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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR HAITI\*

<u>Programme period</u>	<u>Actual resources programmed</u>	\$
1987-1989	Third cycle balance	200 000
	IPF for 1987-1989	19 000 000
	Other resources programmed	11 947 620
	Total	31 147 620

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\* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; (e) distribution of new country programme by sector.

## I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

### A. Current economic trends

1. Following a period of growth, which began in 1977 and was based on the expansion of the subcontracting industry, the Haitian economy went into a recessionary phase in 1980, which resulted in negative or zero rates of growth in the gross domestic product (GDP). The trend was reversed only in 1985, when, for the first time, the country recorded an increase in GDP of 3.5 per cent, a rate above the rate of population increase.
2. The sudden economic recovery in 1985, which unfortunately did not carry over into 1986, was due to a substantial increase in investment (over 11.9 per cent) in the construction sector, which had benefited from massive support by the previous régime, seeking to respond to social tension by the rapid creation of unskilled jobs.
3. Taking into account the exceptional economic circumstances, the prevailing trend in the Haitian economy from 1981 to 1985 was continuing recession, largely caused by weak domestic consumption, which in 1985 was below the 1979 level. The constraint thus created by the stagnation in per capita income since 1981 continues to indicate a decline which is due, among other factors, to the effects of an average annual inflation rate of 8 per cent.
4. The general paralysis now gripping the Haitian economy is also due to the running down of the production apparatus, to which, under the institutional framework of the previous régime, no resources were allocated for renewal or modernization.
5. Thus, agriculture, which remains the linchpin of the economy, employing 67 per cent of the population and accounting for 35 per cent of GDP, has not increased its output since 1980, either in respect of crops for domestic consumption (rice, maize, sorghum, banana, sugar cane) or export crops (coffee, cacao).
6. Although, all in all, agriculture remains the most important sector for the development of the country, lack of growth in the sector has led to a food deficit, estimated at 50 per cent in 1985, which has resulted in increased imports, the prices of which have risen on the international market to the detriment of the poorer segments of the population.
7. With respect to stock-raising, the measures taken to rebuild the stock of pigs, which had been decimated by African swine fever in 1983, have been of limited effectiveness and have not offset the losses suffered in the farming economy.
8. The continued decline of agriculture and its effects on the living conditions of the population have not been offset by the development of other production sectors.

9. Since 1981 the subcontracting industry, which had undergone considerable expansion over the previous decade, has experienced a drastic reduction in activity as a result of the international crisis. The crisis has, however, affected the sector in an uneven and inconsistent manner according to the type of product and year; thus, for 1985, the sector recorded an increase in added value of over 7 per cent.

10. The process of industrialization through import substitution, based on the use of local raw materials (leather, textiles, cotton) has also undergone a major slowdown since 1980, a victim of the protectionism that resulted in high prices; owing to the limited purchasing power of the population, such products have remained inaccessible. This industrial policy has been reconsidered in recent months so as to end protectionism and improve the sector's competitiveness.

11. Construction activities have experienced considerable growth over the past two years as a result of Government stimulus. A large number of highly labour-intensive works have been executed in both urban and rural areas (drainage, construction of irrigation systems, construction of bridges, rural roads, port facilities, etc.). This intervention by the authorities was intended to stimulate employment and to relieve social pressures.

12. Unemployment, estimated in 1985 at over 23 per cent in urban areas and at 8 per cent in rural areas, and underemployment, which affects over 60 per cent of the population, are by virtue of their negative social impact the most acute problems facing the country today.

13. This situation has caused the departure of a large number of Haitians for other countries. The foreign currency transfers made by these expatriates have become vital to the country, since they exceed \$50 million per annum, i.e. as much as the export revenue from coffee, and only slightly less than the revenue generated by the subcontracting industry.

14. The external deficit recorded over recent years has remained at around \$200 million per annum, as a result of which foreign currency reserves had declined to less than \$80 million by 1985. There was a deficit on current account of some \$180 million for 1984 and 1985, 60 per cent of which was covered by international assistance, which has shown a consistent increase to a figure of \$98 million in 1985, i.e. 30 per cent up on the previous year.

15. The concessional credits of which Haiti has made use so as to supplement the financing of its deficit have had the effect of increasing the external debt, which now totals \$600 million. Although it is the only Caribbean country included among the least developed countries (LDCs), paradoxically Haiti is one of the few countries in the region which makes a significant contribution to the amortization of its debt.

16. Nevertheless, the country's economic stagnation and the continued deterioration of the purchasing power and living conditions of the population led to unrest which, in February 1986, culminated in the fall of the Government.

B. National development strategies

17. The change of Government in February 1986 and the nature of the new political choices amount to a break with the old régime. This change has been accompanied by the implementation of a new economic development policy.

18. In response to the situation currently affecting the country, the development strategy determined by the National Council of Government is intended to cover the period 1986-1988.

19. This new economic policy, together with objectives and priorities for the years 1986-1988, constitutes the Interim Development Programme, prepared in October 1986 with UNDP assistance.

20. The Programme strategy involves the early taking of action that will have an immediate impact in terms of improving living conditions for the most disadvantaged segments of the population. In parallel with this intervention in crucial areas, medium- and long-term structural reforms, formulated with the assistance of the International Monetary Fund (IMF) and the World Bank, have been initiated with the aim of restructuring the economy and establishing a firm foundation for national development.

21. The Programme also includes a short-term investment programme covering 26 highly labour-intensive projects at a total cost of \$43 million, in respect of which a commitment from the international community has been sought by the Government.

22. The following objectives have been defined in the Interim Development Programme:

(a) Revival of the national economy: The recovery will be underpinned by full State support for the private sector, including agriculture and industry, mainly through the establishment of basic services and infrastructure necessary for the development of production activities;

(b) Campaign against unemployment and underemployment: Measures will be taken to avoid any worsening of the employment situation. The policy will also stress the creation of new jobs as a result of the establishment of production activities making intensive use of unskilled labour;

(c) Extension of education and culture: Measures to combat illiteracy and improve the rate of school attendance are priorities for the Government, which will continue to carry through the education reform already begun;

(d) Restructuring of central, regional and local public administration: The aim is to rationalize State structures so as to increase their effectiveness and improve financial management. The National Council of Government has also decided to give priority to Government decentralization.

23. In order to attain these objectives, a number of comprehensive provisions have been drawn up, pursuant to which the following policies have been adopted:

(a) Fiscal policy: The imbalance in the fiscal system and its low yield necessitate thorough reform of the income tax system to achieve greater social justice and generate increased revenue for the State. Anti-smuggling measures and the effective application of customs tariffs along with the taxation of luxury products are also expected to increase the State's resources;

(b) Budgetary policy: During the period covered by the Interim Programme, the Government will maintain a balanced budget, as was achieved in the 1985/1986 financial year without recourse to the Central Bank. In concert with the reform of the civil service, the salary scales of civil servants will be revised, and the numbers of staff strictly controlled;

(c) Monetary and credit policy: The Haitian banking system requires development and restructuring so as to match the needs of economic agents more closely, particularly in rural areas for savings collection and the granting of credit for production activities. To that end financial institutions will be established to promote industrial development, as will an agricultural development bank;

(d) Foreign trade policy: The trade balance deficit necessitates import control through the implementation of a policy of customs tariffs by type of product;

(e) Employment policy: This critical problem will be tackled through the execution of highly labour-intensive works to improve urban and rural infrastructure, agricultural developments, construction of service roads, etc. The Government also plans to promote the establishment of small enterprises by means of fiscal measures;

(f) Institutional policy: Emphasis will be placed on improving the professional qualifications of civil servants, on the regulation of the civil service so as to establish a firm and durable legal base, and on the structuring of local institutions so as to improve civil service support for the population;

(g) External co-operation policy: The Commissariat for National Development and Public Administration has been given responsibility for improving the co-ordination of international aid in accordance with government objectives and priorities. The National Government Council also wishes to see international agencies invite greater participation on the part of those affected by projects.

### C. Technical co-operation priorities

24. The improvement of living conditions and the establishment of a more just society are two aspirations now shared by the entire population of Haiti.

25. Together with the ongoing structural changes, whose expected effects will be evident only in the medium or long term, the Council is starting activities designed to realize these two aspirations.

26. On the basis of the strategy and objectives defined in the Interim Development Programme, the Commissariat has established priorities and guidelines for technical co-operation to ensure proper complementarity between external assistance and national development efforts. These external co-operation guidelines centre on two major types of activity: satisfying the basic needs of the population and reviving the national economy.

27. In the area of basic needs, unemployment and under-employment are the most serious problem now facing the Government. In response to it, the Council is promoting the development of all sectors of the economy that might create new jobs, while giving particular encouragement to the private sector in agriculture and industry. It is within the framework of this policy that the Government has decided to establish new credit institutions and to strengthen the role of the National Bank for Agricultural and Industrial Development. Incentive measures have also been taken at the level of local communities, in rural and urban areas, for the promotion and organization of production activities in the informal sector, which represent a great potential for the country.

28. To start reducing unemployment, it is estimated that more than 30,000 new jobs a year must be created nationwide. This is one of the country's immediate needs, and the Government is enlisting the active support of external co-operation to meet it. This assistance, which must be multisectoral, will be pragmatic in approach in order to produce quick results. In addition to financing labour-intensive projects, the Government wants international technical co-operation to try to identify the economic agents and activities that might generate employment in marginal urban areas, where there is often much informal-sector activity run by women, in trade and in cottage industry.

29. Together with employment, the new Government wishes to make health care and education available to the largest possible number of Haitians. To supplement the literacy campaign being conducted throughout the country with the help of the Catholic Church, the Council is requesting external assistance to pursue the educational reform and to extend it to the third training cycle. This reform, which, with the help of UNDP, the Inter-American Development Bank (IDB) and the World Bank, has already started the first and second cycles of primary education, has already made it possible to increase the net school attendance rate from 40 to 61 per cent between 1979 and 1986. At the same time, the school drop-out rate of 21 per cent in the first year was reduced to 8 per cent in the same period. As for health care, the Government wants to focus technical co-operation on the rural areas, where sanitary conditions have seriously deteriorated. Assistance is desired particularly to increase the number of drinking water supply systems in the villages which have none and to formulate and implement a basic health policy that will be effective. In the urban sector, a low-income housing construction programme is already in progress, on the model of the project of the United Nations Capital Development Fund (UNCDF) and UNDP. The project, located in Saint Martin, is a success. The stepping up of assistance in this area, where bilateral donors and the World Bank are already operating, should make it possible to extend the programme to other large towns and contribute to a substantial reduction in the number of shanty towns.

30. The revival of the national economy, which has been stagnant since the beginning of the decade, is a second area of intervention for external assistance aimed at reviving economic activity. The country needs technical co-operation in order to lay rapidly the foundations of a healthy economy capable of producing economic growth and improving the standard of living. Together with changing the management and the role of the State as an economic agent, the new credit and trade policies are geared specifically to the development of appropriate private-sector activities in agriculture and industry. In the agricultural sector, much effort is being devoted to increasing food production and reducing the food deficit, and reviving export crops, which have been in a state of continuing regression in recent years. The National Council of Government also wants to promote a competitive and dynamic agricultural industry in the areas of fisheries and tropical fruit, and is seeking for that purpose the assistance of neighbouring countries within the framework of South-South co-operation. Together with the policy for reviving the industrial sector, international expertise should also be geared to the training of national personnel, the identification of economic potential and support for small and medium-sized private enterprise.

31. In addition to these two major spheres of technical co-operation, the country still faces many critical problems that will be dealt with directly, drawing on different sources of external assistance. Among the most sensitive topics are the problem of erosion and deforestation, which has become very serious; the return of Haitian emigrés; and, at this time of institutional reform, the co-ordination and supervision of external assistance.

32. Resources for the fourth National Technical Co-operation Programme are programmed in accordance with these technical co-operation priorities.

#### D. Aid co-ordination arrangements

33. In 1985, external assistance to Haiti amounted to \$145 million, 61 per cent of which was financed from bilateral assistance, 35 per cent by multilateral organizations and 4 per cent by non-governmental organizations (NGOs).

34. Of the \$36 million provided by 19 United Nations agencies, the most important contributions were: World Bank (\$21 million), International Fund for Agricultural Development (IFAD) (\$3.4 million), World Food Programme (WFP) (\$2.6 million), United Nations Children's Fund (UNICEF) (\$1.8 million), United Nations Fund for Population Activities (UNFPA) (\$1.3 million) and the World Health Organization/Pan American Health Organization (WHO/PAHO) (\$1.1 million). UNDP contributions account for 25 per cent of the total technical assistance provided by United Nations agencies.

35. Total bilateral assistance, technical and financial, came to \$89 million in 1985. The major donors were: the United States of America (\$53 million), France (\$23 million), the Federal Republic of Germany (\$7 million), Canada (\$2.6 million) and Japan (\$2.5 million). External assistance from other multilateral sources, particularly IDB, the Inter-American Institute for Agricultural Sciences (IICA) and the Organization of American States (OAS), amounted to \$13 million, with IDB making

the most important contribution, \$10 million, mostly in the form of financial assistance.

36. Contributions by NGOs, which are estimated to number more than 300, amounted to 4 per cent of the total assistance reported for 1985; this represents only the contributions of the six most important organizations that provided UNDP with information about their contributions.

37. Since the beginning of 1986, a number of bilateral donors have increased the amount of their assistance programmes for Haiti. In 1986 bilateral aid reached the level of approximately \$123 million and is expected to rise to \$161 million. Thus for the years 1986 and 1987 the United States is expected to provide \$180 million, Canada \$20 million, the Federal Republic of Germany \$22.5 million and France \$61 million.

38. Among the multilateral co-operation agencies, whose assistance for the period 1986-1988 is expected to be \$188 million, OAS will provide \$2 million for education, science and support for economic and social development. For the same period, IICA will contribute \$1.4 million for restoring the pig population, for irrigation and for vocational training. IDB will provide \$32 million for agriculture, health, transport, industry and education. The World Bank has a \$72.3 million investment programme for energy, education, transport, urban and rural development, reforestation and industry.

39. The amount of programmed resources from the United Nations for the coming years has also increased substantially, particularly in the case of UNDP, whose indicative planning figure (IPF) for the fourth cycle (1987-1991) is 56 per cent up on that for the preceding cycle. The Food and Agriculture Organization of the United Nations (FAO) is planning to finance a \$1.8 million programme, \$800,000 of which will be co-financed by the Swiss Government. WHO/PAHO will provide \$2.2 million for 1986-1988, mainly for the anti-malaria campaign, sanitation, mother and child health and family planning; a parallel financing of \$1.1 million will be allocated by UNFPA. For the next two years, UNICEF will provide \$5 million for vaccination campaigns, primary health care and community development.

40. In this difficult period, the National Council of Government appreciates all external assistance, particularly that of the United Nations. In this connection, mention should be made of the initiative taken by the Secretary-General since April 1986. The appointment of his Special Representative for Haiti (who is at the same time the Resident Co-ordinator for Operational Activities of the United Nations and UNDP Resident Representative) is part of these efforts, the purpose of which is, inter alia, to mobilize additional resources for the country and improve local-level co-ordination of external co-operation resources. Under the March 1984 agreement of the Joint Consultative Group on Policy between UNDP, UNFPA, UNICEF and WFP, co-ordination will be organized so as to ensure a harmonious programme delivery with minimum duplication.

41. Field-level co-ordination of projects financed by UNDP and by other United Nations agencies permits the effective mobilization of resources. It also provides not only an effective mechanism by means of which the Government can monitor action



taken and progress made with United Nations support, but also a reference framework which can be extended to cover other external co-operation resources, technical and financial, provided to the Government by bilateral and multilateral donors.

42. On the national level, co-ordination efforts undertaken in the past through such machinery as joint commissions, or institutions such as the Ministry of Planning, did not always live up to expectations, particularly where the optimal use of technical co-operation resources was concerned. The recent establishment of the Commissariat for National Development and Public Administration will make it possible to improve this situation. The Commissariat, which prepared the Interim Development Programme, is also charged with implementing the strategy and priorities defined therein for the period 1986-1988. Under this policy, it is to co-ordinate the activities of different sectors, and depends specifically on planning groups within the ministries. It also draws on the support of four technical offices: (a) the Office of Economic and Social Programming and Land Management, (b) the Office of Project Studies, (c) the Monitoring and Evaluation Office and (d) the External Co-operation Office. The Commissariat also has a mandate to represent the country in dealings with the international community relating to external assistance, so as to ensure supervision and co-ordination. Directly linked to the Council, it has the means for overcoming obstacles to the proper implementation of external co-operation. Measures will henceforth be taken to strengthen co-ordination, particularly by restructuring the NGO Activities Co-ordination Group, which will permit better supervision and effective participation in the micro-project programmes in local communities.

43. On the international level, intensive consultation and co-ordination took place in 1986 between the Government and the different sources of bilateral and multilateral technical and financial co-operation.

44. These consultations led to a substantial increase in bilateral and multilateral assistance for the coming years and to the formulation, with the help of the World Bank and UNDP, of a Short-term Investment Programme (see para. 21). The Programme was submitted to potential donors at an informal meeting convened by the Secretary-General in New York on 29 October 1986. It was also introduced in Paris by the World Bank on 24 November 1986, at the meeting of the Caribbean Group for Co-operation in Economic Development, to which Haiti belongs.

## II. THE COUNTRY PROGRAMME

### A. Assessment of previous programme

#### Financing of programme

45. Initially the third country programme (1982-1986) was to have had an IPF of \$38 million, but the restrictions on UNDP resources in 1983 reduced the IPF for Haiti to \$20.9 million, minus \$3.187 million to pay off the deficit from the preceding cycle (1977-1981). The programming level actually available was therefore \$17.013 million.

46. A total of 54 projects was approved for financing from the IPF. A number of projects approved during the third cycle are still being executed.

47. Because of the restrictions on IPF resources, which made it impossible to meet all national technical co-operation needs and priorities satisfactorily, other sources of financing were mobilized to implement a number of specific activities. Fifty-one projects, totalling \$30,952,848, were financed.

#### Programme orientation

48. The programme was prepared in accordance with the Government priorities set forth in the document of the Biennial National Development Plan, but this document did not clearly define the development strategy or objectives. The orientation of assistance provided during the third programming cycle by UNDP was inadequate in some respects. This should not be repeated during the fourth programme.

49. Even though there were no clearly defined priorities, three specific sectors benefited from the programme: agriculture, natural resources and transport and communications. The resources allocated to these three sectors constituted 63 per cent of the IPF resources for the third cycle.

50. Of the remaining 37 per cent, 18 per cent of the IPF was allocated to education. As for the other activities, there was a certain marginalization of the social sectors, which were given very little assistance, especially health and population activities. No funds were allocated to the latter two during the five years in question, while the cultural sector received only 0.9 per cent of the assistance, and human settlements 2.2 per cent. For industrial and commercial development, the assistance came to barely 5.5 per cent of the IPF, and for institutional support to only 2.4 per cent. The remaining resources (8 per cent) went to other sectors: science and technology, social matters and employment.

51. These imbalances are due in part to the funding of very costly projects, particularly in the natural resources sector, in which three gold-bearing deposit prospecting projects mobilized 17 per cent of the IPF, and in the transport and communications sector, where third-cycle funds made it possible to finance an extension of the major projects begun during the second cycle, particularly for telecommunications and civil aviation, which absorbed 12 per cent of the IPF. The amounts for the agricultural sector (34 per cent of the IPF) were due in part to efforts to obtain supplementary financing from UNCDF and WFP, which assigned an important role in the programme to agricultural management and agricultural engineering.

52. In order to make the best possible use of available resources in the fourth national technical co-operation programme, much effort has therefore gone into preparing a strategy and selecting of limited and priority objectives on which UNDP technical co-operation should focus.

#### Programme delivery

53. At the delivery stage, the programme ran up against the country's low

institutional absorption capacity, particularly in respect of the administration of external assistance and project monitoring. This weakness is reflected in the lack of co-ordination and made it hard for the Government to fulfil its commitments regarding participation in projects, particularly with respect to the assignment of national personnel, as in the case of the ground-water project (HAI/79/001), and to financial contributions, particularly in respect of salaries, as in the case of project HAI/84/010, Development of aquaculture. These problems often led to long delays in delivery and highlighted an urgent need to strengthen the national institutions responsible for technical co-operation. In fact the national absorption capacity can be improved only through adequate assistance which would enable optimal utilization to be made of external assistance resources. In order to give Haiti the benefit of experience acquired in this field by other countries in the region, assistance might be envisaged during the fourth country programme as part of Technical Co-operation among Developing Countries (TCDC).

54. Paradoxically, the projects of the third cycle which involved assistance calling for the co-ordination of various sources of external aid usually managed to ensure proper integration of the various inputs in kind, in capital and in technical assistance. A notable example was project HAI/85/105, Support for Co-operatives, in which bilateral co-operation agencies of the United States, Canada, France and IFAD as well as non-governmental organizations, participated. Other projects to which this applies are: Historical monuments (HAI/79/011), with the participation of the United States, the World Bank, the Federal Republic of Germany and Canada; Education for Development (HAI/82/001), with the participation of IDB, the World Bank, France and Canada; and Access routes in the South-West (HAI/85/002), with WFP and UNCDF.

55. The quality of programme delivery could have been improved, however, by closer co-ordination at the local level with the NGOs and the grassroots community associations.

56. The projects implemented by WFP were an important supplement to several UNDP projects, particularly in respect of the "food for work" programme. To prevent the food distribution programmes from hurting local trade in and production of food, a system for monitoring product prices on the local market was instituted under the agricultural engineering project (HAI/81/005).

#### Programme impact

57. The impact of the third country programme in the major sectors may be evaluated as follows.

#### Natural resources

58. Three projects financed in this sector made it possible to detect several gold-bearing deposits, one of which assays at 8.10 grams per ton, and a barytes lens assaying at 9.6 grams per ton of gold. These deposits require additional studies to determine their profitability and make it possible to exploit them. Project Ground-water (HAI/79/001) developed 60 per cent of the water points listed for the country and helped the Government establish the National Committee for Water and Sanitation.

### Agriculture and fisheries

59. In this sector, there were 13 projects in the areas of agricultural development, support for production and for co-operatives, livestock breeding and soil stabilization. Difficulties arose for some projects because of their poor design, but in most cases the major problem was the lack of penetration into the target environment. The experience acquired nevertheless led to encouraging results, particularly in the growth of the co-operative movement owing to projects HAI/83/003, HAI/83/004, HAI/78/022 and HAI/81/004, which got coffee production off to a good start by providing management and marketing support for producers. These projects established legislation, loans to buy coffee-bushes and a people's co-operative credit bank. In aquaculture, very good results were also achieved through the implementation of projects in collaboration with NGOs to introduce new breeds of tilapia and to establish fish farms.

### Transport and communications

60. The project Development of civil aviation, phase II (HAI/81/002), which was the follow-up of all the assistance previously provided by UNDP through various regional projects, did not yield the expected results because the presence of experts from the International Civil Aviation Organization (ICAO) did not coincide with the availability of needed equipment in the field. The project Development of telecommunications, phase II (HAI/81/001) provided substantial support for the Haiti Telecommunications Company, which has become a flourishing, well-equipped and commercially profitable public service.

### Social sectors (education, employment, human settlements)

61. The assistance provided under the project Education for development (HAI/82/001) made it possible to implement the educational reform for the first and second stages of education. This project plays a key role in the co-ordination of assistance from other sources, particularly the World Bank and IDB. The project Job promotion for craftsmen (HAI/81/009) made it possible to create 15 craft shops, one foundry, a co-operative for supplying raw materials and a mechanism for providing credit facilities. The project also trained 60 young people in iron-working and woodworking and in mechanics. The project Assistance for the UNCDF project at Saint-Martin (HAI/77/012) was a pilot experiment in human settlements that made it possible to reduce the land occupancy rate by 50 per cent. This project has already been duplicated with other sources of assistance from the Federal Republic of Germany and the World Bank.

### Trade and industry

62. In these two sectors, the studies conducted and the support given to the ministries had no tangible results in terms of defining a trade policy or in respect of industrial investments. Still, the six studies conducted under a project on the quarrying of marble should be extended to the fourth programme.

Institutional support

63. The three projects for the institutional strengthening of the Ministry of Planning resulted in the preparation of the Biennial Plan and to macroeconomic studies which are unfortunately too far removed from the direct management of external assistance and sectoral planning. After its evaluation, project HAI/85/005 was reoriented in a more operational manner towards support for the co-ordination efforts now being undertaken by the Commissariat for National Development and Public Administration.

B. New programme proposal

64. In the light of the current situation in Haiti and given the strategy launched by the National Council of Government, the fourth country programme was designed within the framework of the development guidelines contained in the Interim Development Programme, 1986-1988.

65. Given the period covered by the Interim Development Programme, the fourth country programme was designed to cover a three-year period, i.e., 1987-1989.

66. On the basis of the resources available under the IPF, which comes to \$28.175 million for the entire period of the fourth cycle (1987-1991), \$19 million will be for the period 1987-1989. Thus the duration of the fourth programme will be shorter than the period covered by the resources for the fourth UNDP cycle. Also, the fourth programme will have additional resources on the order of \$11,947,620, comprising inter alia, the very important contribution of UNCDF, which is \$8.063 million. This is the largest contribution, after the IPF, among the resources actually taken into account in programming the fourth programme.

67. The programming of the fourth programme is structured around four objectives: (a) to contribute to the satisfaction of the basic needs of the population, including employment; (b) to develop agricultural production and support agricultural and industrial exports; (c) to promote the exploration of natural resources, physical planning and the protection of the environment; (d) to reinforce the managerial capacity of the State, to support the administrative reform of the public sector and to contribute to the integration of Haiti into the Caribbean and Latin American region.

68. To attain these objectives, projects were selected on the basis of three criteria designed to gear the programme to the real needs of the population, in the light of the development priorities established by the National Council; (a) the projects must improve the living conditions of the most disadvantaged; (b) they must actively help to re-establish economic and national stability; (c) the activities must help revive production and create new jobs. In accordance with these criteria, the new programme is structured as follows.

Contributing to the satisfaction of the basic needs of the population, including employment

69. The programme provides priority assistance to the development of housing and social services for the most underprivileged populations in urban and rural areas. A multisectoral approach has been adopted to meet the different needs of the populations concerned. It will ensure the labour-intensive use of local manpower and strengthen women's activities.

Ongoing projects

Labour-intensive programme (HAI/85/004)

70. Promotion of employment in the short-term through the use of labour-intensive techniques in order to increase the income of the inhabitants of underprivileged areas; 1,700 jobs have already been created. IPF: \$410,000; World Bank: \$490,000.

Access road in the South-West (HAI/85/002)

71. The purpose of this project is to open up a coffee-growing zone at the site of the Union of Co-operatives for the Southern Region, which consists of seven agricultural co-operatives covering a population of 75,000. There are also plans to build a 36 km track. IPF: \$100,000; UNCDF: \$607,000; WFP: \$310,000.

Education for development (Phase I) (HAI/82/001)

72. Implementation of the educational reform at the institutional and teaching levels and co-ordination of contributions from external multilateral agencies (World Bank, OAS, UNICEF, IDB) and bilateral assistance (France, Canada, United States). IPF: \$142,755; World Bank: \$9,000.

New projects

Education for development (Phase II) (HAI/87/001)

73. This project will provide institutional support in the educational area and further co-ordinate multilateral external assistance (World Bank, IDB, UNICEF) and bilateral assistance (United States) in implementing the third phase of the educational reform. IPF: \$1,870,840.

Social housing development, Drouillard II (HAI/87/002)

74. This project will revive Government efforts to promote low-income housing in the marginal zones of the cities to the north-west of Port-au-Prince and assistance will be provided to execute the sanitation programme on the site of Drouillard II through the construction of basic infrastructures and public housing. IPF: \$215,000; UNCDF: \$1,570,000.

Assistance in developing and implementing a basic health care policy

75. This new project will provide support to the Ministry of Health in developing a new national policy to satisfy the health needs of the population. IPF: \$1,314,000.

Personnel and staff training centre for co-operative management

76. The purpose of this project is to establish a training centre run by the National Council of Co-operatives and by the regional unions of co-operatives in order to organize training seminars for the trainers, staff and advisory personnel. Stress will be placed specifically on the training of women at all levels. IPF: \$250,000.

Assistance to the informal urban sectors and to the promotion of productive activities for women

77. The purpose of the project is to provide advisers and the necessary credits for the development of productive activities for women in marginal urban areas. IPF: \$270,000.

Linkages

78. The projects selected to achieve this objective tie in with the activities of other sources of external assistance, and in some cases even co-ordinate them in the following fields:

(a) Employment: The Labour-intensive programme (HAI/85/004) provides the assistance required for the development and agricultural engineering contracts financed by the Government and the United States. Also, project HAI/85/002 provides expertise and advisory service for the operation of a team equipped by UNCDF for the construction of service roads, as part of the objectives of project HAI/85/015, Support for co-operatives. The latter project also provides assistance in managing the UNCDF project, Co-operative credit guarantee fund;

(b) Education: The two projects HAI/82/001 and HAI/87/001 are for co-ordinating centre assistance provided by the World Bank, UNFPA, IDB and UNICEF as well as by the Governments of France, Canada and the United States;

(c) Health: The new UNDP project should bolster the efforts of the Ministry of Health in co-ordinating and preparing a basic health strategy covering all of the ongoing activities financed by UNICEF, UNFPA, WHO/PAHO and bilateral co-operation with the United States and Japan;

(d) Public housing: UNDP expertise, together with UNCDF equipment, will make it possible to implement the Drouillard II project in parallel with a similar project to the north-west of Port-au-Prince financed by the World Bank, IDB and the Government of the Federal Republic of Germany.

Development of agricultural production and support for agricultural and industrial exports

79. The fourth programme will seek to raise the productivity of the agricultural sector and increase the production of foodstuffs for the domestic market (sorghum, maize, bananas, rice, etc.), in order to reduce the food deficit and the level of imports. The emphasis will be on reclaiming and upgrading small irrigated areas. Special attention will be given to boosting industrial exports and agricultural exports like coffee and cocoa through sustained support to the private sector. In addition, assistance will be provided in identifying and launching new export-producing activities, such as agro-industries and fishing, which could be developed in Haiti.

Ongoing projects

Integrated project for stone development (HAI/79/007)

80. The project objective is to draw up specifications for the industrial use of certain deposits of marble, calcium carbonate and aggregates. IPF: \$175,000.

Production and promotion of simple agricultural equipment (HAI/84/001)

81. Under this project the plan is to train agricultural workers and to manufacture a series of prototypes of multi-purpose machinery. IPF: \$90,593.

Support for industrial development (HAI/84/013)

82. The objectives of this project are to make a comprehensive analysis of the industrial sector and assist the Government in developing certain pivotal priority areas. IPF: \$32,000.

Development of aquaculture in Haiti (HAI/84/010)

83. The goals of this project are: (a) the development of the fish-farming unit at Damien and the installation of five satellite units in the provinces, in collaboration with several non-governmental organizations; (b) the training of national aquacultural workers; (c) the development of family fish-farming in rural areas; (d) an economic feasibility study of fish-farming and associated livestock activities. IPF: \$420,000; SMF/WFP: \$17,000.

Advisory services for rural engineering (HAI/84/011)

84. Some of the objectives of this project are: technical support for the Gonaïves Plain Development Agency and the Artibonite Valley Development Agency; the management of ravines; the establishment of a pilot system for tapping ground water in the Gonaïves Plain; and the reclamation of three irrigated areas (Laverdure, Maury and Rivière Bois). IPF: \$85,000.



Vocational training centre for small-scale fishing (HAI/85/006)

85. This project aims to establish a centre at Dame-Marie to train 200 fishermen in coastal fishing techniques and to train 50 women in fish preservation and processing. IPF: \$373,800; SMF/WFP: \$20,000.

Support for the development of animal husbandry (HAI/85/014)

86. The goal of this project is to consolidate the existing machinery for animal husbandry extension services and veterinary training in the Nord department, and to give support to a priority stock-replenishment programme for pigs. IPF: \$520,000.

Integrated development of the Jacmel region (HAI/85/013)

87. Under this project, a United Nations volunteer will help to identify the local possibilities for developing handicraft production, and light-duty agricultural machinery will be furnished. IPF: \$16,400.

New projects

Support for the development of irrigation (HAI/86/007)

88. The objective of this project is to continue the activities of the preceding phase, "Advisory services for rural engineering" (HAI/84/011), and to conduct studies on the reclamation of 70 new small irrigated areas. IPF: \$869,000; UNCDF: \$1,227,000; WFP: \$975,000.

Reclamation, equipping and development of small irrigated areas

89. This new project seeks to reclaim six irrigated areas in the Gonaïves district and to furnish light-duty equipment and extension services to improve techniques and productivity. IPF: \$700,000; UNCDF: \$1,500,000.

Development of small irrigated areas

90. The objective of this project is to furnish equipment and extension services aimed at improving production techniques, using supplies for that purpose provided for in the UNCDF donation agreement tied to the above-mentioned project HAI/86/007. IPF: \$420,000.

Assistance to coffee producers

91. Under this project, model plantations will be set up and new varieties of coffee will be introduced for production by regional co-operative unions. IPF: \$500,000.

Promotion of small-scale fishing and fish preservation

92. The objective of this project is to set up small boat yards and to help with marketing by improving the preserving techniques. IPF: \$350,000.

Promotion of the essential oil industry

93. With UNCDF assistance, this project will seek to improve existing extraction equipment and supply new equipment, provide training in the most cost-effective production techniques, and assist in marketing. IPF: \$350,000; UNCDF: \$1,000,000.

Support for the calcium carbonate industry

94. The objectives of this project are to draw up complete specifications for the extraction and industrial use of already identified calcium carbonate deposits. IPF: \$180,000.

Promotion of small-scale industries and workshops in rural areas

95. The objective of this project is to furnish expertise for improving the techniques in use and credit access. IPF: \$200,000.

Definition of sectoral development strategies

96. Under the aegis of the Commissariat for National Development and Public Administration, the project will finance missions of international experts who, as members of multi-disciplinary think tanks, will help to define specific elements of national development strategies. IPF: \$200,000.

Linkages

97. The projects selected to meet this objective tie in with activities by other sources of external assistance in the following fields:

(a) Animal husbandry: activities under project HAI/84/010 cover the entire country and are being carried out in conjunction with several non-governmental organizations, notably the Peace Corps. The project HAI/85/014 is also being executed in collaboration with 28 non-governmental organizations and covers extension work in stock-raising techniques among peasants who receive hogs supplied through funds from the World Bank and the Inter-American Institute for Agricultural Sciences. This project also ties in with the objectives of the national reforestation and soil conservation programme;

(b) Irrigation: UNDP is financing the technical assistance under three projects for reclaiming and upgrading small irrigated areas, to which UNCDF is contributing capital inputs. The project HAI/86/007 is being funded by UNCDF and WFP, with the Federal Republic of Germany as well contributing pumps for installation in the Gonaïves Plain. Under project HAI/85/013 UNDP, in collaboration with the United Nations Volunteers, is providing targeted technical assistance as part of a larger integrated development project at Jacmel, financed by France and the European Economic Community (EEC).

Promotion of the exploration of natural resources, physical planning and the protection of the environment

98. The fourth programme provides for a special effort in the field of reforestation, soil retention and catchment-area development, as well as in research on alternative energy sources which are not harmful to the environment. The programme also calls for a study to determine the feasibility of exploiting the country's metalliferous deposits and for activities to extend the drinking water supply to rural areas where segments of the population are without it.

Ongoing projects

Development of ground water (HAI/79/001)

99. This project, which will reinforce the Hydrogeology Department of the Ministry of Agriculture, Natural Resources and Rural Development, aims to study the country's drinking-water resources and to provide technical assistance to all water-related projects being carried out by other sources of external assistance (France, Japan, the United States, the Federal Republic of Germany, IFAD, IDB and UNCDF). IPF: \$50,000; UNCDF: \$1,907,000.

Evaluation of deposits of non-ferrous metals (HAI/NR/80/001)

100. The objective of this project is to continue to explore for metals in the Nord department in order to determine the investment needed for their viable commercial exploitation. The United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE): \$1 million.

Evaluation of metalliferous deposits in the Nord department (HAI/84/016)

101. This project aims to prospect for and evaluate metalliferous deposits in the Nord department. IPF: \$11,822.

Strengthening of the National Weather Service (HAI/82/012)

102. The objectives of this project include the reorganization and improvement of meteorological observation stations and of data processing, and the establishment of a hurricane forecasting centre. IPF: \$70,000.

Limbé watershed (HAI/86/001)

103. The objective of this programme is to provide extension services in conservation techniques over a 400-hectare area, with a view to setting up a replicable model for environmental protection. Special programme resources: \$27,500.

New projects

Master plan for Port-au-Prince: Phase I (HAI/85/009)

104. The objective of this project is to provide institutional support to the Ministry of Public Works, Transport and Communications in its implementation of a development plan in the metropolitan area. It is anticipated that a second phase, if necessary, will be financed by IDB. IPF: \$385,000.

Physical planning (HAI/86/002)

105. This is a pilot project to draw up integrated regional development models in the rural areas of the country, based on the spatial development units. IPF: \$305,500.

Development and management of water resources (HAI/86/003)

106. This project aims at improving the operation and management of the National Water Resource Service by strengthening the four main subsectors it covers (hydrogeology, geophysics, drilling and hydrology), and at continuing to provide assistance with drilling activities throughout the country. IPF: \$1,921,000.

Prospecting for and evaluation of non-metallic minerals

107. The aim of this project will be to make studies of the most promising non-metallic deposits for eventual use in industry. IPF: \$306,000.

Reforestation of semi-arid areas for fuel-wood production

108. Under this project, the plan is to plant trees in a 5,000-hectare area so as to produce 400,000 cubic metres of fuel wood. IPF: \$350,000.

Preparation of a master plan for water use in the Cayes Plain

109. The objective of this project will be to carry out engineering and pre-investment studies on the effective use of water resources in the area. IPF: \$250,000.

Linkages

110. The projects included in the programme to meet this objective tie in with activities by other sources of external assistance in the following fields:

(a) Hydraulics: Project HAI/79/001 and the new project "Development and management of water resources" (HAI/86/003) call for hydrogeological studies for drilling projects financed by the Governments of France and the United States and by IFAD, IDB and UNCDF. In addition, the assistance being given in the preparation of a master plan for water resources in the Cayes Plain is expected to promote co-ordination of future activities in this sector;

(b) Meteorology: UNDP is helping to strengthen the National Weather Service by ensuring the utilization of equipment furnished by France and the United States to the Government.

Reinforcement of the managerial capacity of the State, support for the administrative reform of the public sector and assistance in the integration of Haiti into the Caribbean and Latin American region

111. As the Haitian Government often maintains only a minimal presence in rural areas, the fourth programme will help to implement civil service decentralization, develop sectoral planning and improve the co-ordination of external assistance, particularly with NGOs.

112. In a broad attempt at institution-building major support will be given to strengthening machinery for representation, association and participation of the population at the local level: municipalities, community councils, co-operatives, district associations, women's groups.

113. The programme also provides for the development of co-operation with other countries in the Caribbean and Latin American region, under TCDC, in the form of an increase in cultural, social and economic exchanges. Several projects during the programme will employ the TCDC approach.

Ongoing projects

Assistance in respect of a planning system (HAI/85/005)

114. Project objectives include: an attempt to promote a coherent macro-economic and financial policy so as to ensure the viability of development plans, the use of modern economic analysis techniques and the strengthening of the planning capacity of the Commissariat. IPF: \$300,000.

Strengthening of co-operative financing, marketing and management services (HAI/85/015)

115. The aim of the project is to strengthen co-operatives so as to improve management and marketing structures with a view to increasing revenue for co-operative members and strengthening local producer organization structures. IPF: \$603,000; UNCDF: \$252,000.

Monitoring of external debt (HAI/85/003)

116. The project will assist the Central Bank of Haiti in the establishment of a computerized system to record, monitor and analyse external debt. IPF: \$35,000.

Assistance in the rationalization of staple commodity markets (HAI/86/006)

117. The aim of the project is to lower and stabilize the prices of mass consumption commodities and to establish follow-up machinery within the Ministry of Trade. IPF: \$97,500.

Support for the preparation of an emergency plan for Haiti (HAI/86/004)

118. This project will provide assistance in preparing and presenting to the international community a short-term investment programme of \$43 million. IPF: \$50,000.

New projects

Preparatory assistance for an integrated trade and industry development programme (HAI/86/010)

119. The project will assist the Government and private associations in defining development guidelines and strategies for the trade and industry sectors. IPF: \$30,000.

Promotion and establishment of craft co-operatives for rural development

120. The project is designed to create jobs and improve living and working conditions in rural areas through the promotion of craft industries corresponding to the needs of rural areas. The project will accord particular importance to the promotion of economic activities for women. IPF: \$400,000; Arab Gulf Programme for United Nations Development Organizations (AGFUND): \$200,000.

Assistance in trade management (HAI/86/008)

121. The project will improve the training of managerial staff and co-ordination between offices within the Ministry of Trade and Industry. IPF: \$280,000.

Transfer of Knowledge through Expatriate Nationals (TOKTEN)

122. Partial financing of short-term mission costs for Haitian experts living abroad who wish to participate in the development of their country. IPF: \$160,000.

TCDC South-South co-operation

123. The aim of the project will be to mobilize technical assistance from other countries in the region, in particular in the area of public administration and the development of agro-industries, and in respect of production activities in the informal sector. IPF: \$200,000.

Support for the Commissariat for National Development and Public Administration in co-ordinating external assistance and implementing administrative reform

124. The project will assist in the establishment of machinery for the effective supervision and co-ordination of external assistance and will support the effective implementation of the administrative reform. IPF: \$100,000; SMF/WFP: \$200,000.

Computerization and harmonization of trade and customs formalities (HAI/86/005)

125. The project is intended to improve customs control so as to simplify trade formalities and increase State revenue; to establish computerized units; and to provide technical assistance through French co-operation. IPF: \$210,000.

Preparatory assistance for the agricultural and industrial oil-seeds co-operative (HAI/86/009)

126. The aim of the project will be to carry out studies to improve the commercial and technical management of the former public edible oil production enterprise in the context of its restructuring as a co-operative. IPF: \$33,000.

Support for the restructuring of the National Agricultural and Industrial Development Bank

127. The project will provide assistance to improve the potential of the services provided for the agricultural and industrial sectors, inter alia, to promote small and medium-sized enterprises. IPF: \$220,000.

Tie-ins

128. The projects selected under this objective tie in with other external assistance initiatives in the following areas:

(a) Co-operatives: Project HAI/85/015 provides technical assistance for co-operative management and marketing activities. Moreover, this assistance has facilitated the establishment, with financial resources from UNCDF and the Netherlands, of a credit guarantee fund for the granting of loans to co-operatives through the country's financial institutions. The Governments of France, the United States of America, Canada and the Netherlands, together with a number of NGOs, are taking part in these activities by carrying out studies relating to feasibility, the granting of credit and technical assistance. The project also involves the construction of service roads in the south-west region with equipment supplied from UNCDF and WFP inputs, the implementation of which is entrusted to eight co-operatives working together;

(b) Trade: Project HAI/86/010, which is intended to strengthen the Chamber of Commerce, will also assist the Joint Committee for Investment and Export Promotion, which is financed by the United States Government in the amount of \$7 million. Project HAI/86/005 will supply complementary expertise for the installation and use of computer equipment supplied by the Government of France.

Projects not linked with the programme objectives described above

Ongoing projects

Improvement of postal services (HAI/84/015)

129. The project will provide assistance to the postal administration, largely for establishing money-order and parcel post services through the installation of new equipment and personnel training. IPF: \$13,000.

Development of telecommunications: Phase II (HAI/81/001)

130. This second phase relates essentially to administrative management and the computerization of the telecommunications service, and to the establishment, within the service, of a planning office, together with the preparation of a master plan for the development of telecommunications. Technical assistance will also be involved in the physical installation of telephone exchanges. IPF: \$146,000.

Preservation and development of historic monuments and development of the National Park (HAI/79/011)

131. The aim of the project is to preserve and develop the Citadelle and Palais Sans-Souci and to protect the natural environment. IPF: \$12,250.

New projects

Development of telecommunications: Phase III

132. The project will provide support for TELECO, the Government enterprise, in the implementation of the master plan formulated in 1986, together with assistance for the National Telecommunications Council relating to frequency management and the technical monitoring of broadcasts. Assistance will also be provided for the establishment of coastal stations for the Haitian Maritime and Navigation Service. IPF: \$950,000; TELECO: \$636,120.

Preservation and development of historic monuments and development of the National Park: Phase II (HAI/87/003)

133. The project will provide a follow-up to the activities initiated under project HAI/79/011, and will include rebuilding the access road to the Citadelle and reforestation in the National Park. IPF: \$730,000.

C. Unprogrammed reserve

134. An unprogrammed reserve of \$726,540 has been established.



Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

<u>A. UNDP-administered sources</u>	\$	\$
Third cycle IPF balance	200 000	
IPF for 1987-1989 <u>a/</u>	19 000 000	
Subtotal IPF 1987-1989		19 200 000
Special Measures Fund for Least Developed Countries	237 000	
Special programme resources	27 500	
Government cost-sharing	1 126 120	
Third-party cost-sharing	209 000	
Operational funds under the authority of the Administrator	9 063 000	
UNDP special trust funds	-	
Subtotal, UNDP non-IPF funds		10 662 620
<u>B. Other sources</u>		
Funds from other United Nations agencies or organizations committed as a result of the country programme exercise	1 285 000	
Parallel financing from non-United Nations sources	-	
Subtotal, other sources		<u>1 285 000</u>
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u><u>31 147 620</u></u>

II. USE OF RESOURCES

Ongoing projects	8 593 620	
New project proposals	21 827 460	
Programmed reserve	-	
Subtotal, programmed resources		30 421 080
Unprogrammed reserve		<u>726 540</u>
TOTAL RESOURCES (Programme + Reserve)		<u><u>31 147 620</u></u>

a/ Total fourth cycle IPF: \$28,175,000.

