcomes of some activities, as the Act required. The Senate Appropriations Committee, in its Committee Report accompanying the Act, had also directed State to report more detailed information on funding and sector activities in Haiti, which State did not include in the reports. Although most funds have not been disbursed, State's reporting requirement ended in September 2012. As a result, Congress lacks information on the amounts of funds obligated and disbursed and program-by-program progress of U.S. reconstruction activities.

USAID has allocated \$170.3 million to construct a power plant and port to support the newly developed Caracol Industrial Park (CIP), with mixed results. According to USAID documents and external studies, the sustainability of the CIP, power plant, and port are interdependent; each must be completed and remain viable for the others to succeed. USAID completed the power plant's first phase with less funding than allocated and in time to supply power to the first CIP tenant. Port construction will not begin until at least 2 years later than originally planned due in part to a lack of USAID expertise in port planning in Haiti. In January 2011, the mission made an unsuccessful attempt to solicit a person to fill a vacant port engineer position but made no additional attempts prior to May 2013 and this position currently remains unfilled. As a result, planning has been hindered by (1) unrealistic initial timeframes, (2) delays in awarding the contract for a feasibility study, and (3) incomplete information in the feasibility study. According to initial estimates of port construction costs, USAID funding will be insufficient to cover a majority of projected costs. The estimated gap of \$117 million to \$189 million is larger than initially estimated, and it is unclear whether the Haitian government will be able to find a private sector company willing to finance the remainder of the project.

USAID has reduced its permanent housing construction targets in Haiti. USAID initially underestimated the funding needed for its New Settlements housing program. As a result, the agency increased the amount allocated by 65 percent, from \$59 million to \$97 million, and decreased the projected number of houses to be built by over 80 percent, from 15,000 to 2,649. The estimated number of beneficiaries was reduced from 75,000 to 90,000 to its current estimates of approximately 13,200 to 15,900. Cost increases resulted from inaccurate original estimates that used inappropriate cost comparisons and from the Haitian government's request for larger houses with improvements such as flush toilets. USAID currently estimates construction will be completed almost 2 years later than initially scheduled. Delays occurred due to the difficulties of securing land titles and coordination issues with partner donors. USAID is attempting to mitigate potential sustainability risks, such as the possible lack of economic opportunities, affordability of housing and services, and community cohesion, but gaps in the support of community development mechanisms may increase these risks.