



**USAID**  
FROM THE AMERICAN PEOPLE

**OFFICE OF INSPECTOR GENERAL**

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**AUDIT OF USAID/HAITI'S  
DEMOCRACY AND  
GOVERNANCE ACTIVITIES**

AUDIT REPORT NO. 1-521-08-004-P  
APRIL 25, 2008

SAN SALVADOR, EL SALVADOR



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FROM THE AMERICAN PEOPLE  
*Office of Inspector General*

April 25, 2008

**MEMORANDUM**

**TO:** USAID/Haiti Director, Paul Tuebner

**FROM:** RIG/San Salvador, Timothy E. Cox /s/

**SUBJECT:** Audit of USAID/Haiti's Democracy and Governance Activities (Report No. 1-521-08-004-P)

This memorandum transmits our final report on the subject audit. We have carefully considered your comments on the draft report in finalizing the audit report and have included your response in appendix II of the report.

The report contains nine recommendations intended to improve accountability and implementation of the democracy and governance activities. Based on your comments, a management decision can be made on Recommendation Nos. 1, 2, 3, 4, 5, 7, and 8 when USAID/Haiti provides us with target dates to complete the planned actions. A management decision for Recommendation No. 6 can be reached when USAID/Haiti clarifies whether or not the mission will stop the practice of hiring current staff members at ministries as consultants. Finally, a management decision for Recommendation No. 9 can be reached when USAID/Haiti addresses the need to develop a detailed action plan, with specific tasks, benchmarks, timeframes, and responsibilities for each partner to establish a parliamentary research center. Determination of final action on the recommendations will be made by the Audit Performance and Compliance Division (M/CFO/APC).

I want to express my appreciation for the cooperation and courtesy extended to my staff during the audit.

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# SUMMARY OF RESULTS

Since 1986, Haiti has not had much stability in government as over twelve different regimes have held power. In 2006 the country made significant progress when elections for both the president and parliament were held. Prior to and since these elections, USAID/Haiti has supported democratic progress in Haiti to build more legitimate and effective institutions. This audit focused on democracy and governance activities pertaining to: (1) governance, (2) elections and political processes, and (3) civil society (page 3).

As part of a worldwide audit of democracy and governance activities, the Regional Inspector General (RIG)/San Salvador performed an audit to answer the following question (page 4):

- Are USAID/Haiti's democracy and governance activities achieving their intended results and what has been the impact?

Of the 24 planned democracy and governance results in its fiscal year 2007 operational plan and performance monitoring plan (PMP), USAID/Haiti met or exceeded 8 planned results and did not meet 16 planned results. Of particular note were ten forums allowing constituents around the country to meet and discuss matters with legislators. Furthermore, providing space for the Senate to hold hearings regarding the budget submitted by the executive was significant in that it helped the Senate exercise oversight over executive spending plans. Achieving these two targets contributed to developing accountability within the legislative and executive branches. On the other hand, the inability to meet targets related to local governance and decentralization, as well as media freedom and information lessened the potential impact of the democracy and governance program. These activities would have helped create additional checks and balances by creating power centers in the local governments and increasing the ability of constituents to be informed of events through the media (page 5).

Of the two planned results in its PMP for FY 2006, the mission achieved the one relating to elected officials taking office but fell short of its target for initiating civil society committees (page 5).

In addition to the achieved planned results from the operational plan, USAID/Haiti's democracy and governance program achieved other positive results. For example, the text of the United Nations Convention Against Corruption was published and distributed to elected officials, civil society members, and media in Haiti. In addition, activities have helped political parties develop stronger links with party members outside of the capital. Finally, activities will help broaden political participation by helping a political party with no officials currently in the government to run two candidates in the coming Senate elections (page 6).

However, USAID/Haiti needs to strengthen controls and procedures related to: establishing performance targets (page 8), assessing the effectiveness of training (page 9), improving its results reporting system (page 10), providing consultants to the executive branch (page 12), and establishing a parliamentary research center (page 13).

This report recommends that USAID/Haiti:

- In coordination with its implementing partners, review and revise its 2008 targets as appropriate and communicate with partners regarding established targets (page 9).
- Require its implementing partners to include specific targets in annual work plans and performance monitoring plans and report progress towards these targets in progress reports (page 9).
- In coordination with its implementing partners, establish procedures for systematically following up with training participants to assess the impact or effectiveness of training (page 10).
- Require implementing partners to establish measurement systems to collect and maintain adequate data to support reported results (page 12).
- Require mission cognizant technical officers in the governance, justice, and democracy office to periodically verify results reported by partners (page 12).
- Stop permitting ministries to preselect candidates or hire current staff members as consultants (page 13).
- Require that ministry requests for consultants include guarantees that working space will be provided and that a supervisor be designated (page 13).
- Obtain formal commitments from the Government of Haiti and other donors to establish a parliamentary research center (page 15).
- Develop an action plan, in coordination with its partners, to establish the parliamentary research center, listing specific tasks, benchmarks, timeframes, and responsibilities for each partner (page 15).

USAID/Haiti agreed to implement the recommendations and has developed specific plans to address the recommendations. Our evaluation of management comments is provided in the Evaluation of Management Comments section of this report (page 16), and USAID/Haiti's comments in their entirety are included in Appendix II.

# BACKGROUND

Since the end of the 29-year Duvalier dictatorship in 1986, Haitians have had to endure over a dozen changes in government, including six military regimes, three appointed transition governments, and four elected presidents (only one lasted for the full, legal term). Key structures of government, including the parliament and local governments, were not consistently implemented, leaving the governments without the means necessary to represent citizen interests, achieve consensus, or provide public goods and services. Because the resulting regimes were not regularly and predictably accountable to an electorate, most national and local government institutions—which were never strong—have become more corrupt and ineffective. According to Transparency International, Haiti ranked last among 163 countries in 2006, and ranked 177 out of 179 countries in 2007 on the corruption perceptions index.

After the departure of President Aristide in June 2004, the United Nations established a peacekeeping force in Haiti to provide a secure and stable environment, protect political processes, and protect human rights. With the elections of President Rene Preval in February 2006 and parliamentary elections in April 2006, the Freedom House rated Haiti as partially free. In spite of these recent elections, Haiti continues to rank low in civil liberties, political rights, accountability, and transparency.



Map of Haiti showing departmental boundaries

It is within this context that USAID has its democracy and governance activities which support the newly elected government to build its legitimacy and effectiveness, including local governments and decentralization, the legislative and executive functions, civil society, and elections and political processes. The activities are implemented by the

following principal partners:

- State University of New York (SUNY) – provides training and technical assistance to the Haitian parliament.
- Centre de Formation et D'encadrement Technique (CFET) – recruits, hires, monitors, and pays individual consultants for the executive branch.
- Associates in Rural Development (ARD) – provides technical assistance and training to strengthen local governance and decentralization.
- La Fondation Heritage pour Haiti (LFHH) – promotes integrity, transparency, and anti-corruption reforms in the Government of Haiti and non-governmental organizations.
- Haiti Democracy Project, Inc. (HDP) – provides election observers.
- International Republican Institute/National Democratic Institute (IRI/NDI) – provide technical assistance and training to promote more effective political competition and consensus building.
- National Democratic Institute (NDI) – provides technical assistance and training to civil society organizations to increase citizen participation and improve advocacy and watchdog functions.
- Private Agencies Collaborating Together (PACT) – provides technical assistance and training to journalists and media outlets.

The audit focused on the following democracy and governance areas: (1) governance, (2) elections and political processes, and (3) civil society. As of September 30, 2007, USAID/Haiti's democracy and governance program had total obligations of about \$45.2 million and total expenditures of about \$19.6 million. Other major donors in these areas are the Government of Canada, the United Nations, and the European Union.

## **AUDIT OBJECTIVE**

As part of a worldwide audit directed by the Office of the Inspector General's (OIG) Performance Audits Division, RIG/San Salvador audited USAID/Haiti's democracy and governance activities to answer the following question:

- Are USAID/Haiti's democracy and governance activities achieving their intended results and what has been the impact?

Appendix I contains a discussion of the audit's scope and methodology.

# AUDIT FINDINGS

Of the 24 planned democracy and governance results in its fiscal year 2007 operational plan and performance management plan (PMP), USAID/Haiti met or exceeded 8 planned results and did not meet 16 planned results. Of particular note were 10 forums allowing constituents around the country to meet and discuss matters with legislators. Furthermore, providing space for the Senate to hold hearings regarding the budget submitted by the executive branch was significant in that it helped the Senate exercise oversight over executive spending plans. Achieving these targets contributed to developing accountability within the legislative and executive branches. On the other hand, the inability to meet targets related to local governance and decentralization and media freedom and information lessened the potential impact of the democracy and governance program. These activities would have helped create further checks and balances by creating power centers in the local governments and increased the ability of constituents to be informed of events through the media. Of the two planned results in its PMP for FY 2006, the mission achieved the one relating to elected officials taking office but fell short of its target for initiating civil society committees.

USAID/Haiti met or exceeded planned results in the areas of legislative functions and processes, public sector executive functions, anti-corruption reform, and elections and political processes. These results are described in the following sections.

**Legislative Function and Processes** - SUNY met one 2007 target by organizing and funding 10 public forums outside of Port-au-Prince in which national legislators and the citizens they represented interacted. The interaction helped to build a relationship between national representatives and their constituents as representatives learned what their constituents were most concerned about. The constituents were also able to understand what the national legislators could and could not do in accordance with the constitution.

SUNY was instrumental in the drafting of five laws that were passed by both the Senate and the House of Deputies, surpassing the 2007 target of three laws. These dealt with the budget approval and amendment process and independence of the judiciary from the executive branch.

In relation to the above mentioned target, SUNY was able to find space for the Senate finance committee to hold hearings regarding the budget proposed by the executive branch and thus perform this oversight function. In doing so, SUNY met another 2007 target of three national executive oversight actions by the legislature. Without this assistance, the Senate could not have held the hearings because it had no suitable meeting rooms.

Finally, SUNY organized and held workshops and seminars for 186 elected officials and their staffs, greatly exceeding the 2007 target of 40. These events provided information on the legislative function, as many officials had been elected for the first time.

**Public Sector Executive Functions** - CFET was able to provide advisors for twelve ministries or agencies of the executive branch (meeting the 2007 target).



**Anti-Corruption Reform** - LFHH surpassed its 2007 target of training 500 people affiliated with non-governmental organizations by training 559 individuals.

**Elections and Political Processes** - After two years of an interim government, USAID/Haiti supported the successful presidential and parliamentary elections in 2006 by providing election observers, and funding for registration and ballot boxes. This helped USAID/Haiti meet its target of having these elected officials take office. It should be noted that, while not a specific target for USAID/Haiti, the planned elections for a third of the Senate have yet to take place. They were to be held in November 2007 but were delayed by the Haitian Government. With U.S. encouragement, it is hoped these will take place in the beginning of 2008.

In addition to the results achieved pertaining to the planned results in the operational plan and PMP, the mission's democracy and governance program has had some other positive accomplishments and impact.

- LFHH published the text of the United Nations Convention Against Corruption in booklet form and distributed 1,000 copies to all the political parties to familiarize candidates in the parliamentary election with its content before the 2006 elections. The booklet was also sent to government officials and the media to create awareness of the importance of the Convention and to solicit their support for the ratification of the Convention. USAID also funded several senators and deputies to attend the 12<sup>th</sup> International Anti-Corruption Conference in Guatemala. These members of Parliament were the catalysts for the ratification of the Convention in May 2007.
- LFHH drafted two laws on "Access to Information" and "Protection for Whistleblowers" for presentation to Parliament. LFHH has presented the legislation through the Unite de Lutte Contre la Corruption (ULCC) and through the Protecteur du Citoyen (Ombudsman).
- USAID funded the 12-episode anti-corruption soap opera broadcast on 6 commercial radios in the capital and on 16 community radios throughout the country that reached a large segment of the population. Additionally, the government's ULCC and six civil society organizations requested copies of the soap opera for upcoming training sessions.
- A consultant recruited by CFET produced a marketing document for the Ministry of Tourism. This document has been used in presentations to businesses.
- A consultant recruited by CFET produced a human resources manual for the Ministry of Education. The Prime Minister expressed interest in using the manual for his staff as well.
- NDI has been instrumental in the development of a political party that currently has no representation in the government but will be ready to contest at least two Senate seats in the coming elections.
- NDI has provided assistance that has allowed political parties to build their bases outside Port-au-Prince. This has allowed the parties to break with the previous

modus operandi of having all decisions made by party members in the capital city. By working to include members around the entire country, the parties are closer to truly becoming national parties.



Photo of Haitian political party headquarters taken by an OIG auditor on January 23, 2008

However, intended results were not achieved in FY 2007 for activities in local governance and decentralization, media, elections and political processes, and other activities. In fact, activities for local governance and decentralization and media were not started in FY 2007 as planned.

**Local Governance and Decentralization** - The mission's 2007 operational plan and PMP contained planned targets for drafting decentralization laws or amendments, assisting sub-national government entities, and training individuals. However, activities were not started in 2007 mainly because of USAID/Haiti staff shortages that delayed preparation of three requests for proposals as well as because of a delay in municipal elections. The mission entered into a main agreement with the implementing partner in September 2007 to begin this important activity.

**Media Freedom and Freedom of Information** - The mission's FY 2007 operational plan and PMP contained planned targets for assisting 40 radio stations, training 200 journalists, and assisting 7 civil society organizations. Activities were not started in FY 2007 due to delays in obtaining an acceptable proposal that would meet program needs.

**Other Activities** - Several targets dealing with the number of individuals receiving political party training, the number of political parties assisted, the number of people receiving civic education training, and the number of civil society organizations assisted were not met due to unrealistic targets. These targets were established without consultation or communication with implementing partners. Details are provided in the finding below.

The following sections include findings to improve the program's performance monitoring system as well as opportunities to improve the program's effectiveness.

## **Mission Should Improve Its System for Establishing Performance Targets**

Summary: USAID TIPS No. 8 indicates that program performance targets are to be based on careful analysis of what is realistic. In addition, ADS 203.3.4.5 says that indicators should have targets that can be realistically achieved based on the circumstances. Five of the 2007 targets were not realistic as they were mostly based on the previous year's results and circumstances and had not been discussed with the partners before they were developed. Furthermore, targets were not included in partner work plans or performance monitoring plans as some targets were not communicated to implementing partners. As a result, the mission did not appropriately measure the program's true progress, as reporting results relative to an unrealistic target may not provide any useful information. Also, without knowing the specific targets to be achieved, implementing partners are less likely to achieve them.

According to USAID TIPS No. 8, program performance targets should be based on careful analysis of what is realistic to achieve, given the conditions within the country and other factors. USAID Automated Directives System (ADS) Section 203.3.4.5 states that each indicator should include a performance baseline and set performance targets that can optimistically but realistically be achieved within the stated timeframe and with the available resources. Targets that are set too low become irrelevant and are not useful for management and reporting purposes.

ADS 202.3.6 states that in order to monitor the quality and timeliness of outputs produced by implementing partners, outputs should be specific. The guidance also states that outputs are critical to achieving results. ADS 200.3.2.1 states that performance outputs need to be explicit in order to manage for results.

However, 5 of the 24 targets for fiscal year 2007 were not realistic. For example, the 2007 operational plan and PMP had a target to train 59,000 individuals in civic education and another target to assist 55 organizations in advocacy and watchdog functions. These targets were not discussed with the main implementing partner and, according to partner officials and the mission's cognizant technical officer (CTO), were not realistic. The mission reported that it trained 18,780 individuals and assisted 10 civil society organizations, falling well short of the targets. In addition, several 2008 targets for decentralization and anti-corruption reform are not realistic and need to be revised. For example, the planned 2008 target for the number of individuals receiving local government and/or decentralization training is 25. However, the chief of party for this activity stated that their proposal and plan include training 496 individuals. In another case, the 2008 targets for training in anti-corruption activities are no longer applicable as the relevant agreement ended in December 2007.

The reasons why targets were not realistic were a lack of discussion with implementing partners before determination, and the fact that they were based on 2006 results without any consideration of 2007 plans and circumstances.

Furthermore, targets were not included in partner work plans or performance monitoring plans, and progress toward these targets was not included in progress reports.

As a result, the mission did not appropriately measure the program's true progress, as reporting results relative to an unrealistic target may not provide any useful information. Also, without knowledge of the specific targets to be achieved, implementing partners are less likely to achieve them.

*Recommendation No. 1: We recommend that USAID/Haiti, in coordination with its implementing partners, review and revise its 2008 targets as appropriate and communicate with partners regarding established targets.*

*Recommendation No. 2: We recommend that USAID/Haiti require its implementing partners to include specific targets in annual work plans and performance monitoring plans and report progress towards these targets in progress reports.*

## **USAID/Haiti Should Assess the Effectiveness of Training**

Summary: ADS 203.3.2 states that USAID operating units are responsible for establishing systems to measure progress towards intended objectives. In addition, training is a critical component of the democracy and governance program at USAID/Haiti. However, the implementing partners and USAID/Haiti have not developed a formal system for evaluating the effectiveness of the training provided to the participants. Evaluating the impact of training was not done because the development of a formal training evaluation system was not considered during the design stage of the training. Without assessing the effectiveness of training, USAID does not know if its training programs are having the desired impact or could be better tailored to the needs of the participants. Also, assessing the impact of training may yield greater returns on training investments and provide management better information to determine future training needs.

According to ADS 203.3.2, operating units are responsible for establishing systems to measure progress towards intended objectives. Also, effective training is a critical component of the democracy and governance program at USAID/Haiti. In fiscal year 2007, USAID/Haiti, through its implementing partners, reported training over 41,000 people in the areas of civic education, elections and political processes, anti-corruption, and legislative functions and processes. In fiscal year 2008, the mission plans to continue to provide training in these areas as well as providing training on local governance and decentralization, media freedom, and freedom of information.

Training transfers new skills, knowledge, and attitudes for the purpose of improving the performance of individuals and their associated organizations, offices, or work units. Training answers questions such as what needs to be done differently, e.g., better, faster, more efficiently to reach a given objective, and what other conditions need to be in place for the newly acquired skills, knowledge, and attitudes to be applied effectively. Therefore, the impact of training should be monitored and evaluated to ensure that desired results are achieved. According to ADS 253, Training for Development, sponsoring units are encouraged to consider the broader operational context in which the participant's newly acquired skills, knowledge, and attitudes will be applied.

The timing of evaluation is also key – best practices suggest that a two-part approach should be taken. In the first place, participants' reactions and learning during the

program should be considered. Secondly, the mission should take into account how training is applied in the job and what the benefits are. For best results, the evaluation process should be planned into the training right from the start and, for many organizations, this includes a rigorous precourse briefing before participation in training. As well as timing, duration is important – how long after the program will benefits be tracked? The answer depends if the program is likely to yield benefits over the longer term or whether results will be evident quickly.

However, the implementing partners and USAID/Haiti have not developed formal systems for evaluating the effectiveness of the training provided to the participants because this was not considered during the design stage of the training. Implementing partners acknowledged that they did not have formal evaluation systems for the training and workshops conducted, although one partner mentioned that, for one session, participants were asked to complete an evaluation form immediately after the session. Another partner mentioned that it had not occurred to them to establish such a system during the design stage, but that it was a good idea and could be useful to make adjustments to the course and presentation material. The mission also agreed that no formal system for evaluating training is in place as it would be difficult to determine the best measure.

In addition, nine beneficiaries interviewed felt that the training was useful, but several would emphasize practical training over the theoretical training. For example, training courses on the tasks a treasurer or secretary of a political party is to perform were more immediately beneficial than those describing the theory of democracy.

Measuring the effectiveness of a training program consumes valuable time and resources, but it is important and should be an integral part of any training. Without assessing the effectiveness of training, USAID does not know if its training programs are having the desired impact or could be better tailored to the needs of the participants. Training programs may fail to deliver the expected organizational benefits; therefore, having a well-structured measuring system in place can help the mission determine where the problem lies. Also, assessing the impact of training yields greater returns on training investments and provides management better information to determine future training needs.

*Recommendation No. 3: We recommend that USAID/Haiti, in coordination with its implementing partners, establish procedures for systematically following up with training participants to assess the impact and effectiveness of training.*

## **Mission Needs to Improve Its Results Reporting System**

Summary: ADS 203.3.5.2 states that USAID operating units are to be aware of strengths and weaknesses when it comes to data used for management decisions. Building on this, TIPS 12, Analyzing Performance Data, says that little value can be attributed to good indicators if the data collected does not properly measure them. USAID's *Cognizant Technical Officers Guidebook on USAID Acquisition and Assistance* adds that CTOs are to ensure the accuracy of reports submitted, and implementing partners should maintain records supporting reported results. However, adequate records were not always kept to support reported results. Of the 15 results reported in the 2007 operation plan, support was

lacking for 6. Proper documentation was not a high priority for partners and CTOs did not consistently verify reported results. This has led to incorrect reported results and a lack of assurance regarding the validity of reported results. Periodic verification of the results reported by partners would lead to more accurate results reporting.

USAID provides its operating units with a great deal of guidance to assist with their ability to manage for results. USAID's Automated Directives System (ADS) 203.3.5.2 states that the operating unit and the strategic objective team should be aware of the strengths and weaknesses of their data and to what extent the data can be trusted to influence management decisions. Additionally, USAID's *Performance Management Toolkit* supplementary guidance document states that the goal to assessing data from implementing partners and secondary sources is to be aware of the data strengths and weaknesses and the extent to which data can be trusted when making management decisions and reporting. It also states that a practical approach to planning data quality assessments includes an initial data quality assessment and periodic quality reviews for completeness, accuracy, and consistency.

USAID guidance, TIPS 12, *Analyzing Performance Data*, states that even valid indicators have little value if the data collected does not correctly measure the variable or characteristic encompassed by the indicator. TIPS 12 also emphasizes the importance of documentation to maintenance of quality performance indicators and data.

Additional guidance is provided in USAID's *Cognizant Technical Officers Guidebook on USAID Acquisition and Assistance*, which states that CTOs are responsible for ensuring the accuracy of all reports submitted by their implementing partners.

The mission and its implementing partners did not always maintain adequate supporting documentation for results reported. For example, of the 15 indicators included in the 2007 operational plan and PMP for which results were reported (activities for the remaining nine had not begun in FY 2007), the mission or implementing partners did not maintain adequate support for 6 reported results. In one instance, instead of maintaining the actual attendance sheets, an implementing partner used estimates, ranging from 3 to 35 persons per training session, to report the number of people who attended training. For the indicator "number of individuals who received political party training," the mission reported 21,486 individuals trained in FY 2007. However, the mission was not able to provide sufficient support for this result. For the indicator "number of government officials receiving anti-corruption training," the mission reported 254 individuals trained in FY 2007. In fact, the supporting documentation showed 575 individuals trained.

Partners did not understand the importance of maintaining supporting documentation for results reported. Certain partners stated that keeping documentation for numbers reported was only for the auditors' benefit. Therefore, this became a low priority for them. CTOs did not periodically verify results reported by implementing partners. In collecting and reporting results for the indicators, the mission's program office obtained the information verbally from CTOs instead of obtaining supporting documentation. The mission only started doing data quality assessments of these indicators in September 2007. The assessment of the indicator for "number of individuals who have completed civic education programs" noted that documentation supporting the figures reported to the mission could not be found. Another assessment of the indicator for "number of government officials attending anti-corruption training" stated that, because estimates

were used to report results, the program office was unable to trace reported results to source documentation.

Consequently, in some cases, reported results were incorrect. In addition, without adequate supporting documentation, one can not determine if the information reported is correct, which could lead to incorrect conclusions on the progress of the program's activities.

*Recommendation No. 4: We recommend that USAID/Haiti require implementing partners to establish measurement systems to collect and maintain sufficient and appropriate data to support reported results.*

*Recommendation No. 5: We recommend that USAID/Haiti require cognizant technical officers in the Governance, Justice, and Democracy Office to periodically verify results reported by partners.*

## **Improvements Needed in Providing Consultants to the Executive Branch**

Summary: Since early 2005, the Centre de Formation et d'Encadrement Technique has had an agreement with USAID to recruit, hire, monitor, and pay consultants for the executive branch of the Government of Haiti to help build institutional capacity in ministries. However, the requesting ministries often provide a preselected candidate along with a request for a consultant and scope of work. This led to consultants being tasked with day-to-day duties that would normally be performed by civil servants as opposed to the tasks in the scopes of work. In some cases, ministries preselected candidates who were currently working as civil servants in the ministries, and were therefore, unlikely to bring new capabilities to the ministries. This occurred because the mission wanted to be responsive to GOH needs. With some preselected candidates getting sidetracked with civil servant work, certain deliverables have been delayed. Preselection increases the risk of nepotism and corruption as well.

USAID signed a 10-month contract with the Centre de Formation et d'Encadrement Technique (CFET) in February 2005 for recruiting, hiring, monitoring, and paying individual consultants for the Interim Government of Haiti. The newly elected Government of Haiti (GOH) requested the U.S. Government to provide short-term and long-term advisors to the ministries. This agreement has been extended several times to May 2008. Ministries provide a request for a consultant to the Ministry of Planning including a scope of work. After review by the Ministry of Planning, the request is forwarded to CFET to recruit, hire, and monitor the consultant. Although the scopes of work vary, the overall intent of providing consultants is for institutional building (e.g., preparation of strategic and action plans and development of policies and procedures).

Several improvements are needed with regard to implementation of this activity. First, most of the consultants were preselected by the ministries. Of the 14 consultants currently working at the ministries, 10 were handpicked by the requesting ministry. In addition, for four of the six new requests for consultants for 2008, the ministries preselected the candidate. Although CFET vets the handpicked candidates, we noted all 10 preselected candidates were hired. In one case, CFET expressed reservations regarding the qualifications of the candidate to perform the tasks in the scope of work.

In this case, instead of recruiting a more qualified candidate, the scope of work was revised so that the same preselected candidate could be hired.

Preselection of candidates also led to other problems. For example, four candidates were already working in the requesting ministry as civil servants when they were hired as consultants. This practice can create an appearance of a conflict of interest or self-dealing. In addition, this practice does not bring new resources to the assisted ministries. Although it may help ministries retain potentially talented staff members who otherwise seek employment elsewhere, this practice is currently discouraged but allowed by USAID/Haiti. Moreover, the chief of party for CFET indicated that several preselected consultants were working on day-to-day tasks that civil servants would be expected to perform instead of the important institutional building they were tasked to perform. The program up to now has allowed ministries to preselect candidates as it was not fully aware of the negative consequences and wanted to be responsive to ministries.

Another issue was that ministries did not provide office space for two consultants. CFET subsequently resolved this issue by speaking with the corresponding ministries and by allowing one consultant to work in its offices for three months. Office space is needed so that consultants can be productive and provide the capacity building intended. Scopes of work do not specifically require ministries to provide work space.

Finally consultants did not always have an immediate supervisor. An immediate supervisor is needed to receive work deliverables and to provide periodic evaluations of the consultant. Without a supervisor, the consultant may not have the necessary feedback and support needed. Ministries have not placed enough emphasis regarding supervision.

By accepting preselected candidates who end up performing day-to-day civil servant type tasks, certain deliverables have been delayed. The CFET report for August 1 to September 14, 2007 states that some of the delayed deliverables were due to consultants being used as civil servants. Also, there is a risk of favoritism or nepotism on the part of the ministries, or that the most qualified person will not be hired. These matters need to be addressed as the mission intends to continue providing consultants to the executive branch under a new three-year agreement valued at over \$15 million.

*Recommendation No. 6: We recommend that USAID/Haiti stop permitting ministries to preselect candidates or hire current staff members as consultants.*

*Recommendation No. 7: We recommend that USAID/Haiti require that ministry requests for consultants include guarantees that working space will be provided and that a supervisor be designated.*

## **Parliamentary Research Center Is Delayed**

<p>Summary: One of the main objectives of USAID's work with the Government of Haiti's parliament is to establish a parliamentary service center to perform a number of functions essential to legislative effectiveness. Although USAID plans to provide significant technical and material support to create the service center, its ultimate success and sustainability will</p>
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depend on the commitment of the GOH, as well as the support of the international community. Progress in establishing a service center has been slow in part because Parliament had to identify a location for the service center. Also, USAID does not have (1) a formal commitment from the Parliament and the other expected donors to provide support, and (2) an action plan, listing specific benchmarks, timeframes, and responsibilities among the parties, to establish the research center. Without formal commitments from all parties to be involved along with an action plan, there is a greater risk that a parliamentary service center will either not be established or will not be established in a reasonable period of time.

The program design for the agreement with the State University of New York (SUNY) awarded in July 2006 envisioned the creation of a parliamentary service center (similar to the Library of Congress for the U.S. Congress) able to perform a number of functions essential to legislative effectiveness. This parliamentary service center is intended to be the professional core of the institution. It would constitute a major focal point for present and future investments and is expected to provide a level of professional service presently unavailable to Parliament. Its creation would sidestep the issue of reforming the whole staff structure and reducing the staff before engaging in capacity building. The work plan covering April 2007 to September 2008 stated that although USAID and SUNY do not have the authority and resources to create such an institution and to ensure its functionality, they can provide significant technical and material support for the effort to create it. Its ultimate success and sustainability will depend on the commitment of the Parliament and the GOH executive branch, as well as the support of the international community.

One of the main activities listed in the workplan is to support the creation of a professionally staffed parliamentary service center combining basic documentation, research, and communications functions, including public relations and the press. The work plan states that the initial set of activities regarding the parliamentary service center will focus on its institutional design and the engagement of the parliamentary leadership, and coordination among other interested donors. Thereafter, and in coordination with other donors, this USAID activity will support equipment and personnel recruitment and training. The additional support is anticipated from the U.S. Congress' House Democracy Action Commission (technical assistance), the Government of Canada, the parliamentary center (technical assistance, building, and equipment), and the French Parliament (technical assistance).

Discussions with USAID/Haiti and SUNY officials indicate that this activity had been delayed as they have been waiting for the Parliament to identify a building for the center. Recently, Parliament tentatively identified a building, but a final decision has not been made on whether the building can be used for the research center. In addition, SUNY has a bid out for an architectural design to renovate and refurbish the possible site. SUNY officials stated that SUNY has a budget of about \$500,000 for this activity. They stated that the Canadian and French governments along with the U.S. Congress' House Democracy Action Commission will assist and provide resources. However, they acknowledged that they have to determine which party will provide which support and resources and when the support and resources will be provided.



**Photos taken by an OIG auditor on January 25, 2008 of the inside and outside of the site tentatively selected to be the parliamentary research center**

USAID and SUNY do not have (1) a formal commitment from the Parliament regarding the establishment of a research center and the other expected donors to provide support and (2) an action plan, listing specific benchmarks, timeframes, and responsibilities among the parties, to establish a center. Without formal commitments from all parties to be involved along with an action plan, there is a greater likelihood that a parliamentary research center will either not be established or will not be created in a reasonable amount of time. Therefore, resources could be wasted in the process. Furthermore, the process of developing a detailed action plan in coordination with all parties could help to increase commitment and support for this important activity, and thus speed up implementation.

*Recommendation No. 8: We recommend that USAID/Haiti obtain formal commitments from the Government of Haiti and other donors to establish a parliamentary research center.*

*Recommendation No. 9: We recommend that USAID/Haiti develop an action plan, in coordination with its partners, to establish the parliamentary research center, listing specific tasks, benchmarks, timeframes, and responsibilities for each partner.*

# EVALUATION OF MANAGEMENT COMMENTS

In response to our draft report, USAID/Haiti agreed to implement the recommendations and has developed specific plans to address Recommendation Nos. 1, 2, 3, 4, 5, 7, and 8. For example, with regard to Recommendation Nos. 4 and 5, the mission stated that it is establishing data verification procedures by the CTOs in coordination with the Program Office. In addition, each CTO will present a brief written report on progress toward meeting indicators, results of spot checks on the quality of supporting data, and field visits in a monthly internal Governance portfolio review. A management decision can be made on Recommendation Nos. 1, 2, 3, 4, 5, 7, and 8 when USAID/Haiti provides us with target dates to complete the planned actions.

Regarding Recommendation No. 6, USAID/Haiti stated that it will meet with the new contractor and the GOH to reiterate and obtain written agreements that all hiring will be based on technical needs and not based on the skills or abilities of individual candidates. In addition, the mission will work with the contractor to ensure that the most appropriate candidates are selected to work as advisors from an objective sourcing on the open market. We believe that the mission comments are responsive to the first part of the recommendation pertaining to preventing the ministries from pre-selecting candidates. However, it is unclear whether or not the mission will stop the practice of hiring current staff members at ministries as consultants, and thus, a management decision on Recommendation No. 6 is pending.

In response to Recommendation No. 9, USAID/Haiti stated that the new leadership in Parliament has reconfirmed its commitment to the Strategic Plan for Parliamentary Development, which included the parliamentary research center. The donor working group on parliamentary affairs will continue to address the commitment issues with the leadership of parliament. While this information is noteworthy, the comments do not address the need to develop a detailed action plan, listing specific tasks, benchmarks, timeframes, and responsibilities for each partner to establish a parliamentary research center. Therefore, a management decision is pending.

Mission comments in their entirety are presented in Appendix II.

# SCOPE AND METHODOLOGY

## Scope

RIG/San Salvador conducted this performance audit in accordance with generally accepted Government auditing standards to determine if USAID/Haiti's democracy and governance activities are achieving their intended results and what the impact of its program has been. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Audit fieldwork was conducted at USAID/Haiti from January 14, 2008, through January 31, 2008. The audit covered the period from October 1, 2005 through September 30, 2007.

In planning and performing the audit, we assessed management controls related to management review, and review of performance measures and indicators. Specifically, we obtained an understanding and evaluated (1) the fiscal year 2006 annual report (was not required for fiscal year 2007), (2) the fiscal year 2007 operational plan (new requirement for fiscal year 2007), (3) the fiscal year 2007 performance monitoring plan, (4) the mission's Federal Managers' Financial Integrity Act of 1982 assessment, (5) the oversight performed by cognizant technical officers, (6) performance measures, and (7) data quality assessments. We also conducted interviews with key USAID/Haiti personnel, implementing partners, Haitian government officials, and beneficiaries. We conducted the audit at USAID/Haiti, located in Port-au-Prince, Haiti and visited implementing partners and beneficiaries located in Port-au-Prince and Petionville.

We reviewed the 24 democracy and governance program indicators included in the fiscal year 2007 operational plan and PMP as well as the two indicators included in the PMP for fiscal year 2006. The main implementers were SUNY, IRI, NDI, CFET, and LFHH.

## Methodology

To answer the audit objective, we reviewed the fiscal year 2006 annual report and the fiscal year 2007 operational plan and PMP's planned and actual results. At USAID/Haiti, the democracy and governance program reported results for 15 standard indicators in fiscal year 2007 per the PMP. We also reviewed the mission's planned and actual results for fiscal year 2006. The mission reported on two indicators for fiscal year 2006.

We validated performance results and compared reported information to documented results (progress reports, participant training lists, draft laws, etc.) for these indicators in order to verify the mission's determination of the project's performance.

We selected the five main agreements that were active during our audit period. For the five agreements (implemented by SUNY, IRI, NDI, CFET, and LFHH), we reviewed the implementing partners' agreement documents, progress reports, and work plans.

We reviewed applicable laws and regulations, and USAID policies and procedures pertaining to USAID/Haiti's democracy and governance program including the following: the mission's 2007 Federal Managers' Financial Integrity Act of 1982 assessment; Foreign Assistance Act of 1961 section 116 (e); USAID guidance, TIPS 8 and 12; and Automated Directives System chapters 200, 201, 202, 203, and 253.

We also conducted interviews with USAID/Haiti's democracy and governance CTOs, regional legal advisor, financial analysts, program office officials, embassy political office members, implementing partners, and beneficiaries to determine (1) the progress of activities, (2) how targets were established, (3) how consultants were selected, and (4) what evaluation system was in place for training activities.

# MANAGEMENT COMMENTS

**To:** Timothy Cox, RIG/ San Salvador  
**From:** Paul Tuebner, Mission Director  
**Date:** March 28, 2008  
**Subject:** Mission Response to the Draft Audit Report of USAID/ Haiti's Governance Program (Audit Report No. 1-521-08-00x-P)

Following is USAID/Haiti's formal response to the draft audit report, which you transmitted to us on February 28, 2008. Overall, we believe that the findings and recommendations are constructive.

The auditors identified opportunities to improve our future program results and performance measurement. The audit recommendations provide specific, actionable steps to strengthen Governance reporting procedures.

With this in mind, we would like to provide our comments and reactions for your consideration and for incorporation into the final report.

*Recommendation No. 1: We recommend that USAID/Haiti, in coordination with its implementing partners, review and revise its 2008 targets as appropriate and communicate with partners regarding established targets.*

Haiti's political and security landscape is shifting ground, and sudden changes are the norm rather than the exception. While we could have periodically revised our targets to reflect changes in exogenous variables, we have to recognize that too-frequent target adjustments might render them meaningless.

USAID/Haiti is now working with the new implementing partners within the Governance portfolio to review and revise as necessary the 2008 targets for the upcoming Operational Plan.

*Recommendation No. 2: We recommend that USAID/Haiti require its implementing partners to include specific targets in annual work plans and performance monitoring plans and report progress towards these targets in progress reports.*

Each Governance CTO has consulted their implementing partners on their annual work plan and their regular performance monitoring plans. The CTOs will provide monthly updates on the progress being made to meet the goals established.

*Recommendation No. 3: We recommend that USAID/Haiti, in coordination with its implementing partners, establish procedures for systematically following up with training participants to assess the impact or effectiveness of training.*

The audit accurately indicates that evaluating the impact of short-term training activities is difficult and we note that training impact evaluation is prohibitively expensive. The CTOs will work with the implementing partners to look into follow-up exercises to determine impact. Prior to initiating any action, USAID/Haiti will work with our Office of Acquisitions and Assistance with costs concerns for any modification, if needed, to the assistance instruments for systematic follow-up.

*Recommendation No. 4: We recommend that USAID/Haiti require implementing partners to establish measurement systems to collect and maintain adequate data to support reported results.*

*Recommendation No. 5: We recommend that USAID/Haiti require cognizant technical officers in the Governance, Justice, and Democracy Office to periodically verify results reported by partners.*

The reporting verification procedures being established by the CTOs in coordination with the Program Office respond to both recommendation 4 and 5. To ensure that the new verification procedures are followed consistently and that they are documented, we plan to institute a monthly internal Governance portfolio review. Each CTO will present a brief written report on progress toward meeting indicators, results of spot checks on the quality of supporting data, and field or site visits. This will enable us to spot problems or deviations early on, and to take corrective action as needed.

*Recommendation No. 6: We recommend that USAID/Haiti stop permitting ministries to pre-select candidates or hire current staff members as consultants.*

The current contract under which USAID hires expert advisors for the Government of Haiti (GOH) will end on May 30, 2008. It is anticipated that a new contract will be in place by then, under which USAID will:

1. Schedule an initial meeting with the new contractor and the Government of Haiti (GOH), represented by the Ministry of Planning and External Affairs, to reiterate and obtain written agreements that all hiring will be based on technical needs that line Ministries require from consultants/advisors and not based on the skills or abilities of individual personalities.
2. Ensure that the CTO, technical offices and, as appropriate, USAID senior managers, work with the contractor to ensure that the most appropriate candidates are selected to work as advisors from an objective sourcing on the open market.
3. Schedule and hold quarterly meetings between the Ministry of Planning and External Affairs, the USAID CTO, and the contractor to monitor all requirements of the USAID contract, as well as the technical needs of the GOH.

*Recommendation No. 7: We recommend that USAID/Haiti require that ministry requests for consultants include guarantees that working space will be provided and that a supervisor be designated.*

USAID will require each terms of reference (scope of work) contain a provision that the Government of Haiti will provide adequate office space for each contractor and

that a supervisor be designated. The contractor will undertake the necessary due diligence before the advisor begins work to ensure that there is adequate office space and that a supervisor has been designated. USAID CTO concurrence with the selection of each new advisor will be contingent upon the contractor providing written documentation that adequate office space has been provided by the GOH and the name of the supervisor for the position has been given.

*Recommendation No. 8: We recommend that USAID/Haiti obtain formal commitments from the Government of Haiti and other donors to establish a parliamentary research center.*

*Recommendation No. 9: We recommend that USAID/Haiti develop an action plan, in coordination with its partners, to establish the parliamentary research center, listing specific tasks, benchmarks, timeframes, and responsibilities for each partner.*

Both houses of Parliament have recently elected new leadership (members of their respective "Bureaus"), with the result that the project has new and apparently more engaged counterparts who have reconfirmed Parliament's commitment to the "Strategic Plan for Parliamentary Development." This plan, which the USAID project developed jointly with Parliament and other donors in 2007, included the parliamentary research center. The Donor Table (Working Group) on Parliamentary affairs will continue to address the commitment issue with the leadership of the Senate and Chamber of Deputies, in addition to relevant GOH executive counterparts.



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