

Special Report

**EU support for
rehabilitation following
the earthquake in Haiti**



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Replies of the Commission and the EEAS

CAED: Cadre de Coordination de l'Aide Externe au Développement d'Haïti (Framework for the Coordination of External Assistance in Support of Haiti's Development)

DCI: Development Cooperation Instrument

Launched in January 2007, the Development Cooperation Instrument provides aid notably through (i) geographic programmes with partner countries in Latin America, Asia, Central Asia, the Middle East and South Africa to support actions in a wide range of areas (e.g. education, health, social cohesion and employment, governance, democracy, human rights, assistance in post-crisis situations and fragile states); and (ii) five thematic programmes concerning investing in people, the environment and the sustainable management of natural resources, non-state actors and local authorities, the improvement of food security, and cooperation in the area of migration and asylum. Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (OJ L 378, 27.12.2006, p. 41).

Dipecho: Disaster Preparedness ECHO

ECHO launched its disaster preparedness programme, Dipecho, in 1996. It targets vulnerable communities living in the main disaster-prone regions of the world. Typically, Dipecho-funded programmes cover training, capacity-building, awareness-raising, early warning, and planning and forecasting measures, with the funds being channelled through aid agencies and NGOs working in the regions concerned.

DRR: disaster risk reduction

DRR is a systematic approach to identifying, assessing and reducing the risks of disaster. It aims to reduce socioeconomic vulnerabilities to disaster as well as to deal with the environmental and other hazards that trigger them.

ECHO: Directorate-General for Humanitarian Aid and Civil Protection

Its mandate includes saving and preserving life, preventing and alleviating human suffering and safeguarding the integrity and human dignity of populations affected by natural or man-made disasters. It provides humanitarian aid, short-term rehabilitation support and disaster prevention and preparedness support.

EDF: European Development Funds

The EDFs are the main instrument for providing European Union aid for development cooperation to the African, Caribbean and Pacific (ACP) countries and overseas countries and territories (OCTs). The partnership agreement signed in Cotonou on 23 June 2000 for a period of 20 years (the Cotonou Agreement) is the current framework for the EU's relations with ACP countries and OCTs. Its main focus is on reducing and eventually eradicating poverty.

EEAS: European External Action Service

The EEAS was launched on 1 December 2010. The EEAS prepares the Commission decisions for country allocations, country and regional strategy papers and national and regional indicative programmes jointly with relevant Commission departments, as part of the programming cycle for most external action instruments.

Glossary and acronyms

EuropeAid: Directorate-General for Development and Cooperation — EuropeAid implements a wide range of the Commission's external assistance instruments financed by the EDFs and the general budget (including the DCI). Almost all the EDF interventions are managed by EuropeAid.

FPI: Service for Foreign Policy Instruments

The FPI is a Commission department established on 1 January 2011, reporting directly to the High Representative of the Union for Foreign Affairs and Security Policy. Expenditure managed by the FPI mainly relates to actions implemented under: (a) the common foreign and security policy; (b) the Instrument for Stability (IFS); (c) the election observation missions; (d) the Industrialised Countries Instrument.

G12: Group of 12 Donors

The Group of 12 Donors (G12) includes Brazil, Canada, France, Japan, Norway, Spain, the United States, the Inter-American Development Bank, the World Bank, the International Monetary Fund, the UN and the European Commission. It is chaired by the deputy head of Minustah in his/her capacity as humanitarian coordinator. The EU delegation assumed the chairmanship *ad interim* in 2013.

GBS: general budget support

GBS programmes typically consist of a support package involving the transfer of funds, capacity-building measures, dialogue with the partner country and the establishment of conditions for disbursement.

GDP: gross domestic product

GNI: gross national income

IAS: Internal Audit Service

The IAS is a directorate-general of the Commission. It is headed by the Commission's internal auditor and reports to its Audit Progress Committee. Its task is to provide independent assurance on the effectiveness of the internal control systems and to help the Commission by means of opinions, advice and recommendations.

IDB: Inter-American Development Bank

IFS: Instrument for Stability

Established in 2007, the Instrument for Stability is meant to be a rapid and flexible mechanism to prevent conflict, support post-conflict political stabilisation and ensure early recovery after a natural disaster. Regulation (EC) No 1717/2006 of the European Parliament and of the Council of 15 November 2006 establishing an Instrument for Stability, (OJ L 327, 24.11.2006, p. 1.)

IHRC: Interim Haiti Recovery Commission

IMF: International Monetary Fund

LRRD: linking of relief, rehabilitation and development

Minustah: United Nations Stabilisation Mission in Haiti

NGO: non-governmental organisation

OCHA: Office for the Coordination of Humanitarian Affairs

PDNA: post-disaster needs assessment

PFM: public finance management

ROM: result- oriented monitoring

The ROM system was established by EuropeAid in 2000 to strengthen the monitoring, evaluation and transparency of development aid. It is based on short, focused, on-site assessments by external experts. It uses a structured and consistent methodology against five criteria: relevance, efficiency, effectiveness, potential impact and likely sustainability.

WB: World Bank

Executive summary

I

Haiti is one of the most fragile states in the world and the earthquake which hit the country on 12 January 2010 dramatically exacerbated the situation. It claimed a heavy toll in human lives, caused massive destruction, had a grave impact on the national economy and severely reduced the already weak administration's capacity to provide basic services to the population.

II

The Court examined whether the EU support for rehabilitation in Haiti following the earthquake was well designed and implemented.

III

The Court concludes that EU support for rehabilitation after the 2010 earthquake in Haiti was well designed overall but the programmes were not implemented sufficiently effectively. In common with other donors, the European Commission faced serious obstacles in its efforts to support rehabilitation. It was confronted by the difficult challenge of having to manage its aid in partnership with weak national authorities — so as to encourage ownership and contribute to the emergence of a functioning government — while seeking to ensure rapid aid. However, the Commission could have improved its management of some factors under its control.

IV

The Commission addressed priority rehabilitation needs. Together with other major donors, the Commission identified major rehabilitation needs in Haiti after the 2010 earthquake correctly and adopted a sound cooperation strategy which addressed the new challenges faced by the country while continuing its support for long-term socioeconomic development. The division of labour between donors was appropriate but coordination during implementation was difficult.

V

Despite some Commission efforts, relief, rehabilitation and development were not sufficiently linked. The Commission used a range of complementary instruments flexibly and designed individual rehabilitation programmes to ensure the linkage between relief, rehabilitation and development. However, ECHO and EuropeAid had no clear common country strategy to optimise the synergies and smooth transition between their respective activities. The weak national administration and insufficient government commitment to reform were significant challenges to effective rehabilitation and the creation of conditions for sustainable development.

VI

The Commission did not sufficiently ensure effective implementation of EU support for rehabilitation. Ten out of the 13 programmes examined by the Court delivered, or were likely to deliver, their planned outputs, although almost all with delays. Three programmes achieved limited progress, including the 10th European Development Fund (EDF) general budget support programme. While the Commission was well aware of the difficult context, it did not sufficiently manage some significant risks to the implementation and achievement of its programme objectives. The monitoring of programmes was based on an appropriate framework but the Commission and the EEAS did not take timely measures to strengthen the resources of the EU delegation, which had insufficient capacity to perform on-the-spot visits. This would have been particularly useful in a rapidly evolving situation.

VII

The Court recommends that during operations in the context of a post-disaster or fragile situation the Commission should:

- improve risk management;
- adopt a common strategy to ensure the linkage and synergy between emergency aid, rehabilitation and development;
- when providing budget support, focus on key public finance management (PFM) functions and reforms and, where appropriate, set out shorter-term measures for safeguarding EU funds against waste, leakage and inefficiency;
- develop business continuity procedures including provisions for emergency personnel redeployment.

Haiti is a fragile state

01

In the 18th century Haiti was a leading sugarcane producer and one of the wealthiest regions in the world. However, the country has been plagued by ethnic conflicts, long-lasting periods of anarchy and political instability since its independence in 1804¹. The successive dictatorships in the second half of the 20th century² were tainted with crimes of repression and a plundering of the country's wealth. Today Haiti is a fragile state (see **Box 1**).

02

The unstable political and security situation in the country led to the deployment of the United Nations Stabilisation Mission in Haiti (Minustah) at the end of 2004³. Following riots over food prices in 2008, the country did not have a stable government until Laurent Lamothe became prime minister in March 2012. The security situation improved, but criminality still has a negative impact on development.

03

Haiti remains one of the poorest countries in the world⁴. More than half of the population⁵ live in extreme poverty on less than 1,25 USD per day. Life expectancy is 62 years, 12 years less than the Latin American average. About half of the population is illiterate; 20 % of children are malnourished and 30 % do not have access to clean water sources⁶. Haiti has the highest prevalence of HIV/AIDS in Latin America⁷.

- 1 In 1791 the slave population of the French colony launched an insurrection, which led to independence in 1804 and to the foundation of the world's first independent black republic 2 years later. In 1844 the island split into two countries, Haiti and the Dominican Republic.
- 2 Since 1949 Haiti has been ruled by several dictators: General Paul Magloire, succeeded by François Duvalier (Papa Doc) and his son, Jean-Claude (Baby Doc).
- 3 Minustah is not scheduled to depart until 2016, when a reconfiguration and consolidation of the mission is to take place.
- 4 The GNI per capita in Haiti in 2012 (Atlas method, WB) is 760 USD compared to the Latin American and Caribbean average of 8 981 USD.
- 5 Haiti has nearly 10 million inhabitants.
- 6 Sources: 'World DataBank — World development indicators 2011 and 2012', 'United Nations Development Programme (UNDP) human development report', 'CIA — The world factbook'.
- 7 The prevalence of HIV in the population aged 15–49 stands at 2,2 % ('Ministère de la Santé Publique et de la Population, Déclaration d'Engagement sur le VIH/SIDA: Rapport de Situation Nationale', March 2012).

Box 1

Definition of state fragility

The Commission defines 'fragility' as meaning weak or failing structures and situations where the social contract is broken due to the state's incapacity or unwillingness to deal with its basic functions and to meet its obligations and responsibilities regarding service delivery, management of resources, rule of law, equitable access to power, the security and safety of the population and the protection and promotion of citizens' rights and freedoms.

Source: COM(2007) 643 final of 25 October 2007 'Towards an EU response to situations of fragility — engaging in difficult environments for sustainable development, stability and peace'.

The 2010 earthquake dramatically exacerbated the situation

04

At a time when Haiti was still recovering from the 2008 storms, an earthquake of magnitude 7.0 on the Richter scale, which hit the capital and its surroundings on 12 January 2010 (see the **Map**), claimed a heavy toll in human lives and caused massive destruction⁸. Around 230 000 people were killed, making this disaster as deadly as the 2004 Indian Ocean tsunami, but concentrated in a single country⁹. Some 300 000 people were injured, half of them children. Around 1,3 million people were rendered homeless in Port-au-Prince and over 500 000 people left the disaster area to seek refuge in the rest of the country¹⁰. Poor sanitary conditions, which worsened dramatically after the earthquake, facilitated the outbreak of a cholera epidemic.

05

Many public administration buildings, including the national palace, hospitals, schools and other public establishments, were destroyed and a large number of their employees died¹¹. The capacity of the Government of Haiti in terms of service delivery was thus severely affected. As the earthquake hit the region with the highest economic activity in the country, it had a grave impact upon gross domestic product (GDP) development¹² and tax collection. The treasury lacked the budgetary resources to restore national administration operations and to pay civil servants.

The EU delegation was likewise severely affected

06

The EU delegation was severely affected by the earthquake: one staff member died, the head of delegation needed hospitalisation and the majority of staff suffered from trauma or other psychological problems. Within 48 hours of the disaster, 30 officials were evacuated to Brussels or the Dominican Republic. The EU delegation's building was unusable and communication with Brussels was barely possible. Many files were damaged or lost.

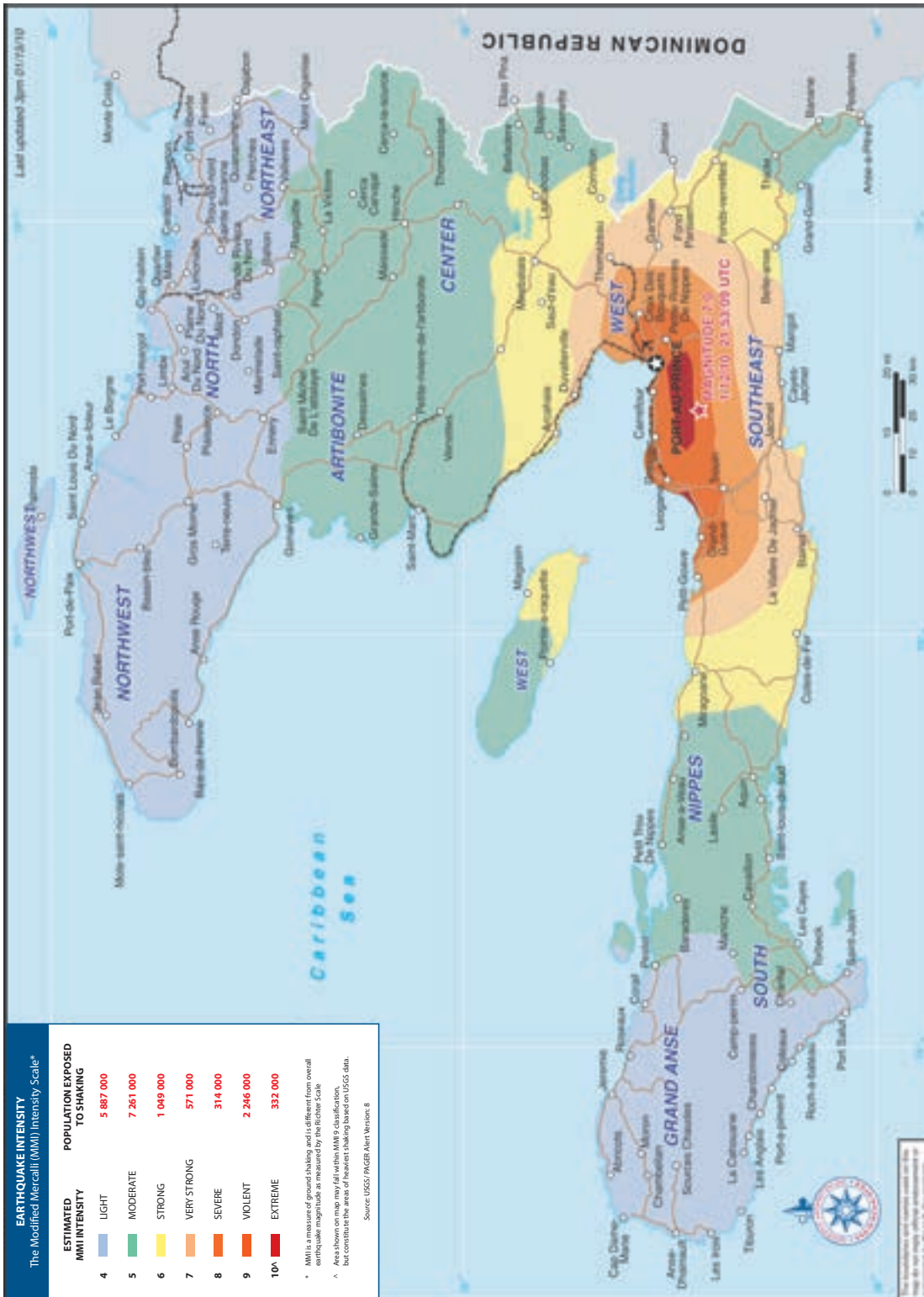
07

Some of the officials returned to Haiti after a few weeks but due to many changes in the management posts and long periods without a head of delegation, the EU delegation's operational capacity was seriously affected for a considerable period of time.

- 8 The earthquake on 12 January 2010 affected the cities of Port-au-Prince, Léogâne and Jacmel, damaging the port, airport and main roads.
- 9 Inter-Agency Standing Committee 'Real-time evaluation in Haiti: 3 months after the earthquake'; 31 August 2010.
- 10 Post-disaster needs assessment (March 2010).
- 11 According to the government's estimates 105 000 houses were destroyed, 208 000 houses were damaged, 60 % of hospitals in and around Port-au-Prince and 5 000 schools were ruined. Around 3 million people were affected by the earthquake. The total cost estimate of the impact is 7,8 billion USD, which equals the total GDP of Haiti in 2009.
- 12 After a period of relatively constant growth between 2005 and 2009, GDP fell by 5,4 % as a consequence of the earthquake.

Map

The area hit by the earthquake on 12 January 2010



Source: United States Agency for International Development (USAID).

Despite the international response, rehabilitation was a challenge

08

In the immediate aftermath of the disaster, several hundred international organisations, countries and individuals from around the world responded to the urgent humanitarian needs¹³. The United Nations (UN) Office for

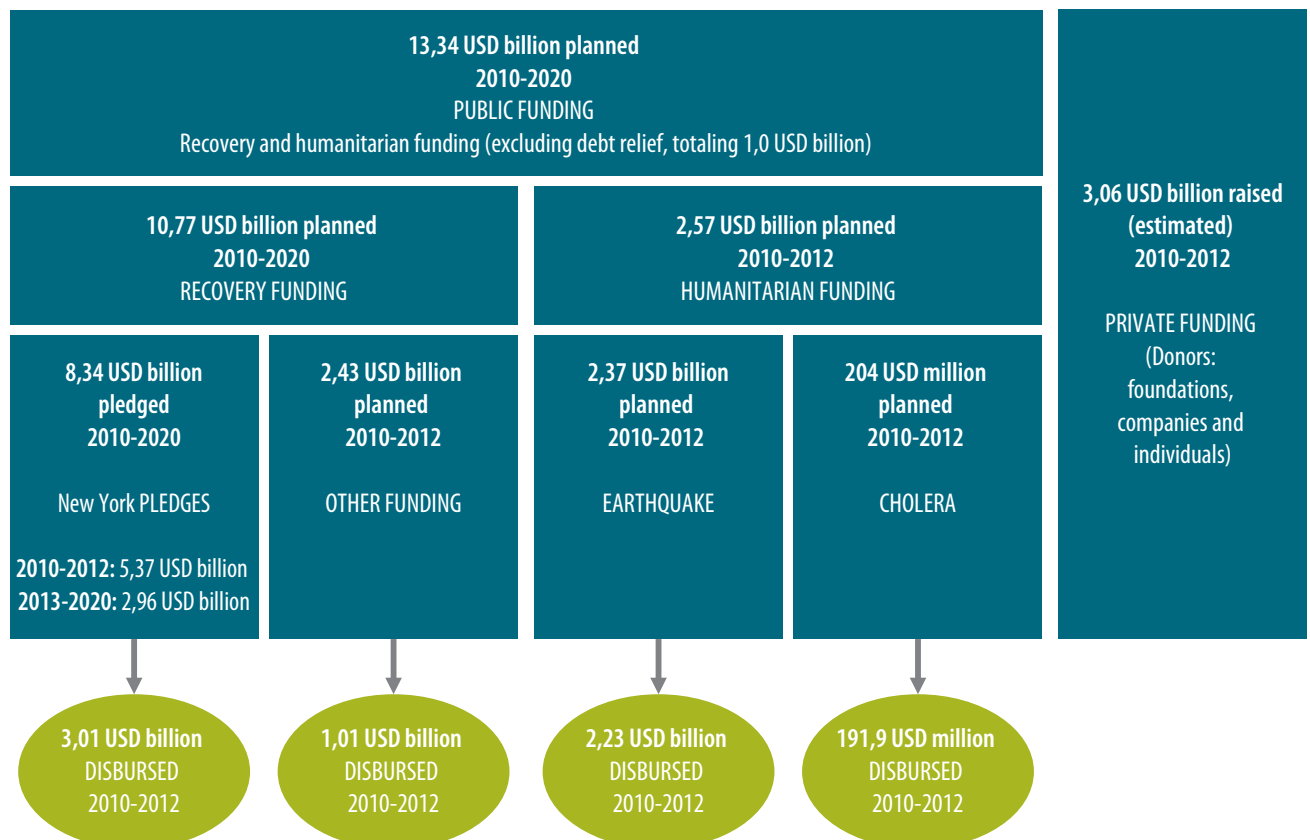
the Coordination of Humanitarian Affairs (OCHA) launched a ‘flash appeal’ which gathered 575 million USD in 72 hours. By the end of 2012, public sector donors had disbursed 2,23 billion USD as humanitarian aid and an additional 192 million USD to fight the cholera outbreak (see **Figure** below). Furthermore, an estimated 3 billion USD was contributed to UN agencies and non-governmental organisations (NGOs) by private donors¹⁴.

13 International organisations long established in Haiti (the Red Cross movement and major NGOs) were able to provide an immediate response and by May 2010 over 1 000 international organisations had provided humanitarian aid.

14 Office of the Special Envoy for Haiti —Key Facts as of December 2012.

Figure

Funds raised and disbursed in support of Haiti as of December 2012



Source: Office of the Special Envoy for Haiti, based on donor reporting and publicly available data.

09

In order to mobilise international support for the reconstruction and further development of the country, the UN hosted the international donor conference 'Towards a new future for Haiti' in New York on 31 March 2010. Donors agreed to support the government's 'Plan d'Action pour le Relèvement et le Développement National d'Haïti'¹⁵ (PARDH) and provide assistance for medium- and long-term recovery in order to 'build back better'¹⁶. At the conference, 55 donors pledged 5,37 billion USD for the 2010–12 period and a further 2,96 billion for the year 2013 and beyond. In addition, several countries cancelled a combined total of 1 billion USD of Haiti's debt¹⁷.

10

The European Union (EU) was a main donor. It made a single pledge amounting to 1,23 billion euro. This included pledges for rehabilitation and development of the country from the Commission (460 million euro)¹⁸, 18 Member States and the European Investment Bank¹⁹. The Commission also provided humanitarian aid through Directorate-General for Humanitarian Aid and Civil Protection (ECHO). Over the period 2010–13 ECHO allocated in total 232 million euro²⁰.

11

Despite the immense financial aid and international effort, the country is still facing big challenges. It took far too long to clear the rubble which, among other issues, affected the pace of reconstruction²¹. An estimated 210 000 people were still living in tented camps at the end of 2013 and none of the ministerial buildings destroyed have yet been fully reconstructed. The recovery is hindered by structural problems that beset the country even before 2010. Barely operational, public administration is still a major obstacle for the delivery of services in sectors such as health, education and water and sanitation. Weak public finance management makes it difficult to optimise the use of resources and to prevent fraud and corruption. Lack of a land register, resulting in associated land disputes, hampers the reconstruction process. The extreme vulnerability of the agriculture sector to frequent natural hazards and lack of investment undermines food production²².

- 15 Action plan for national Recovery and Development of Haiti.
- 16 The underlying principle of the PARDH was not to simply re-establish the situation prevailing before the earthquake but to take the opportunity of reconstruction to address the main causes of vulnerability in the past and present.
- 17 These countries include, among others, Belgium, Germany, Ireland, France, Italy, the Netherlands, Finland and Sweden.
- 18 This pledge, which consists mainly of EDF funds, was later increased to 522 million euro.
- 19 For the breakdown of pledges by country/institution see http://www.lessonsfromhaiti.org/download/International_Assistance/5-ny-pledge-total.pdf
- 20 European Commission's humanitarian aid and civil protection response in Haiti — Two years after the earthquake (2012); ECHO Factsheet Haiti — April 2013.
- 21 See for example 'From relief to recovery: Supporting good governance in post-earthquake Haiti', Oxfam, 2011. One of the main critical issues was the slowness of the rubble removal process.
- 22 Due to several disasters that faced Haiti between 1996 and 2010 the country was in a protracted crisis even before the earthquake, with 57 % of the population undernourished.

12

The Court examined whether the EU support for rehabilitation in Haiti was well designed and implemented. The audit focused on three main questions:

- (a) Did the Commission address priority rehabilitation needs?
- (b) Did the Commission ensure linkage between relief, rehabilitation and development?
- (c) Did the Commission ensure effective implementation of EU support for rehabilitation?

13

The audit covered the support provided to Haiti in 2010–13 by ECHO, the Directorate-General for Development and Cooperation (EuropeAid) and the Service for Foreign Policy Instruments (FPI).

14

The audit was carried out between May and November 2013 and included:

- (a) a review of the 10th EDF country cooperation strategy and other key policy documents;
- (b) interviews with Commission and European External Action Service (EEAS) officials in Brussels;

- (c) a visit to Haiti from 26 August to 6 September 2013 involving interviews with EU delegation staff and representatives of the Haitian authorities, the main international development partners, NGOs and civil society organisations, as well as visits to projects.

15

The audit included a review of 13 EU-funded programmes aimed to provide support for rehabilitation and disaster risk reduction (see **Annex I**). In financial terms the sample represents about two thirds of the commitments made by the Commission for those two areas²³. The seven programmes funded by ECHO were implemented in the domains of housing (shelters), water, sanitation, disaster preparedness and food in Port-au-Prince, Petit-Goâve, Léogâne and Jacmel. The three programmes funded by EuropeAid concerned general budget support (GBS), the reconstruction of residential areas and improving food security in the region of Artibonite. The three FPI programmes aimed at restoring the crisis preparedness of the Haitian administration.

16

The review focused on assessing the relevance, design and outputs of these programmes, which were scored using relevant criteria from the Commission's results-oriented monitoring (ROM) methodology (see **Annexes II and III**)²⁴.

- 23 In the period February 2010 – December 2012, the Commission committed 202 million euro in the areas of rehabilitation and DRR. The programmes sampled had a total value of 141 million euro. Out of this sum, 81,1 million euro had been paid at 31 December 2013 (see **Annex III**).
- 24 When programmes are mentioned in the observations, reference is made to their numbering in **Annexes I and III**.

Audit scope and approach

17

In the course of preparing the audit, the auditors considered the standards, guidelines and good practices that were being developed by the INTOSAI Working Group on Accountability for and Audit of disaster-related Aid (AADA)²⁵. They considered in particular ISSAI 5510 — The audit of disaster risk reduction — and ISSAI 5520 — Audit of disaster-related aid — in order to obtain an adequate knowledge of the disaster management cycle, identify risks in the management of disaster-related aid and design the audit programme.

25 The 5500 series of ISSAIs concerning the audit of disaster-related aid were published in October 2013 (see <http://www.issai.org>).

The Commission addressed priority rehabilitation needs

18

The Court examined whether the Commission clearly identified the rehabilitation needs, set out a sound co-operation strategy and ensured proper coordination of efforts and division of labour with other main actors.

Rehabilitation needs were well identified

19

The EU support for rehabilitation after the earthquake was based on an appropriate assessment of needs agreed between experts, the main donors and the government of Haiti. Immediately after the earthquake, ECHO experts performed a preliminary, multi-sector needs assessment. At the end of January 2010 a joint team of experts from the Commission, Belgium, France and Spain assessed needs in the areas of infrastructure, PFM, governance, justice and security and social services (in particular education).

20

The Commission also supported the post-disaster needs assessment (PDNA)²⁶, which aimed at setting up a framework for development and growth²⁷. It was the basis of the action plan for national recovery and development presented by the Haitian government at the New York international conference of 31 March 2010.

21

The main rehabilitation needs concerned housing and urban rehabilitation, water, sanitation and hygiene, health, food security and education. Support was also needed for governance, PFM and reinforcement of the administration to develop systems and policies that would ensure appropriate and sustainable delivery of basic services. Due to scarce public resources, budget support was considered crucial to fuel the restart and recovery of essential state functions in the very fragile context prevailing in the post-disaster era. The diagnosis of PFM weaknesses and an action plan²⁸ of priority measures were agreed between the government and the donors involved in supporting economic governance.

EU support for rehabilitation was set within a sound strategy

22

The Commission revised the 10th EDF cooperation strategy with Haiti on the basis of the abovementioned assessments and the government's requests²⁹. The revised cooperation strategy aimed to continue supporting long-term socioeconomic development to eradicate poverty while also responding to post-earthquake rehabilitation needs. It retained the sectors initially targeted (infrastructure, governance and budget support), but the financial allocation was significantly increased. The allocation for programmable aid (A envelope) was topped up by 100 million euro to reach 391 million euro and the allocation to cover unforeseen events such as emergency assistance (B envelope) was increased from 13,6 million to 73,6 million euro. The sector allocations under programmable aid were revised as indicated in the **Table**.

- 26 The PDNA was funded by the Global Facility for Disaster Reduction and Recovery (GFDRR) with financial support from the Commission and Australia, Luxembourg, Norway, Sweden and Switzerland. Around 250 national and international experts and representatives of NGOs and Haitian civil society participated in the assessment. It covered eight areas: governance, production, social sectors, infrastructure, regional development, environment and disaster risk management, as well as cross-cutting themes including gender, youth and vulnerable populations.
- 27 The experts considered that 11,5 billion USD was required over 3 years: 50 % for the social sectors; 17 % for infrastructure; 15 % for the environment and risk and disaster management; and the rest for the production sectors, governance and cross-cutting aspects (gender, young people, vulnerable populations).
- 28 Within the coordination group ('Cadre de Partenariat pour l'Appui Budgétaire', established on 27.2.2009), in May 2010 budget support donors agreed on a priority action plan to improve financial controls and introduce reforms, and a common matrix of indicators to assess progress in those areas.
- 29 The government wished to maintain the overall direction of the initial 10th EDF cooperation strategy, which remained relevant to support long-term development. Besides, while the majority of donors concentrated on the area directly hit by the earthquake, it was considered crucial to continue supporting the remaining part of the country.

Table Revised sector allocations under the 10th EDF programmable aid after the earthquake

(million euro)

Sector	Initial allocations	Revised allocations
Focal sectors	259	349
Infrastructure	175	245
Governance	36	27
General budget support (GBS)	48	77
Other	32	35
Reserve	0	7
TOTAL	291	391

Sources: CSP/NIP 2008–13 and revised CSP/NIP 2011–13.

23

As regards infrastructure, roads remained the main area of EU support but urban reconstruction (including housing) was added in line with the PARDH. In the governance sector, support for decentralisation and the strengthening of state capacity was maintained but the development of a land register system and DRR were additional priority areas. The increased allocation for GBS was aimed at helping to restore public services, launch the reconstruction programme and support the development and growth strategies through reforms of economic governance. Significant funding (43,6 million euro) was also made available under the EU general budget for food and agriculture and disaster risk reduction³⁰.

24

The programmes examined by the Court generally reflected the strategy adopted by the Commission. The specific needs in the areas supported by the Commission were assessed correctly during the design of individual programmes (see **Annex III**, Relevance).

30 In agriculture, significant funding was made available between 2011 and 2012 through the food security thematic programmes and the food facility (in total 23,6 million euro), and the millennium development goal initiative (20 million euro to improve food security). Disaster preparedness was supported by Dipecho programmes, IfS and the EU Member States.

The division of labour between the Commission and other main donors was appropriate but coordination during implementation was difficult

25

Haiti was chosen as a pilot country for joint EU programming (see **Box 2**) under the 10th EDF. As indicated above, the revision of the 10th EDF cooperation strategy was also prepared by the Commission in coordination with EU Member States active in Haiti (Germany, France and Spain) and other main donors. This allowed for an effective division of labour. While France and Spain were mostly active in the south of the country and the United States in the north, the EU support was focused on the central region of Artibonite. In addition Port-au-Prince and other cities affected by the earthquake were divided into zones in which individual donors and their implementing partners were active.

26

However, day-to-day coordination between the Commission and other donors during the implementation of programmes was difficult:

- (a) The effectiveness of the coordination mechanism for humanitarian assistance run by OCHA³¹, in which ECHO actively participated, was limited. The main reasons were its complexity, the very high number of humanitarian actors with diverging operational methods, the reluctance of some donor countries to work together, linguistic problems³² and the fact that the meetings were organised in the UN military base³³. In addition inter-sector coordination between working groups remained weak due to the lack of skilled coordinators with strategic thinking and facilitation skills³⁴.

31 This coordination mechanism was based on sector working groups called 'clusters'. Clusters are partnerships between international actors, national and local authorities and civil society. They were created when clear humanitarian needs existed within a sector, there were numerous actors within sectors and national authorities needed coordination support. Until 2012 there were 11 functional clusters. Since then, seven of them have been phased out partly due to the transition to development, but also due to a sharp decrease in financial resources for humanitarian action in the country.

32 Many meetings were held, and the documentation was prepared, in English. This limited the participation of local NGOs.

33 Some organisations did not enter the military premises for ideological reasons; other, mainly smaller, local NGOs were not allowed in. The rooms were overcrowded and it was difficult to find common positions on certain issues.

34 'Evaluation of OCHA response to the Haiti earthquake', 2011, pp. 10–11 (<http://hhi.harvard.edu/sites/default/files/In%20Line%20Images/programs%20-%20hum%20effectiveness%20-%20earthquake%20-%20evaluation.pdf>).

Box 2

Joint EU programming

Joint EU programming aims to coordinate donors' in-country work under a common framework of support, with each specialising in their particular strengths. This has the potential to decrease the fragmentation of aid and increase ownership, alignment and harmonisation while also raising the profile of the EU's work and allowing European donors to speak with one voice.

Source: EU Commission, 'Joint multi-annual programming, Final report' (2010).

- (b) The coordination mechanisms for development aid, which were in place before the earthquake, are also complex and involve many stakeholders (government, donors, international NGOs, UN agencies, etc.) with different mandates³⁵. The main international donors are gathered in the 'Group of 12 donors' (G12). At sector level, coordination mechanisms were useful for the division of labour and exchange of information, but did not lead to coordinated actions or the setting up of sector policies³⁶.
- (c) Due to the collapsed institutional capacity of the national administration, slow decision-making by the government, inadequate communication, the limited involvement of civil society and a lack of leadership skills, the Interim Haiti Recovery Commission (IHRC) (see **Box 3**) was unable to coordinate³⁷ the significantly increased donor support after the earthquake effectively. In November 2012, a new coordination system was launched by the government, the UN and

the G12 to transfer the leadership of aid coordination to the Haitian authorities: the 'Cadre de Coordination de l'Aide Externe au Développement d'Haïti'38 (CAED). However, the CAED was not yet able to provide strategic guidance on international support for reconstruction efforts³⁹.

27

Concerning budget support, in May 2010, in the framework of the established coordination group⁴⁰, donors agreed on a priority action plan⁴¹ to improve financial controls and introduce reforms, and on a common matrix of indicators to assess progress⁴². This joint assessment also made it possible to adapt the technical support components of their respective programmes to ensure complementarity. Nonetheless, these encouraging prospects for coordinated monitoring and policy dialogue with national authorities faded progressively during implementation (see paragraph 63).

- 35 'Inter-agency real-time evaluation in Haiti: 3 months after the earthquake' (2010).
- 36 Office of the Special Envoy for Haiti, 'Has aid changed? Channelling assistance to Haiti before and after the earthquake', June 2011, p.8 (http://reliefweb.int/sites/reliefweb.int/files/resources/has_aid_changed_en.pdf).
- 37 See for example 'L'aide française à Haïti après le séisme du 12 janvier 2010', Cour des comptes (January 2013) and 'From relief to recovery: Supporting good governance in post-earthquake Haiti', Oxfam, 2011.
- 38 Framework for the Coordination of External Assistance in Support of Haiti's Development.
- 39 Meetings of the CAED were infrequent and the terms of reference of the sector working groups were still being drafted at the time of the Court's visit.
- 40 'Cadre de Partenariat pour l'Appui Budgétaire' (CPAB) formally established on 27 February 2009 and chaired by the minister of finance.
- 41 Notably based on IMF recommendations from the 2009 revision of the WB public expenditure and financial accountability review prepared in 2007.
- 42 Essentially concerning the general conditions of the GBS, i.e. satisfactory progress (i) towards an enhanced macroeconomic stability framework; (ii) on reform to improve public finance management PFM; and (iii) on the implementation of recovery and development strategies.

Box 3

The Interim Haiti Recovery Commission

The creation of the IHRC was announced at the international donor conference 'Towards a new future for Haiti' in New York and was formally established in April 2010 for a period of 18 months. The IHRC's role was to oversee the implementation of the Action Plan for National Recovery and Development (APNRD) and manage the funds pooled by the government and the international community in the Haiti Reconstruction Fund. The IHRC was co-chaired by the Prime Minister of Haiti and Bill Clinton, the former US president.

Despite some Commission efforts, relief, rehabilitation and development were not sufficiently linked

28

The Court examined whether the Commission: (i) used different instruments in a flexible manner; (ii) coordinated ECHO and EuropeAid activities well; and (iii) addressed linking relief, rehabilitation and development (LRRD) in the design and implementation of EU rehabilitation programmes.

29

The main objectives for EU support in Haiti following the earthquake concerned the provision of relief assistance, the rehabilitation of damaged infrastructure and essential public service functions, and the creation of conditions for sustainable development. LRRD was therefore a strategic issue for EU cooperation with Haiti in the post-2010 disaster period (see **Box 4**).

The Commission used different instruments in a flexible manner

30

EuropeAid programming and programme preparation involve discussion with national authorities and coordination with other donors. Given the significant preparatory work which has to be done by the Commission and the EEAS, this process is not designed to address the rapidly changing needs faced in a crisis situation. However, while the formal adoption of the revised 10th EDF cooperation strategy after the earthquake took 2 years⁴³, its overall direction was set reasonably quickly, which made it possible to reduce delays for launching rehabilitation programmes.

43 The revised country strategy paper was signed in March 2012.

Box 4

Linkage of relief, rehabilitation and development

The role of relief assistance is to provide urgent short-term humanitarian aid to save and preserve the lives of people facing serious difficulties resulting from natural disasters or violent conflicts. Rehabilitation operations are processes designed to progressively take over from relief assistance and stabilise the economic and social situation by helping those affected to reconstruct infrastructure, improve services and reinforce institutions which will permit a decent transition towards development cooperation. LRRD covers the measures and interventions designed to fill the gaps and/or strengthen synergies between short-term and long-term assistance.

Sources: COM(96) 153 final of 30 April 1996 on 'Linking relief, rehabilitation and development', COM(2001) 153 final of 23 April 2001 on 'LRRD — An assessment' and COM(2012) 586 final of 30 October 2012 on 'The EU approach to resilience: Learning from food security crises'.

31

Alongside EuropeAid, ECHO was also involved in rehabilitation activities. Whereas in 2010 the humanitarian aid provided by ECHO was directed towards emergency needs (including rubble removal, settlement of plastic sheeting camps, water trucking, sanitation and food distribution to internally displaced persons), its assistance in 2011 and 2012 continued beyond the emergency phase. It included disaster risk reduction⁴⁴ and addressed displacement⁴⁵, mainly in the form of constructing temporary shelters, building toilets and sanitation systems and organising cash-for-work programmes. These activities were undertaken by ECHO as short-term rehabilitation support until long-term rehabilitation projects by development partners were ready⁴⁶.

32

The Commission also deployed the more flexible Instrument for Stability (IfS) managed by FPI, to follow on from the 'Disaster preparedness ECHO' (Dipecho) programme. This was intended to facilitate the transition to rehabilitation and development by helping increase people's capacity to cope with disasters through large-scale public and school awareness campaigns, small-scale mitigation activities and civil protection training of volunteers⁴⁷.

Coordination within the Commission was not optimal

33

The Commission set up a crisis platform, consisting of regular coordination meetings between EuropeAid, ECHO, the Secretariat-General of the Commission and the EU Member States, to coordinate the EU response in the first few weeks after the earthquake. ECHO and the EU delegation also shared information regularly (e.g. on the needs of internally displaced people in camps and temporary shelters) and communicated with FPI on the Dipecho programme to ensure good links with other DRR activities. Country team meetings were organised regularly between the Commission's departments⁴⁸. These coordination mechanisms made it easier to assess needs and set priorities properly.

34

The EuropeAid neighbourhood reconstruction and development programme (programme 9) was enlarged to include additional areas in Port-au-Prince. In order to ensure continuity with previous ECHO projects, EuropeAid followed the concept 'same partner in the same area', which involved hiring ECHO implementing partners who had been present in a given district during the humanitarian aid phase, thus taking advantage of their valuable know-how in a given context⁴⁹.

- 44 In total 5,5 million euro: 3 million euro from the Humanitarian Implementation Plan Haiti 2011 and 2,5 million euro from the Dipecho programme in the Caribbean region which was independent of the response to the earthquake.
- 45 ECHO's assistance focused in 2012 on addressing displacement (20,25 million euro), response to cholera (3 million euro), responding to disasters such as tropical storm Isaac and Hurricane Sandy (9 million euro) and reducing the risk of disasters (2 million euro).
- 46 This is in line with recommendation 1 made by the Court in its Special Report No 6/2008 concerning European Commission rehabilitation aid following the tsunami and Hurricane Mitch with respect to the rapid design of rehabilitation programmes (<http://eca.europa.eu>).
- 47 'Dipecho study: Lessons learned for an improved strategy and approach', Inspire Consortium, March 2013, pp. 11 and 19 (http://ec.europa.eu/echo/files/policies/dipecho/reports/LL_improved_strategy_approach_March2013.pdf).
- 48 One of the outcomes was the decision to set up reconstruction programmes in the neighbourhood of the affected areas.
- 49 For example, the NGO Concern Worldwide implemented a peace-building project funded by the IfS aiming at reducing armed gang fighting in the Grand Ravine slum. The project was followed by humanitarian interventions with ECHO and then rehabilitation and improvement of the same neighbourhood with EuropeAid.

Observations

35

However, as was stressed in 2011 by the Commission's Internal Audit Service (IAS), ECHO and EuropeAid had no clear common country strategy on LRRD to optimise the synergy and smooth transition between their respective activities. During its visit to Haiti in February 2012, a delegation of the Committee on Budgetary Control of the European Parliament found an insufficient level of coordination between ECHO and the EU delegation⁵⁰. The weaknesses found by the Court mainly concerned the following aspects:

- (a) ECHO programmes are short-term whereas EuropeAid programming and programme preparation take time. Although both adopted a flexible approach (see paragraphs 30 and 31), several months elapsed between the end of ECHO support and the availability of EuropeAid's funding for reconstruction and neighbourhood
- development. Smooth bridging of field operations was only possible by means of self-financing and motivation of implementing partners.
- (b) There were differing views between humanitarian and development partners, including ECHO and the EU delegation, on the most appropriate approach for addressing housing needs. According to the EU delegation and many other development partners interviewed by the Court, the construction of temporary shelters instead of permanent houses 3 years after the earthquake is not the most efficient solution taking into account the lack of space and involves a high risk of shelter areas turning into slums.
- (c) ECHO's exit strategy and hand-over to the EU delegation were not formalised and documented. This did not ensure a proper follow up.

50 CONT delegation visit, 22–26 February 2012, Haiti, Feedback note (http://www.europarl.europa.eu/meetdocs/2009_2014/documents/cont/dv/draftfeedbackreport_/draftfeedbackreport_en.pdf).

Photo 1

Lack of space is a major constraint for urban rehabilitation in Haiti



Source: European Court of Auditors.

LRRD was well thought-out with regard to the design of individual rehabilitation programmes but sometimes difficult to ensure in practice

36

The programmes examined by the Court were appropriately designed to link humanitarian and rehabilitation phases or to lead to the creation of conditions for sustainable development. The activities aimed to restore the essential functions of public services and to create the conditions for sustainable development. However, the prospects of achieving this were not promising for four out of the 13 programmes examined by the Court due to lack of appropriate reforms, the authorities' failure to take ownership and the absence of a properly functioning administration (see *Annex III*, Design).

37

Almost all ECHO rehabilitation programmes facilitated a smooth transition towards development. They were often part of integrated approaches for a given neighbourhood area. In addition to the construction of shelters, such approaches included livelihood support, training and supporting local authorities (see *Box 5*). However delays in the implementation of programmes (see paragraph 43) slowed down the creation of conditions for sustainable development in the areas concerned.

Box 5

Integrated solutions

The HELP programme (programme 2) funded by ECHO in the peripheral areas of Petit-Goâve and Léogâne aimed to repair houses and construct semi-permanent shelters. It was part of an integrated approach intended to rebuild the community. Other programmes in this area involved constructing a vocational training centre, planting community gardens, setting up a market, paving streets and improving public transport. In this way, the rehabilitation efforts made it possible for people to not only return to their houses but also to start income-generating activities.

38

In the area of urban development, the elaboration and dissemination of anti-seismic construction standards and good practices were planned in disaster-risk reduction schemes which were part of government and institutional support programmes, such as the reconstruction and neighbourhood development programme (see programme 9). This was an appropriate approach with a view to 'build back better'. Nevertheless, despite awareness campaigns, these standards were rarely followed for private houses in vulnerable areas because of the increased construction cost and the absence of effective controls by the administration. The progress of the reconstruction programmes was also hampered by property rights issues, due to the embryonic state of the land registry service⁵¹. Pilot projects aimed at developing the land register were ongoing in two districts of Port-au-Prince, but coverage of the entire country was likely to be a long process.

39

The DCI food programme examined by the Court (programme 8) followed humanitarian assistance and aimed to form a bridge towards the resumption of sustainable development, notably by setting up a continuous supply of good quality seeds for agricultural production. However, the weak administration in place offered limited prospects for sustaining the programme's results and the hoped-for development.

40

Immediately after the earthquake, the GBS programme (programme 10) helped the government to overcome the lack of treasury resources, which could have generated wide instability. The support for the government's recovery, development and growth strategies and for improving economic governance was a relevant lever towards a better situation. However, the slow progress made in this area by the government hindered the smooth implementation of the GBS programme and its potential contribution to the institutional and physical reconstruction efforts (see paragraphs 53 and 54).

51 Land title issues were also an important factor contributing to delays in other donors' programmes. See for example 'Haiti reconstruction — USAID infrastructure projects have had mixed results and face sustainability challenges', US Government Accountability Office (June 2013).

The Commission did not sufficiently ensure effective implementation of EU support for rehabilitation

41

The Court examined whether: (i) the planned outputs were delivered in a timely manner; (ii) the Commission assessed the main risks in the post-disaster context and adopted measures to address them; and (iii) monitoring was adequate.

Most programmes encountered delays and some achieved limited progress

42

Eleven out of the 13 programmes examined by the Court were not implemented within the initial timetable. The delays ranged from 1 to 12 months, which is a matter of particular concern with regard to programmes which were initially intended to be short-term. Three programmes delivered a limited proportion of their planned outputs (see **Annex III, Outputs**). Two of these were large programmes in financial terms⁵².

ECHO projects

43

The planned outputs of the seven programmes examined by the Court included the removal of rubble, the construction of 1 500 temporary shelters, the renovation of 800 damaged houses, the construction of sanitation and water supply systems, the provision of civil protection equipment and training, the creation of a geographic information centre, the provision of microcredits and various income-generating activities. One programme (programme 6) was implemented within the planned timetable. The others were delayed due to a difficult post-earthquake context⁵³, but also deficiencies in their design or implementation. The implementing partners did not sufficiently consider local constraints (e.g. cumbersome national administrative procedures) or technical difficulties (e.g. size of temporary shelters unsuitable for the available space).

44

Almost all the programmes eventually delivered the planned outputs. However in one case⁵⁴, the planned return of approximately 2 000 families to their houses was not achieved during programme implementation because the Ministry of Public Works did not deliver reliable data on the state of houses⁵⁵.

- 52 'Programme d'appui budgétaire général au Plan d'action pour la Reconstruction et le Développement d'Haïti et à la Stratégie Nationale de Croissance et de Réduction de la Pauvreté' (programme 10) with an EU contribution of 47 million euro; and 'Strengthening of the Haitian emergency preparedness' with an EU contribution of 14,5 million euro (programme 13).
- 53 Deteriorating conditions for implementing the programmes due to a cholera outbreak, hurricanes or precarious security conditions.
- 54 Construction of safe and sustainable shelter solutions (programme 1).
- 55 The Ministry of Public Works had to assess whether the buildings:
 - were not damaged by the earthquake and could be occupied immediately; or
 - were dangerous buildings to which entrance should be limited and where occupancy is possible only after some repairs are carried out; or
 - were dangerous buildings to which entrance is forbidden and where occupancy is envisaged only if significant repairs are carried out, or require demolition.

Photos 2 and 3

Temporary shelters built under the programmes ‘Construction of safe transitional shelters and toilets’ (Léogâne) and ‘Construction of safe and sustainable shelter solutions’ (Delmas, Port-au-Prince)



Source: European Court of Auditors.

Instrument for Stability

45

The IfS-funded programme to help restore the Haitian government’s crisis preparedness capacity had three components: (i) removing rubble while providing cash-for-work for vulnerable populations; (ii) organising a series of high-level political meetings on reconstruction issues, aid delivery strategies, constitutional reform and restoring the functioning of government; and (iii) increasing the resilience of the population through the provision of equipment to be used in the event of an emergency, and the installation of a crisis room in Port-au-Prince.

46

The first two components (programmes 11 and 12) were implemented as planned. The main causes of delays in implementing the third component were logistical constraints, the lack of suitable country experience and linguistic skills on the part of implementing partners and overly ambitious programme objectives. Furthermore, the training provided was insufficient and not fully adapted to local conditions. The emergency kits were of inadequate quality and not always placed in suitable locations.

Observations

Neighbourhood reconstruction and development

47

The return of displaced people to their home neighbourhoods was a key priority for the government in order to remedy the tenuous social cohesion caused by population movements and many casualties. The EDF-funded 'Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées'⁵⁶ supported the reconstruction of six highly populated neighbourhoods⁵⁷ of Port-au-Prince and one in the town of Petit-Goâve. In addition to improving urban planning and public infrastructure, support was provided to households to reconstruct their houses themselves. Various other activities were promoted through training and micro-finance at community level to encourage economic autonomy.

48

Part of the programme was implemented through the national administration⁵⁸. Although it was relevant in view of the 'building-back-better' and ownership principles, such an approach did not make it possible to deliver physical outputs at a pace that was fully compatible with LRRD. At the time of the Court's visit, the general concept for the rehabilitation had been agreed and master plans for access roads and public infrastructure had been drafted for all projects examined but construction work had not yet started.

49

Nevertheless, significant progress was made in the rehabilitation of the public administration's capacities for urban development. Good progress was also being made on the activities implemented by the NGO partners. Their field experience, continuous presence from the beginning of the humanitarian action and pragmatic approach allowed preparatory work to be carried out quickly⁵⁹. In addition, their interactions with the authorities benefited from the improvement in context following the establishment of institutional support components.

Food security

50

The DCI-funded programme examined by the Court (programme 8) aimed to improve food security for the most vulnerable households and agricultural producers in the region of Artibonite, through the sustainable management of natural resources, income-generating activities and reinforcing the capacities of the regional administration.

51

At the time of the Court's visit, the programme was still at an early stage of implementation but was already delayed by 4 months due to shortcomings in the design of the programme (insufficient analysis of the administrative and organisational environment) and inadequate expertise on the part of an implementing partner⁶⁰.

- 56 Support programme for neighbourhood reconstruction and development to facilitate the return of affected populations (programme 9).
- 57 Baillargeau, Martissant, Delmas 9, Christ-Roi, Grand-Ravine and Carrefour.
- 58 Part of the programme is implemented through the 'Unité de Construction de Logements et de Bâtiments Publics', which has been operational since August 2012 and is attached to the Prime Minister's Office.
- 59 Setting up local committees, participatory consultation, social and technical studies and land ownership research.
- 60 An NGO had not the financial engineering expertise required to set up a loan scheme.

Observations

Budget support

52

In a joint effort with other donors⁶¹, the 10th EDF-funded GBS programme⁶² aimed to support the implementation of the government's action plan for post-disaster reconstruction⁶³ and its growth and poverty reduction strategy⁶⁴. The programme included 44 million euro as budget support and a further 3 million euro for complementary actions, such as technical assistance or support for the production of national statistics.

53

The programme provided much-needed treasury resources to help rehabilitate essential state functions in the aftermath of the earthquake. The first fixed tranche of 26 million euro was disbursed in 2011 according to the planned schedule, i.e. immediately after the finance agreement had been signed. Mainly due to slow progress in economic governance, the second fixed tranche of 7 million euro and only part of the first variable tranche⁶⁵ were disbursed in December 2012, that is, after the end of fiscal year 2011–12, for which they were initially scheduled. Due to unsatisfactory progress in PFM reform, no further disbursements were made by the Commission and other budget support donors in 2013.

54

Some progress was under way on PFM, such as the creation of a unique treasury account or the establishment of 10 public accountant posts. Nevertheless, more than 2 years after the start of this second 10th EDF-funded GBS programme, there was not yet an appropriate and realistic PFM reform programme with well-defined and accepted priority actions and milestones.

Some significant risks were not sufficiently managed

55

The Commission analysed the post-disaster context effectively and identified the main risk factors. These concerned political instability, security, land ownership rights, shortage of land and urban complexity, poor administrative capacity, low levels of participation at community level, inadequate coordination and natural hazards.

56

However, the Commission did not manage the resulting risks to the implementation of EU programmes and the achievement of their objectives well. It did not assess the likelihood and potential impact of these risks, and did not plan appropriate measures to prevent or mitigate some significant risks. For example:

- (a) long customs delays at Haiti's ports and airport were a well-known problem, which significantly hindered the implementation of the ECHO-funded programme for the construction of temporary shelters (programme 1);
- (b) the Ministry of Agriculture's limited capacity and lack of institutional set-up for the provision of breeder seeds was identified during the preparation of the DCI food programme (programme 8). However, no proper measures were planned and the prospects for sustaining the programme's results were low;

61 The IMF, World Bank, IDB, France and Spain. Canada and the United States assist economic governance but do not provide direct budget support.

62 The GBS programme examined (programme 10) was the second under the 10th EDF for Haiti. The first programme, signed in 2009, amounted initially to 27 million euro and was increased to 61 million euro from the B envelope and VFLEX funds.

63 PARDH, adopted in 2010.

64 'Document de Stratégie Nationale de Croissance et de Réduction de la Pauvreté' (2008–10); 'Plan Stratégique de Développement d'Haiti, Cadre de Croissance Triennal' (2012–15).

65 Only 375 000 euro (out of 3 million euro) was disbursed due to the non-achievement of eight indicators (out of nine) in the area of PFM.

(c) due to its overly complex and ambitious design, the IfS programme to support the restoration of the Haitian government's crisis preparedness capacity (programme 13) did not achieve its planned objectives in a satisfactory manner (see **Box 6**). The implementing partner's country-relevant experience was an important factor that was not sufficiently taken into account.

57

In a situation where the essential functioning of the state was significantly weakened, the provision of budget support involved high fiduciary risk⁶⁶. The Commission carried out a reasonable assessment of the prevailing level of fiduciary risks. However, in the light of the limited level of support from other donors⁶⁷, the complementary assistance package was insufficient and not properly focused on key functions to enable significant and prioritised improvements to be made to safeguard public resources (see **Box 7**). During its visit to Haiti in February 2012, a delegation of the Committee on Budgetary Control of the European Parliament found inadequate national control and accounting systems⁵⁰.

66 One likely consequence of weak PFM systems is widespread fraud and corruption. Transparency International's Corruption Perception Index 2013 ranks Haiti in 163th place out of the 177 countries covered. An example of large-scale fraud and corruption is the case of 41 contracts totalling more than 500 million USD awarded irregularly during the period November 2010–October 2011.

67 During the Court's visit, no other donors were implementing significant institutional support in the PFM area. In 2010, IMF experts helped to control public resources, but no adequate follow-up was ensured by the donor community.

Box 6

Difficulties in the implementation of the IfS funded 'Programme to support the restoration of the Haitian government's crisis preparedness capacity' (programme 13)

This programme aimed to help restore the Haitian government's crisis preparedness capacity. The objective of delivering 300 containers of emergency equipment to 140 locations all around the country turned out to be too ambitious to be achieved within the planned deadline. The implementing partner had difficulties in identifying suitable locations and ensuring sufficient quality of the material and its accessibility. Impassable roads, limited capacity at the harbour and airport, the unavailability of fuel and customs delays proved to be underestimated challenges for a partner without any previous local experience.

Measures to protect EU funds

In its Special Report No 11/2010 on the Commission's management of general budget support in ACP, Latin American and Asian countries, the Court recommended that the Commission should strengthen its risk management. This should include shorter-term measures where PFM systems are particularly weak, which is the case in Haiti, as confirmed by the Public Expenditure and Financial Accountability (PEFA) 2011 assessment. Shorter-term measures to better protect EU funds against waste, leakage and inefficiency could include the audit of the civil servant payroll (about 50 % of the current budget), reinforcement of revenue departments (customs, tax), specific support to accounting functions and institutional support to the inoperative 'Cour supérieure des comptes et du contentieux administratif'.

58

Political risks were identified by the Commission when preparing the programme⁶⁸ and monitored during implementation but no clear measures were planned to address them, should they occur. Political instability and volatility have regularly interfered with the development and consolidation of political and policy dialogue between the government and GBS donors. Insufficient political will, slow legislative processes and limited administration capacity have subsequently proved to be major constraints to adopting and implementing crucial reforms effectively and implementing the programme as planned (see paragraphs 52 to 54).

Monitoring was based on an appropriate framework but was allocated insufficient resources

59

As mentioned above in paragraphs 6 and 7, the EU delegation was itself severely affected by the earthquake. The Commission and the EEAS did not take timely measures to send sufficient staff with the relevant skills and experience within the critical phase. The EU delegation's staff resources have only recently been increased⁶⁹. Given these circumstances, the EU delegation made remarkable monitoring efforts but had little capacity to perform on-the-spot visits⁷⁰, which would have been useful in a rapidly evolving situation.

68 E.g. change of government, insufficient political will to reform, social instability.

69 The EU delegation was reinforced with 11 additional posts at the end of 2013.

70 The EU delegation in Port-au-Prince has the second highest workload amongst all the EU representations according to EuropeAid workload assessment.

60

The monitoring system used by ECHO was based on a mandatory standardised reporting framework which provides appropriate information and compares it against a set of agreed indicators. Where there were delays or unexpected difficulties, ECHO took timely corrective action. In the case of the programme 'Construction of safe and sustainable shelter solutions' which was not being implemented satisfactorily (see paragraph 44), ECHO ceased cooperation with the implementing partner after the programme had ended.

61

For the IfS programmes, monitoring by the EU delegation was based on programme reports and field visits, as well as interim and final evaluations by external experts. Several weaknesses found during the interim evaluation were quickly addressed by replacing the local project manager, setting up closer monitoring and improving co-ordination between partners.

62

The EuropeAid urban reconstruction programme (programme 9) has a result-oriented set-up. The monitoring of progress against clearly defined indicators was ensured through financial and narrative reporting from partners, project visits by programme managers and results oriented monitoring (ROM) visits. However, despite the limited number of field visits by the EU delegation due to its heavy workload (see paragraph 59), no independent technical supervision was planned to check the quality of construction work, which was particularly important for this programme.

63

During the implementation of the GBS programme examined (programme 10), the group of donors concerned, led by the World Bank, did not consistently carry out the intended joint monitoring of progress in economic governance⁷¹, which was to be the basis for coordinated disbursement decisions. This situation also reduced the opportunities for political and policy dialogue with the government. In the same way as other donors, the EU delegation had to make its own assessments. However, the EU delegation did not have enough specific competence in the PFM area and the reinforcement of the EU delegation's human resources was far too slow.

71 On the basis of the agreed indicators.

64

The Court concludes that EU support for rehabilitation after the 2010 earthquake in Haiti was well designed overall but the programmes were not implemented sufficiently effectively. In common with other donors, the Commission faced serious obstacles in its efforts to support rehabilitation. It was confronted by the difficult challenge of having to manage its aid in partnership with weak national authorities — so as to encourage ownership and contribute to the emergence of functioning government — while seeking to ensure rapid aid. However, the Commission could have improved its management of some factors under its control.

65

The Commission addressed priority rehabilitation needs. Together with other major donors, the Commission identified major rehabilitation needs in Haiti after the 2010 earthquake correctly and adopted a sound cooperation strategy which addressed the new challenges faced by the country while continuing its support for long-term socioeconomic development. The division of labour between donors was appropriate but coordination during implementation was difficult (see paragraphs 18 to 27).

66

Despite some Commission efforts, relief, rehabilitation and development were not sufficiently linked. The Commission used a range of complementary instruments flexibly and designed individual rehabilitation programmes to ensure the linkage between relief, rehabilitation and development. However, ECHO and EuropeAid had no clear common country strategy to optimise the synergies and smooth transition between their respective activities. The weak national administration and insufficient government commitment to reform were significant challenges to effective rehabilitation and the creation of conditions for sustainable development (see paragraphs 28 to 40).

67

The Commission did not sufficiently ensure effective implementation of EU support for rehabilitation. Ten out of the 13 programmes examined by the Court delivered, or were likely to deliver, their planned outputs, although almost all with delays. Three programmes achieved limited progress, including the 10th EDF general budget support programme. While the Commission was well aware of the difficult context, it did not sufficiently manage some significant risks to the implementation and achievement of its programme objectives. The monitoring of programmes was based on an appropriate framework but the Commission and the EEAS did not take timely measures to strengthen the EU delegation's resources, and it had insufficient capacity to perform on-the-spot visits, which would have been particularly useful in a rapidly evolving situation (see paragraphs 41 to 63).

68

Based on this audit the Court makes the following recommendations to improve the effectiveness of Commission operations in the context of a post-disaster or fragile situation:

Recommendation 1 Risk management

The Commission should, at the outset of programmes and, where appropriate, during implementation, assess the likelihood and potential impact of the main risks to the achievement of programme objectives and take measures to prevent or mitigate these risks.

Recommendation 2 Linking relief, rehabilitation and development

EuropeAid and ECHO should adopt a common strategy on LRRD to ensure effective linkage and synergy between their respective activities. The strategy should set:

- the objectives and mandates of the respective departments;
- the procedures to prepare coordinated country action plans;
- exit strategies and handover procedures.

Recommendation 3 Budget support

When providing budget support, the Commission should, in coordination with other donors:

- provide adequate capacity-building support and focus on key PFM functions, including accountability and anti-corruption mechanisms;
- support the timely preparation of an appropriate PFM reform programme;
- where appropriate, set out shorter-term measures for safeguarding EU funds against waste, leakage and inefficiency.

Recommendation 4 Emergency provisions for EU delegations

In cases involving natural disasters or other similar events, and particularly those affecting the functioning of the EU delegation, the Commission and the EEAS should develop business continuity procedures, including provisions for emergency personnel redeployment.

This Report was adopted by Chamber III, headed by Mr Karel PINXTEN, Member of the Court of Auditors, in Luxembourg at its meeting of 17 June 2014.

For the Court of Auditors



Vítor Manuel da SILVA CALDEIRA
President

List of programmes examined

	Partner and project title	Total costs (EU contribution)	Implementing period
ECHO			
1	UNOPS Shelter (Rehabilitation) — Construction of safe and sustainable shelter solutions	4,2 million euro (EU: 4,1 million euro; 96,5 % share)	1 October 2010–4 August 2011 (2,5 month extension)
2	HELP (Hilfe zur Selbsthilfe e.V.) Water and sanitation (Shelter) — Construction of safe transitional shelters and toilets	2,7 million euro (EU: 2,2 million euro; 82,51 % share)	1 July 2012–31 December 2013 (8 month extension)
3	WHH (Deutsche Welthungerhilfe eV); German Agro Action Disaster preparedness — Enhancing disaster preparedness and awareness capacities	887 479 euro; EU: 650 000 euro; 73,24 % share	1 July 2011–31 October 2012 (1 month extension) — Dipecho project
4	COOPI (Cooperazione Internazionale Fondazione Italy) Disaster preparedness (Coordination) — Strengthening the capacities of the disaster and risk management (DRM)	648 235 euro (EU: 550 000 euro; 84,85 % share)	13 August 2012–31 December 2013 (4,5 month extension)
5	Concern Worldwide Shelter (Water sanitation) — Construction of improved T shelter (long term).	5,8 million euro (EU: 5,2 million euro; 90 % of total eligible costs)	1 April 2010–30 June 2011 (3 month extension)
6	SI (Solidarités internationales; France) Coordination (Shelter) — Cash-for-work activities, installation of community committees and disaster preparedness	2,9 million euro (EU: 99 % contribution)	1 October 2010–31 August 2011
7	SI (Solidarités internationales; France) — FOOD — Improving living conditions, giving access to employment and community services (e.g. income-generating activities are permanently installed), helping to strengthen food security	1 million euro (EU : 100 %)	1 September 2011– 31 December 2012 (4 month extension)
EuropeAid			
8	FAO (Organisation des Nations Unies pour l'Alimentation et l'Agriculture); Améliorer la situation de sécurité alimentaire et nutritionnelle des ménages vulnérables dans le département de l'Artibonite	1,5 million euro (EU: 80 % share)	1 November 2012–31 October 2014 (24 months)
9	Ordonnateur National d'Haïti, AFD, UN-Habitat, Croix-Rouge France, Solidarités International, Concern Worldwide, Care France, Deutsche Welthungerhilfe EV. Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées; Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées	74,5 million euro (EU: 55,8 million euro; France: 10,5 million euro; NGOs: 8 million euro; UN Habitat: 200 000 euro)	7 December 2011–7 December 2016 (60 months, including one extension)
10	Ordonnateur National d'Haïti, and other public and private contracting entities. Programme d'appui budgétaire général au Plan d'action pour la Reconstruction et le Développement d'Haïti (PARDH) et à la Stratégie Nationale de Croissance et de Réduction de la Pauvreté (SNCRP)	47 million euro (EU: 100 %)	2 May 2011–2 May 2015 (48 months)

	Partner and project title	Total costs (EU contribution)	Implementing period
Instrument for Stability (IFS)			
Programme to support the restoration of Haitian government capacities for crisis preparedness; Decision 2010/022-598 — 20 million euro			
11	UNDP — Cash-for-work for early recovery and stabilisation	Multi-donor action totalling 40,9 million USD (EU: 5 million euro; 16 % of total project costs)	13 January 2010–31 December 2012 (IFS contribution between 1 September 2010 and 31 August 2012)
12	Club de Madrid — Strengthening Haiti's institutional base and increasing the Haitian leadership's ownership of the recovery process	500 000 euro (EU: 100 % contribution)	1 July 2010–29 February 2012
13	International Management Group (IMG), Belgrade and Joint Research Centre (JRC) — Strengthening of Haitian emergency preparedness	13,25 million euro for IMG group (lead coordinator) and 1,25 million euro (Joint Research Centre) (EU: 100 % contribution)	14 October 2010–31 May 2012 (IMG), 20 December 2010–19 December 2012 (JRC)

An additional sum of 7 million euro is covered in a second decision to strengthen the institutional capacity and funding is planned from the end of 2013¹.

¹ Decision C(2012) 7698 final; (CRIS decision 2012/024530); no contribution agreement signed. The project is still at a draft stage and was not examined.

Scoring methodology

For the purpose of the audit, the scoring of the relevance, design and outputs was determined on the basis of the Commission's results-oriented monitoring (ROM) methodology. The criteria used are listed below.

Relevance	
A	Project is clearly embedded in national policies and EC strategy, is highly relevant to the identified priority needs and targets the vulnerable groups.
B	Fits well in national policies and EC strategy (without always being explicit), is relevant to identified needs and vulnerable groups.
C	There are some issues/problems regarding consistency with national and EC policies, or relevance to targeting.
D	Contradictions with national policies or EC strategy; relevance of needs is questionable. Major adjustments needed.
Design	
A	Clear and well-structured logical framework; feasible and consistent vertical logic of objectives; adequate SMART OVIs (objectively verifiable indicators); risks and local constraints clearly identified and managed; project's objectives form a bridge between humanitarian phase and development, project is intended to lead to a resumption of sustainable development, capacity building is included to ensure the partner takes full responsibility after the project end, exit strategy in place.
B	Adequate intervention logic, although it might need some improvement regarding hierarchy of objectives, OVIs, risks and constraints, LRRD mostly assured, provisions for full takeover of responsibility have been made, improvements regarding ownership however advised.
C	Problems with intervention logic may affect performance of project and capacity to monitor and evaluate progress; improvements necessary to ensure ownership and sustainability.
D	Intervention logic is faulty and requires major revision for the project to have a chance of success.
Outputs	
A	All outputs have been, or most likely will be, delivered with good quality contributing to outcomes as planned, activities are implemented on schedule and regularly monitored.
B	Output delivery is, and will most likely be, according to plan, but there is room for improvement in terms of quality, coverage and timing. Delays do not harm delivery of outputs.
C	Some outputs are/will be not delivered on time or with good quality. Adjustments are necessary. Activities are delayed and somewhat disconnected from the intervention logic and plans.
D	Quality and delivery of outputs has, and most likely will have, serious deficiencies. Major adjustments are needed to ensure that at least the key outputs are delivered. Serious delays and fundamental disconnect of activities from intervention logic and plans.

Scoring of programmes¹

(million euro)

Programmes and partners		Instrument	EC contribution	Paid as at 31.12.2013	Relevance	Design	Outputs	Implementation period
1	UNOPS — ECHO/-CR/BUD/2010/02028 Shelter (Rehabilitation) - Construction of safe and sustainable shelter solutions	ECHO	4,1	3,6	B	C	C	10.2010–8.2011
2	HELP (Hilfe zur Selbsthilfe e.V.) — ECHO/HTI/BUD/2012/91008 Water sanitation (Shelter) — Construction of safe transitional shelters and toilets		2,2	1,8	A	A	A	7.2010–12.2013
3	WHH (Deutsche Welthungerhilfe eV); German Agro Action) — ECHO/DIP/BUD/2011/92002 Disaster preparedness — Enhancing disaster preparedness and awareness capacities		0,7	0,6	A	A	B	7.2010–10.2012
4	COOPI (Cooperazione Internazionale Fondazione Italy) — ECHO/HTI/BUD/2012/91016 Disaster preparedness (Coordination) — ECHO/HTI/BUD/2012/91016 — Strengthen the capacities of the Disaster and Risk Management (DRM)		0,6	0,4	A	A	A	8.2012–1.2013
5	Concern Worldwide — ECHO/-CR/BUD/2010/02010 Shelter (Water sanitation) — Construction of improved T shelter (long term)		5,2	5,2	A	B	B	4.2010–6.2011
6	SI (Solidarités internationales; France) — ECHO/-CR/BUD/2010/02045 Coordination (Shelter) — Cash for work activities, instalment of community comitees and disaster preparedness		2,9	2,9	A	A	A	10.2010–8.2011
7	SI (Solidarités internationales; France) — FOOD — Improve the living conditions, give access to employment and community services (e.g. income generating activities are permanently installed), help to strengthen food security		1,0	1,0	A	B	A	9.2011–12.2012
8	FAO (Organisation des Nations Unies pour l'Alimentation et l'Agriculture) (FAO) — DCI-FOOD.2012/299-441; Améliorer la situation de sécurité alimentaire et nutritionnelle des ménages vulnérables dans le département de l'Artibonite	DCI — food	1,5	1,1	A	C	too early to assess	11.2012–10.2014

¹ See *Annex II* for methodology.

(million euro)

Programmes and partners	Instru- ment	EC contribution	Paid as at 31.12.2013	Relevance	Design	Outputs	Implementation period
9 Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (CRIS Nr 2011/023-144); Ordonnateur National d'Haïti, AFD, UN-Habitat, Croix-Rouge France, Solidarités International, Concern Worldwide, Care France, Deutsche Welthungerhilfe EV.	EDF	55,8	11,0	A	A	B	12.2011–12.2016
10 Programme d'appui budgétaire générale pour la Reconstruction et le Développement d'Haïti (PARDH) et à la Stratégie Nationale de Croissance et de Réduction de la Pauvreté (SNCRP) (CRIS Nr2010/022-435); Ordonnateur National d'Haïti, and other public and private contracting entities		47,0	34,9	A	C	C	5.2011–5.2015
11 UNDP – Cash for work for early recovery and stabilisation	IFS	5,0	5,0	A	A	A	9.2010–8.2012
12 Club de Madrid — Strengthening Haiti's institutional base and increasing the Haitian leadership's ownership of the recovery process		0,5	0,5	A	A	A	7.2010–2.2012
13 International Management Group (IMG), Belgrade and Joint Research Centre (JRC) — Strengthening of the Haitian emergency preparedness		14,5	13,1	A	C	C	10.2010–5.2012 (IMG), 12.2010–12.2012 (JRC)
TOTAL		141,0	81,1				

Executive summary

III

The Commission and the EEAS would like to underline that most projects achieved their objectives, despite the difficult context in which they were implemented.

The Commission managed to mitigate the impact of some external factors that caused delays.

V

While a formal joint country strategy for LRRD in Haiti was not required, the Commission services coordinated their approaches and ensured the link between relief and development on a sectorial basis. Full and systematic integration of the LRRD approach has been included in the funding cycle covering 2014–20.

VI

The Commission and the EEAS emphasise that most projects have achieved their intended results.

As regards the risks, the Commission and the EEAS would like to recall that working in a fragile country inevitably entails risks. While these risks were identified, and possible mitigation measures were put in place, the Commission and the EEAS decided, in some cases, to implement the programmes despite the risks involved in order to contribute to the benefits of the population.

The delegation's capacity was strengthened to the extent that budgetary and human resources constraints and standing administrative procedures allowed.

Learning from the experience of the earthquake in Haiti and crises in other countries, the Commission and the EEAS have introduced a number of rapid response measures.

VII First indent

The Commission accepts this recommendation.

- (i) Since the adoption of the new budget support guidelines in January 2013, the recommendation is already in place for budget support programmes.
- (ii) Adequate risk management is important for all programmes. Detailed procedures are in place to ensure assessment of likelihood, potential impact and mitigation measures in the design of the programme. During the implementation, risk management will be considered in the framework of the already existing procedures.

VII Second indent

The Commission accepts this recommendation. The Commission is already implementing an LRRD strategy and will continue to do so in the framework of the resilience agenda.

- The Commission accepts this part of the recommendation; the objectives of the common strategy are defined (context specific) as part of the preparation of the country plans. Mandates of the departments are defined in their mission statements.
- The Commission accepts this part of the recommendation (cf. guidance on LRRD and workshops).
- The Commission accepts this recommendation as part of the country action plans.

VII Third indent

The Commission accepts the Court's recommendation.

The Commission underlines that for countries in situations of fragility and crisis/post-crisis, assistance has to be adapted to the situation in order to achieve a measure of success. To this effect, the Commission has developed a specific instrument of intervention known as the 'state building contract' containing provisions for such situations.

The Commission wishes to highlight that Recommendation 3 of the Court is included in the guidelines of budget support.

VII Fourth indent

The Commission and the EEAS accept this recommendation but would like to point out that business continuity procedures, established under the responsibility of the EEAS, and provisions for emergency personnel redeployment have been established for all delegations in the meantime. In addition, it would like to point out that the safety and security of EU personnel is the first priority in situations of crisis or disasters in a country in which EU staff are present.

Observations

The Commission considers that relief, rehabilitation and development were sufficiently linked, given the difficult circumstances.

35

Although no common strategy was formally established, in practise numerous meetings were held between the partners and information was shared between ECHO and EuropeAid. This ensured complementarity and linkage between Humanitarian and Development funded activities.

Since the European Parliament Committee on Budgetary Control's visit to Haiti, the Commission has made significant efforts to address the situation.

At field level, coordination between ECHO field officers and the EU delegation is ensured through regular meetings so that they can inform and consult each other on the design of programmes and progress achieved. Both offices are currently drafting a joint humanitarian and development framework. In addition, the head of delegation represents humanitarian concerns on behalf of the EU.

Furthermore, at HQ level, coordination has been greatly enhanced by a number of activities and procedures, including:

- a resilience action-plan;
- a joint EU–Member State instruction letter on the implementation of the EU approach to resilience, so as to encourage effective EU–Member State collaborative action, bringing together humanitarian assistance, long-term development cooperation and ongoing political engagement at both EU and national levels;
- an interservice group on transition;
- LRRD operation guidelines;
- formal and informal consultation processes on programmes.

35 (b)

In the Commission's view, there are different mandates and procedures between the services, but no difference in views. ECHO is not mandated to implement long-term development investments, and therefore cannot finance permanent houses.

It must be noted that, as from 2013, the Commission stopped funding temporary shelters in Port-au-Prince, where an effective synergy was developed between the experience acquired by ECHO's partners and the neighbourhood reconstruction and development programme funded by DG Development and Cooperation — EuropeAid . ECHO funded some temporary shelters, in the form of traditional Creole houses, in the Palmes region, the epicentre of the earthquake, where undisputed land was available and where there was no risk of contributing to multiplication of slums. In many if not most of the cases, getting a temporary shelter represented an improvement for the beneficiary compared to what they lived in before the earthquake.

35 (c)

EU-funded humanitarian actions are needs-based. An ECHO exit strategy for Haiti has not been formalised as such. However, the conditions for a phasing out of the humanitarian instrument were systematically indicated in all relevant ECHO funding decisions.

37

Delays were mostly caused by external factors determined by the rapidly evolving context which were out of control of ECHO's partners.

40

The philosophy of budget support prescribes that payment is made upon results achieved. This requires that a delicate balance needs to be ensured between predictability and conditionality.

The withholding by the EU and other donors of payments in summer 2012 was due to national audit reports that indicated deficiencies in public procurement procedures during the state of emergency in 2011. The donor community pressure triggered the creation of a special audit commission to assess 41 contracts passed through the emergency law procedures. Following the recommendations of the audit commission and the subsequent cancellation of six of these contracts by the government, donors resumed payments. This exemplifies the leverage capacity for improved economic governance that budget support operations can have and the contribution to reform that the programme has achieved.

The Commission and the EEAS consider that the implementation of EU support for rehabilitation was largely effective.

42

Despite the difficult circumstances which were the main reason for delays, most programmes achieved the intended results.

43

Relief interventions prompted by sudden onset crises usually entail a level of risk, which may either cause delays or, in some cases, require mitigating measures in order to ensure a positive outcome of the projects.

In this light, it was primarily external factors in a complex humanitarian environment which made the collaboration more and more difficult, leading to a change in area of intervention. Despite obstacles, partners were able to meet the objectives set out in the actions. Changes that occurred in the implementation of the projects were duly discussed between ECHO and partners before decisions were taken.

It is difficult to anticipate these types of complications when planning negotiations with municipalities or national authorities.

44

Implementation of the rehabilitation project was affected by two issues.

- 1) There was social unrest in the area of Bristou-Bobin where the ECHO-funded project has been implemented. Repeated violent incidents relating to the electoral context or community issues blocked activities for security reasons.
- 2) The partner also found out during the course of the project that 30 % of the buildings in Bristou-Bobin were not assessed by the Ministry of Public Works (MTPTC). An unexpected building assessment needed to be done, which further jeopardised the delivery of the planned outputs.

46

Further to the final evaluation report, the Commission decided to address the mentioned issues of insufficient and not fully adapted training, inadequate quality of materials in the emergency kits and other challenges through a follow-up interim response programme over 3 years with a different implementing partner with more local experience.

48

The Commission aims to achieve a balance between, on the one hand, programmes that are fully owned by the beneficiary and implemented through the beneficiary so as to build capacity of the latter and, on the other hand, delivering programme outputs rapidly. By working with different partners, the Commission aimed to strike this balance.

51

Measures to rectify the design shortcomings have already been implemented.

53

The Commission agrees that disbursements did not follow the indicative timetable strictly, but concurs that it was necessary to withhold the payment in order to respect the terms of the financing agreement and exert the necessary leverage to encourage reform advancements.

54

The guidelines on budget support do not request the existence of an appropriate PFM strategy as an eligibility condition for budget support but require the existence of reform efforts which can be translated in the existence of 'sub-sectorial' PFM strategies. In Haiti, while the government only recently adopted a comprehensive PFM strategy in May 2014, it has been, for a long time, implementing a number of reform strategies touching on different aspects of PFM. In addition, in the

forward-looking approach of the Commission's budget support, the adoption of a comprehensive and realistic PFM strategy was included as a precondition for the first payment in the new budget support programme to Haiti, adopted in November 2013. This precondition has now been fulfilled through the recent adoption of this strategy

56

The Commission considers that it adequately managed the risks to the implementation of EU programmes. Working in a fragile country inevitably entails risks.

56 (a)

Customs problems were exacerbated by the post-earthquake chaos. A risk analysis was conducted systematically by all implementing partners, and potential delays due to, among other things, customs delays had been factored in and recorded in the proposals' log frames. It was evidently impossible to anticipate exactly the duration of such delays. Considering the fact that there was no alternative to fulfil population housing needs other than importing shelters, the benefits of such an operation outweighed the identified risks related to customs delays.

56 (b)

Complementary to other donors' institutional support to the Ministry of Agriculture for reinvigorating the seed production industry and strengthening its quality control capacities, the EU programme supported local farmer groups engaging in artisanal seed production.

56 (c)

This project had as planned objectives to get an immediate impact at the operational level by putting in place 300 containers with first aid equipment and by training volunteers at the local level to handle this equipment in case of natural disasters. While the project indeed managed to place 302 containers in the country with only a 2-month extension of the implementation period and to administer basic training for 3 041 local volunteers, it was also designed as a pilot project that could be brought forward under the cooperation envelopes (European Development Fund) for Haiti.

As regards the choice of the implementing partner, the Commission would like to mention that none of the partners with longstanding relevant experience in Haiti was available to undertake this action.

Box 6

The location for the containers was assigned by the Haitian authorities (DPC — Direction de la Protection Civile) and mayors of villages concerned. The DPC only reported 10 cases (out of 302) where relocation was needed.

The follow-up interim response programme will address the insufficient training of the volunteers. In addition, it will also further the sustainability of the volunteer network through integration of the structure in the regional and local authorities (*collectivités territoriales*), and restore where necessary the equipment of the emergency kits.

57

The budget support programme was formulated in the aftermath of the earthquake in coordination with other budget support donors. The priority was to provide much-needed treasury resources to the government and accompanying measures to take account of planned technical assistance by other donors.

Under the new budget support programme (the state building contract) adopted in 2013, the technical assistance envelope was increased to 12 million euro to cover the government's needs for capacity building.

Box 7

The new budget support programme for Haiti, adopted in November 2013, is based on a specific modality for fragile countries. Among other measures, an audit of the civil servant payroll, the reinforcement of revenue departments and specific support to the supreme audit institution (Cour supérieure des comptes et du contentieux administratif) are included in this operation.

58

The Commission and the EEAS had thoroughly considered the political risks in Haiti, but decided nevertheless to intervene as the potential benefits, including the possibility of exerting political leverage in support of reforms, outweighed the risks.

Mitigating measures were consequently adopted to the extent possible, taking into account the limited capacity of Haitian institutions and the need to respect Haiti's sovereignty. The EU has increased the depth and intensity of its political dialogue with Haiti, as witnessed by numerous high-level contacts in the past 2 years and the launching of a structured and regular political dialogue in December 2013. Specific supporting measures, aimed at contributing to political stability, are being implemented. The Commission and the EEAS also would like to stress that consolidation of democracy and the stabilisation of the political context in Haiti can only be achieved in the long term and through an endogenous process, as the recent advancements of the 'inter-Haitian dialogue' demonstrate.

59

The Commission and the EEAS would like to underline that they did strengthen capacity to the degree that the budgetary and human resources constraints and standing administrative procedures allowed. The delegation, like all other national and international partners, had to work in very difficult conditions: the delegation building was considered unsafe and the temporary office space was set up in a safe delegation residence. In the aftermath of the earthquake, staff of the delegation were evacuated to the Dominican Republic, while the head of delegation stayed behind with core security and administrative staff.

Backstop support was provided by the delegation in the Dominican Republic and by headquarters.

63

Throughout 2010 and 2011, limited resources in the delegation were complemented by increased support from headquarters. For example, for budget support, experts from headquarters regularly undertook missions to Haiti and represented the EU in the donor coordination meetings with Government.

Conclusions and recommendations

64

The Commission and the EEAS welcome the positive elements of the Court's conclusion. Most projects achieved their objectives, despite the difficult context in which they were implemented.

66

While a formal joint country strategy for LRRD in Haiti was not required, the Commission services coordinated their approaches and ensured the link between relief and development on a sectorial basis. Full and systematic integration of the LRRD approach has been included in the funding cycle covering 2014–20.

67

The Commission and the EEAS emphasise that most projects have achieved their intended results.

As regards the risks, the Commission and the EEAS would like to recall that working in a fragile country inevitably entails risks. While these risks were identified, and possible mitigation measures were put in place, the Commission decided, in some cases, to implement the programmes despite the risks involved in order to contribute to the benefits of the population.

The delegation's capacity was strengthened to the extent that budgetary and human resources constraints, and standing administrative procedures, allowed.

Learning from the experience of the earthquake in Haiti and crisis events in other countries, the Commission and the EEAS have introduced a number of rapid response measures.

Recommendation 1

The Commission accepts this recommendation.

- (i) Since the adoption of the new budget support guidelines in January 2013, the recommendation is already in place for budget support programmes.
- (ii) Adequate risk management is important for all programmes. Detailed procedures are in place to ensure assessment of likelihood, potential impact and mitigation measures in the design of the programme. During the implementation, risk management will be considered in the framework of the already existing procedures.

Recommendation 2

The Commission accepts this recommendation. The Commission is already implementing an LRRD strategy and will continue to do so in the framework of the resilience agenda.

Recommendation 2 — First indent

The Commission accepts this part of the recommendation; the objectives of the common strategy are defined (context specific) as part of the preparation of the country plans. Mandates of the departments are defined in their mission statements.

Recommendation 2 — Second indent

The Commission accepts this part of the recommendation (cf. guidance on LRRD and workshops).

Recommendation 2 — Third indent

The Commission accepts this recommendation as part of the country action plans.

Recommendation 3

The Commission accepts the Court's recommendation.

The Commission underlines that for countries in situations of fragility and crisis/post-crisis, assistance has to be adapted to the situation in order to achieve a measure of success. To this effect, the Commission has developed a specific instrument of intervention known as the 'state building contract' containing provisions for such situations.

The Commission wishes to highlight that Recommendation 3 of the Court is included in the guidelines for budget support.

Recommendation 4

The Commission and the EEAS accept this recommendation but would like to point out that business continuity procedures, established under the responsibility of the EEAS, and provisions for emergency personnel redeployment have been established for all delegations in the meantime. In addition, it would like to point out that the safety and security of EU personnel is the first priority in situations of crisis or disasters in a country in which EU staff are present.

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The earthquake which hit Haiti on 12 January 2010 claimed a heavy toll in human lives and caused massive destruction in and around the capital. In this report the European Court of Auditors examines whether the EU support for rehabilitation of the country was well designed and implemented and whether the Commission properly linked the provision of relief with rehabilitation efforts and development aid. The Court concludes that the support for rehabilitation was overall well designed, addressing the major needs of the country. However, the programmes were not implemented sufficiently effectively and relief, rehabilitation and development were not sufficiently linked. This was partly due to the difficult context and the weaknesses of national authorities, but also due to shortcomings in the management of some factors under the Commission's control.



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