



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 5, 2010

S. 1183 **Haiti Reforestation Act of 2010**

*As ordered reported by the Senate Committee on Foreign Relations
on September 21, 2010*

SUMMARY

S. 1183 would authorize assistance to Haiti to reduce deforestation, increase efforts to restore forest cover, and improve management of natural resources. The bill would set specific targets for those efforts: recover 35 percent of Haiti's land area within five years, restore forest cover by at least 10 percent within 30 years, and increase agroforestry (the simultaneous production of trees with crops or livestock) cover by more than 25 percent within 10 years. CBO estimates that implementing S. 1183 would require appropriations of \$771 million and cost almost \$500 million over the 2011-2015 period. (The remainder would be spent after 2015.)

Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

S. 1183 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1183 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars					2011-
	2011	2012	2013	2014	2015	2015
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Environmental Recovery						
Estimated Authorization Level	136	137	139	140	143	695
Estimated Outlays	14	68	104	126	134	446
Grant Programs						
Estimated Authorization Level	15	15	15	15	16	76
Estimated Outlays	2	8	11	14	15	50
Total Changes						
Estimated Authorization Level	151	152	154	155	159	771
Estimated Outlays	16	76	115	140	149	496

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1183 will be enacted in calendar year 2010, that the necessary amounts will be appropriated each year, and that outlays will follow historical spending patterns for existing programs.

Environmental Recovery

The U.S. Agency for International Development (USAID) has ongoing programs aimed at environmental recovery and restoration of tree cover in Haiti: the Watershed Initiative for National Natural Environmental Resources project (WINNER) and the Economic Development for a Sustainable Environment project (DEED; the acronym is based on its French title). WINNER is a five-year project while DEED is a three-year project. Both projects use market-based approaches to improve agricultural production and management of natural resources. They have a combined budget of \$144 million and cover about 9 percent of Haiti's land area, with an average cost of about \$580 per hectare of land. (A hectare is roughly 2.47 acres.)

Based on information about the WINNER and DEED projects, CBO expects that USAID would build upon existing efforts by using those projects as templates to meet the bill's goals; in particular, to achieve the goal of recovering 35 percent of Haiti's land area—about 970,000 hectares—within five years. CBO assumes that each year over the 2011-2015 period, the Congress would appropriate the amounts necessary for USAID to initiate projects to achieve one-fifth of that goal (194,000 hectares). After increasing the

average cost for the WINNER and DEED projects to account for the shorter time-frame envisioned under the bill, CBO estimates that implementing title I would cost an average of \$700 per hectare in 2011, and require appropriations of \$136 million that year. On that basis, and adjusting for expected inflation, CBO estimates that implementing title I would cost \$446 million over the 2011-2015 period, assuming appropriation of the necessary amounts.

Grant Programs

Title II would authorize two grant programs to reverse deforestation and promote reforestation (establishing a forest on land that was previously forested) and afforestation (establishing a new forest on unforested land). CBO expects that those programs would be aimed at preserving existing natural forests, reforesting land, and developing sustainable economic activities in areas surrounding forests. Based on information from USAID, CBO estimates that implementing title II would require annual appropriations of about \$15 million a year and cost \$50 million over the 2011-2015 period, assuming appropriation of the necessary amounts.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1183 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Sunita D'Monte

Impact on State, Local, and Tribal Governments: Ryan Miller

Impact on the Private Sector: Marin Randall

ESTIMATE APPROVED BY:

Theresa Gullo

Deputy Assistant Director for Budget Analysis