

GAO Highlights

Highlights of [GAO-14-47T](#), a testimony before the Committee on Foreign Affairs, House of Representatives

Why GAO Did This Study

On January 12, 2010, an earthquake in Haiti is estimated to have 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 Haiti reconstruction in the Supplemental Appropriations Act, 2010. USAID, which is responsible for implementing \$651 million of this amount, 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 in the Port-au-Prince, St-Marc, and Cap-Haïtien areas.

This testimony draws from GAO's June 2013 report on Haiti reconstruction and further examines (1) USAID's funding obligations and disbursements; (2) USAID's progress in two CIP-related activities—a power plant and port; and (3) USAID's progress in constructing permanent housing. For this statement, GAO updated funding information and data regarding progress, based on information from USAID and Department of State officials.

What GAO Recommends

GAO is not making new recommendations in this testimony. In its June 2013 report, GAO recommended that 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 the sustainability of its permanent housing program. USAID agreed with both recommendations.

View [GAO-14-47T](#). For more information, contact David Gootnick at (202) 512-3149 or gootnickd@gao.gov.

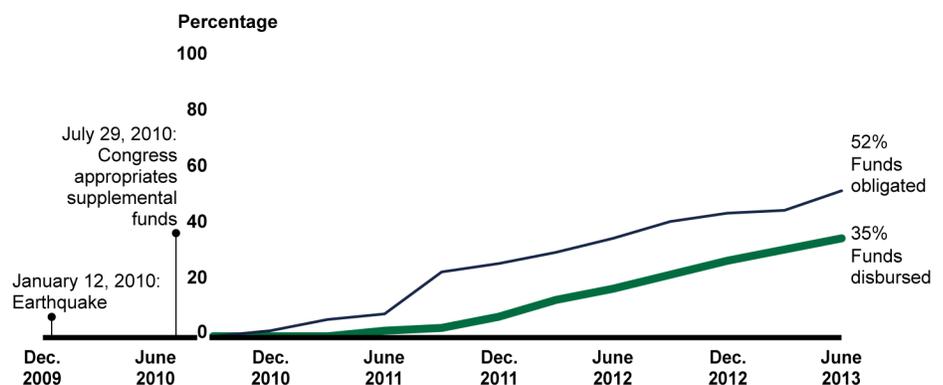
October 9, 2013

HAITI RECONSTRUCTION

USAID Infrastructure Projects Have Had Mixed Results and Face Sustainability Challenges

What GAO Found

As of June 30, 2013, the U.S. Agency for International Development (USAID) had obligated \$336 million (52 percent) and disbursed \$229.5 million (35 percent) of \$651 million in funding for Haiti earthquake reconstruction from the Supplemental Appropriations Act, 2010.



Source: GAO analysis of USAID data.

Note: This report defines obligations as the total amount of orders placed, contracts awarded, services received, and similar transactions during a given period that will require payments during the same or future period. Nonetheless, 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, such as Haiti, to deliver assistance.

USAID has allocated \$170.6 million to construct a power plant and port to support the newly developed Caracol Industrial Park (CIP). According to USAID documents and other studies, the CIP, power plant, and port are interdependent; each must be completed and remain viable for the others to succeed. USAID completed the first phase of the CIP power plant in time to supply the first CIP tenant with power. Port construction will begin more than 2 years later than originally planned, in part because of a lack of USAID expertise in port planning at the Haiti mission. According to current estimates of port construction costs, USAID funding will be insufficient to cover a majority of projected costs. The estimated gap of more than \$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 the targets for its permanent housing program in Haiti, to which it has allocated \$97.3 million. The agency decreased the projected number of houses by more than 80 percent, from 15,000 to 2,649. The estimated number of beneficiaries was reduced from a range of 75,000 to 90,000 to its current estimate of approximately 13,200 to 15,900. These reductions resulted from inaccurate original cost 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 that construction will be completed more than 2 years later than initially scheduled. Delays occurred primarily because of difficulties in securing land titles and coordinating with partner donors. USAID is attempting to mitigate potential sustainability risks, such as affordability and community cohesion, through community development mechanisms. However, it is uncertain whether these mechanisms will fully cover all sites.