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EU support for rehabilitation following the earthquake in Haiti

Report produced by the European Court of Auditors

Elements Coordination Europe-Haiti (COEH) for Working Paper MEP Jens Geier

The COEH wants to thank Mr. Geier for his request to give input for the CONT working paper about the Court of Auditor's (CoA) report of 23 September 2014 (<http://bit.ly/1rtp1T9>). In the present document the COEH compares the findings of the Court of Auditors with:

- The visit report of the CONT Delegation to Haiti, February 2012 (<http://bit.ly/1v8Ly8J>);
- The requests of the European Parliament in the respective Discharge resolutions (2012: <http://bit.ly/1u2Y09T>; 2013: <http://bit.ly/1u2Y09T>; 2014: <http://bit.ly/1uMaVLl>);
- The 'Evaluation de la coopération de l'Union européenne avec la République d'Haïti' (2008-2012), published September 2014, produced by Particip, on request of the European Commission (<http://bit.ly/1vmly7T>), following the Parliament's insistence on an impact evaluation.

COEH has selected a few topics from the evaluation report. On each topic we first give a brief analysis, and then formulate recommendations that can be used by the CONT committee.

General observations

Most of COEH observations in the present document should be viewed in the context of the Particip impact evaluation, which has a much broader scope and a more fundamental character than the CoA's evaluation of the post-earthquake aid to Haiti.

Some general findings in the Particip evaluation point to an insufficiently comprehensive EU strategy, more specifically:

- A lack of real synergy between two forms of support : to the Government of Haiti and to civil society (Particip, executive summary, p. viii),
- The political dialogue between the EU, other donors and the Government of Haiti was too weak (Particip, executive summary, p. viii) ;
- A weak integration/implementation of the programmes: insufficient consideration was given to institutional dynamics; low strategic dimension of approaches adopted in sector and/or thematic interventions (Particip, executive summary, p. ix),

These general findings are in line with one overall conclusion of the CoA's evaluation, namely that relief, rehabilitation and development were not sufficiently linked (CoA, obs. 66). This lack of coherence resulted in: weak implementation, ownership, impacts and sustainability.

- The programmes were not implemented sufficiently effectively (CoA, obs. 64): 'Out of 13 programmes examined by the ECA, only ten had reached their goals, while three failed to make significant progress, including the 10th European Development Fund general budget support programme. Nearly all experienced delays' (CoA, obs. 67).
- 'Low or uncertain sustainability' of the achievements and dispersion of efforts (Particip, concl. 5.2, p. 58).

Identification of needs – Involvement of Haitian CSOs¹ in planning processes

Without further argumentation, the Court of Auditors (CoA) report states that the Commission identified rehabilitation needs following the earthquake 'correctly'. COEH wants to challenge this conclusion. One of the main criticisms of the post-earthquake international response has been the limited Haitian CSO engagement in drafting the responses to the disaster. Most meetings in the context of Post-Disaster Needs Assessments were conducted in English, thereby effectively excluding many Haitians who only speak French and/or Creole. Cf. the Inter-agency Real-time Evaluation three months after the earthquake: <http://bit.ly/1E8HXvD>. Cf. obs. 26 in the CoA report : 'This limited the participation of local NGO's'. If Haitians did not have the lead in the needs assessments and reconstruction planning process, how can the CoA conclude that rehabilitation needs were identified 'correctly'?

COEH wants to add that the issue of Haitian participation or even leadership is not only a language issue. Also in the process leading towards the formulation of the new Plan Indicatif National, the EU limited direct engagement of Haitian stakeholders to a bare minimum.

Both the CoA evaluation and the Particip evaluation confirm this observation: for the CoA report not one Haitian organisation seems to have been interviewed, and for the Particip evaluation only a very few, in comparison with the long lists of international aid organisations. Apparently the EU has not engaged on a large scale with Haitian organisations, so the question is to what extent the EU contributed in reality to amplifying the voice of Haitian civil society.

Recommendation: COEH asks the CONT committee to challenge Commission/EEAS to fundamentally improve its record of allowing Haitian stakeholders a leading role in needs assessments and planning processes. The EU should play a model role in the engagement of local civil society and other local actors. The Road Map for Engaging with Civil Society (<http://bit.ly/1vj7egd>) provides the necessary building blocks for this and should be implemented with rigor.

Internal and external coordination

The CoA's evaluation mentions the coordination between the EU and European member states, both in post-earthquake needs assessments, and in long-term EDF programming. It notes that in principle this lead to an

¹ Civil Society Organisations.

‘effective division of labour’ in terms of geographical areas of operation (obs. 25), but that in practice coordination proved more difficult (obs. 26).

The Particip impact evaluation notes that, after a first experience of joint programming in the framework of the review of the 10th EDF strategy after the earthquake, the EU has continued with joint programming in the preparation of the 11th EDF. They characterise it as ‘an experience enjoyed by all partners and perceived by some as an example of good practice’ (p. 49).

COEH notes that not much has been made public during the joint programming exercise for the 11th EDF. As close watchers of the EDF programming cycle, COEH has never seen joint announcements from the EU, France, Spain and Germany for public meetings or consultations. On a positive note, the final Plan Indicatif National (2014-2020) clearly indicates in which areas the EU Delegation will coordinate its programmes, both in the design and the implementation phases.

Internal coordination between ECHO (humanitarian aid) and EuropeAid (development aid) has been a recurring issue in post-earthquake aid programming and implementation. The Particip impact evaluation gives quite a few examples of lack of coordination between the two pillars, in terms of geography, thematic areas and financing modalities (pp. 54-55). Already in 2011 Groupe URD, in its real-time evaluation of DG ECHO’s operations in Haiti, formulated strategic recommendations for an improved Linking of Relief, Rehabilitation and Development (cf. <http://bit.ly/Zbaq37>). Therefore, COEH notes with the more concern the Commission’s formal response to the CoA’s criticism in this area.

The CoA observes e.g. differing views after the earthquake on housing solutions for people displaced due to the disaster: while ECHO focused on semi-permanent solutions, EuropeAid preferred permanent housing. The Commission then comes with a formal explanation: ‘In the Commission’s view there are different mandates and procedures between the services, but no difference in views. ECHO is not mandated to implement long-term development investments, and therefore cannot finance permanent houses’ (p. 45, response to obs. 45b). However, the Commission does not come up with a proposal to solve this intra-institutional incoherence. According to COEH, if this continues to be the attitude, Linking Relief, Rehabilitation and Development will never become smooth practice.

Recommendation: Given the large number of international donors in Haiti, coordination is of great importance. COEH supports the EU’s efforts to step up not only joint programming, but also coordinated implementation and monitoring of agreed-upon programmes. Transparency about donor coordination could be greatly enhanced, e.g. by making joint consultations and policy dialogues with the Government of Haiti (GoH) and other Haitian stakeholders a standard practice.

With regard to internal coordination, COEH recommends the formation of a permanent LRRD team within the EU Delegation in Haiti, consisting of ECHO and EuropeAid staff. Given the frequency of disasters and the fragility of the country, LRRD mechanisms should be in place permanently. Also, ECHO’s mandate and procedures need to be reviewed in such a way as to allow for support to long-term development investments, if circumstances necessitate this.

Budget support

For some years COEH has monitored with concern the EU budget support to the Government of Haiti. Though in principle we endorse fully the strategic choice to support the GoH directly, our viewpoint has always been that strong conditionality needs to be in place. Also that assessments of the GoH’s performance against eligibility criteria should be transparent. This would be in line with the European Commission’s new policy

(2012) 'The future approach to EU budget support to third countries' (<http://bit.ly/1vj8VKP>). One of the four eligibility criteria mentioned in this Communication is 'Transparency and oversight of the budget' (p. 7).

The main findings of the Court of Auditors with regard to budget support are: 1. A strategic policy dialogue with the Government of Haiti has not really taken off, also due to the weak functioning and bureaucratic character of the CAED (Cadre de coordination de l' Aide externe au Développement d' Haiti; cf. obs. 26c and 27); 2. Though international donors started with a so-called joint donor matrix in 2010, they failed to jointly monitor progress in economic governance (obs. 63); 3. The EU Delegation lacked sufficient knowledge and competence for making its own assessments of GoH's performance in the area of Public Finance Management (obs. 63).

In addition to CoA's findings, the Particip impact evaluation (p. 20) also observes: 1. A very limited functioning of the instrument of budget support due to lack of donor coordination; 2. A lack of appropriation on the side of the GoH of the monitoring instruments that had been agreed upon.

Neither the CoA, nor Particip seems to have evaluated the GoH's accounting for EU spending of budget support. This is a point of concern, especially in view of the 2012 CONT Delegation finding: 'Accounting for the EU spending [via the Haitian government channels, COEH] remains on an unacceptable level' (p. 17 of the CONT visit report).

The COEH notices that, starting early 2014, the EU has continued its budget support to the GoH under a new, so-called State Building Contract (SBC, see the Commission's decision: <http://bit.ly/1tndAsN>). The first disbursement of EUR 34 million under this SBC has taken place this summer (cf. <http://bit.ly/1yC5i8CO>). The new contract raises a few questions: What has been the involvement of Haitian civil society in the process leading to the new contract, esp. in light of par. 4.7 of the Commission's Communication on budget support?² Which lessons have been drawn from previous experiences with budget support in Haiti, esp. from an accountability perspective: where has the money been used for?³ What have been the results of the budget support operations preceding the State Building Contract, in terms of functioning as a 'vector of change' for the strengthening of democracy and human rights?⁴

Recommendation: The EU's budget support to Haiti, under the new State Building Contract, should take into consideration the critical observations from both evaluations. Conditionality should not only cover substantial progress in the area of Public Finance Management, but also progress in the area of good governance and respect for human rights. An open and profound political dialogue is a prerequisite for this. The EU could contribute to building the GoH's capacity to maintain such a dialogue. The EU Delegation's competences for monitoring progress in Public Finance Management should be enhanced. Assessments of the GoH's performance should become public, so as to enable civil society monitoring of budget support – as outlined in the Commission's Communication about budget support. Real progress has to be made in joint monitoring of budget support operations.

² **4.7. Strengthening domestic and mutual accountability**

Domestic and mutual accountability on budget support should be further enhanced by:

- Strengthening the openness, transparency and accountability of the budget process;
- Supporting a participatory budget support approach;
- Systematically integrating programmes to support national legislative and oversight bodies, as well as sub-national authorities and civil society organisations;
- Increasing transparency by publishing relevant information on budget support financing agreements and performance reviews.

³ Cf. par. 4.9 from the Commission's Communication: 'The M&E system should contribute to strengthening the voice and legitimacy of national stakeholders in the partner country's budgetary process and ensuring that factual and verifiable information on budget support operations is placed in the public domain'

⁴ Cf. par. 2.2.1 from the Commission's Communication.

Engagement of local partners

Having a strong civil society is an indispensable element of a vital democracy, according to the European Commission in its 2012 Communication 'The roots of democracy and sustainable development': "An empowered civil society is a crucial component of any democratic system and is an asset in itself (...) synergies between states and CSOs can help overcome challenges of poverty, widening inequalities, social exclusion and unsustainable development. CSOs' participation in policy processes is key to ensuring inclusive and effective policies " (<http://bit.ly/1z6FGrt>, p. 3).

In line with this, the CONT Delegation, after its visit to Haiti in February 2012, stressed in its report "the importance of meaningful involvement of civil society in the implementation of projects and programmes" (p. 13).

In the CoA's evaluation report it is repeatedly mentioned that projects were not implemented timely and effectively because of capacity constraints on the side of implementing partners. In the area of resilience building, implementing partners demonstrated a lack of linguistic skills and local knowledge (obs. 45-46). In the area of food security the evaluators observe a lack of knowledge by the implementing partner: its analysis of administrative and organizational environment was not strong enough (obs. 50-51). And the delays in implementation of a crisis preparedness project is explained by the engagement of a partner organisation without any previous local experience (obs. 56)!

Looking at the annexes of the CoA's evaluation report, it seems that all projects that have been examined by the CoA were projects managed and implemented by either international organisations or international NGO's. Not even one project implemented by a Haitian civil society organisation has been included in the evaluation, although we know that the EU has supported some local organisations during the evaluation period.

In view of the recurrent finding that projects failed (partly) due to lack of local knowledge of implementing partners, COEH raises the question whether at all the EU Delegation has substantially engaged Haitian organisations and enterprises in the implementation of its programs. It could be that the substantial and prolonged lack of staff capacity in the EU Delegation after the earthquake (obs. 67) explains why the EU Delegation opted for 'quick wins', by selecting well-known international organisations for the implementation of its plans. The CoA's evaluation points in the direction that careful selection of local partners with sufficient capacity, local knowledge and expertise will prove more effective on the long run.

Recommendation: COEH recommends strong enhancement of the EU Delegation's knowledge of local Haitian actors (civil society organisations, unions, enterprises etc.), so as to promote substantial engagement with those actors in the implementation of the EU's programs in the areas of relief, rehabilitation and development.⁵ Capacity building of local actors should be an integral element of this strategy. The EU should not only focus on enhancing the GoH's administrative and implementing capacity, but also make use as much as possible of the strength, knowledge and expertise of other actors in Haitian society and economy.

⁵ In this respect COEH welcomes the EU's Roadmap for engagement with Haitian civil society, co-signed by France and Spain, but not by Germany, notwithstanding its bilateral program with Haiti: <http://bit.ly/1w3TnLz>