

# **Plan Haiti**

**From Relief to Rebuilding**

**Continuum from Relief  
to Rebuilding and  
Sustainable Progress**

**Multi-Sector Area Development  
A Planning Framework for Sustainable  
Socio-Economic Progress**

**By Peter Burgess**

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# Plan Haiti – Continuum to Sustainable Progress

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## **Some Conventions Used in the Book**

### **“North” and “South”, “East” and “West”**

Instead of referring to “developing countries”, the “underdeveloped countries”, the “least developed countries”, the “Third World”, etc. I use the term “south”. For the “industrialized countries”, “rich countries”, or whatever, I use the term “north”. Obviously this does not fit into a rigorous geographic interpretation, with Australia and New Zealand, for example, being part of the “north”, but I prefer these labels to any others.

Similarly the idea of “east” and “west” need clarification. In this book “west” refers to the non-communist industrialized world and the “east” refers to the industrialized countries that were under the Soviet influence for much of the last century. This is a terrible simplification ... and has little reality in the 21<sup>st</sup> century global landscape.

# Plan Haiti – Continuum to Sustainable Progress

# CONTENTS - DETAIL

## **1. Setting the Stage**

The Starting Point

The Challenge

## **2. New Direction Strategy**

Haiti – New Direction Summary

More Focus on a Civil Economy

Less Focus on Military

People

Community

Organizations

Implementation - Management Structure

Implementation - Management Information

## **3. Millions of People**

Put People at the Center of Everything

More Good People than Bad People

How Should People Organize?

What Do People Need?

## **4. Thousands of Communities**

Communities ... Where People Live

Community Centric Planning

Multi-Sector in the Community

Organizations in a Community

Issues in the Community

The Idea of Community Information

Compiling Community Information

Important Caveat

## Foreword

A paper like this would benefit from more work and more time ... but the subject has an urgency that precludes this. The confluence of events in Haiti and the world at large make it imperative that a strategy for progress, peace and prosperity for Haiti is articulated quickly ... and I would like the ideas presented to be part of the deliberations.

This paper sets out my thinking about a complex subject, aiming to balance the need for substance and depth with the need for easy read and simplicity. This paper is a natural evolution of my thinking about socio-economic development that started several decades ago. Some of these ideas were published in two earlier books “Revolutionary Change for Relief and Development” and “Iraq ... New Direction” written in 2006 prior to the publication of the Hamilton Report.

Unlike most of the “south”, Haiti has the attention of the United States and others ... but unfortunately for the wrong reasons.

Whenever there is a human dimension to anything, simple answers tend to be wrong. This paper is an attempt to describe how a very complex problem can be managed so that there is progress and a basis for peace and prosperity rather than violence.

Some aspects of this paper will not be popular. The thesis that there should be much more use of management information, and much more easy access to important information by the public at large is not wildly popular anywhere among the leadership class in society, business and politics ... but it is vital ... as the framers of the US Constitution and its First Amendment recognized.

Peter B.

## Chapter 1 - Setting the Stage

# **Chapter 1**

## **Setting the Stage**

# Plan Haiti – Continuum to Sustainable Progress



## **Earthquake ... January 12, 2010**

### About the earthquake

Simply put this earthquake is one of the worst natural disasters ever in terms of life lost ... with estimates of dead in excess of 200,000.

In retrospect, this disaster should not have come as a surprise, because the geological knowledge about the fault lines were known, but nothing had happened for a very long time and the science was ignored.

Everyone went about their business ... until the afternoon of January 12, 2010 when, in less than one minute, a huge amount of damage was done, and a massive number of people killed and maimed.

### Search and rescue

There was little or no search and rescue capacity in Haiti, and the initial response was done by thousands of good people with their bare hands.

Getting emergency crews into Haiti was not easy. Communications were disrupted and the airport lost its already limited capacity for air traffic control.

While it seemed to take for ever, search and rescue crews ... first responders from the United States and many other parts of the world arrived in Haiti within 24 hours. Streams of other emergency personnel including medical personnel arrived quickly. Thousands, of individuals did all they could do in order to do search and rescue as well as it could be done with limited resources and no specialized equipment.

The capacity of military forces to work in difficult situations was mobilized. The US deployed an aircraft carrier to serve as a staging point for emergency logistics into Haiti. A US Coastguard vessel was used to provide emergency air traffic control in the hours after the earthquake happened. Military field hospitals were deployed by various countries and a US Navy hospital ship was dispatched to supplement the overloaded and destroyed hospital facilities

At some point there should be an accounting of the cost and the value of the search and rescue activities. This would inform the general public about the value of disaster response expertise, and serve to explain why expenditure on these resources is needed prior to an emergency occurring.

## **The Origins of this Work**

### **Why a Haiti Plan was prepared?**

This paper pulls together many different sources of information to build a planning framework to progress through ongoing relief to rebuilding and remaking Haiti.

The planning framework drew on my experience from a number of consulting assignments for the World Bank, the UN and others over many years including: (1) A study for a cross border program for Somaliland and Ethiopia prepared in 1999 (the HOA Study); (2) a planning study in Malawi for refugees from Mozambique in 1987; (3) a planning study for Afghanistan after the Soviet withdrawal; (4) development planning in Namibia after its independence; and, (5) a variety of other consultancies in the Middle East, in Central, South and South-East Asia, in Latin America and Africa from 1974 to the present.

### **Why have a duplicate plan?**

It is expected that there will be an “official” plan, but it is also likely that the official plan will reflect an approach to planning that ignores some of the critical dynamics of development and the huge role of local people as a critical resource for socio-economic progress in resource poor settings. In some ways the duplicate plan will serve more as a complementary and supportive plan to an “official” plan ... and together be an opportunity to have a smooth transition from relief to sustainable development.

## Chapter 1 - Setting the Stage

THIS NEEDS TO BE REWORKED TO BE ABOUT HAITI The Administrations of both George Bush 1 (Bush 41) and Bill Clinton got policy direction with respect to Haiti and Pakistan totally wrong, leaving a fragile Haiti as Pakistan devoid of meaningful development aid. In retrospect I am appalled at the lack of in-depth knowledge among senior staff with a lot of decision making power in Washington at that time ... and I am not sure there has been any substantial change since then.

When I retrieved the work-papers from my old work, I was very surprised ... but somewhat gratified ... to find how consistent my views have been over the years. The theme of my work has changed rather little over time. My general approach has been (1) get facts (2) do analysis; (3) draw conclusions; (4) prepare report.

But it is depressing how little impact my work has had. The issues that needed to be addressed ten, twenty, even thirty years ago still need to be addressed. The issue of management information has not been addressed. The issues of process ... and accountability ... and corruption, were important then and remain important today. The issue of how and why there is relief and development failure has not been very much addressed.

## What We Know

### The performance of international first responders

#### REWORK TO REFLECT THE EFFORTS OF FIRST RESPONDERS

One of the things that we know for sure is that the military of the United States has awesome power ... but only in a war that is on its terms. The performance of a massive coalition of military force in 1991 in expelling Iraqi forces from Kuwait was impressive. This was an awesome accomplishment, and I have pride in it. In my view the US did absolutely the right thing at that time in ending the war when the primary mission was accomplished. The war was fought under a UN mandate, and it would have been wrong ... just plain wrong ... to keep going to Baghdad just because the coalition had a big army in the region and it was “on a roll”.

The military performance of a smaller coalition in 2003 confronting the Iraqi army in the face of the Iraqi leadership's unwillingness to cooperate with either the UN or various parties in the international community was also impressive. In a very short time, the coalition forces, mainly US but with contingents of British soldiers and others, was able to overcome the Iraqi army in a few days and take Baghdad.

But we also know that military power does not solve all problems. There are situations where a gentle touch and delicacy is more valuable than brute power. This is not to devalue in any way, shape or form the ability of the military and their sacrifice ... but is a recognition that there is a limit to military power and that military power is best deployed in the right way.

### The role of the media

#### Fast Cycle Journalism

Modern fast cycle journalism does not get things right ... I worked in El Salvador in 1974 before its internal difficulties became headline news ... and was in Nigeria when President Gowon was removed from power in 1975. What was in the news stories and what I had seen for myself were surprisingly different ... and it has not improved over the subsequent 30 years.

## Understanding the scale of the devastation

### As an infant I saw the destruction in the London blitz.

I was an infant during the Second World War. We lived in Surbiton in the suburbs of London and I remember something of the WWII bombing ... the blitz ... and the "doodle-bugs" otherwise known as V1s and the destruction. I was too young to understand what this was all about, but I did know that bombing knocked down houses. My parents were terrified, but I never connected the dots to know that bombs also maimed and killed people. There was a huge amount of destruction ... but it took place over weeks and months and years ... not in a matter of minutes as was the case in the Haiti earthquake.

## Haiti

Haiti has HISTORY ... NEEDS REVISION

The nature of Haiti has not changed much in the last hundred years ... though the possibilities of change are vastly different now than they were in the past. If the people ... the society ... wants to embrace change is is possible.

### Early 1990s ... Walking Away from Haiti and Pakistan

In 1992, I was part of a UN planning team that prepared a draft plan for economic rehabilitation and reconstruction of Afghanistan after the Soviet withdrawal. The work was never completed because the international community in the West had no interest whatsoever in staying engaged in the region. By this time the Berlin Wall had come down and the cold war had ended ... the West was reaping its “peace dividend” and the plight of Haiti was not on the agenda ... the same for Pakistan.

Most nationals do not like foreign troops on their soil ... even friendly foreign troops. Yes ... troops are welcome as liberators ... but for how long? History suggests that the welcome period is quite short ... weeks ... maybe months ... but not years!

## Learning Lessons

There are success stories in the international relief and development arena. But the main body of experts tends to be associated with various institutions that in turn are not embracing methods that get the best results. The prevailing methodology in the relief and development community that has evolved over several decades seems to cost a lot and not deliver anything like the value one might expect.

Lessons of experience do not seem to be being learned, and instead a process that embraces widespread value destruction seems to dominate. This is a systemic problem.

### Poverty ... Not Caused By Poor People

Professor Muhammad Yunus often talks about poor people. If poor people work hard every day of the week and remain poor ... this is not because they are bad and not working ... it is because there is a systemic problem.

Value chain analysis is very effective at showing how wealth becomes concentrated in organizations ... and individuals that know how to game the system. When these techniques are used to make the market efficient, society benefits ... but when the techniques are used to exploit the market, society pays a big price.

Places like Haiti need economic development ... the people of Haiti need the opportunity for their society to progress.

But what is progress? More than anything else progress is making it possible for parents to give their children what they want for their children ... more than has been possible in the past. Progress need not be very rapid ... in fact it is better when it is rather slow ... because the nature of progress is that it is part a matter of technology and part a matter of culture and mindset, and all the baggage of humankind!

There are success stories. Most people would like nothing more than to be able to get on with their lives in reasonable security and with reasonable reward. But “most people” do not make the decisions ... and most decisions get made so that an establishment gets to benefit in reality while the rhetoric might well be saying something else.

## The Challenge

### Soldiers and guns

Soldiers and guns are not a civilized way of going about the building of a civil society, although they are an excellent way of destroying an opposing army and military assets. Soldiers and guns can be very valuable in protecting civil works and certain strategic assets ... but far less valuable in getting society to build its day to day economic base.

Somehow the prevalence of soldiering as a solution in Haiti has to be replaced by civilian actors ... who might well need the protection of the soldiers with their guns. In the military ... in war, the army with the biggest guns usually win ... but in the civilian context the people with the biggest guns are going to do the most damage, and damage means death of women and children ... and ultimately a loss of all credibility as a friend of society.

Yes to a role for soldiers as protectors ... but no to the idea that the soldiers can ever win in the arena of economic activity and the battle of ideas.

#### Working in Dangerous Places

I have done some of my work in dangerous places. I have never carried a gun ... but I have been protected by police and soldiers ... and for that I am grateful.

My work has always been connected with the civilian economy ... socio-economic progress and mitigating humanitarian disaster. While in some cases I was protected by soldiers with guns ... in so many cases the reason why there was a humanitarian disaster was that people with guns were creating mayhem, and poor civilians were caught in the crossfire. The men with guns were ending up killing women and children ... not my idea of how modern civil society should work.

### Find the good and build on it

The challenge is to find the good and build on it. A reasonable assumption based on my personal experience in many parts of the world, is that the majority of the population in Haiti are more interested in peace and prosperity than in war and penury. But if that assumption is valid ... why then is there so much of violence and mayhem.

As a practical matter, soldiers are at risk as soon as they are “friends” ... their basic job is not to be “friends” but to make the place safe using violence to do it, if needed. In a gun-fight, it is safer to shoot first and ask questions later ... but in



the process the whole idea that the people being shot may actually be the “good folk” that ought to be central to the future of the place.

### Remembering my early childhood

I lived in London during the “blitz” of WWII ... I was less than five years old. But almost a lifetime later my memory links Germans and bombs in a way that means I have to swallow hard every time I meet a German. Compared to the experience that modern day Afghans have to tolerate ... and Iraqis ... as a result of the modern security operations in their neighborhoods, and I understand why the presence of US troops is broadly unwelcome. I cannot understand the behavior of Syrian leadership in the bombings of its own citizenry.

### Money ... Greed

One of the causal factors for the failing strategy in Haiti is that there is a lot of power in the hands of those that are greedy and ethically challenged. These people have seen opportunity, and are taking advantage of it ... and in the process are pushing the good folk to the side. Profiting from greed is facilitated by large unaccountable money flows, guns, and organized terror.

The greedy are aided and abetted by a distant world that is interested only in sound byte news, with no patience for long and complex stories. The popular media provides what the world wants ... and anything long and boring, no matter how important gets cut, and is eliminated from the news. The media and the public both have to contend with misinformation, spin and propaganda that distorts the information that is easily available.

The greed factor is a very broad problem ... it is not limited to members of the government of Haiti ... or Afghan warlords ... it is everywhere, including the global corporate community, NGOs, the funding community, government agencies and others. All are implicated in one way or another.

In spite the visibility of bad news during disaster emergencies, there is also good news and amazingly good behavior ... and success that few get to know about. More than anything else we need to know a lot more about the success ... and build on it. And where we learn there is failure, we need to know why, learn from it, and do better in the future.

### There are people that know

I start from the premise that I do not know the answers, but that there are people who do know the answers, and what solutions might work to address even the worst of the problems.

## Plan Haiti – Continuum to Sustainable Progress

Education, I was once taught, is just as much about where to find the answers as it is knowing the answers. In a situation that is, literally, foreign ... and where culture and language can get in the way of understanding, it becomes imperative to know where to find the answers, and perhaps first, to learn exactly what are the problems.

### What I Know is Not Much

I have worked in a lot of places over the past 50 plus years, and it is a long time now that I learned that my own knowledge need not constrain progress. The fact that I do not know something does not mean that it is not known.

And some of the people who know what I don't know, don't know some of the things that I know. Put the two sets of knowledge together and there might be answers. The starting point is listening ... and learning.

And the solution to many problems will emerge when we let information and knowledge drive decisions.

## Before answers, what are the questions?

Money is part of the problem, but only a part. Money needs to be matched with initiatives that are a priority and workable. It does not matter how much money is deployed if the initiatives are essentially wrong.

### What I Learned in Nigeria

I learned in Nigeria in the late 1970s that money does not ensure good results. In the late 1970s Nigeria was experiencing oil wealth as never before ... but more than anything else, it facilitated a deterioration in values and the creation of a super-wealthy corrupt class on top of a society that was very poor.

The amount of money in the society was plenty ... but how it was used was the problem.

My career path changed when I was faced with dead children in the center of Lagos on the steps of Western House, at the time, perhaps, the most prestigious office block in the country.

The fund flows mobilized in response to the emergency in Haiti have been enormous ... but the accomplishments have been limited. At any rate, the easily available information and the media news stories suggest that the results have not been very good.

### Where are the answers?

Local people know most of the answers ... but getting to know what the answers are requires a lot of effort, and most of all, an effort to build and sustain confidence that local priorities are important and will drive decisions.

Experience suggests that the answers are better at the bottom of the pyramid than they are at the top ... whether it is in a corporate organization or in the planning and management of relief and development. The amount of management information used for decision making at the top is usually a very limited sub-set of all the knowledge that is embedded throughout and organization or society.

One of the great successes of the modern corporate business model is that management is making much better use of this wealth of knowledge within the organization than it ever has in the past ... it is one of the big untold business stories of recent times.

But management information of high quality is not available in the relief and development sector, and the sort of information ... intelligence ... that is usually used by the military has little value in building success in the area of socio-enviro-economic progress. In relief and development, the outlook for success is going to be much improved when we mobilize the knowledge that exist everywhere and make it easily accessible everywhere and make effective use of it.

### Soldiers do war well ... but not peace

The military is designed to wage war and win ... this is what they are trained to do. Soldiers are not trained or equipped to do peace. The military can do amazing things, but they all revolve around being a successful military organization. Peace ... and the building of a society require a different set of skills, knowledge and mindset.

The general public in the US and Europe knows surprisingly little of what is going on from day to day in Iraq and Haiti and other places where the military are deployed in the War on Terror! The number of US and coalition force casualties is one fact that is communicated, but not much else. The scale of civilian casualties is not much in the news unless there is some embarrassment to be aired.

There is little talk of political progress ... and the many complex difficulties that local political leaders have to handle.

Looked at from New York or Chicago or London ... the situation in Iraq or Haiti seems hopeless. How would one expect a policy that has military power at its

## Plan Haiti – Continuum to Sustainable Progress

center to be successful in building a durable political framework and a sustainable productive society.

### The Foundation of Economic Strength

When I first crossed the Atlantic from the UK to the USA in the 1960s I used to observe that the big strength of the United States was that its society and its economy was built around Detroit (cars), Pittsburgh (steel), Chicago / Mid-West (agriculture), Houston (oil), New York (finance), etc. and not around Washington (politics). The corporate world was pushing for productivity and profit, and being very successful at it. The economy thrived.

Before I came to the USA I thought I understood the nature of American industrial might, but after my first travel across the country I also realized the importance of American agricultural might. And 50 years later it is concerning that political Washington is now center stage rather than high performance production PLACES ... and economists and financial analysts have found ways to report growth in wealth when the reality is that value of wealth has been dissipated!

## Other emergencies ... what went wrong?

REWORK

Lessons from the South Asia Tsunami

Lessons from the Pakistan earthquake

Lessons from the US Gulf Coast post Katrina

Experience in other parts of the world suggests that success is a result of people finding common ground ... and ordinary people seem to have more common ground than powerful people. Ordinary people want to improve their quality of life ... usually quite modestly. Powerful and wealthy people have a very different agenda that includes the maintenance of power and wealth and positioning so that they are in an advantageous position when new opportunities emerge.

This is not new ... it is as old as recorded history. What is new is that the stakes for the rich and powerful are bigger than in ages past, and the technological capacity for destruction is bigger than ever, and getting bigger all the time. And while the rich and powerful engage in counter-productive strategies that are likely to end up in mutual destruction, ordinary good people are left in a world society that is deteriorating even while possibilities for progress are available.

Ordinary people have a life that is family centric, and beyond that, community centric. Mother is central to the family ... and children. Father and other members of the family complete the family and help it to be able to provide for itself and contribute to the broader community. Members of a family respond to initiatives that are going to improve quality of life for the family. For fully half the population of the world (3 billion people) ... and a lot of families in Haiti, a modest improvement in the quality of life would not take a lot.

Thinking in terms of community ... many communities do not yet have access to basic services ... life is not easy. On a world scale access to safe potable water is by no means universal ... nor electricity ... nor health services ... nor schools ... nor communications. Haiti has vast areas where the basic services are not working as they should be ... and it would seem that this should be a priority.

In the media, all the talk is about security and sectarian violence and improvised explosives and roadside bombs ... nothing much is about the progress or lack of progress in improving the quality of life of the Haitii people in their communities. There is not much in the media about how the money has been spent, and what results have been achieved ... rather it seems that this issue is "off limits".

### Cost Control

My first residence in the United States was in Texas. I was the field accountant for a consulting firm supervising the construction of a pulp and paper mill just outside Houston. The general contractors were Brown and Root, now part of the Halliburton Group.

When my cost accounting showed that we had completed just 1% of the work and Brown and Root had spend 2% of the money I did some analysis, and realized that the contractors had a huge amount of payroll padding. After my analysis was shown to Brown and Root they dropped their on-site payroll from around 1,400 to just 700 people ... and eventually the factory we were building went into production on time and on budget.

Brown and Root were good contractors ... but they did need strong oversight. When things are not performing, it is usually the oversight and the people at the top that are to blame.

When there is talk about resources it is too much about how many billions of dollars in aggregate have been appropriated for Haiti ... less about how it has been disbursed, what it has been used for and what the results have been. Finding useful analytical information about fund flows and the use of resources is not easy ... in fact it is almost impossible. The accounting is almost totally

## Plan Haiti – Continuum to Sustainable Progress

absent, what there is is fragmented and of little use. Accountability has been severely compromised ... and in my experience when there is poor accounting and accountability, there is corruption and worse.

### Chapter 2 - Strategy for Rebuilding

## **Chapter 2**

# **Strategy for Rebuilding**

## **Summary of the Strategy for Rebuilding**

### **Introduction**

A new direction for Haiti is based on lessons learned over the past 40 years or so in as many as 60 different countries. It is based more than anything else on the idea that ordinary people want a decent quality of life.

There are just a few core ideas: (1) focus on an economy for all the people of Haiti; (2) a new strategy for emergency assistance and collaboration with local leadership; (3) a role for organizations; (4) a role for people; (5) a role for community; (6) use of management information; and, (7) a structure to manage resources.

### **Focus an economy for all the people of Haiti**

The civil economy of Haiti has a huge potential, but it will be wasted unless the country moves to focus away from military solutions to ones that embrace the civil society. Accordingly the primary focus for the new direction is to have multi-sector development in the civil economy as the driver of socio-economic progress. There is a great potential for the civil society of Haiti to have a durable enterprise driven equitable economy as long as it is encouraged and not sidelined by powerful interests both local and international that would prefer to see a failed Haiti. The civil society needs to have a priority for the economy more than for politics and the military.

### **A new strategy for emergency assistance**

Emergency assistance has been impressive in quantity but the results have been mixed. The primary focus of the emergency assistance has been on doing what is immediately required to save lives, without much consideration for the impact there will be in the longer term. EXPAND

### **A role for people**

There are millions of people in Haiti. Most people are seeking to have gainful employment, and the more there is economic opportunity the less the attraction of becoming associated with the militias and groups engaging in anti-social violence. People should have a full role in helping to improve their socio-economic situation through both economic and political participation in governance at both the community level and at the national level. This is a valuable freedom that is worth fighting for.



### A role for community

There are thousands of communities. All communities have some features in common and some features that are different. Each community is unique, and each community is where people live and have their friends and go about their daily business. Community is where priorities should be identified, and ways found so that local people and local organizations can become engaged in doing things that result in socio-economic progress.

People are the biggest resource on the planet, and it is in their community that people can have the most impact. A community is usually identified as a geographical place, but it is the dynamic of the people that makes the place special.

### A role for organizations

There are many thousands of organizations. Every community has some, and there are thousands of communities. Every organization should be encouraged to expand so that the process of building the economy can be accelerated and more people in the country can be gainfully employed. Every organization should have an opportunity to be part of Haiti's success.

There are some organizations in Haiti that dominate parts of the economy because of their power and influence ... as there are in most places. These organizations should be challenged by a better understanding of the value dimension of the work they are doing.

### A structure to manage resources

Haiti has had some of the biggest fund flows in all of history ... first its oil revenues and now its reconstruction revenues.

The structure to manage these funds has been inadequate ... in some respects, primitive. There needs to be a simple network of trustworthy organizations that commit to excellence in accounting and full reporting of fund received, activities funded and results achieved. There needs to be adequate staffing and operational budgets so that there can be timely oversight of everything that is going on, and a capacity for internal check and internal audit so that funds are well managed.

The structure needs to reach from the source of funds, local and international to the organizations that are doing the work and the communities where the results are to be seen. There should be an accounting to the public ... information that is visible and understandable to the public as the primary stakeholder.

The Central Bank and the Haiti Government Treasury should be a part of the network for accountability and a focal point for some of the information. The

## Plan Haiti – Continuum to Sustainable Progress

implementing organizations are also part of the network of accountability, and they should be doing adequate reporting and be the subject of appropriate oversight.

### Management information

There needs to be an easy way for information about fund flows and socio-economic progress to be accessible to both decision makers and the public. This information is the foundation for making it possible to hold decision makers accountable. The management information needed is not only the accounting for resources received and the disbursement or consumption of resources, but also assessment of the value of the results being achieved. The ultimate value of socio-economic progress is most clearly seen at the community level and in the quality of life of individuals and families.

## **More Focus on a Civil Economy**

### Civil society should be the focus

Focus an economy for all the people of Haiti is a big change for the country. What are ordinary people doing in Haiti? Are they going about their business or are they going around in fear of everyone with guns. For most civilians, people with guns are bad news, and it does not really matter who is carrying the gun. When there is a lot of fire-power, guns do collateral damage.

So put a lot more focus on what is going on in the civil economy. Make sure that the civil economy is working, that the stores are open, and the trucks are moving and everything is working the way the civil economy wants.

### Most of the people want peace and prosperity

Even if most of the people want peace and prosperity, there are usually a few that see violence as a better way to make progress. When guns are everywhere it is not easy for the peaceful majority to be winners, no matter that they are the majority.

When rule of law needs to be enforced by a military presence, there is something wrong. It is not usually fixed by more military, which tends to escalate the problem, but gets fixed by communication and dialog, by getting to understand what is wrong and taking non-military steps to fix the problem.

### Who wants guns and mayhem?

There is a violent minority that are happy to use guns and create mayhem. There are issues that can easily be used to inflame tension and justify violence. But this violent minority does not reflect much of the will of the majority. Guns and mayhem are not family values ... and family values have a lot of importance in almost every community on earth ... including almost all the families in Haiti.

Guns are, very sadly, a big part of the global market economy. There is a huge and nasty industry that makes guns and ammunition and distributes these deadly items to those that want to engage in making mayhem. Guns and ammunition have no legitimate place in a civil economy. Where guns are required for security ... civil society is already broken.

### And follow the money.

Some of the major corporate organizations in Haiti are beneficiaries of major contracts to rebuild Haiti's infrastructure. The profits are substantial, and the use

## Plan Haiti – Continuum to Sustainable Progress

of these profits may or may not be in the interest of the vast majority of the people of Haiti.

Nobody seems to know much about the profits that are being generated in the Haiti emergency, but we should. And we do not know much about how these organizations use their profits, but we should. If profits fund guns ... and guns then win Haiti ... the prize is control of a country that can generate huge fund flows from its oil. The estimate for Haiti's government revenue from oil in 2007 is reported to be around \$40 billion and control of this is a rich prize indeed.

There was talk that oil control was the prize that motivated the US and the coalition to become engaged in Haiti ... nothing much to do with the global war on terror ... but everything to do with the control of oil. But if this talk is valid about the powerful in the world outside Haiti, the same question is just as legitimate with respect to those with wealth and power inside Haiti, and other parts of the region.

A durable prosperity can be achieved with everyone participating and not just a powerful elite ... but profiteering by any elite can become seriously destabilizing and end up with chaos for many and a dangerous minority of powerful people in control of everything.

### Comprehensive civilian multi-sector investment

More than anything else, a comprehensive civilian multi-sector investment for socio-economic development is needed. Development can proceed when efforts are going on in all sectors. One sector's success always depends on the capacity of the other sectors. Economic growth can only go as fast as the underlying capacity of the economy and critical constraints will allow. All the elements of a comprehensive development framework are well known, but rarely put together. The underlying objective is to create income generating opportunities and jobs. These investments go a long way beyond emergency intervention to building the community economy at all levels so that there are income generating opportunities and employment for all. It aims to improve the community at large by changing in a very real way the level of opportunity that exists in the local economy.

### Respecting the causes of conflict

A new direction must work on understanding the cause of conflict. It is imperative in planning development that sources of the present conflict are addressed and sources of future conflict eradicated to the extent possible. A lot of work has been done on conflict resolution ... far too little on ensuring that the basic sources of conflict are addressed ahead of time. Two issues have been highlighted in my previous work with UN missions. The first is that most

conflicts are rooted in economic disparities, though often manifested as religious, ethnic, ideological or other symptoms. The second is that most people do not want to be involved in conflict, especially violent conflict.

A new direction program should be designed to help to reduce tension and promote development so that security that has been such a problem in the area for such a long time can become a matter of history. The program is designed to allow a balanced allocation of development resources so that all areas and community groups are able to participate in an equitable way in the benefits of the program. This will be done through community participation in the development planning and resource allocation and overall program oversight of the resulting resource allocations.

### Beyond conflict

The strategy for this program is not to be engaged in conflict but to have a proactive program to build the socio-economic foundation of the community ... and while doing this to be protected by military forces and police in the event of attack. The overt strategy for this program does not have a focus simply on hunting down the potential attackers but protecting valuable work in the event of attack. The aim is to achieve socio-economic growth and progress in this so that more people are attracted into employment and productive activities and less into missions of destruction. The aim is to strengthen the economic foundation of the community and area so that inappropriate external destabilizing efforts have little influence.

## **Less Concentration of Economic Power**

Why was Haiti so poor?

A question of history or something else?

There

Focus on economic development above all else

There has been success through supporting modest economic development activities ... but it is not systematic enough to get the most value for the effort and the money. These initiatives should be done in a framework that has the support and understanding of the community in all sectors deemed priority by the community. None of this is rocket science ... it is mainly applied common sense.

A lot of the work that needs to be done can and should be done by local contractors. Oversight can be provided by the funding source organizations and the military, and the military should also assist with security.

The public should be able to get easy information about the activities going on, and the progress being made. Above all else the public should be able to relate the spending of money with the results being achieved.

### No Need for Cut and Run

I have been in several countries when coups and civil uprisings have taken place ... and in each case the immediate diplomatic response from the political leadership of the countries of the "north" has been to order evacuation of their citizens in the country.

I have argued that this usually means that violence is the speedy winner. Rather I would argue for getting the military to help so that expatriates ... most of whom are usually in the country trying to be of socio-economic or humanitarian value ... can be protected and can keep on doing worthwhile work.

This is not as silly as it sounds. A gun battle a mile away in the next valley does not kill you ... and economic activity can go on. More damage is done when all vestiges of law and order, and international eyes are removed and violence is used to wreck the economy ... steal the crops ... steal the animals ... burn the homes ... rape the women and abuse the children.

### Define new objectives for the military

The primary objective of the coalition forces should be to protect the work of contractors working on rebuilding and development, both Haiti and international, so that these contractors are safe and the work they do can progress efficiently. If the military is tasked to protect contractors ... this is peaceful ... this is valuable ... this is, in my view, legitimate. And just as important, it is something that the military knows how to do.

A second important objective is to train the Haiti military and police. This is a very important job where the coalition military can be very valuable ... and something that the military can do. Training is a big part of any military force's strength, and this strength certainly exists in the US military.

Occupation and security should not be center stage ... the military is not good at it for any length of time, and in any event occupation and security should be subsidiary to the active work of rebuilding physical infrastructure and getting essential services so that they are available to people living in Haiti.

### Do more of what works

The key to this strategy is to do more of what works and has local economic value, and less of initiatives that have only an anti-personnel anti-terror component. The economic support activities are easier ... and justify the presence of foreigners. The other component highlights the military and puts focus on their presence in the country. Rather the military should be in support of security for the development activities ... and can help when a community

## Plan Haiti – Continuum to Sustainable Progress

needs to have its security situation improved because of local security service weakness.

Success has rather little to do with military, and a lot to do with economy and society. Success has a lot more to do with the people throughout the society than the politics at the top of the society. Most families do not want violence and death and mayhem ... but powerful interests are willing to have these things if the end result is to their benefit.



# People

## Establish priorities that benefit people

To the public at large, in the “north”, the “south” and in Haiti, it appears that the priorities that have been established bring benefit to an “establishment” much more than they do to ordinary people. It seems that big contractors, the global oil industry and friends of friends in the international community are beneficiaries while ordinary soldiers, policemen and ordinary civilians are dieing and ordinary people see not very much of benefit.

Ordinary people rarely see much of the benefit of big programs ... it is the way things usually are. But what used to be normal in the 19<sup>th</sup> century need not be normal in the 21<sup>st</sup> century. We know how much military technology has progressed in that time ... and in fact, civil technology has progressed as much, though its deployment is delayed as entrenched interests struggle to maintain control over their turf.

## What do people want?

People want to be safe and to have hope for an improving future. More than anything else people want their families to be safe and to prosper.

This needs to be translated in practical terms that are relevant to the community. A big step is to give people a chance to make local decisions that will enhance the community and be of benefits to the people in the community. This can be done in a community in part using the organizations that exist or new organizations that can be set up to facilitate a dialog.

Any planning that is done at the “top” without having a really good understanding of what people want is destined to be a failure.

## Where is dialog with people?

As far as one can see, up to now there has not been much dialog with people. There have been visits to Haiti by “top” people in politics that have helped to drive a debate in the US and in the UK ... and presentations by the top brass of the military ... but not much about a dialog that involves much the people of Haiti.

When there has been dialog with the ordinary people it seems that all is not lost and possibilities are huge ... but less and less appreciated as the politicians and military chiefs get more and more frustrated that socio-economic progress is slow and violence seems to be escalating.

### Where does dialog lead?

In order to be useful, a dialog must lead to some results. There has to be some sort of liaison with appropriate people from outside the community who have the ability to help turn hopes into reality.

This is a role for Government Ministries ... sector by sector. It is also a role for private and public sector intermediaries who are able to serve to bring tangible activities to the community.

The intermediary arena is not simple and clear, but when it works best it is often chaos and competitive. A single monopolistic intermediary has the potential to be exploitive, and usually is. In chaos and with competition, there is choice and people can get what they want, and often on a good basis.

There is a role for good information. One of the best ways to reduce bad economic behavior is for the information to become public and to be easily seen.

### Which leads to community

People are best served at the community level ... as close to where people live their lives as possible ... as close as possible to where people work ... as close as possible to where people have their homes, and go about their daily lives.

### And also information

Unless there is viable data about what is going on the decision making is going to be based on misinformation and spin rather than good facts. This must not happen. Good information is an essential component of society and should be given due consideration.

### And organizations like the police

People need help in having a peaceful society ... one of the organizations that can help in this are the police. At their best, the police are friends of the people and help to make society civilized.

## Community

### Community Centric Development

#### REWORK

A good starting point for planning is to plan around the idea of community centric development ... in other words putting together multi-sector thinking around each community, and to do this for all the communities in the country.

#### Comprehensive Community Centric Development

In my experience socio-economic progress is much more practical when the community is made the central focus of analysis and support.

During some work in West Africa I was extremely impressed by the success of a community project in Shenge, Sierra Leone (described later ... page 155). This was a multi-sector project ... single sector initiatives do not work unless there is enough infrastructure and economic activity going on in the other sectors.

During some work in Namibia, I was impressed by a health sector plan prepared by the Ministry of Health that detailed what was needed in EVERY community in the country as regards physical infrastructure, staffing and working supplies. This made budget dialog easy around good information, and good plans could be made.

### Community Centric Planning

A good starting point for planning is to plan around the idea of community centric development ... in other words putting together multi-sector thinking around each community, and to do this for all the communities in the country.

What is very clear in my own experience is that modest resources well used can support socio-economic progress that is substantially greater than a lot of resources poorly used. This is an essentially Keynesian idea, but it is also something that becomes very obvious in the corporate planning world. If there is cash flow, additional improvement can be implemented ... but once there is no cash, nothing can be done. In years of talking to development experts, I hardly ever heard talk of this sort of analysis, yet it is critical for socio-economic progress. Keynes is also consistent with some of the ideas of engineering thermodynamics, where the relationship between

energy, work and efficiency is similar to the idea of cost, value and performance.

### What does the community want?

A community wants what the people want ... but there is often a dynamic in a community so that what people actually want may not be what the community gets. Local power and local politics can easily get in the way of what ordinary people want and what would be best for the community.

Most people in a community may want one thing, and another part of a community may want something else. The community needs to decide what they want to do first and what to do next. The community must decide the priorities. This may not be instant ... but it is an important part of creating a sustainable future.

This is not easy. Haiti is an old and complex society, not at all easy to characterize in a few simple phrases. Families are mixes of religious sects and ethnicities ... while being Haitians. Outsiders seem to have too much a simplified version of the mosaic of Haiti's religions and ethnicities.

### Metrics about the community

One of the ways of minimizing the abuse associated with mis-allocation of resources away from good community priorities to more inappropriate use is to have good metrics about the community and its socio-economic situation. There are legitimate reasons for having disagreement over priorities at a planning stage, but good community metrics can show results and help to improve progress as time goes on.

Metrics about a community need to be accessible to the people of the community, as well as being easily accessible to the broader public. Transparency and accountability on top of metrics about the community can be a powerful incentive for socially responsible community progress.

### Community governance

Local governance may be formal or informal, but there needs to be some structure that facilitates the process of deciding what needs to be done and to prioritize, and then some way to make implementation happen.

Rather than the military having a big security presence, it would be better if they deploy units to serve as liaison and help get socio-economic activities accelerated. Combining local people, local contractors and development finance has value in terms of creating jobs and salaries as well as creating things of value

for the community. Done well, there can be significant community progress very rapidly.

### Security considerations

As long as the security situation is reasonable the community development activities should be operating as fast and as big as possible. If security deteriorates, the activities of the civil economy should be protected as much as possible by effective police initiatives. If more intervention is required, then more aggressive military tactics should be implemented. If it becomes too dangerous for the civil economy to function, the contractors will close down, civilians will relocate and the location will go on a war footing.

The police is the organization that can help in a practical way to keep a security situation under control. In the broadest way, the police need to be part of the community, and able to respond to all the variety of threats that are designed to disrupt the security of the community.

### Integrated ... multi-sector

A community needs to have everything that makes life livable. Every sector of the economy that serves people and families needs to be present. Every issue that affects life needs to be addressed.

Most of the energy of a community comes from its people. The work of development is to make it possible for the energy of people to build value for the individual, the family and the community. External inputs can make development progress possible and accelerate the pace ... but success, more than anything else is determined by the potential of people.

### Who wants community to fail?

There are some people in Haiti and outside who want Haiti to fail ... and by proxy to have the US fail. As long as the US and the coalition forces operate with a blind faith in the military component of the work, those who want community to fail will win. This is a very unsatisfactory outcome.

At the moment the US and the coalition seem to be operating as if they do not know who is behind the violence ... and I cannot pretend to know for certain. But we would know a lot more if we knew about fund flows in Haiti and around the area and the profits of the various organizations that are operating in Haiti and surrounding countries.

### Who wants community to win?

Families ... women ... children ... good people ... decent people ... the majority of the people ... wants the community to win. The wants of the majority are not

## Plan Haiti – Continuum to Sustainable Progress

going to be a driver unless there is a willingness to use information in ways that make bad decisions too hot to handle.

### Community focus and area fairness

The new direction program is designed with a focus on community priorities. The initiatives must reflect community priorities. It is secondary that they might also reflect thematic development issues of international organizations and donor priorities. The strategy is for there to be ongoing community participation in development planning on an ongoing basis, using participation mechanisms that are suited to the community. For this to succeed, the program must be flexible and able to change to so as to reflect the real needs of the communities as seen by the communities.

In order to minimize conflict potential, all areas everywhere in the country should have the same access opportunity for socio-economic support and assistance

#### Fairness

At one time, as a UN adviser, I helped develop a comprehensive area development plan. But we scrapped it at the last minute because all the development resources were being allocated to an area controlled by one single ethnic group. We then reworked the plan so that all clan groups had equal opportunity to have resources based on specific need. The reworked version was fair, and these resources had a role in keeping the peace rather than fomenting conflict.

A multi-clan Cabinet quickly approved this revised plan and passed it to the Head of State. The Minister of Plan immediately recognized that the plan had been prepared, above all else, to be fair to EVERYONE in the country.

# Organization

## Planning, organization and funding

The socio-economic activities of rebuilding, rather than the political involve planning, getting an organizational framework that will work and putting funding in place. These functional actions need also a management framework in order to be effective.

There are governance and security issues that the government should be addressing as a constitution is developed and the structure of government evolves. The police and the judiciary should be the institution that handles security under normal conditions, and where there are special circumstances and excessive violence in the society, there should be limited assistance from the military authorities.

## Essential implementation structure

The first essential is some community consensus about some works that need to be done and some sense of priority.

Another essential is that there is an implementation structure that has the capacity to do what needs to be done. Contractors' work is based on contracts. In exchange for remuneration contractors are expected to do specified work. Contractors must be good enough to do the work. Frequently, contracts have loop-holes that enable contractors to be paid, even though the work does not get done ... this is commonplace, but it is not good. In the case of international contractors the loop-holes are probably larger and even more subject to potential abuse. These abuses must be addressed and ended.

A further essential is a way for resources to be delivered to the community and to the contractor so that the works can be done. This can be through a development loan fund.

And lastly there needs to be some structure that provides oversight and can take a role in holding responsible parties responsible for the control and use of resources and the results being achieved.

## Contractors ... that do the work

At the moment the public knows very little about what contractors in Haiti are doing ... what they are accomplishing. The reports are limited and seem to reflect conflicting information. Contractors ought to be working everywhere in the country to get the economic foundation back into shape so that basic services

## Plan Haiti – Continuum to Sustainable Progress

are working well. I am not at all sure that an adequate amount of infrastructure and basic services work has been accomplished in spite considerable funding ... but I just do not know ... and I don't think many others know either.

As an ordinary member of the public I have absolutely no idea what the contractors are doing. It is difficult if not impossible to find much information about how much money they are getting, even more difficult to find out much about what they are doing, and yet again difficult to find out much about the value of their work as perceived by either the funding organizations or the communities where the work is being done.

Media stories about contractors is not enough ... these stories may be interesting to the public at large ... but they are not the sort of information that is needed to assess performance.

### Some Contractors Do Amazing Work

Over the years I have worked in places where local and international contractors were operating. Sometimes the security conditions were poor and the environment was dangerous ... but people got on with the job. Many of the organizations working on humanitarian relief for the UN are contractors whose people put themselves in harms way and do wonderful work that is much respected by all who know about it.

Of course, as in all fields, there are organizations that abuse the system ... and more than they should, are able to get away with it.

The Keynesian impact of getting support to contractors, especially local contractors, and into local payrolls, can be used to advantage ... but it needs to be done thoughtfully. A lot of money without it being related to a lot of work and a lot of value is irresponsible, naive and dangerous. Accordingly, the work of contractors should be supported, but there should be a management component so that contractors are using money well and the communities are getting value from the work.

### Socio-Economic Dynamics

Keynesian thinking about economic dynamics has gone out of favor, but it is what I learned, and I have no reason to change my opinion of Keynesian economics based on my international experience.

The role of the multiplier is very important ... and valuable. It works to advantage as fund flows grow, but has equal disadvantage when fund flows decline.

As IBM used to advise in the 1960s and 1970s ... THINK.



There is not much information easily available about where contractors are working and what are they accomplishing. It should be possible to identify where contractors are doing work, and it should also be able to find out the impact of their work on the community. Knowledge is comfort a lot more than it is a security risk. Secrecy that is not absolutely needed is the first step in losing citizen support.

Projects are one way used to keep track ... but by good corporate standards the amount of information that is presently available about project performance is abysmal.

If the contractors are doing good work ... value adding ... there will be socio-economic progress, and a first step in getting the citizenry hopeful about the future and grateful to the people who have helped.

### Money resources ... a development loan fund

A development fund is a possible modality for funding community works. The resources available through a development fund will be used on a short term loan basis for activities that are requested by the community. This is a sustainable development model that uses financial resources over and over again. Financial resources available to the program will be used on a loan basis to help finance community projects of all types.

The funds will be used to purchase items that the community group would not normally be able to afford and allow the group to go ahead with some works that they consider important. Typically the group will provide labor and local material, with the funds being used to purchase non-local material and possible rent equipment. The funds can be re-used by the community if the loans are repaid to the fund. As an incentive to repayment, funds will be augmented if the repayment track record is good. Groups that do not repay development fund loans will be penalized by the permanent diminution of the loan fund resources. The community can make use of the funds to build something they need, and then pay the loan back so that the resources can be used again. The community has the responsibility to make arrangements for repayment resources to be available.

The objective is not to build a lot of projects, but to build good projects that satisfy community needs. The objective is to encourage investment and establish the concept of saving and repayment as a sustainable modality for continuing development and improvement in economic performance and the quality of life. This has been the tradition of the area for hundreds of years, but now severely damaged over the past two decades by the impact of humanitarian assistance.

## Plan Haiti – Continuum to Sustainable Progress

This assistance has been on a massive scale and provided in a “welfare” mode with no consideration to the unfortunate and very damaging message that it sends to the beneficiary community, particularly the laziest elements in the community.

The community development fund can become the basis for a national level community funding mechanism either run by government, the Central Bank or a private financial market.

## Management and Oversight

### The function of management

The function of management is critical. It ensures that resources are used in an appropriate manner and that reasonable results are achieved. Management identifies problems and makes decisions to get them solved.

### Who is in charge?

In most organizations the answer is that the person “at the top” is in charge, but in most successful socio-economic environments there are many people in charge ... all pulling the best they can ... and coordinated by common goals, similar purposes and the hidden hands of economics. Management is not “in charge” but management is a catalyst and management can play a very important role in helping to remove obstacles to progress.

### Oversight structure

There needs to be the ability to do oversight, and this requires structure. There has to be a structure for oversight. This is much more than ex-post facto monitoring and evaluation ... this oversight is whatever it takes to ensure that the money disbursed is getting results.

When there is poor oversight, there is usually poor performance. People are human, and most will do as little as they can get away with. At the limit, when there is no oversight of any sort, people will do little or nothing. Why bother?

### Standards of performance

In any good corporate organization there are standards of performance ... a lot of people in the corporate organization know what things should cost, and know how performance relates to cost ... and know how performance can be improved by better deployment of the organization's resources. But in the relief and development sector there is very much less of this type of knowledge.

In the information about Haiti's performance there should be a dataset about standards so that more people are in a position to understand how well different organizations are doing. This is critical to getting optimized performance because on the one hand there is local cost that is low, and productivity that is low as well ... and international costs that are high, but productivity higher. What is best depends on the facts. It should be evaluated.

### Avoid doing the impossible

There are a lot of things that are relatively easy to do, and some things that are impossible ... or at any rate, very difficult. It makes sense to choose to do things that are relatively easy, with people who want to cooperate. We need, therefore to avoid trying to do difficult or impossible things, and focus on doing things that are easier and have the most value.

#### Remember the Maginot Line

The Germans wanted to attack France and take Paris ... but France was protected by the formidable Maginot Line fortifications. What to do? The Germans knew their objective, and also knew that the Maginot Line fortifications were likely impossible to penetrate without unacceptably large losses.

Solution ... the Germans went round the fortifications through Holland and Belgium and were in Paris in a matter of hours.

## Data for Decisions

### Management information

REWORK We need to have information easily accessible about the socio-economic situation in communities ... and there needs to be dialog about how resources can best be used within these communities to improve the situation in the communities. At the end of the dialog, the priority should truly be the priority of the community and not the priority outsiders think that the community should have.

### Open access to information

We need to have information easily accessible about the socio-economic situation in communities ... and there needs to be dialog about how resources can best be used within these communities to improve the situation in the communities. At the end of the dialog, the priority should truly be the priority of the community and not the priority outsiders think that the community should have.

### Performance measurement ... value adding

The most important metric is value adding which is the delta between the cost and the value of any activity. But rather few people think in terms of value adding and what this means for activity design and the best way to use resources. Most people understand the idea of cost as a component of performance ... usually less cost is better than more cost ... and in general this is right. But this idea is also limited. With this idea doing something that costs nothing ... staying in bed ... in the ultimate in performance, and this clearly is not the case.

What is important is the delta between the value being generated and the cost being incurred. To measure the value adding, it is therefore necessary to measure the value. Value is, of course, subjective, but it is also the most important. What value do people in a community see when the contractors are spending money and doing the work? This is why work done that reflects what people need and people want is so important. If people can see value ... or even if people have reasonable hope for value ... then the work of contractors is worth paying for.

### Accounting and accountability

Accountants should be required to do much more to report information for public accounting and accountability. To the extent there is no requirement in law, it makes sense for the public to agitate to get the information. It also makes sense for decision makers to call for better information because they are aware that there is going to be an accounting and the people who are responsible will be held accountable. People avoid responsibility and accountability if the opportunity to do so exists. It is a reason why there needs to be a robust structure to ensure that accountability does not get left out.

#### Reason for Accounting

My approach to accounting is simple. Assume that everyone is a crook. Design a system so that even in a world where everyone is crooked and corrupt, the money stays where it is meant to be, and is used in ways that are intended and that value is received from the use of money.

And the same goes for other parts of the system that are needed to control other valuable assets, especially inventory and easily movable assets.

One of the key elements of control in a good accounting system is the idea that not financial transaction can take place without two people being involved and that everything is checked. I like to see an additional measure, and that is the amount of resources consumed should have a right relationship with the amount of value in the transaction.

The idea of “transparency” and “accountability” needs to be put into play as a practice rather than merely being conceptual dialog. What this means is that there needs to be easy and open access to a lot more information. If there is adequate and quite basic accounting applied everywhere, then there will not be space for corruption and abuse, and they will be substantially diminished or not completely eliminated.

Though accounting and technology are both less costly and easier to implement than at any time in history, there are vast areas of the global economy where this information is either non-existent or very secret and not accessible to the public. When it comes to setting the stage for peace ... these sorts of information are powerful in terms of demonstrating that the funds are being disbursed and being used in ways that are of value to the community.

### Community information

People who live in a community have a lot of ideas about how their community can be improved ... but there is rarely any support for these local ideas. Once

there is a mechanism in place so that local ideas can be turned into local action, it is amazing how much latent potential can be mobilized.

One of the keys is to figure out how the potential of people can be maximized ... and then the potential of the place. Some places are richly endowed with resources, other places are less endowed. And it is essential that planners understand the difference.

As much as anything there needs to be a lot more information about socio-economic status and performance. This information needs to be about the civil economy at the community level. This information includes all aspects of the local civil economy including the accounting of relief and development fund flows, their use and the value of the interventions.

### Accessible information

The idea that information about fund flows into relief and development activities in a community should be secret is nothing more than a huge excuse for hiding information about performance, and indeed incompetence, and corruption. Make this information easy to access, and a big part of the problem of corruption will go away.

Specifically, there should be an easily accessible database about all the communities in the country with some key metrics about the community and its socio-economic status, together with some basic information about all the community development activities that are going on, and the fund flows associated with them. What this database will show more than anything else is how little money can make a big difference in the quality of life of a community when it is used well, and how large amounts of money often do very little. This is a dirty little secret of the international relief and development community, and the big spenders in big government and especially the military establishment.

In order to have a new era of accounting and accountability, there should a public version of the corporate idea of an "open books" policy. In other words, all these fund flows should be visible to the public, and accounting and explanations available. The accounting principles are not complicated at all ... and the technology to keep track of accounting transactions ... the relational database ... has been around for almost 30 years, but now vastly faster and more powerful since it was first described in 1978 courtesy of Moore's Law and the rapid increase in power and the decrease in cost.

### Information ... Intelligence

There may be some differences between information and intelligence, but more of both is needed. Without adequate information the civil economy does not progress, and without intelligence military activities are not successful.

Getting intelligence to ensure security for the community is impossible when the community is at war with the police and the military ... and indeed, at war with itself.

But getting intelligence in a community that is embracing a civil economy and getting help in accelerating socio-economic progress is quite possible. A community that has hope and is progressing rarely wants to have the future compromised by violent intervention ... by guns and mayhem.

Successful policing depends on intelligence, and this comes from the police knowing their community and learning things slowly and right.

### Chapter 3 - Nine million people



## **Chapter 3**

# **Nine million people**

# Plan Haiti – Continuum to Sustainable Progress

## **Put nine million people to work**

### People are the key engine for development

People need ways to do what is essential for themselves and their family in an efficient way. People are essentially enterprising, and will do a lot if it benefits themselves, their families and their community.

People will work long and hard to make a living ... and they would prefer to work long and hard for good money than just enough to get by. This is a function of the efficiency of the work available and the buying power of the community and the country.

In poor places, people walk long distances to get health care. They would prefer to walk a short distance, and not lose so much working time. People have their children walk long distances to go to school, but would prefer it if the children could go to a school that is close by.

People are often constrained by a lack of education and experience. Don't try to get people to do what they cannot reasonably be expected to do, but figure out what it is that they can do that is valuable, needs to be done and is worth paying for.

### People ... human resource

People are the most under-appreciated asset, and because of this planning often excludes their impact on the process of development, and little goes as planned. When people are pulling the process there is a very different outcome than when the process is trying to push the people.

The best way to make a person valuable is to organize so that they have something valuable to do, and they can do it efficiently. People who are educated and healthy and unemployed doing nothing are of little socio-economic value ... worse they can create civil strife ... but give people like these an opportunity to work in a good organization and get paid for it, then there is a big value and good progress.

Some of the most successful organizations give credit for their success to the quality of the staff ... and they are absolutely right to do so.

### Rebuilding after World War II

The rebuilding that took place after World War II was funded ... but the success is attributable not only to money but also to people and motivation. People can

## Plan Haiti – Continuum to Sustainable Progress

do almost anything if they want to do it, they are encouraged to do it, and there is a reasonable level of funding so that the needed materials are available.

### Rebuilding Europe after World War II

The success of the Marshal Plan in helping to rebuild Europe after World War II is explained in large part by the willingness of the people to do a lot of the work. Provided there was some money, some food and some materials, people could put the society back together.

There was a lot of red tape, but it was not doing planning as much as it was trying to be reasonable about the allocation of scarce resources. The speed of Europe's recovery, and especially Germany, was frequently referred to as a miracle.

## **Build the future on good people**

### Haiti is full of good people

Most of the people I know seem to be “good” people. Wherever I have worked (something like 60 countries) I have found that most people are good. This experience transcends both religion and race ... I have had the good fortune to work with good people of many different religions and races.

In spite of this, global society as a whole and especially the socio-economic situation is a disaster. There has to be a reason why good people do not have a more livable global society. Good people need income to pay their bills. To support their family, good people have to work and are constrained by the opportunities available.

### When good people meet bad systems

A lot of good people are stuck in jobs where systems are not very good and the organizational culture is ethically challenges, but they can do little to change the situation. Good people get beaten by bad systems, bad processes, and ineffective or unethical organizations. They work where it is very difficult for them to perform well and get good results. The situation in Haiti is no different ... plenty of good people with an enabling environment for socio-economic progress that needs help.

Good people live in bad societies ... and no matter how hard they try, they are stuck in a bad situation and can do very little about it without help.

### Good people ... working hard

In government ... public service ... and in the international relief and development sector, there are a lot of good, ordinary people who work hard and willingly put themselves on the line to get good outcomes. From time to time these good people put themselves in harms way, and sometimes get into the news as they work against all odds to mitigate the impact of disaster.

I have become convinced that most people are good people at heart, in spite of some outward appearance to the contrary, and some aberrant behavior from

## Plan Haiti – Continuum to Sustainable Progress

time to time. If people can be as successful being good as being obnoxious then there would be more people looking good, but sadly, being obnoxious is often the best way to get ahead. The challenge, then, is to give good, hard working people more of a shot at doing well.

## How Should People Organize?

### People organizations

There are all sorts of ways that people can organize informally to do collectively what they may not be able to do individually. An example of this is the way children will organize themselves in order to play a team game like soccer.

People organizations like trade unions have had a very important role in getting a balance between the greed of capital in the 19<sup>th</sup> century and the dignity and value of the worker. Eventually a strong middle class emerged and later the role of collective bargaining and the union diminished. There is still a legitimate role for organizations to advocate for good conditions and workplace safety for workers around the world.

### How does this get coordinated?

Broadly speaking ... the less coordination the better. Sustainable development will perpetuate itself as soon as there are incentives that pull development, and decisions are made automatically ... organically, if you will ... by community groups. It is a distributed decision model. It has been described in economics as the working of the “invisible hand”.

Some modest level of active coordination is required in order to get the best possible results. A market that is manipulated because of the lack of balance between buyers and sellers, or inappropriate access to information or the exploitation of monopoly power does not result in good outcomes from the market.

### Getting people organized - teamwork.

People can do a lot when they are organized, and all pulling in the same direction. There is a lot of people energy wasted on disagreement and conflict. People will not put a lot of energy into doing something that they oppose ... but will put a huge amount of effort and energy into doing things that they want to be done.

This is not a complex idea ... we see it everywhere.

When people have opportunity, they usually make good use of their abilities. But the most value usually comes when people are part of a team and the team acts together to do something of value. This leads

to the question of how teams can be established and how people can organize to get things bigger done.

How do you build teams? The better question is how do teams get built ... because a team that works is going to be one that has a natural birth. They can be encouraged, but they cannot be created from the exterior.

### How everyone can help ... a little bit

There is a need for everyone to help. A small amount of help many times over works very well. Everybody should be doing something to help.

Everyone can be a part of this. Planning becomes local and is not dominated simply by Soviet style Gosplan or the World Bank style equivalents. Planning is done in a “distributed mode” where people close to the problems identify priorities and how progress can be made. And people who are remote from the problems and can help have opportunities to build linkages that can assist in a practical manner.

It is understandable that there are busy people who are fully committed to their work, their families and their social activities ... and already do more than their fair share in their own communities ... so cannot reasonably become engaged in helping the “south”. But they can help by ensuring in their day to day activities that they are not supportive of anything that is fundamentally wrong and doing socio-economic damage in the “south”.

Ordinary people can have an important impact wherever they are. When everyone is intolerant of global bad behavior, and is prepared to make just some modest action to make things right, there can be a sea change in relief and development performance.

There are many competent people who are not able to do very much of value because present organizational structures do not embrace merit very much and opportunities are limited. Competent people are doing good work, but at nothing like their full potential. Getting the most from a community of people is not done from the top of the pyramid, but by a lot of knowledge at the bottom ... something that is possible in a community and in a small organization, but rarely of much effectiveness at the top where everyone has become a number.



## What Do People Need?

### Basic needs

Everyone needs the basics ... food, water, shelter, clothing. At the bottom of the pyramid it is not self-evident that even the basics are going to be available.. and if they are available, are they going to be affordable. In Haiti, the national wealth should make it easy to all to have a lot more than the basic needs. Everyone should be able to share in a quality of life that is of an internationally high standard.

### People need opportunities

If people have opportunities, almost everything else will fall into place. But in the real world there are constraints on opportunity that are draconian. Developing opportunity requires a careful matching of people and possibilities.

People need opportunity, and not to be constrained by everything around them. Everyone needs to think more about what people are doing, can be doing and should be doing.

Making better use of people is a huge opportunity. Local people need opportunities to go to work and do something useful. Organizing so that people in the community can do things that are needed by the community and valuable is one of the big opportunities.

### Possibilities at the bottom of the pyramid

More than anything else the opportunity at the bottom of the pyramid should be something that does good for the community. People need places to work where they get paid and do something of value. They need jobs. They need profitable ways of using their time.

People have all sorts of skills ... there needs to be some sensible matching of skills with needs. Education can help, but it is the vocational rather than the academic that is probably the most use ... the practical rather than the theoretical.

What someone does is not important, merely that what someone is doing should be of value to the family and the community.

### People need health

People get value from a good health system. A good health system is one that makes it possible for all to get adequate health care without an undue economic burden, and be better able to contribute productively to society.

### People need education

People get value from a good education system. The cost of education is low compared to the life-time value of being educated ... but of course that value is only realized in a society where people have the opportunity for work and pay. Though one of the biggest successes over the past 40 years has been the increase in the number of the “educated” around the world, this has not been matched by an increase in the number of decent jobs. Because of better education, things are possible today that could not have been reasonably contemplated a generation ago. But the number of people who have opportunity for gainful and productively employed is not enough. There are very large numbers of people who are either unemployed or underemployed ... and there are also people who are employed but unpaid.

### People need religion

And people get value from their religion. Religion and the spiritual dimension of life and the society should be adequately recognized, and taken into consideration when trying to understand what priorities should be given to various options.

I like to think of religion as an enormous force for good ... and when that is not what I am seeing, it is usually because guns have taken over and religion is merely being used as a front for secular militarism.

## Chapter 4 - Focus on the Community

# **Chapter 4**

## **Focus on the Community**

# Plan Haiti – Continuum to Sustainable Progress

## **Communities ... Where People Live**

### People live in communities

People live in communities. If the community is working, being successful and progressing, then people are going to be progressing as well. The community appears to be the best place to put the main focus for development.

The idea of community being the center of anything has all but disappeared in the analysis of the modern economy. Everything but community seems to be of importance ... national politics ... national economics ... national security ... the global organization ... all sorts of macro-information ... but nothing much about the community.

Community focused development is probably the best modality to facilitate development. It is more practical than a single person. A community has a scale that is perhaps optimum for progress. Resources that are available can be used in the best possible way. Local people often know what they need, but don't have all the resources to do what needs to be done. It is up to the community to lead development and use outside support to facilitate its priority works.

### Community is for ever

People live somewhere. That somewhere is the community. The place where one lives, where one has been born, where the ancestors are buried has a unique character in human history. While it is not anymore in the forefront of thinking in the "north" it is still very important in the "south".

One of the questions asked in accounting exams is to identify the reasons for adopting the corporate form of organization. One of the reasons is that the corporation has perpetual existence. But it is not as permanent as a geographic community.

Maps that are hundreds of years old, in fact thousands of years old make reference to the same communities that exist today. And historians ask what it is that has changed over the years. My home town in the UK is a good example. When I was growing up it had a population of around 4,000 ... 50 years before it had had a population of around 3,800 ... and 900 years before the community was written up in the Domesday Book compiled by William the Conqueror

## Plan Haiti – Continuum to Sustainable Progress

shortly after 1066. Places really do have a continuity that can be used to track progress.

And if we apply the same thinking to places in Haiti we go back to Biblical times. Each and every community has a past, and this can be used to support a positive future.

### Paying Attention to the Past

At one time I worked with Winston Prattley, one of the elder statesmen of UNDP. He recounted that he had been a junior officer in Haiti in the 1950s working on an FAO/UNDP irrigation project. During this work they discovered some archaeological remains, and suspended the project so that the archaeologists could study what had been found. It turned out to be the remains of an old irrigation project ... that apparently had fallen into disuse because of salinity some several thousand years before.

What goes around ... comes around. Salinity remains a problem with irrigation in the present day.

## **Community Centric Planning**

### Planning with a community focus

A community focus results in a very different dynamic for development than what has prevailed in the past. When planning is community centric, the priorities are much more likely to be of socio-economic value to the community. Plans that originate in the community have the possibility of “ownership” by the community, and there is a strong correlation between what is priority and what is done. Plans with community focus can be simple and understandable, and at the same time can be totally suitable for the community. Small is efficient and allows for the optimization of plans within a community without the compromise inherent in super-scale projects intended to satisfy everyone, and ending up satisfying no-one.

### Gosplan does not work

Central planning ... Gosplan, as it was known in the Soviet Union ... is a system that makes decisions and allocates resources based on what the government thinks. A community focus for planning puts the community first, and it is the community that drives the allocation of resources and the priorities for socio-economic development.

In Haiti since the fall of Baghdad, most relief and development resources have been sourced and controlled within government ... and mainly the within the US government and its military. All the planning is essentially at a high level with little input from the communities where people live.

### Community goal - quality of life

Quality of life is something that is determined as much as anything by what goes on in our own community. What goes on at any distance from my community may be interesting, and may have an indirect impact, but is nowhere near as important as what goes on in my community.

And within the community, my family is the most important. To the extent that people are interested in far away places, it is often because a family member is there.

What is quality of life is very subjective ... it is what an individual and the family wants.

### Components of community planning

The components of community centric planning are the same as for any other planning. That is: (1) Get facts; (2) Analyze and optimize; (3) Organize; (4) Implement; (5) Measure; (6) Feedback; and, (7) Analyze and adjust.

People in the community may not be well educated or academic. Most will not speak an international language. Some who know the most may not be literate, but that does not mean they do not know their community. In practical terms, they will know a lot more about the facts of their community than outsiders. They may have plans to make things better but not the resources, and they may have a rather limited appreciation of what is truly possible.

By making community the focal point of development, organizations in the community can benefit from assistance in ways that translate into tangible help for people and value adding for the community.

### Importance of trust

Nothing works very well unless there is of trust. Trust is about knowing people and respecting people. It is an ethical or moral concept more than it is a legal construct. Trust facilitates progress in a very important way.

Most poor, small or remote communities do not have an incorporated structure and any global visibility that is “trustable” by the “north” ... and in due time this has to be addressed. But a lot can be done when trust is established with a community, initially on a personal level, and then on a bigger level.

Though it may not be possible to get major external funding assistance into a community without a formal legal structure of “trust”, a lot can be done with a combination of information, organization and personal relationships.

### Good place to optimize performance

I have always enjoyed visiting new places. Within a very short time it is possible to get an impression of what sort of a place it is. This is a function of geography, of people, of history, of culture ... it is a big mix, and almost every place has a different feel to it. This seems to suggest that “progress” is going to be optimized by different approaches and priorities in different places. It suggests that a universal standard “silver bullet” approach is never going to work,



and it also suggests that this is a good place to do performance and progress measurements.

The community has many benefits that make it an ideal entity for planning and tracking development progress. Every community has a unique combination of resources and potentials and constraints. Each community has reached a unique place in the process of development and has a certain unique standard of living and social structure. A community can benefit the most when the planning and development actions are optimized for the specific community and its unique conditions.

And we also know that there is some corporate operating information in remote communities in the "south" that is better not easily accessible to the general public and those who want to monitor and assist in community progress.

So while community information should be easy ... it is not as easy as all that.

# Plan Haiti – Continuum to Sustainable Progress

## **Multi-Sector in the Community**

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## Organizations in a Community

### All sorts of organizations

There may be thousands of communities, but there are a lot more organizations. Every community has a few ... formal and informal. There are organizations, big and small, that help to do everything.

There are all sorts of organizations. In rural areas the dominant form of business is the family business where almost everyone is trying to make ends meet in agriculture on a small amount of land with not enough water. In urban areas, a lot of people are engaged in informal petty trade and service work.

#### My Good Fortune

I have had the good fortune to visit and spend time in a lot of remote communities. I have been in these communities in connection with refugee movements, drought, attempts at community planning, assessment of project performance ... all sorts of reasons.

One thing I learned was that what appears at first sight to be a simple small community has all sorts of organizations and activities that are critical to its present situation and future performance.

Development that ignores this, does so at its peril.

### What is an organization?

More than anything else any organization is people ... the human resource element of an organization is its most important component. An organization is really not much more than a container that makes it possible for people to function as a team and to have access to tools and resources that make it possible to do things that cannot be done individually.

When people stop being involved with an organization, it loses a lot ... most of all it loses a lot of its energy. Organizations need people ... either the staff of the clients in order to be meaningful.

Helping organizations to have staff come to work, and clients come ... students to school, patients to clinics ... is very important.

### Community governance organization

A community, no matter how small, is likely to have an organization of some sort that is the governing body. It might be quite informal, or quite organized. In many communities, the organizing body in some ways represents the community, and holds office with the assent of the people. Some of the traditions of these governing units go back a very long time.

In some places there may be local organizations that are affiliated in some ways with national organizations. Local political organizations can have this characteristic. In some places there may be a revenue department that arranges for taxes to be levied. Taxes can be raised in many different ways, often on trade and the movement of goods. The amounts can be sufficient to provide for many local needs.

### Business organizations

While most economic activity is likely to be in the informal sector, it is possible that there will be activity undertaken by a larger business organization. A larger business organization should be engaged with development activities in the community. The contribution of a larger business entity to the community should be the subject of value analysis so that there is some equity between the value created and the value shared with the community.

### Religious organizations

Religious organizations of some sort exist in communities. They are one of the stronger links between local organization and organization that spreads nationally and internationally. Local religious groups can be a valuable resources for local activities. I have been impressed how religion has a role in all communities, even those in the direst poverty. Religion ought to be a force for good, and in broad terms I argue that religion has an important role in society as part of the foundation for ethics. But the history of religion being used to foment trouble also is a reality. Religion and freedom together work well and need to be encouraged. Most people who practice their religion are good people with values that are universally common.

### Self Help Groups (SHGs)

The community probably has organized itself to have Self Help Groups (SHGs) that do collectively what individuals cannot do on their own. This applies in the area of microfinance, and also many other informal economic activities.

### Health - hospitals and clinics

Some health organizations are likely to be in the area ... perhaps a health clinic, but perhaps some distance from the community ... perhaps just a nurse who lives in the community.

### Education - schools

Perhaps there are schools in the community ... perhaps there are schools in the area, but some distance from the community. Perhaps the only education is provided by parents.

### Telecenters

A growing number of communities are finding ways to have some organization build a telecenter in the community so that there is access to the Internet and all the services now being made available with Internet access.

### Water committees

Perhaps there is water committee to manage and maintain the water supply for the community ... maybe this is done by the community as a whole. Maybe the water is just for household use, or maybe it is also used for irrigation.

### People to people networks

It is difficult to have constructive connections with people unless there is some organization, network or community to serve as a focus. The idea of “people to people” contact is good, but difficult to organize and manage. But it becomes more practical when there is community, network or organization also involved. There is considerable experience with networks and organizations, but rather less with communities, yet it is communities that are likely to be the most effective.

### Organizations for community security

Organizations for community security are needed. The local police ought to be such an organization, and good police can be. But it is likely that more is needed than just the police. Local people have to be a part of the solution as well. Some security activities can reasonably be provided by civilian security companies, but they should be very limited in their mandate, and should be working within strict guidelines prescribed by law and the community

authorities. People working through local committees can be very powerful in gaining control of communities and making them peaceful ... especially women and respected family people.

### Courts and a justice system

A functioning justice system helps to maintain security and a civil society. Small criminal activity is wrong, and should be punished in an appropriate way before it leads to bigger and badder things. Experience shows that taking care of little things helps prevent more anti-social behavior later.

## **Issues in the Community**

### Hundreds of issues

There is more on issues in Chapter 6.

If there are people ... there are issues. But at the community level, issues are more tangible than in a bigger setting. Issues can be addressed in modest and practical ways, and issues need not get out of hand. There are hundreds of issues, but at the community level, those that are important are more obvious and can be addressed as a priority.

### Do powerful people want community focus?

Though many local people might be delighted to be part of a strategy that embraces community knowledge ... there are some that do not want community information to be a freely accessible good but something that is tightly controlled.

Powerful people in the “south” and the “north” may not benefit as much with community focus ... or at any rate universal application of community focus. Political people the world over favor their own communities rather than ALL communities. Community focus is a big shift in the balance of power in society, good for a majority of the people, but perhaps not as good for the incumbent elites. Confronting a powerful elite and prevailing is not easy.

### Establishing priorities ... addressing the key issues

In a community, it is easier to have a consensus about priorities than in the larger area of the country as a whole. Some of the same issues will appear in many communities ... but the solution to the issue might be different because of the underlying conditions.

### What is the best pace?

In most communities, slow is usually better than fast. The US is perhaps the only place in the world where haste is revered ... in most other communities the culture works best on a slower time scale.

Problems can be solved in many cases with a deliberate use of time ... time to discuss, and consider ... over a period of weeks and months and not hours and days.



### What is the language?

The best language is one that people in the community understand ... and in most communities that is not English or French or Spanish. In many places the language is the spoken language and not the written language ... but ideas can be expressed very well without having them written down.

Record keeping is best done in a written language ... and I will argue that a lot of the record keeping should be in money terms and in numbers.

Information can flow from a community that does not read or write into a modern database system as long as there is a clerk who can do the recording ... and if there are two clerks there can be a system of validation right from the start.

### What is the culture?

The culture of the community should be a major determinant of what priorities should be ... people should be free to determine their own set of what they want. Planners tend to ignore the role of culture ... but success is usually heavily determined by things that are important locally.

### What is the religion?

Religion can be considered part of culture .... but it might well be more than that. Religions have a history of being of tremendous importance, and history has been very much shaped by religion. Religion should not be taken lightly either by planners at a geo-political level or by people engaged in helping at the community level. Religion is, as much as anything, an omni-present force.

But religion can be a great force for good ... it is a great determinant of values, and it behooves everyone concerned to take an interest in religion and try as well as possible to understand.

### What determines what?

Great care needs to be taken in understanding priority ... even in the most homogeneous of communities there will be differences, and it is a tremendous art to build consensus so that everyone can move forward in the most appropriate way so that there is progress that will be appreciated by everyone.

## **The Idea of Community Information**

### Community information ... meta-data

It is vital to get to know a lot more about communities. In order to be of value, however, these data need to be compiled in a useful way that can be used for meaningful analysis. Data are most valuable when they can be used in some form of numerical analysis. Information that comes from accounting systems is denominated in money terms, and this is the conventional way of getting both financial and economic information.

In order to be supportive of community activities, information about local community and country organizations needs to be valid ... accurate and meaningful. But information also needs to be accessible, and current.

Modern technology allows community information to be updated easily, and can have considerable depth. It can document what is happening today in the community, and how the community can do better?

Good information starts to give answers that make sense, and can be the basis for some sustainable progress. Up to now remote rural communities that are also poor do not have access to much information, but perhaps more important, planners at the top of the pyramid rarely plan in ways that will get desirable socio-economic development at the bottom of the pyramid.

### Metrics of community progress

The community is a good place to see socio-economic progress ... or regression. It is very obvious what is happening, and how it is happening. Sometimes it is less obvious why it is happening. The community is where the measurement of relief and development progress should be taking place, and where incremental resources should be used. The metrics of community progress can be quite simple ... or very detailed and complicated.

Accounting gives a simple construct for measuring progress. If the corporate idea of balance sheet is applied to a community, then the change in the balance sheet is a measure of progress.

If the resources and situation in a community are documented at a point in time, and then the same documentation is done a some time later, for example the beginning and the end of a year, then the difference shows what has happened over this time.

There is “progress” if a year later the same set of information shows there has been an “improvement”. There is regression if the information shows that there has been a “deterioration”.

### What is a Profit?

Sir Henry Benson (later Lord Benson), at the time one of the Senior Partners at Coopers and Lybrand in London, was asked in the High Court “What is a Profit?”.

After a moment of deliberation, Sir Henry replied “My Lord, a profit is the difference between two balance sheets”.

This is, in my view, one of the most powerful concept in all of accounting ... it is totally principled ... and allows for all of the issues that seem to confuse in modern legalistic accounting.

In most communities to stay the same requires a year of hard work from everyone. If the rains are good, and the harvest is plentiful, then the work for the year may show a situation that is significantly improved over the prior year situation.

On the other hand if there is drought, then the crops fail and the situation will deteriorate over the prior year situation.

Progress can be measured looking at the change in the status of the community over time, and without having to know very much about the activities of the community in the time. But if there is also some measurement of the activities, it then becomes possible to see why the community has performed in the way it has. When this is understood it is possible to design development interventions that are the least cost way of improving the communities performance.

### Much is possible ... framework for good information

Much is possible, but it requires a new framework for the management of information. Such a framework is technically feasible. Maybe because powerful people do not want management information that shows performance ... or lack of it ... socio-economic performance at the

## Plan Haiti – Continuum to Sustainable Progress

community level has never been on the agenda and has never been implemented on a broad scale

## Compiling Community Information

### Getting to know about a community

There is nothing particularly difficult about getting to know about a community. Basic information about any community in the world should be reasonably easy to find. But the fact that information about communities is very difficult to find suggests that there are some important constraints.

#### Village People Know About Their Communities

I learned a long time ago that village people, and especially some of the old people in the village had amazing knowledge about the community, its history, its people, its problems and its opportunities.

I made visits to villages over several years and in many countries, and often with a female colleague from Ethiopia. Together, we learned a lot more than I would have on my own, especially about women and the community from their perspective. One thing that became clear was the need to design development initiatives so that they were what the village needed, and not merely to do things that would satisfy our own, the donors', prejudices. Almost everywhere we went there were some modest and very tangible things identified that would have improved the village situation significantly

After one visit to a village ... it was in Mali in the late 1980s ... I was able to learn an enormous amount about the history of rainfall in the area, going back to the 1930s. I started saying to myself after this experience that "the fact that I do not know something does not mean that it is not known".

I learned from this that one of the big opportunities to improve the process of relief and development is to incorporate community information into the planning process, and use community priorities to drive the decisions.

The relief and development sector data collectors have done a lot of data collection, but almost none of it is about community nor organized in a useful way for relief and development performance analysis. Sometimes there is a focus on individuals and households, or some aspect of sector activity, such as health, but nothing very much about the performance of the community and the impact therefore on people and families. The leaders of the community probably know what to do to make the socio-economic conditions better, and they also know the constraints they have to face.

## Collecting community information

A lot of information about communities is known, but it is often in forms that are difficult or impossible to access using any form of modern technology. Old people know lots about their communities, but it is in their heads. It needs to be collected and put into some sort of record. And some of the information then needs to be put into some sort of electronic record. This is easier said than done, but I believe it is both worthwhile and quite possible.

Probably the best way to do this is to encourage it to be done by community people for their own information and guidance ... and to get it put into a form that can also be used as a component of a universal system of public information.

It is worth noting that some of the best information about communities is contained in travel books. The information included in travel books is information that the authors consider will be useful for people who are visiting, mainly for their own amusement and pleasure. Much of this information is also of considerable value for understanding the socio-economic status of the community and what the community should be doing as a priority to improve its socio-economic situation. Travel books are often improved by feedback from travelers. Community socio-economic information can be improved by feedback from anyone with better or more information.

Sometimes there is a lot of interesting information compiled in political party data systems. This information is not usually easily accessible, but it is sometimes of considerable value.

There may also be valuable information about communities in military information systems. This information is not usually easily accessible by the public at large, and much is geared to destruction rather than construction. Sadly, in our modern world, more is probably known about communities so that they can be bombed than is known so that they can be helped ... something that ought to be changed.

Community information to support a development process is needed. The technology to do it is quite easy, but it is not yet organized to be used in this manner.

## Important Caveat

### Making the World a Fairer Place

A community focus for development should be for all communities and not just for a select few. Over the years there have been a number of initiatives where a lot of money has been deployed in limited areas ... in my view a very bad idea. The idea of outsiders selecting communities to support seems to me to be totally inappropriate. I have seen UN experts trying to do this in the past, and it goes on today, but it is just plain wrong.

#### Focal Point for Development – A Wrong Idea

I am reminded of a discussion in Ethiopia some years ago with (I think) the UNDP Deputy Resident Representative who was explaining that because of a shortage of development resources that the UNDP was recommending that there be focal points of development, that is the scarce development resources would be concentrated in just a few locations in the country, leaving the rest of the country unserved by the international relief and development community. I was horrified by the idea ... the development experts essentially choosing to play God in terms of who deserved assistance.

In a place of chronic resource scarcity, this was a potential death sentence for people in the unserved areas ... but a convenient rationalization.

Making community development a “reward” is not a good strategy ... such a strategy does more to set the stage for future conflict than it helps to move to a peaceful future.

## About Projects

### Where there is meant to be accounting

I was under the impression that the project was the entity that permitted organizations like USAID, the UN and the World Bank to manage their assistance programs ... but rather than providing a foundation of information that helps to understand the use and value of fund disbursement, they seem, rather to add to the confusion.

### Project cycle

The standard project cycle is usually described as follows: (1) Identification; (2) Preparation; (3) Appraisal; (4) Negotiation; (5) Disbursement and Implementation; and (6) Evaluation.

The basic cycle is reasonable ... but when applied in most of the present relief and development organizations there is a lot of effort associated with the first four elements, and insufficient attention to the fifth. Within the disbursement and implementation part of the project cycle there is a totally inadequate amount of accounting and measurement of performance.

### Where was the money disbursed?

It should be relatively easy to get a listing of where the money has been disbursed ... that is a listing of the projects, the implementing organizations and the amounts of money disbursed.

The amount of money disbursed can be either in the form of a listing of disbursements together with dates, or a cumulative total with date of the cumulation.

A list of this sort is about as basic an accounting report that one can design ... it is lists of this sort that are the basic of good accounting control, and it is incomprehensible that such lists are not easy to access from the public space.

### What was the money used for?

It is also reasonable to expect to be able to have a listing of what each of the organizations used the money for ... the cost of the various activities carried out by the organization. Every well run organization has this sort of analytical or cost accounting data ... and if there is an organization that does not have this data, then one has to wonder why this organization was selected to be a project contractor.



## Chapter 4 - Focus on the Community

With information about activities carried out by the organization, it should be possible to compare the work done under this project with similar work done by other contractors both in the same country and in other parts of the world. In an efficient relief and development sector one would expect the costs to be somewhat the same, with easily explained differences based on the special circumstances of each of the project ... in fact this information is not at all similar, mainly because few of the organizations are doing this sort of analysis and they merely spend the money without much attention to cost effectiveness and performance.

### Did the project produce any socio-economic value?

If the relief and development sector was serious about measuring performance there would be a requirement for projects to be evaluated based on the socio-economic value created. While this is a part of the appraisal at institutions like the World Bank, it is very much a theoretical construct at the time of the appraisal and not very much in evidence during the management of implementation and in the subsequent evaluation ... but this value creation is the central *raison d'être* for the project ... and not having any metrics about this is nothing less than mind-boggling.

### What about information in Haiti?

The situation in Haiti seems to be very much “business as usual” ... in other words no more and no less accounting than is normal in the international relief and development sector.

But there is a difference that should have caused accounting to be made a central feature of project management, and that is the scale of the fund flows that are involved. Having poor accounting in a project that is disbursing \$50,000 is bad enough ... but when the projects are disbursing perhaps as much as \$20 billion a year ... then not have excellence in the accounting area is absolutely scandalous.

## Chapter 5 - The Money Dimension

## **Chapter 11**

# **The Money Dimension**

## Chapter 5 - The Money Dimension

## **Money is Important**

Money is important, but mere money does not solve the problems of society. Money needs to be used in a constructive manner.

Money and greed can easily end up making a good situation intolerable. Money, it is said, can buy anything ... and in situations where there is secrecy about financial transactions and no transparency whatsoever, then money is used in all sorts of inappropriate ways.

Reference has already been made to the idea of “small is beautiful” and this has application with money as well. Big money doing bad things in secret almost inevitably ends up with a bad outcome.

The success of the United States had a lot to do with great natural resources, an entrepreneurial spirit and adequate money derived from creative financing. In time it became possible to get the country organized with a government that was too its liking ... but only after a revolutionary war and years of arguing about how the government should be organized.

In Haiti the problem is not the lack of money, but what the money is being used to do. It is not at all clear what money is being used for ... neither the local money derived from the oil industry, nor the funds that are coming from the outside to fund the deployment of coalition forces, rebuilding and development.

### **Money ... should not be a gift**

Money is not a gift, but something that is being used to facilitate socio-economic progress. What this means in practical terms is that money is loaned and not given to the communities to facilitate their socio-economic progress.

Some of the organizations that are engaged in the international relief and development sector consider the accounting for small loans to be an excessive burden and have decided to use their resources as grants rather than loans. This is, in my view, a mistake, and encourages a culture of dependence that has all sorts of undesirable consequences.

## Requirements for Money

### Many needs

There are many needs including: (1) funds for public purposes; (2) funds for private investment; and, (3) funds to invest for future generations.

Public purposes includes funding the programs of government and funding investment in the national infrastructure.

Programs of government include the funding of the army and the police, and the funding of development initiatives.

### Financing development initiatives

The argument has already been made that development initiatives are best implemented at the community level, with pull from community leadership rather than push from a central planning authority.

Many types of development financing are required to support community centric development including: (1) financing to help at the individual level – micro-finance; (2) financing to help the small to medium sized enterprise; and (3) financing to help the community itself. The three financing components work together to facilitate the economic activities needed for a vibrant community.

### Financing infrastructure

The building of infrastructure has two components: (1) the money to pay for the work; and (2) the capacity to do the work. In Haiti, there is capacity to do most, if not all, the work needed for infrastructure construction, and there is money to buy whatever equipment is needed from anywhere in the world. To the extent that there is not enough current cash, Haiti should be able to raise finance with relative ease on financial markets.

But in fact, Haiti may not be in such a good position. It is not at all clear to what extent the regime of Saddam Hussein mortgaged the future and borrowed and spent in quite profligate ways.

It is also not clear how much physical damage was done to the infrastructure in Haiti in the course of the initial military operations that led to the fall of the regime and the fall of Baghdad.

## Resource Mobilization

### Everyone is raising money for Haiti

Everyone is raising money for Haiti, and the following are a few examples of text pulled from the Internet.

#### For example ... Mercy Corps

From Bill Holbrook, Country Director, Haiti

Since last month's earthquake, the world has focused on Haiti as never before. Unfortunately, it won't last.

Already the reporters are leaving, the cameras are switching off and the headlines are fading. But Mercy Corps is committed to helping Haitian families and communities not only emerge from the rubble and rebuild their homes, but also rebuild their country.

You can help us give earthquake survivors the help they need -- from clean water to trauma counseling for children and job training for their parents.

I am personally committed to this effort. My own ties to this country run deep: My wife is Haitian, and my in-laws are still dealing with the chaos, uncertainty and shock of the earthquake's aftermath. Many of our friends have lost nearly everything, and are dealing with profound grief.

We need your help to make the kind of long-lasting impact that the people of Haiti not only need, but deserve.

The Haitian economy was already in a shambles before last month's earthquake: more than half the population lived on less than a dollar a day. Three out of five didn't have a job.

That's why we've made job training central to our long-term economic recovery program. We will help Haitian communities build a skilled workforce that can lift families out of poverty. By investing in small and medium enterprises across key business sectors, we will create lasting, meaningful, good-paying jobs all over the country.

The history of Haiti has largely been one of neglect. Help us chart a new course. By supporting the aspirations of the Haitian people, we can transform Haiti -- together.

Please join us in this critical task. Thank you.

But nobody seems to be in a position to talk very much about what the funds are going to be used for ... where they are going to be used ... and how donors will

## Chapter 5 - The Money Dimension

ever know anything about the impact of their generosity. The funds are being mobilized by using stories, connections and emotion ... which may be effective up to a point, but does little to ensure that resource utilization is efficient.

## Control of the Money

### Control of the Money

An absolutely rock solid system for accounting for the money is needed ... and with accounting there can be control.

### Secret systems for money control

There are systems for control of money that are complex and secret. The systems are not widely known about. This may be as it should be ... but it also facilitates grand scale diversion of funds and nobody any the wiser.

#### Cabin Trunks of \$100 Bills

I have seen cabin trunks with millions of dollars worth of \$100 bills that I was told were stolen from a banking institution in the middle of a civil war. Each of the bills was stamped with a mark that made these bills easy to identify ... and I was shown a chemical process that removes the mark from the bills to enable them to be circulated openly.

I have seen airtight packages in army green containing large amounts of US currency ... chemically treated to disintegrate when exposed to air unless the treatment is nullified by another chemical cleansing.

These funds were in the possession of people who probably had no business whatsoever having them. They seemed to know how the system works, and I have little doubt that they would find a way to use these funds in spite the advanced chemical systems being used to protect the US currency.

This experience predates the Haiti and Haiti war where people talk a lot about the huge bundles of US currency that were being used all over the place with little or no oversight, accounting and accountability.

These secret systems for the control of money are useful for the funding of war and funding in an emergency crisis. They are not, however, a reasonable way of funding a program of national rebuilding and controlling the money. Secrecy is a characteristic that correlates strongly with inappropriate use of money. It would be very much better to have much more public knowledge about fund flows. From this it starts to be possible to have some reasonable knowledge about what is going on and to be able to establish accountability.



### Accounting for fund flows

The accounting for fund flows should have two main dimensions: (1) the accounting within an organization; and, (2) the accounting between organizations. At the present time it seems that both of these are inadequate, and given the scale of the fund flows this is absolutely inexcusable.

It should be quick and easy to follow money ... fund flows ... from the origin as a budget authorization, through the responsible agency of the donor government to each of the recipients of disbursed funds ... and then to track the use of these funds through program activities and eventually to the results being achieved.

None of this is anything more than lists of transactions with a certain amount of key data ... and added up in a logical manner. If the organizations involved cannot do this, then they should be held to account for incompetence.

### Check the spending ...

Spending needs not only to be authorized ... but it also needs to be worth doing. A good way to verify this is to check the spending so that all the disbursements result in something of value.

Checking a proposal about a future disbursement is a step, and an important step in ensuring that spending money results in valuable outcomes ... in fact all it does is to authorize the spending and pretty much hopes that there will be a good outcome.

Checking that the actual disbursement actually produced something of value is a true reality check. Where this checking is routine results are usually very good ... and where this checking is infrequent or never, results are frequently terrible.

#### Actual Far More Important than Plan

I was once told that if the company added up all the cost savings that would result from proposals we would be making all our production for nothing.

In fact the company was totally out of control ... and it was not until there was strong measurement of actual that things got under control.

And as soon as there was control ... there was improvement.

## **Micro-Credit ... for the Individual**

### Financing for the individual

Micro-credit has been popularized over the past 30 years by Mohammed Yunus, founder of the Grameen Bank in Bangladesh. Though informal credit schemes can be tracked back a long time in history, they were not embraced by development experts until after the Grameen Bank had come on the scene.

The Grameen Bank experience showed, inter alia, that poor people could make valuable use of small amounts of money, and that they could be trusted to pay it back. The conventional wisdom in the commercial banking community is that borrowers cannot be trusted and therefore all lending should be heavily secured ... and the corollary, no security, no loan.

I also observed in my own work that small loans were able to be repaid more easily than big loans ... big loans held out the promise of bigger success or bigger failure, and when the failure happened, there was no way for the loan to get repaid.

I also observed that in the micro-credit space there are two types of lending ... there is social micro-credit and there is enterprise micro-credit. In the case of enterprise micro-credit the borrower makes money and the loan can be repaid without too much difficulty. In the case of social micro-credit ... lending because of personal or family difficulties ... there is much less capacity for repayment, and a higher proportion of the loans can never be repaid.

### Community micro-credit

Most communities can benefit from both enterprise and social micro-credit. In many communities there are already some form of self help group or other way of extending credit within the community. In some cases it is a “money lender” that is able to profit substantially, and many would say, excessively, from the unsatisfied need for money.

### Funded from the development fund

Community level micro-credit initiatives should be funded from a development fund, and there should loan administration and accounting so that the development fund can be sustainable.

## **Mini-Credit ... for the Business**

### Financing the small and medium scale enterprise

There is a need to have access to financing for the small and medium scale enterprise. These are the organizations that are best able to accelerate job creation, but they need access to financing for growth.

These organizations need finance for working capital ... they need to be able to buy inventory and pay salaries before they get paid for their products or their services. Growth requires working capital, and few small businesses have the working capital to grow.

These organizations also need finance to buy production equipment and vehicles, or to expand their space. The financing of this equipment needs to be available on terms that allow the business to prosper. Equipment leasing or rental might be the appropriate modality. Expansion of a building may need some form of real estate based financing.

These financing modalities are bigger than micro-finance and more sophisticated. I will argue for community based financing that has a component of trust and group responsibility over a strategy that simply relies on asset based security.

## Muni-Credit ... for the Community

### The municipal finance equivalent

There needs to be financing accessible to the community that will help the community have local contractors supply or build things the community needs. I refer to this as muni-finance. Municipal finance is a very big component of the capital markets in the “north” ... a micro-community version of this is needed for the “south”.

Most poor communities finance themselves. It is the only way. There is usually little money in the community, and there is no formal banking and financial service access. People in communities do the best they can. Communities impose taxes and levies to raise money for things that are wanted by the community. Some of these are substantial efforts, and can serve as important sources of funds for community needs. My experience in Yei in South Sudan is an example of this.

#### My Experience in Yei, South Sudan

Yei is a small agricultural town in South Sudan to the west, about 150 miles from Juba. When I was in Yei in the 1980s there were about (as far as I can remember) 150,000 refugees in the area, all engaged in small scale agriculture, and assisted in the first instance by UNHCR. With decent agricultural land, good weather and hard work, Yei had become a thriving little town with a good surplus of food.

I knew the “administrator” of the town of Yei ... a friend of a friend of a friend of my wife's from college days who was interested to find an accountant in the middle of a UN refugee review. He showed me with a lot of pride the “books” of the town that documented all the financial transactions of the town, and showed in summary form the monthly history of the town finances over the past several years.

The refugees were generating a lot of agricultural produce and the petty taxes collected at the local level to pay for local needs had increased with the success of the refugees. Now the town had some money for some of its priority needs. The school got a locally paid teacher, and the electric generator got some fuel. All of this carefully recorded in the books, just as it should be.

What is the lesson? Local success can be used to generate some local revenue that can be used for some local priorities. Sustainability that is real.

Few of the big cities in the global “south” have structures so that they are able to raise money through existing formal channels. Smaller communities are

## Chapter 5 - The Money Dimension

constrained from borrowing in the formal municipal finance markets because they do not have a formal sector economic base and the tax revenues to support external formal finance. Some small communities, like Yei, have potential to be prosperous, while others do not have much potential.

## **Organization ... at the Community Level**

### **Funding community activities**

Development funds can be the primary mechanism for delivering development resources into the community and engaging the private sector in ways that can encourage socio-economic progress. Growth of private sector activities is a powerful way for income generation and jobs to be created that engage a large part of the community. The private sector needs resources for expansion, but should use these for profitable expansion and increased earnings, from which the development fund should be paid back. Development funds can be used as an efficient modality for delivering incremental resources to the area economy.

There are to be many small development funds each with clear development objectives and areas of operation. A fund will be rewarded with additional resources if the performance of the fund in terms of development benefit and in terms of timely repayment have been good. Keeping the funds separate will help in determining what funding areas should be supported on a continuing basis and which should not.

### **Many short term small loans**

The development funds will be used to provide financial support on a short term loan basis for activities that are requested by the community, either as micro-credit, as mini-credit or as muni-credit. The implementing group may purchase items that the group would not normally be able to afford and allow the group to go ahead with some works that they consider important. Typically the group will provide labor and local material, with the funds being used to purchase non-local material and possible rent equipment. The funds can be re-used by the community if the loans are repaid to the fund. As an incentive to repayment, funds will be augmented if the repayment track record is good. Groups that do not repay development fund loans will be penalized by the permanent diminution of the loan fund resources.

### **Fully commercial basis**

The management and operation of the development funds will be on a fully commercial basis with fees charged for the use of the money, the administration involved and loan losses. The development fund has many of the characteristics of the lending operations of a business bank. There is no reason why the development fund operations cannot evolve into a full banking operation, and

## Chapter 5 - The Money Dimension

become part of the much needed community level banking and financial services sector.

Though experience over the past 30 years with Development Banks established with a similar objective was not good, the primary reason for failure was misappropriation of the resources. There were usually very clear errors made in the management with too much grandiose lending to politically motivated ventures and failing public enterprises. The capacity for economic and financial analysis of proposals was poor with politics more important than financial analysis. On top of all of this, there was usually a complete lack of accounting, accountability and oversight management.

## **Central Bank and Government Treasury**

### **The purpose of a Central Bank**

A Central Bank serves as the anchor institution for the financial sector. But a Central Bank also serves as an active component of the national governance framework, and a controller of the economy.

The Central Bank is the treasury for the country.

The Central Bank also acts as the intermediary between the national currency and the currencies of other countries, including the US dollar and the European Euro.

### **The purpose of the Government Treasury**

The Government Treasury is a unit of government and is responsible for the moneys that are managed by government.

Most government treasury units around the world are organized around the principle of the single treasury account, a system where all receipts of government are deposited into the treasury account and become under the control of the treasury. The only disbursement from this account has to be under the authority of the government through legislation ... usually called the budget legislation.

What this means is that the government is responsible for the use of the funds received by government, and usually there is a requirement that the treasury prepare and publish periodic reports and the income and expenditure of government.

In some countries the treasury reports are prepared daily and distributed to key people in government, and then a full report is prepared monthly for presentation to the legislative assembly. Each year there is an audited report that is presented to the legislature and they are called upon to approve this report.

### **Informing the Public**

The Haiti public is the primary stakeholder in the management of government and national resources, and they should be able to see and understand what is being done in connection with the resources of the country and the operations of the government.



## Chapter 5 - The Money Dimension

This is an area where there is a need for huge improvement. The information that is easily available to the public about the national and the government accounts could be and should be very much better.

## **Investment Fund for Future Generations**

### A mechanism to invest for the future

Oil rich countries have an opportunity to convert their present income from exploitation of their oil and gas assets into a source of perpetual income for the future. Some oil rich countries have done this with great success, notably Kuwait and the United Arab Emirates.

The value proposition for Haiti is something of great moment. In the short run, there is a lot of oil, and it should be of huge value for the people of Haiti and of value to a world that is hungry for energy ... primarily oil.

But Haiti oil's potential has little meaning if it is squandered by doing nothing more than funding local chaos and mayhem. ... or it becomes hostage to anyone, including the global "north" and the international oil oligopoly.

More than anything else the financial dimension of the Haiti oil sector needs to be made visible to an interested public so that there is an equitable sharing of the value of these resources between Haiti's society and the investors and developers of these resources.

Possible models for a development fund have already been demonstrated in the investment funds of Kuwait and the UAE.

### Chapter 6 - A sector perspective

## **Chapter 12**

### **A sector perspective**

## **Types of Sectors**

### Dozens of sectors and sub-sectors

There are dozens of sectors and sub-sectors. This is just a small part of a comprehensive review of sectors, but needed because sector thinking has become commonplace in the relief and development sector, and a lot of organizations are organized along sector lines and have a single sector focus.

Most governments have ministries that are responsible for sectors: Ministry of Education, Ministry of Health, Ministry of Transport, etc.

The United Nations has established a range of organizations to focus on different sectors: FAO for agriculture and fisheries, WHO for health and UNICEF that has a focus on children's health, UNIDO for the industrial sector and UNESCO for education, science and culture. There are hundreds of UN agencies and offices with focus on specific parts of the global economy and society.

Each sector has its own technologies and best practices. But in the developing “south” the success of one sector is often constrained by the limits of some other sector. This argues, therefore, for a relief and development approach that ensure that there is a multi-sector involvement. There is little consensus about what is the best approach to making relief and development more effective and getting more rapid progress.

### Various Types of Sector

There are a series of commonly used ways of looking at sectors. They are useful ways to simplify the dialog.

### Hundreds of Sectors and Sub-Sectors

This is perhaps not a complete list of sectors, but it is enough to give an idea of how many sectors are involved in making society work in a reasonable manner. The relief and development sector will succeed when all the sectors are able to function appropriately in any place in the world.

A more comprehensive view of sectors is being developed for publication in a companion book that will probably be titled: “A Sector Perspective on Relief and Development”. The following list is in alphabetical order.

### Characteristics of sector

A comprehensive mix of sectors in any community is important. I have been told over and over again that people will not come to remote rural areas because something they need is not available. It can be health services, or schooling or the social situation ... but it emphasizes again the importance of the totality of sector and function in order to have success.

The previous tables show how many sectors and linkages there are. Because of complexity in the linkages it is difficult to optimize with formal “planning”. The process is simply too complex, and the variables too many. The invisible hand of the market mechanism will make order out of this apparent chaos and complexity. Every community in the area knows what it needs to better the community. This knowledge will drive the process if it is allowed to. The program has embraced the concept of “participation” because participation allows families and communities to decide themselves how resources can best be used.

A sector is not tied to any location, though what is best in a sector can change from place to place. My experience has been that single sector intervention in almost any community is likely to fail, simply because critical constraints are being addressed. One sector can improve, but all the other constraints remain in place. Nothing is optimum until all the constraints have been addressed.

### Sector expertise

Sector expertise is very important, and the products and services associated with all the sectors should be accessible everywhere they are needed. In the poor “south” only a limited amount of sector expertise is available, and a lot of things that ought to be easy to fix never get done.

The relief and development community has responded to this in some measure. Instead of agriculture projects, the World Bank morphed into rural development projects, which was a reasonable response to the problem within the construct embraced by the World Bank.

From a community perspective there needs to be the sector expertise that is needed to improve the community. There are many sectors that might be needed ... very much depending on the nature of the community and what the community wants to make as a priority.

Table – Sector Types

Sector Type	Note
Employment sector	The part of the economy that generates jobs ... part public ... part private
Enterprise sector	A shorthand for the part of the economy where people are entrepreneurial and benefit from the fruits of their efforts.
Formal and informal sectors	The formal sector is the part of the economy that is organized, registered or incorporated. There are identifiable entities, jobs and taxes. Everything else is the informal sector.
Governance - government	The part of the economy that is engaged in making laws, rules and regulations and seeing to it that they are followed.
Infrastructure sectors	The infrastructure sectors include all the hard assets used in the economy like roads, housing, telecom, etc.
Knowledge sector	The part of the economy where knowledge is the underlying driver of the value and the activities.
Luxury sector	The economic activities that provide goods and services to the wealthy in society.
Production sectors	The part of the economy where the essentials of the economy are produced, from raw materials in mining and agriculture to manufactured items.
Public and private sectors	The public sector is owned or operated by government. Private sector ownership is in private hands rather than government.
Relief and development sector	All the organizations working in international and local relief and development ... it is part public and part private.
Service sectors	All of the sectors that provide services in the economy
Social sectors	Education and health are the main components.

## Inter-Sector Linkage

### Linkages between sectors

Development succeeds when all the key linkages are in place. It is possible to understand the failure of development through an understanding of inter-sector linkages. This program has been designed to take advantage of the potential of the economy with the appropriate linkages in place. There are therefore initiatives in a variety of sectors, short term, medium term and long term, and through a variety of implementing mechanisms.

When I was first engaged to work in relief and development planning I worked with “projects” and I worked with “sectors”. With relief and development results so bad, it is clear that not just one but many things needs to be fixed, that a single sector approach to project design is insufficient. Even if a single sector project is well designed, a project needs performance in many other sectors in order to be successful.

#### Multi-Sector Linkage

My own experience operating in the “south” showed me very tangibly how much inter-sectoral dependence there is.

In the “north”, when something goes wrong, the solution is easy. Use the telephone to call up a supplier, pay money and almost instantly get the goods or services. Someone operating fishing trawlers in the USA could get all the maintenance needed simply by telephoning. Spare parts are easy to get, and do not have to be sourced from half way round the world.

I did not realize how much this is taken for granted until I became involved with running fishing trawlers based around the world in the “south” ... in Africa, the Middle East and Latin America ... and frequently a long way from the big cities. We needed to be able to do everything for ourselves. We had water wells for water, electric generators for electricity, maintenance technicians and spare parts for everything electronic or mechanical, and took care of absolutely everything ourselves. When a trawler needed maintenance, we did it all ourselves.

But while our main operations were the fisheries sector, keeping ourselves operating required support from every other sector.

The following table sets out the main sector initiatives that are included in the program for implementation through the government and the private sector.

Table: Inter-Sector Linkages

	Systems and Processes	Training	Organization	Employment	Materials and supplies	Equipment	Financial resources	Know-how
<b>GOVERNMENT AND SOCIAL SECTORS</b>								
Administrative capacity	x	x	x	x	x	x	x	x
Education and Training	x	x	x	x	x	x	x	x
Health	x	x	x	x	x	x	x	x
Security, police, judiciary, prisons	x	x	x	x	x	x	x	x
Food security							x	x
Economic security							x	x
Government revenue, public finance							x	x
Trade and investment environment	x	x	x				x	x
<b>INFRASTRUCTURE</b>								
Water	x	x	x	x	x	x	x	x
Roads	x	x	x	x	x	x	x	x
Cargo and fishing ports	x	x	x	x	x	x	x	x
Airports	x	x	x	x	x	x	x	x
Housing	x	x	x	x	x	x	x	x
De-Mining	x	x	x	x	x	x	x	x
Energy	x	x	x	x	x	x	x	x
Environment	x	x	x	x	x	x	x	x
Communications	x	x	x	x	x	x	x	x
Banking and financial services	x	x	x	x	x	x	x	x
Knowledge dimension of development	x	x	x	x	x	x	x	x
<b>INCOME GENERATION AND EMPLOYMENT</b>								
Private professional sector	x	x	x	x	x	x	x	x
Livestock and range management	x	x	x	x	x	x	x	x
Crops and other agriculture	x	x	x	x	x	x	x	x
Fisheries	x	x	x	x	x	x	x	x
Construction	x	x	x	x	x	x	x	x
Maintenance workshops	x	x	x	x	x	x	x	x
Agro-Industry and Manufacturing	x	x	x	x	x	x	x	x
Minerals and Mining	x	x	x	x	x	x	x	x
Transport	x	x	x	x	x	x	x	x
Wholesale trade	x	x	x	x	x	x	x	x
Services, retail and petty trade	x	x	x	x	x	x	x	x
Hotels and restaurants	x	x	x	x	x	x	x	x
Tourism	x	x	x	x	x	x	x	x



## **Public and Private Sectors**

### **Private sector**

The private sector has proven to be a powerful engine for wealth creation, for innovation and for economic efficiency. On its own, however, the private sector can succumb to a culture of greed, arrogance and entitlement.

The private sector and its associated enterprise and “can do” attitude is a critical element in making relief and development a success. Private enterprise can organize and run production sectors so that there is the maximum of value adding ... the public in the broadest sense must see to it that the value adding is used in a fair, equitable and just manner.

The private sector is everything else ... and especially the corporate for profit sector, private philanthropic organizations, and not for profit organizations. Some health and education establishments are in the private sector.

### **Public sector**

The public sector is owned and operated by the government. In many countries a lot of social services are operated by the government, including education and health services. In countries embracing socialism, the government also nationalized major production industries and operated them in the public sector.

## **Enterprise Sector ... Employment**

### Enterprise sector

The “for profit” organizations are sometimes referred to as the enterprise sector. These organizations have been vitally important in the “north”, and especially in the United States, in building wealth. The incentives in the enterprise sector are all favoring the use of least resources for maximum revenue ... the least cost most value idea that is essential to economic value creation.

The enterprise sector in the “south” is also very important and accounts for almost all value adding activity. Because the “south” economies are weak, and failing, if not failed, the enterprise sector is struggling. Where most of the financial resources are controlled by government and indirectly by donors and the international financial community, the enterprise sector is sidelined.

Getting the enterprise sector to grow and be profitable has multiple benefits including the multiplier impact of more jobs and the impact of tangible value adding in the community. A healthy enterprise sector attracts other investment, and encourages other entrepreneurs to become involved.

### Employment

Employment ... jobs is a critical component of socio-economic success. More jobs usually means a more successful economic situation.

Jobs can be in both the formal and the informal sector. A larger number of wage paying jobs are in the formal sector. Formal employment is possible in both the private and public sector, in the productive sectors and in the social sectors.

A job is the most value to the economy when the cost to the employer is lower than the value accruing to the organization, and more valuable again when the work is of value to society as a whole.

## **Formal and Informal Sectors**

### **Formal Sectors**

The formal sector is probably most easily described as everything that is incorporated or registered, as well as what is in the public sector, the government organizations, agencies and structures.

The formal sector is, generally speaking, fully monetized and is included in most of the economic statistics that are compiled. The formal sector has payrolls, pays taxes, and buys products and services in a regular manner recognized by law.

Many people only think in terms of the formal sector.

### **Informal Sector**

But there is an informal sector as well. In poor parts of the “south” the informal sector is the only sector that operates ... it is everyone doing just a little to make the local economy function as best it can. Often the best is not very good. In the informal sector nothing is incorporated and nothing is registered. There may be some exchange of cash, but there is also simple barter and the exchange of goods and services in kind.

In the poor “south” the informal sector can be bigger than the formal sector, not only in terms of the number of people engaged in it, but in terms of the economic product associated with it. Even so, the informal sector does not usually appear in the economic statistics that are compiled, and to the extent that it does, the methodology for assessing its scale and its value may not be particularly well conceived.

## **Productive and Social Sectors**

### Productive sectors

There are many sectors that make up the productive sector: agriculture, fisheries, manufacturing, mining, energy exploitation, forestry, tourism, transport, etc.

All of the activities in the productive sector transform input resources into something of more value ... when this is done in a for-profit organization the outputs are goods and services that are sold and a profit for the organization.

These are value creating operations ... and to the extent that there is tangible value creation in the productive sector, there is value that can be used for social value creation on the social sector.

### Social sectors

The social sector comprises activities like education, health, support services for the vulnerable, and so forth. Social services have been a major focus for the relief and development sector, as well as for left leaning governments that have a commitment to social justice.

Expenditures in the social sectors are very valuable because they contribute significantly to quality of life, and they also serve as an investment in the future. But success in the social sectors does not translate directly into economic progress ... it merely removes a major constraint to economic progress. Without opportunity in the productive sector success in the social sector is for nought.

## Relief and Development Sector

### Relief and development sector

The relief and development sector is the subject of this book. But success in the performance of the relief and development sector depends as much as anything on the relief and development sector doing less, and all the other sectors doing more. We have argued in this book that the relief and development sector has performance badly, and cannot reform itself to be successful ... and that therefore there needs to be improvement in other sectors to improve socio-economic progress.

But when that happens, there are very valuable roles for many of the institutions of the relief and development sector.

The World Bank, for example, is an organization that can easily focus on rebuilding the “Public Finance” sector in the “south”. The World Bank is well suited to doing this work, and could do it easily within its present mandate. The World Bank could also be a useful financial partner in helping large scale public works projects for infrastructure improvement get funded. Broadly speaking, I would like to see much less policy intervention coming from the World Bank, but a strong commitment to being engaged with universal public accounting and accountability.

The UN needs to maintain its critical role in convening meetings and encouraging dialog, but should deemphasize providing finance and technical assistance. I would like to see the UN also committed to the idea of universal public accounting and accountability.

Central Banks around the world should be much more engaged in the relief and development sector representing the financial interests of their respective countries. They ought to be much more central stage than they have been in the past, and should be at the forefront of efforts to ensure that there is universal public accounting and accountability.

## Luxury Sector

### A very profitable sector

The luxury sector is a driver of a lot of the apparent wealth creation in the “north”. The value chains associated with the luxury sector are unusual ... and while profits are real in an accounting sense, the value associated with the profit makes little sense.

When a fashionable pair of shoes is priced at over \$2,000, or a handbag a similar amount ... there is a huge profit in being the supplier and being in the supply chain.

But at the end of the chain a person only gets a pair of shoes or a handbag ... and a basic pair of shoes or a handbag would be more correctly priced at something like \$50.

The same thing is going on in the automobile industry. Various types of automobile are being built and then being priced at luxury prices from \$50,000 to \$250,000 and up. Basic transport can be priced at (say) \$20,000 and be perfectly functional. The “phantom value” in the supply chain is not real value at all, but merely a process of value destruction subsidized by the very wealthy.

Concentrated wealth and huge personal fortunes is very good for the luxury sector, whether it is for the sale of jewelery or the sale of luxury yachts ... neither of which have very much socio-economic value ... but the wealthy still buy them. The bubble of the luxury sector may go on for a long time. The capital markets have concentrated a lot of wealth into relatively few hands, and these people may sustain the luxury market for a long time ... but not for ever.

## Chapter 7 - Sectors: Governance - Government

# **Chapter 7**

## **Sectors:**

### **Governance - Government**

## **Government Administration**

### System and processes

In Haiti, there are administrative systems and processes that are long standing. Whether or not they are adequate to satisfy all the needs of the government at the present time needs to be assessed. In general it is likely that the systems and processes that carry over from the autocratic regime of the past will be effective, though needing change to reflect new leadership priorities.

While government goals and policies have been changed very substantially, the systems and processes can be effective without much change. There is a need to review these systems and processes and revise the way the work is done so that they are easier to operate and more effective from a financial and administrative perspective.

### Administrative capacity

Administrative capacity in Haiti is substantial. Some new administrative offices have been established and some modest progress made towards building a framework of good governance. The administrative system to sustain the initiatives for good governance has to be established, preferably by taking as much of the present system as the foundation.

### Technical planning

The capability of the Haiti administration to do planning is untried. There are some staff with good knowledge and capability, and there are staff with substantial knowledge about the region and the technical subject matter. But to what extent these people are engaged in the present planning process is unknown, and the extent of cooperation with the international experts and the local experts is also unknown.

### Planning and budgeting

The capability of the Haitian staff to do financial planning and budgeting is unknown, but I would expect it to be good. There are many educated Haitians who can easily take technical plans and convert them into financial plans and budgets. It is more likely that the planning constraint is more to do with language and the international experts than it is to do with Haitian competence.



### Policy framework

The policy framework needs to be strengthened by adding substantial new areas of policy that have not yet been formalized.

### Training staff

The administrative capacity should be strengthened for the long term with a continuing program of training. Training should be carried out so that all of the staff have access to training, and are able to learn skills that are of practical use in their work. The training should be organized expecting that a large number of staff who benefit from the training will choose to use their new skills in other organizations. While this does not strengthen the organization, it is of value and importance to the community at large, and should be part of the national plan for human resource development.

### Upgrading available equipment

Government offices are sometimes short of needed equipment. The staff should have access to the equipment that they need to do their work. There should also be a good system for tracking office equipment, furniture, fixtures and fittings.

### Governance and administration sector

The essential activities of governance and administration are supportive in nature, and only result in tangible economic benefit when there are also productive activities in the economy. Bad governance and administration can be a huge constraint on success, and improvement or diminution of the bad activities in governance and administration can be very favorable.

Getting rid of corruption is the obvious big issue, but there are a lot of other smaller issues that can be addressed. For example, reducing the complexity of procedures to do routine administrative activities, and shortening the time to do these things all helps.

The public sector's most important job is governance and administration. It is important, but it does not in itself create wealth, and is an "overhead" of society and socio-economic development.

These functions facilitate success in a society, and bad governance and bad administration can be a huge constraint on the performance of society and the progress of socio-economic development.

There are a whole host of activities that "government" is expected to provide for the citizens. In the "south" the government has often found itself in a financial bind, and the delivery of services is impossible because of the funding constraints.

## Plan Haiti – Continuum to Sustainable Progress

A lot of services are best delivered at the local government level rather than by an organization controlled and funded by a remote central government, such as local public works such as street repair and waste removal.

## **Government Accounting**

### A basic system of governance

Government accounting is one of the most important tools for establishing strong and fair governance.

### Government accounting

In Haiti, it is likely that the government accounting systems are reasonably good, though obviously done in Arabic. Most international experts do not have much accounting expertise and even less Arabic expertise ... yet it is important to know how effective the government accounting systems are for both budgetary control and for project control.

### Planning and budget process

Government accounting is usually part of a planning and budget process ... with the budget giving the organizations of government the authority to use government resources.

### Budget execution

Sometimes the process of operating the government agencies and organizations is referred to as budget execution. In essence, though, this is the process of implementation and the accounting associated with the implementation.

### Reporting

In some jurisdictions the government accounts are placed before the legislative branch of government monthly ... but in too many places the accounts of government are not reported on in a timely way. Where there is timely reporting, there are fewer problems.

### Audit

In some jurisdictions there is a requirement that there is an audit office in the government, and that this office carries out both ongoing checks of the financial transactions and periodic checking of the accounts and the reports. In many places this is an effective way of validating the accounts of government, but in some cases the audit is totally ineffective.

### Weakness

Most government accounting is done on the cash basis, with little attention paid to the accrual component of the accounts. Cash basis accounting is a weak

## Plan Haiti – Continuum to Sustainable Progress

compared to accrual accounting, and it is very much preferable to have accrual accounting.

Government accounting is also weak as an analytical tool. It serves to control expenditures relative to a budget authorization, but it does little to measure performance against an ideal set of standards or some broader benchmarks.

### System and process improvement

There is a need to review the government systems and processes and revise the way the work is done so that they are easier to operate and more effective from the technical planning, budgeting, financial and administrative perspectives.

## **Government Revenue and Public Finance**

### Sources of government revenue

In Haiti a large part of the government revenue is derived from the oil sector.

### Government borrowing

The government has borrowed substantially from the international community in the past and Haiti is going to be expected to make good on these loans even though most of the benefit accrued to contractors and the ruling elite.

### Grant finance

Haiti may be benefiting now from considerable fund flows that are in grant form. aid, but a large part has been as a result of emergency and humanitarian

### Improving government revenue base

The government revenue base is substantial because of oil, but arrangements need to be made so that this fund flow is sustained after oil is consumed.

### Customs, export taxes and port fees

Customs duties, export taxes and port fees are additional sources of public sector revenue. The basis systems for collection and accounting for these revenues are sound, but it is likely that there are some losses due to inappropriate practices by some of the more prominent traders and businessmen.

### Creating a formal public finance capability

It would be appropriate to create a formal public finance borrowing program to tap the available resources both in the country and in the Diaspora. A system of short term treasury bills and longer term notes could be implemented.

### Establishing a development fund

A development fund could be established for use as a mechanism to loan funds to communities. The advantage of such a facility is that all transactions would be in local currency and the impact of exchange rate fluctuations would be minimized.

### Public finance

In Haiti, there should be very little development constraint caused by a public finance constraint. The essential services of government should be easy to fund, as well as a lot of development essentials.

The potential economic growth and the general wealth building in the economy can build a solid tax base to fund government in a sustainable way.

### Pay scales in the civil service

The pay scales in the civil service should be sufficient to attract good staff who are qualified and experienced enough to do the work that they need to do.

## **Policy Framework**

### **Huge need for critical controls**

I used to think that less government was absolutely the best government until I watched corporate and societal behavior when regulations were removed and unfettered economic behavior was allowed. This made me change my mind, and has convinced me that enterprise and opportunity and the behavior of markets are better drivers of economic progress than anything else ... but that there also has to be official oversight and regulation so that abusive excesses can be controlled.

The natural order of things is for excellence to lead to success and for success to lead to abusive excesses. It is seen in behavior in the multi-billion dollar corporate world, in politics everywhere, and in petty market traders and middlemen in remote markets in poor countries.

### **Natural resource policy framework**

The oil resources of Haiti dominate the economy. It is of critical importance for the future peace and stability of Haiti that there are appropriate agreements about how this wealth is to be managed, and specifically for whose benefit.

One strategy is to keep information about the oil wealth secret and use the resources for the benefit of a powerful corporate and private elite, or the wealth can be managed in the open with the wealth used for the benefit of the country, and to support the future prosperity of the country.

### **Corporate wealth policy framework**

Merely knowing about the value chain and having the information easily available will have a substantial impact on corporate behavior. As long as the corporate world can profit and remain in the shadows and anonymous, bad things will happen as long as there is profit in it. But big companies do not like well informed bad publicity.

Corporate wealth is largely created because a corporation is able to mobilize financial, material and human resources in ways that are better than the competition, and give benefit to its customers at a profit. This is a key source of modern world wealth and explains how and why this segment of the world is wealthy. To the extent that low costs are achieved by abusive economic behavior, or high prices are achieved by abusive market control, a corporation deserves to be held accountable ... but not for being efficient and highly productive.

## **Military**

### National defense and emergency assistance

The main reason for the military is national defense. Few would argue that this is a legitimate goal of government and reasonable that the military are maintained for this purpose.

A good army is a national asset ... and can prove to be very valuable in an emergency. The US Army has been of help from time to time in US natural disasters ... for example Hurricane Andrew in Florida in the early 1990s. More recently, the performance of the Indian army in connection with recovery after the South Asia tsunami disaster of December 2004 was valuable, and the Indian army has conducted itself well in many other situations of this type. So also, the performance of the Pakistan army in the aftermath of the earthquake in remote areas of Pakistan.

### National politics

But the army does not always produce good results, as for example when it becomes the dominant political power and serves to empower strong man regimes that have little interest in the wellbeing of the people. In many countries over the past many years the military has also been a player in national politics, either because of coups and the establishment of military governments, or because of alliance between the military and the head of government or head of state.

### US military in Haiti

The US military in Haiti is a huge constraint on success. The US military were very successful in defeating the military forces of Haiti, taking Baghdad and forcing the end of the Saddam Hussein regime. They are not the organization that should be tasked with the rebuilding of Haiti or policing the population.

### The Haiti military

The Haiti military should be reestablished to have the ability to serve as a national defense force. There are major borders, and the Haiti military should have the capacity to defend these borders.



## The difference between the military and the police

The big difference between the military and the police is that the military win in one move ... and the police are required to win using a judicial process that gives some appropriate protection to the public. The military have no role in internal governance, except from time to time when there is a state of emergency and martial law is declared.

### Good Reasons for the US Model

There are good reasons for the US constitutional system which precludes the US national military from carrying out any activity in any State in the Union without the specific request of the State.

While “security” is a legitimate concern, the military should not be engaged in protecting privilege or maintaining illegitimate power. The military is often used to these ends. Building back the power of the military in Haiti is not a good idea ... rather there should be a broader set of organizations that work together to achieve security, but would not easily subvert the civilian nature of government.

### Worry About the Power of a Big Army

I was in on an assignment in West Africa when the Falklands war was in progress. I was surprised that my African colleagues were supportive of the British response to the Argentinian takeover of the islands ... until they explained that they were all worried that a “big army” should not have any right to come into a nearby country and take it over. They were from a variety of African countries, and big armies were everywhere.

Making sure that the military use their power in an appropriate way depends more than anything else of the quality of the leadership and the training of the soldiers. There is a lot of good military leadership, but it is not universal.

Getting a high professional standard for all soldiers around the world is a valuable thing to do.

## Demobilized soldiers

Some of the demobilized soldiers are still loyal to the regime of Saddam Hussein. The former combatants are a security threat in part because they had a

## Plan Haiti – Continuum to Sustainable Progress

strong loyalty to the deposed Saddam Hussein and they had a good training. These people need to be given the opportunity to participate in the new economy. They should get training and they should be helped to get employment and get started on a life that has a future.

# **Police**

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## **Judicial System**

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**Prisons**

## **Disarmament, De-Mining and UXOs**

### Extent of the problem

After more than eight years of war with Iran, a major campaign against coalition forces a decade ago and now the present campaign, it is likely that Haiti has many areas with mines and UXOs.

### The danger from mines

According to reports of the International Committee of the Red Cross (ICRC) and Physicians for Human Rights (PHR), the mine injury crisis is significant. Injuries from land mines are a dangerous health issue because of the very limited health services available in rural areas, and even at hospitals in the area urban centers.

Mines also do damage to livestock.

### Funding de-mining

There are funds available internationally for demining, but these funds should not be needed in the Haiti situation.

### Important in terms of safety and employment

The demining programs are important not only in terms of safety but also employment. The work of de-mining is dangerous, but the former combatants who had a role on putting these mines in place already have some knowledge that is needed for the demining process

### Funding needs to be available

There is a need for funding to complete this work in the shortest possible time.

# **Economic Security**

## **Enabling Environment**

### Chapter 8 - Sectors: Infrastructure



# **Chapter 8**

## **Sectors: Infrastructure**

## **Infrastructure**

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## **Housing**

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## **Seaports and Airports**



## **Roads**





## **Telecom and Internet**

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## **Water**

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Chapter 9 - Sectors – Agriculture, Fisheries & Food

## **Chapter 9**

### **Sectors:**

## **Agriculture, Fisheries and Food**

## **Crop Agriculture**

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## **Livestock and Range Management**

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## **Fisheries**

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## **Food**

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### Chapter 10 - Sectors: Industrial Production

# **Chapter 10**

## **Sectors: Industrial Production**

## **Energy – Oil and Gas**

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## **Energy - Electricity**

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## **Energy - Non-Petroleum Fuels**

## **Minerals and Mining**

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## **Manufacturing**

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## **Construction**

Chapter 11 - Sectors: Service economy

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# **Chapter 11**

## **Sectors:**

# **Service Economy**

## **Banking and Financial Services**

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## **Communications**

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## **Logistical Services**

## **Maintenance**

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## **Media**

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## **Professional Sector**

Professional sector situation

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## **Tourism**

High economic value

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## **Trade**

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Chapter 12 - Sectors: Social Services

# **Chapter 12**

## **Sectors: Social Services**

## **Education**

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## **Health**

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### Chapter 13 - Accountability: Fund Flows

## **Chapter 13**

# **Accountability ... Fund Flows**

## Contributions and Pledges

as of February 3 2010

1	American Red Cross	\$231,000,000.00	\$231 million
2	The Business Civic Leadership Center	\$122,000,000.00	\$122 million
3	IMF (Interest Free Loan)	\$100,000,000.00	\$100 million
4	George Clooney – Telethon	\$66,000,000.00	\$ 66 million
5	Partners in Health	\$44,000,000.00	\$44 million
6	Doctors Without Borders U.S.	\$43,500,000.00	\$43.5 million
7	Save the Children USA & Int Affiliates	\$40,000,000.00	\$40 million
8	U.S. Fund for Unicef	\$37,300,000.00	\$37.3 million
9	Catholic Relief Services	\$37,300,000.00	\$37.3 million
10	Plan USA & International Affiliates	\$27,750,000.00	\$27.75 million.
11	World Vision's U.S.	\$22,600,000.00	\$22.6 million
12	Project HOPE (Medicine & Med Equipment)	\$20,000,000.00	\$20 million
13	The Clinton Bush Haiti Fund	\$17,000,000.00	\$17 million
14	Catholic Relief Services	\$12,100,000.00	\$12.1 million
15	Oxfam America	\$12,100,000.00	\$12.1 million
16	CARE USA	\$11,300,000.00	\$11.3 million
17	The Salvation Army	\$9,700,000.00	\$9.7 million
18	Mercy Corps	\$9,520,000.00	\$9.52 million
19	AmeriCares	\$9,000,000.00	\$9 million
20	The William J. Clinton Foundation	\$8,800,000.00	\$8.8 million
21	Save the Children USA	\$8,400,000.00	\$8.4 million
22	Mennonite Central Committee (US & Can)	\$7,160,000.00	\$7.16 million
23	The Methodist committee on Relief	\$6,000,000.00	\$6.0 million
24	Network for Good	\$5,300,000.00	\$5.3 million
25	American Jewish World Service	\$5,000,000.00	\$5 million
26	University of Miami	\$4,630,000.00	\$4.63 million
27	The International Rescue Committee	\$4,500,000.00	\$4.5 million
28	International Medical Corps	\$4,500,000.00	\$4.5 million

## Plan Haiti – Continuum to Sustainable Progress

29	Friends of the World Food Program	\$4,100,000.00	\$4.1 million
30	AmeriCares	\$4,000,000.00	\$4 million
31	Direct Relief International	\$4,000,000.00	\$4 million
32	The American Jewish Jt Dist Committee	\$3,500,000.00	\$3.5 million
33	The UN Foundation	\$3,500,000.00	\$3.5 million
34	Handicap International	\$3,100,000.00	\$3.1 million
35	Action Against Hunger	\$2,800,000.00	\$2.8 million
36	Medical Teams International	\$2,500,000.00	\$2.5 million
37	Lutheran World Relief	\$2,300,000.00	\$2.3 million
38	Jewish Federations of North America	\$2,000,000.00	\$2 million
39	Yele (exact amount unknown)	> \$2,000,000.00	\$2.0 million
40	Habitat for Humanity had raised	\$1,900,000.00	\$1.9 million
41	Concerned Worldwide US	\$1,900,000.00	\$1.9 million
42	Islamic Relief USA	\$1,700,000.00	\$1.7 million
43	Concern Worldwide US	\$1,600,000.00	\$1.6 million
44	GlobalGiving	\$1,400,000.00	\$1.4 million
45	Catholic Medical Mission Board	\$1,300,000.00	\$1.3 million
46	Fonkonze USA	\$1,300,000.00	\$1.3 million
47	Project HOPE	\$1,250,000.00	\$1.25 million
48	The Humane Society (US & Int.)	\$1,000,000.00	\$1.0 million
49	Operation USA	\$910,000.00	
50	Feed the Children	\$850,000.00	
51	Unitarian Universalist Service Committee	\$600,000.00	
52	Brother's Brother Foundation	\$577,000.00	
53	Cross International Alliance	\$509,000.00	
54	Relief International	\$376,000.00	
55	Cross International	\$348,623.00	
56	Internews Network	\$200,000.00	
57	Child Fund International	\$176,000.00	
58	Population Services International	\$125,000.00	
59	The Pan American Development Foundation	\$30,000.00	



Chapter 14 - Conclusions and Afterword



## Chapter 14 - Conclusions and Afterword

## Chapter 15 - Where Organizations are Deployed

## Where Organizations are Deployed

### **A Acul du Nord**

World Vision (WV)

### **B Anse-a-Foleur**

Living Water International (LWI)

### **C Anse-a-Galet**

ACTED,

ARC Relief,

AVSI,

Catholic Relief Services,

Concern Worldwide,

IOM,

Islamic Relief,

Red Cross Movement,

World Vision (WV)

### **D Anse-a-Pitre**

Ministry of Health ( MoH),

Save the Children (SC)

### **E Arcahaie**

ACTED,

ARC Relief,

AVSI,

Catholic Relief Services,

IOM,

Islamic Relief,

## Chapter 15 - Where Organizations are Deployed

Red Cross Movement,

Santé pour le Développement et la Stabilité d'Haïti (SDSH)

### **F Baie-de-Henne**

Child Care Haiti (CCH)

### **G Bainet**

Christian Aid,

Episcopal Relief & Development,

Ministry of Health (MoH),

Santé pour le Développement et la Stabilité d'Haïti (SDSH),

Save the Children (SC),

WFP

### **H Belladere**

U.S. Committee for Refugees and Immigrants (USCRI)

### **I Belle Anse**

ACDI/VOCA,

Oxfam GB,

Public

### **J Bombardopolis**

Ansam pou yon demen miyo d'Hiati (ADEMA),

Initiative developpement (ID)

### **K Boucan Carre**

Partners In Health / Zanmi Lasante (PIH/ZL)

### **L Cabaret**

ACTED,

ARC Relief,

Associazione Volontari Servizio Internazionale (AVSI),

AVSI,

CHF International,

## Plan Haiti – Continuum to Sustainable Progress

Convoy of Hope,

Habitat for Humanity (HFHI),

IOM,

Red Cross Movement,

Relief Catholic Services,

Santé pour le Développement et la Stabilité d'Haïti (SDSH),

World Vision (WV)

### **M Cap Haitian**

Cooperative Housing Foundation

International (CHF International),

Deutsche Welthungerhilfe (former German Agro Action, GAA),

Habitat for Humanity (HFHI),

MINUSTAH Civilian Section,

Oxfam GB,

World Vision (WV)

### **N Carrefour**

ACTED,

Adventist Development and Relief Agency (ADRA),

ARC Relief,

AVSI,

Catholic Relief Services (CRS),

Concern,

CRWRC,

Fondation pour le Développement de la Famille Haïtienne (FONDEFH),

International Medical Corps (IMC),

International Rescue Committee (IRC),

IOM,

Islamic Relief,

Médecins Sans Frontières (MSF),

## Chapter 15 - Where Organizations are Deployed

Perspectives pour la Santé et le Développement (PESADEV),  
Red Cross Movement,  
Relief International (RI),  
Santé pour le Développement et la Stabilité d'Haïti (SDSH),  
WFP,  
World Hope International

### **O Cayes Jacmel**

World Concern Haiti (WCH)

### **P Cerca Carvajal**

World Vision (WV)

### **Q Cerca La Source**

World Vision (WV),  
Partners In Health / Zanmi Lasante (PIH/ZL)

### **R Cite Soleil**

ACTED,  
Action Contre la Faim - (ACF),  
ARC Relief,  
The Association of Volunteers in International Service (AVSI),  
Catholic Relief Services,  
Concern,  
Fondation pour le Développement de la Famille Haïtienne (FONDEFH),  
IOM, Islamic Relief,  
Red Cross Movement,  
WFP

### **S Cornillon / Grd Bois**

ACTED,  
ARC Relief,  
AVSI,  
Catholic Relief Services,

## Plan Haiti – Continuum to Sustainable Progress

IOM,

Islamic Relief,

MSH/SDSH/DSO,

Red Cross Movement,

Santé pour le Développement et la Stabilité d'Haïti (SDSH)

### **T Cote-De-Fer Communautaire,**

LaC

### **U Croix des Bouquets**

Accion Social - Colombian Presidential Agency,

ACTED,

ARC Relief,

ASVI,

Catholic Relief Services,

Global Aid Network (GAiN),

IOM,

Islamic Relief,

Red Cross Movement,

SOS Childrens Village,

WFP

### **V Delmas**

ACTED,

ARC Relief,

ASVI,

Catholic Relief Services,

Christian Aid,

Concern,

FSB,

IOM,

Islamic Relief,



## Chapter 15 - Where Organizations are Deployed

Red Cross Movement,

Salvation Army,

Save the Children,

WFP

### **W Dessalines / Marchandes**

Save the Children (SC)

### **X Fonds-Verrettes**

ACTED,

ARC Relief,

Catholic Relief Services,

IOM, Islamic Relief,

Red Cross Movement

### **Y Fort Liberte**

MINUSTAH Civilian Section

### **Z Ganthier**

ACTED,

ARC Relief,

AVSI,

IOM,

Islamic Relief,

Red Cross Movement,

WFP

### **AA Gonaives**

Catholic Relief Services USCCB (CRS),

Cooperative Housing Foundation International (CHF International),

Habitat for Humanity (HFHI),

Lebensmission,

MINUSTAH Civilian Section,

OCHA,

## Plan Haiti – Continuum to Sustainable Progress

Save the Children (SC),

WFP

### **AB Grand Goave**

ACTED,

Action Contre la Faim (ACF),

ARC Relief,

AVSI,

Catholic Relief Services (CRS),

Fondation pour le Développement de la Famille Haïtienne (FONDEFH),

Handicap International-Atlas Logistic (HIAL),

Intermon,

Oxfam,

IOM,

Islamic Relief,

Perspectives pour la Santé et le Développement (PESADEV),

Red Cross Movement,

Samaritan's Purse (SP)

### **AC Gressier**

ACTED,

ARC Relief,

AVSI,

Catholic Relief Services,

IOM,

Islamic Relief,

Perspectives pour la Santé et le Développement (PESADEV),

Red Cross Movement,

TouchGlobal Crisis Response

### **AD Gros Morne**

Catholic Relief Services USCCB (CRS)

## Chapter 15 - Where Organizations are Deployed

### **AE Hinche**

Habitat for Humanity (HFHI),  
MINUSTAH Civilian Section,  
Partners In Health / Zanmi Lasante (PIH/ZL),  
World Vision (WV)

### **AF Jacmel**

ACDI/VOCA,  
Association pour la Promotion de la Famille Haïtienne (PROFAMIL),  
Agronomes et Veterinaires Sans Frontieres,  
Canadian DART,  
CHCM,  
Deutsche Welthungerhilfe (former German Agro Action, GAA),  
Fondation pour la Santé Reproductrice et l'Education Familiale (FOSREF),  
HMCS Halifax,  
Médecins du Monde (MDM-S),  
MINUSTAH Civilian Section,  
Offie for the Coordination of Humanitarian A#airs (OCHA),  
Santé pour le Développement et la Stabilité d'Haïti (SDSH),  
Save the Children (SC),  
World Concern Haiti (WCH),  
WFP

### **AG Jean Rabel**

Action Agro Allemende (AAA),  
Deutsche Welthungerhilfe (former German Agro Action, GAA),  
Fonds d'assistance economiques et sociaux (FAES)

### **AH Jeremie**

Catholic Relief Services USCCB (CRS),  
MINUSTAH Civilian Section

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## **AI Kensco#**

ACTED,  
ARC Relief,  
AVSI,  
Catholic Relief Services,  
Food for the Hungry (FH),  
IOM,  
Islamic Relief,  
Red Cross Movement,  
WFP

## **AJ La Vallee De Jacmel**

Communautaire,  
Save the Children (SC),  
WFP

## **AK Lascahobas**

World Vision (WV)

## **AL Leogane**

ACTED,  
ARC Relief,  
AVSI,  
Catholic Relief Services USCCB (CRS),  
Canadian BG,  
Family Health Ministries (FHM),  
Finn Church Aid/Lutheran World Federation (FCA/LWF),  
Hands On Disaster Response (HODR),  
HMCS Athabaskan,  
IOM,  
Islamic Relief,  
Perspectives pour la Santé et le Développement (PESADEV),

## Chapter 15 - Where Organizations are Deployed

Malteser International (MINT),  
Office for the Coordination of Humanitarian Affairs (OCHA),  
Red Cross Movement,  
Samaritan's Purse (SP),  
Save the Children (SC),  
Terre des Hommes (TDH),  
THW Germany,  
SEEWA,  
Water purification Unit Leogane,  
WFP

### **AM Les Cayes**

Associazione Volontari Servizio Internazionale (AVSI),  
MINUSTAH  
Civilian Section, World Vision (WV)

### **AN Maissade**

Save the Children (SC)

### **AO Maniche**

World Vision (WV)

### **AP Marigot Communautaire,**

Save the Children (SC)

### **AQ Milot**

World Vision (WV)

### **AR Miragoane**

MINUSTAH Civilian Section,  
Oxfam GB

### **AS Mirebalais**

Mercy Corps,  
Partners In Health /

## Plan Haiti – Continuum to Sustainable Progress

Zanmi Lasante (PIH/ZL),

World Vision (WV)

### **AT Ouanaminte**

Deutsche Welthungerhilfe (former German Agro Action, GAA),

Jesuit Refugee Service (JRS)

### **AU Petion Ville**

ACTED,

ARC Relief,

Associazione Volontari Servizio Internazionale (AVSI), AVSI,

Catholic Relief Services,

Concern,

Concern Worldwide,

Cooperative Housing Foundation

International (CHF International),

CRWRC,

Deutsche Welthungerhilfe (former German Agro Action),

Food for the Hungry (FH),

GAA,

GOAL,

Habitat for Humanity (HFHI),

International Rescue Committee IRC,

Inveneo,

IOM,

Islamic Relief,

LDS Charities - Haiti Headquarters,

Mercy Corps,

Perspectives pour la Santé et le Développement (PESADEV),

Save the Children (SC),

SHA - Swiss Humanitarian,

## Chapter 15 - Where Organizations are Deployed

World Vision (WV)

### **AV Petit Goave**

ACTED,

Action Contre la Faim - ACF,

ARC Relief,

Associazione Volontari Servizio Internazionale (AVSI),

Catholic Relief Services,

Christian Aid,

Cooperative Housing Foundation International (CHF International),

Deutsche Welthungerhilfe,

FSB,

Handicap International-Atlas Logistic (HIAL),

International Medical Corps (IMC),

IOM,

Islamic Relief,

Médecins du Monde (MDM-S),

Merlin,

Programme Alimentaire Mondial (PAM),

Red Cross Movement,

Samaritan's Purse (SP),

Save the Children (SC)

### **AW Pignon World Concern Haiti (WCH),**

World Vision (WV)

### **AX Plaine du Nord**

World Vision (WV)

AY Pointe-a-Raquette ACTED, ARC Relief, Catholic Relief

Services, IOM, Islamic Relief, Red

Cross Movement, World Vision (WV)

AZ Port de Paix ACLAM WORLD CONCERN, Action

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contre la Faim (ACF), CARITAS,  
Catholic Relief Services (CRS),  
Cooperative For American Relief  
EveryWhere (CARE), l'Organisation  
des Nations Unies pour l'Alimentation  
et l'Agriculture (FAO), MINUSTAH  
Civilian Section, ODRINO, Organisation  
Internationale pour la Migration  
(OIM), Programme des Nations Unies  
pour le développement PNUD, WFP,  
World Concern Haiti (WCH)  
BA Port-au-Prince  
ACTED,  
Action Contre la Faim (ACF),  
ActionAid Haiti (AA Haiti),  
ADRA Germany,  
American Refugee Committee (ARC),  
ARC Relief,  
AVSI,  
Canadian JTF,  
Catholic Relief Services,  
Colombian Gouvernement,  
Concern,  
Convoy of Hope,  
Cooperative Housing Foundation International (CHF International),  
Crescent and Red Crystal,  
CRS,  
Family Health Ministries (FHM),  
FAO,  
Fondation pour le Développement de la Famille (FONDEFH),



## Chapter 15 - Where Organizations are Deployed

Haiti Relief Coalition,  
Handicap International-Atlas Logistic (HIAL),  
Hungarian Baptist Aid (HBAid),  
Hungarian Interchurch Aid-ACT (HIA-ACT),  
International Federation of Red Cross,  
International Rescue Committee IRC,  
Inveneo,  
IOM,  
Islamic Relief,  
Japan Emergency NGOs,  
Jesuit Refugee Service (JRS),  
Life for Relief and Development (LRD),  
Malteser International (MINT),  
Matthew 25 House,  
Mercy Corps (MC),  
Merlin,  
MINUSTAH Civilian Section,  
Office for the Coordination of Humanitarian Affairs (OCHA),  
Oxfam GB,  
Partners In Health / Zanmi Lasante (PIH/ZL),  
Peace Dividend Trust (PDT),  
Project Concern International (PCI),  
Red Cross Movement,  
Relief International (RI),  
Samaritan's Purse (SP),  
Save the Children (SC),  
Secours Islamique France (SIF),  
THW Germany - SEEWA  
Water Purification Unit PaP,  
THW Germany, Coordination team,

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German Embassy,  
U.S. Committee for Refugees and Immigrants (USCRI),  
UNFPA,  
UNICEF,  
United Methodist Committee on Relief (UMCOR),  
USAID,  
VIVA RIO,  
WHO,  
World Concern Haiti (WCH),  
World Hope International (WHI),  
World Relief (WR),  
WorldVision,  
Zakat Foundation of America ,

### **BB Saint Marc**

Cooperative Housing Foundation International (CHF International),  
MINUSTAH Civilian Section,  
Partners In Health / Zanmi Lasante (PIH/ZL)

### **BC Saut D'eau**

Concern Worldwide

### **BD St Louis du Sud**

World Vision (WV)

### **BG Thomassique**

Partners In Health / Zanmi Lasante (PIH/ZL),  
World Vision (WV)

### **BH Thomazeau**

ACTED,  
ARC Relief,  
AVSI,  
Catholic Relief Services,

## Chapter 15 - Where Organizations are Deployed

IOM,  
Islamic Relief,  
Perspectives pour la Santé et le Développement (PESADEV),  
Red Cross Movement,  
WFP  
World Vision (WV)

### **BE Tabarre**

ACTED,  
ARC Relief,  
AVSI,  
Catholic Relief Services,  
IOM,  
Islamic Relief,  
Mercy Corps,  
NPS F et Souer,  
Peace Dividend Trust (PDT),  
Red Cross Movement,  
Save the Children,  
The Children's Nutrition Program of Haiti (CNP),  
WFP BF Thiotte WFP  
BI Partners In Health / Zanmi Lasante (PIH/ZL),  
World Vision (WV)  
Thomonde

### **BJ Torbeck**

Christian Aid

### **BK Verrettes**

Life for Relief and Development (LRD)

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