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SENATE

{ REPORT
{ 111-352

HAITI REFORESTATION ACT OF 2009

NOVEMBER 18, 2010.—Ordered to be printed

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

REPORT

[To accompany S. 1183]

The Committee on Foreign Relations, having had under consideration the bill S. 1183, to authorize the Secretary of Agriculture to provide assistance to the Government of Haiti to end within 5 years the deforestation in Haiti and restore within 30 years the extent of tropical forest cover in existence in Haiti in 1990, and for other purposes, reports favorably thereon, with an amendment in the nature of a substitute, and recommends that the bill do pass.

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I. PURPOSE

The purpose of S. 1183 is to provide assistance to the Government of Haiti to develop and implement, or improve, nationally appropriate policies and actions to reduce deforestation and forest degradation and to increase afforestation and reforestation in a measurable, reportable and verifiable manner.

II. COMMITTEE ACTION

On June 4, 2009, Senator Durbin introduced S. 1183 with Senator Brownback as an original cosponsor. Other cosponsors are Senators Bingaman, Sherrod Brown, Burriss, Cardin, Collins, Dodd, Feingold, Feinstein, Gillibrand, Kerry, Kirk, Lautenberg, Leahy, Lugar and Sanders. On September 21, 2010, the committee considered S.1183 and ordered it reported favorably with an amendment in the nature of a substitute by roll call vote (13–6).

III. DISCUSSION

Haiti was once a significantly forested area with tropical forests covering 60 percent of the country nearly 85 years ago. After years of deforestation and forest degradation, less than 2 percent of these forests remain. And in the past 5 years, the deforestation rate has accelerated by more than 20 percent.

The impact of Haiti's deforestation includes widespread soil erosion, destruction of the natural barriers from hurricanes, and a continuing poverty. Consequently, this soil erosion makes the island more vulnerable to floods and mudslides. For example, in 2004, Hurricane Jeanne hit Haiti, killing approximately 3,000 people as mud covered Gonaives, Haiti's sixth-largest city, turning it into a swamp of debris. Total estimates of the death toll from the January 2010 earthquake that struck Haiti have risen to approximately 230,000 people. Haiti's severely deforested land has only exacerbated the effects of what many are calling the Western Hemisphere's most severe natural disaster.

As Senator Durbin noted in his Congressional Record statement on this Act:

Preserving what remains of Haiti's tropical forest and helping re-grow some of what has been lost, has multiple benefits for all of us, not just for Haiti. Tropical forests play a critical role as carbon sinks to reduce greenhouse gases in the atmosphere; harbor a major portion of the Earth's biological and terrestrial resources; and provide habitats for an estimated 10 to 30 million plant and animal species, including species essential to medical research and agricultural productivity.

S. 1183, the Haiti Reforestation Act of 2009 (the "Act"), authorizes assistance to the Government of Haiti to implement proposals that support governmental and nongovernmental institutional capacity to reduce deforestation and increase afforestation and reforestation rates in measurable, verifiable and reportable ways. This Act does not authorize any new spending but is intended to help provide guidance for existing funds for Haiti and its reconstruction.

The Act would provide a framework with which the United States may work with the Haitian Government to develop Haiti-appropriate forest-management ideas that can be implemented in incremental ways. Eligible activities include fire reduction, forest monitoring, market-based reforestation, and watershed restoration.

The need for such activities in Haiti has become even more acute given the spate of natural disasters that have struck the island in the last decade. Where trees once provided cover from torrential rains and gave root structure to the soil, mudslides have destroyed houses and schools. Indeed, the United Nations Environmental Program has found that the number of victims per extreme weather event is directly correlated to the extent of deforestation in a country.

In response to the earthquake, the United States has committed approximately \$2.9 billion to assist Haiti with relief, recovery and reconstruction efforts.

The committee intends that the Haiti Reforestation Act will help strengthen our assistance to Haiti by promoting activities and di-

recting funding towards efforts that support long-term sustainability. The committee notes that in past years, efforts by USAID and other agencies to implement development assistance in Haiti have not always been integrated between environmental and development programs. It is important that all U.S. Government efforts related to the rebuilding of Haiti are integrated within a broader country development framework and reflect needs and priorities identified by the country in question, a leading rationale behind S. 3317, the Haiti Empowerment, Assistance, and Rebuilding Act of 2010.

The committee also recognizes that promoting reforestation in Haiti is a necessary step towards achieving related development goals in the country, such as agricultural development, improvements in public health, infrastructure, and education, and building a stronger economy. Similarly, reforesting and protecting Haiti's tropical forests can also benefit Haiti's freshwater sources and irrigable land.

S. 1183, with an amendment in the nature of a substitute, vests authority in the President to provide necessary resources to the Government of Haiti to carry out critical policies, reforms, and investments in areas that promote reforestation and afforestation.

A summary of certain sections of S. 1183 below:

Better Governance for Haiti. Section 101 authorizes assistance for the Government of Haiti provided that the Haitian Government's proposals for assistance include specific transparency and governance criteria, including the availability of legal regimes, standards and safeguards for local communities and primary stakeholders, and transparent documentation to ensure that policies being proposed are or can be implemented. Assistance under the Act is to be harmonized with the United States' broader development and environmental objectives and initiatives in Haiti. The list of eligible activities is meant to be highlight activities that promote forest restoration, rehabilitation and sustainable growth. The committee also notes that activities promoting the environmental recovery of watershed through forest restoration and sustainable resource management can yield significant benefits to local communities by reducing the environmental vulnerability of these areas to debilitating impacts such as mudslides.

Reporting. Section 101 also requires an initial report to the appropriate congressional committees on the actions the President has taken, or plans to take, to engage key stakeholders in Haiti, including the Government of Haiti and Haitian civil society. The Act also requires biennial reports to Congress on the progress that the Government of Haiti is making on implementing the policies and initiatives contained in the proposals submitted for assistance under this Act.

Grants for Reforestation Program. Section 201 provides that the President may establish a grant program to reverse deforestation and improve reforestation and afforestation. The purpose for this program is to create additional opportunities for the United States Government to support programs and policies that promote activities that result in increased forest coverage or reduced deforestation. A preference is given towards projects that develop sustainable market-based solutions partnering with local communities and

cooperatives. These types of solutions have been successful in other parts of the world and it is the expectation that these types of solutions can also be successful in Haiti. The Act also provides for the establishment of forest protection grants that may be given to non-governmental organizations for the purchase of discounted commercial debt of Haiti in exchange for commitments by the Government of Haiti to restore forests or develop sustainability plans for those forests. This authority is intended to build upon and incorporate the successes of debt-for-nature programs in other regions.

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.

UNITED STATES CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 21, 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. 1183, the Haiti Reforestation Act of 2010.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sunita D'Monte.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure

cc: HON. RICHARD G. LUGAR, *Ranking Minority Member.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 21, 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).

Changes in Spending Due to S. 1183, Subject to Appropriation
By Fiscal Year, in Millions of Dollars

	2011	2012	2013	2014	2015	2011– 2015
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*

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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PART I

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CHAPTER 7. DEBT-FOR-NATURE EXCHANGES

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SEC. 466. PILOT PROGRAM FOR SUB-SAHARAN AFRICA

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SEC. 467. PILOT PROGRAM FOR HAITI

(a) *SUBMISSION OF LIST OF AREAS OF SEVERELY DEGRADED NATURAL RESOURCES.*—The Administrator of the Agency for International Development, in cooperation with nongovernmental conservation organizations, shall invite the Government of Haiti to submit a list of areas within the territory of Haiti in which tropical forests are seriously degraded or threatened.

(b) *REVIEW OF LIST.*—The Administrator shall assess the list submitted by the Government of Haiti under subsection (a) and shall seek to reach agreement with the Government of Haiti for the restoration and future sustainable use of those areas.

(c) *GRANT PROGRAM.*—

(1) *GRANTS AUTHORIZED.*—The Administrator of the Agency for International Development is authorized to make grants, in consultation with the International Forestry Division of the Department of Agriculture and on such terms and conditions as may be necessary, to nongovernmental organizations for the purchase on the open market of discounted commercial debt of the Government of Haiti in exchange for commitments by the Government of Haiti to restore tropical forests identified by the Government under subsection (a) or for commitments to develop plans for sustainable use of such tropical forests.

(2) *MANAGEMENT OF PROTECTED AREAS.*—Each recipient of a grant under this subsection shall participate in the ongoing management of the area or areas protected pursuant to such grant.

(3) *RETENTION OF PROCEEDS.*—Notwithstanding any other provision of law, a grantee (or any subgrantee) of the grants referred to in section (a) may retain, without deposit in the Treasury of the United States and without further appropriation by Congress, interest earned on the proceeds of any resulting debt-for-nature exchange pending the disbursements of such proceeds and interest for approved program purposes, which may include the establishment of an endowment, the income of which is used for such purposes.

(4) *TERMINATION OF PROGRAM.*—The authority to make grants under the pilot program shall terminate five years after the date of the enactment of this Act. The authority may be renewed for one additional five-year period during the 30-year reforestation period targeted by this Act if the Administrator determines and certifies to Congress that the pilot program is effective in meeting the goals of the Act and the commitment of the Government of Haiti to returning land in Haiti to long-term sustainable forests. The cumulative duration of the pilot program may not exceed ten total years.