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HAITI EMPOWERMENT, ASSISTANCE, AND
REBUILDING ACT OF 2010

JULY 19, 2010.—Ordered to be printed

Mr. KERRY, from the Committee on Foreign Relations,
submitted the following

REPORT

[To accompany S. 3317]

The Committee on Foreign Relations, having had under consideration the bill S. 3317, to authorize appropriations for fiscal years 2010 through 2014 to promote long-term, sustainable rebuilding and development in Haiti, and for other purposes, reports favorably thereon with amendments and recommends that the bill (as amended) do pass.

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I. PURPOSE

The purpose of S. 3317 is to support the sustainable recovery and long-term rebuilding of Haiti in a manner that encourages greater economic equality, embraces Haitian independence, self-reliance, democratic governance, and efficiency, and supports collaboration with the Haitian government and consultation with Haitian and international civil society.

II. COMMITTEE ACTION

S. 3317 was introduced by Senators Kerry, Corker, Cardin and Durbin on May 5, 2010. The committee held a public hearing on the legislation on May 19, 2010. At the hearing, the committee received testimony from U.S. Ambassador to Haiti, Kenneth Merten, USAID Coordinator for Disaster Response in Haiti, Christopher Milligan, and a panel of private sector witnesses. In addition, the

committee benefited from studies of the situation in Haiti undertaken by the committee's majority and minority staffs. Reports summarizing the staff's findings and recommendations are contained in S.Prt. 111-50 and S.Prt. 111-51.

On May 25, 2010, the committee considered the bill and adopted two amendments by voice vote:

A chairman's amendment in the nature of a substitute incorporating changes to the bill including additional language to highlight the importance of providing high quality, publicly-funded education in Haiti, and clarifications related to Government Accountability Office oversight efforts.

An amendment offered by Senator Lugar striking authorizations of appropriations for assistance to Haiti for Fiscal Years 2012-2014.

The committee ordered the bill as amended to be favorably reported by voice vote.

III. DISCUSSION

The Haiti Empowerment, Assistance and Rebuilding Act of 2010 (S. 3317) authorizes assistance to support the sustainable recovery and long-term rebuilding of Haiti in a manner that encourages greater economic equality, embraces Haitian independence, self-reliance, democratic governance, and efficiency, and supports collaboration with the Haitian government and consultation with Haitian and international civil society. As amended by the committee, the legislation authorizes up to \$2 billion over two years to support the reconstruction and rebuilding of Haiti and to assist the people of Haiti in recovering from the devastation of the January 12, 2010 earthquake.

The United States and the international community acted in the immediate aftermath of the earthquake, providing significant assistance and supplies to help ensure consistent access to food, water, medical supplies and other basic services to the Haitian people.

But the committee believes that the United States' role goes beyond rescue operations in Haiti. The earthquake provides an opportunity for the United States and other donors to help the Government of Haiti reverse endemic poverty and environmental degradation that has plagued Haiti long before this latest tragedy, and to rebuild the country in a way that leaves Haiti better off and better prepared the next time a natural disaster strikes.

Before the earthquake, Haiti was already the poorest country in the Western Hemisphere. Most Haitians lived on less than a dollar a day, one in eight children died before their fifth birthday, and 40% were not enrolled in school. 120,000 Haitians were HIV-positive and rural Haitians were plagued by malnutrition. Electricity, garbage removal, and access to safe water proved unattainable aims for most.

S. 3317 authorizes appropriations and provides policy guidance in order to help Haitians build a sustainable foundation—physical, social and economic—for a stronger and more stable society.

Specifically, this legislation establishes a policy framework that emphasizes just, democratic and competent governance. It seeks to

promote improved security, economic growth and environmentally sustainable programs through investments in people, including women and children. It tasks USAID with developing a comprehensive rebuilding and development strategy for Haiti, and it establishes a Senior Haiti Policy Coordinator at the State Department to advise and coordinate U.S. policy towards Haiti.

As the United States increases support to Haiti, we also recognize that Haiti's own government, civil society, and people must take primary responsibility for lifting their country out of crisis and laying the groundwork for future growth and prosperity.

Haiti's recovery must belong to the Haitian people. However, the United States should also use its resources and expertise to help the Government of Haiti design a feasible and comprehensive strategy for rebuilding, and begin to implement those plans. The United States can be a catalyst for change in Haiti by helping to build capacity in the Government of Haiti, improving coordination among donors, and remaining dedicated to the long-term stability of the country. Haiti's future success depends on a government that can inspire its people, work with the private sector, attract investment, and marshal resources to provide basic services, security, and rule of law.

The sections below describe specific provisions in S. 3317.

Section 4. Statement of Policy

This section establishes a strategic policy framework to affirm and build a long-term partnership with Haiti and ensure U.S. assistance efforts will comprehensively address critical priorities, in support of the Government of Haiti and the Haitian people that will encourage greater economic equality and embrace Haitian independence, self-reliance, democratic governance and efficiency. Key sectors include:

- *Just, democratic, and competent governance.* This includes assistance to promote an independent and effective judicial system, parliamentary strengthening, political pluralism, equality and the rule of law, transparency and accountability among all branches of government and judicial proceedings, including supporting anti-corruption efforts, and security sector reform and strengthening that includes instilling public order and confidence in, and increasing the capacity of, Haitian security institutions.
- *Economic growth and economic sustainability.* This includes assistance to promote investments in infrastructure, such as transport and energy, improved urban development and management by identifying, developing and implementing a long-term framework for future growth and development in Port-au-Prince as well as implementing an appropriate decentralization strategy to develop secondary cities. This framework should ensure appropriate environmental and resource management, disaster response plans, and expanded access to basic shelter, affordable urban housing, energy, clean water, sanitation services, and essential urban services and infrastructure. Rebuilding Haiti's private sector and competitiveness in order to foster employment generation and encourage investment, and improving food security and rural and agricultural development should also be priorities. In the immediate term, efforts should

be made to procure locally the goods and services required for reconstruction.

- *Environmental sustainability.* This includes designing assistance programs that are respectful and restorative of Haiti's natural resources and build community-level resilience to environmental and weather-related impacts, including programs to reduce and mitigate the effects of natural disaster, programs to address land use, land tenure, land for reconstruction, and land price escalation issues, and programs and associated support to reduce deforestation and increase the rates of afforestation and reforestation in Haiti, including through diversification of Haiti's energy sources.
- *Investments in people.* This includes assistance focused particularly on the needs of women and children, including rehabilitating Haiti's education sector and strengthening Haiti's child welfare system. Haiti currently has an insufficient number of schools, and private school fees put education out of reach for many families. One of the objectives of this legislation is to help improve Haiti's education sector with the goal of providing access to high quality, publicly-funded education for all children. Progress toward this goal will require training teachers, providing consistent and subsidized wages for teachers and establishing a system of standards and accreditation for schools. Haiti's education problems exist not only at the primary school level but also for secondary and tertiary education. Indeed, without a serious commitment to education at all levels, the prospects for sustainable recovery in Haiti are slim.

The committee urges that due regard and attention is given to increasing the institutional capacity of the Government of Haiti at the national, local, and community levels so that the Government can better provide basic services to its population, including health care, education, and other basic social services, and will be an effective steward of state resources through a transparent process of equitable resource allocation that includes a broad range of participation from Haitian civil society.

The committee believes it is important to encourage people-to-people engagement between the United States and Haiti, through increased educational, technical, and cultural exchanges and other methods. The committee also urges significant contributions to a multilateral trust fund established to enhance the reconstruction and rebuilding of Haiti. Development and rebuilding efforts in Haiti should support all levels of government in Haiti, including national and local governments, so that the Government and people of Haiti lead the vision for reconstruction and rebuilding of Haiti. Such an approach will help ensure that: resources are channeled in concrete and specific ways toward key sectoral objectives identified by the Government of Haiti and its people; feasible steps are taken to recognize and rectify the social injustice of poverty and gender inequality and to decrease the vulnerability of the poor, through job creation, the provision of health care, the provision of safe shelter and settlements, food security, and education; communities are placed at the center of the rebuilding process, by employing local labor and consulting local leaders and communities for their experience and vision; and rebuilding and development pro-

grams are environmentally sustainable and respectful and restorative of Haiti's natural resources.

Finally, the Haiti Rebuilding and Development Strategy prepared pursuant to section 6 of the legislation should build from and support existing assessments for Haiti, including the Post Disaster Needs Assessment, the Government of Haiti's Action Plan for the Reconstruction and National Development of Haiti, other existing development plans for Haiti, including the Poverty Reduction Strategy Paper for Haiti, and shared principles in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

Section 5. Senior Haiti Coordinator

The legislation mandates the creation of a Senior Haiti Policy Coordinator, who shall be appointed by the President, to be responsible for advising, overseeing, and coordinating all policies of the United States Government related to Haiti. The committee does not envision the Coordinator being responsible for directing, overseeing or implementing U.S. assistance programs. Rather, the task of the Coordinator is to be a central policy coordination point for all issues related to Haiti, as well as to work closely with the USAID Administrator to develop the Haiti rebuilding strategy.

Section 6. Haiti Rebuilding and Development Strategy

The legislation directs USAID to prepare and submit a comprehensive rebuilding and development strategy for Haiti, in consultation with the Government of Haiti, civil society organizations, private sector entities, and other implementing partners, and in coordination with the international community. The strategy should include specific and measurable goals, benchmarks and time frames, an implementation plan to achieve policy objectives, and a detailed monitoring and evaluation plan tied to quantifiable and measurable indicators. To ensure appropriate accountability, the committee includes several reporting requirements in the legislation linked to the strategy and also mandates that the Government Accountability Office monitor and report on the Haiti rebuilding and development strategy.

IV. COST ESTIMATE

In accordance with Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the committee provides this estimate of the costs of this legislation prepared by the Congressional Budget Office.

June 25, 2010.

Hon. JOHN F. KERRY,
*Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 3317, the Haiti Empowerment, Assistance, and Rebuilding Act of 2010.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is John Chin.

Sincerely,

DOUGLAS W. ELMENDORF,
Director.

Enclosure.

The Haiti Empowerment, Assistance, and Rebuilding Act of 2010

S. 3317 would authorize the appropriation of \$2 billion over the 2010–2011 period to support reconstruction and development in Haiti, which suffered from a damaging earthquake on January 12, 2010. In addition, the bill would establish a position of Senior Haiti Coordinator in the Department of State to advise, oversee, and coordinate U.S. policy towards Haiti for five years. Based on information from the Administration, CBO estimates that about \$1 million a year over the 2012–2015 period would be needed to fund the operating expenses (including salary, benefits, supplies, travel, etc.) for the Senior Haiti Coordinator and a small support staff of five to seven people.

CBO estimates that implementing S. 3317 would cost about \$2 billion over the 2010–2015 period, assuming that the authorized and estimated amounts are appropriated each year and that outlays follow historical spending patterns for similar programs. The estimated budgetary impact of S. 3317 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

Changes in Spending Subject to Appropriation Due to S. 3317
By Fiscal Year, in Millions of Dollars

	2010	2011	2012	2013	2014	2015	2010– 2015
Estimated Authorization Level	1,500	500	1	1	1	1	2,005
Estimated Outlays	263	641	540	325	138	52	1,959

Note: Numbers do not sum to totals because of rounding.

Enacting S. 3317 would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply. S. 3317 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is John Chin. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to Rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the committee has determined that there is no regulatory impact as a result of this legislation.

VI. CHANGES IN EXISTING LAW

In compliance with Rule XXVI, paragraph 12 of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman).

Foreign Assistance Act of 1961

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SEC. 620[J] M. LIMITATION ON ASSISTANCE TO SECURITY FORCES.

(a) IN GENERAL.—No assistance shall be furnished under this Act or the Arms Export Control Act to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights.

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