

CRS Report for Congress

Haiti's Development Needs and a Statistical Overview of Conditions of Poverty

May 30, 2007

Maureen Taft-Morales
Specialist in Latin American Affairs
Foreign Affairs, Defense, and Trade Division

Demond Alexander Drummer
Research Associate
Foreign Affairs, Defense, and Trade Division



**Prepared for Members and
Committees of Congress**

Haiti's Development Needs and a Statistical Overview of Conditions of Poverty

Summary

Haiti's poverty is massive and deep. Over half the population (54%) of 8.2 million people live in extreme poverty, living on less than \$1 a day; 76% live on less than \$2 a day. Poverty and hunger among the rural population is even more widespread. In order to reach Haiti's goal of eradicating extreme poverty and hunger by 2015, its Gross Domestic Product (GDP) would have to grow 3.5% per year, a goal Haiti is not considered likely to achieve. In the past 40 years, Haiti's per capita real GDP has declined by 30%. Therefore economic growth, even if greater than population growth, is not expected to be enough to reduce Haiti's endemic poverty.

Since Haiti's 2006 elections, the new government and international donors are shifting from a short-term program to carry Haiti through a transition period to a long-term program to help reduce poverty in Haiti. Haiti and its multilateral and bilateral donors developed an international aid strategy to address Haiti's short-term needs in between the collapse of President Jean-Bertrand Aristide's government and the installation of a new, elected government. Through the Interim Cooperation Framework (ICF) international donors pledged \$1.2 billion from 2004 to 2006, and \$750 million more through September 2007. The ICF places priority needs and projects into four broad "axes": political governance and national dialogue; economic governance and institutional development; economic recovery; and access to basic services, with a strategy, priority objectives, and monitoring indicators for each.

Building on drafts created by the interim government (2004-2006), President René Prével's Administration produced an Interim Poverty Reduction Strategy (PRS) for the years 2007-2009. This plan calls for actions to be taken within a macroeconomic framework focusing on three goals: maintain macroeconomic stability; target actions to reduce poverty; and create conditions conducive to continuous and sustainable growth driven by private initiative.

International donors are assisting Haiti in developing a long-term Poverty Reduction Plan to build on and succeed the Interim Cooperation Framework (ICF). An important part of this strategy is developing the final plan through a participatory process, with the goals of ensuring that the interests of Haiti's most disadvantaged population are taken into account and that democratic and governance processes are strengthened. The PRS is to be completed by July 2007, and implemented beginning in October 2007. The U.S. Agency for International Development's 2007-2009 programs are based on the objectives, strategy, and monitoring indicators established under the ICF. Some critics say that the PRS process does not allow adequate country input, uses limited development analysis, and should include discussion of alternative policies and other aspects of development policy.

Enormous political, technical, and institutional challenges must be overcome before Poverty Reduction objectives can be achieved. The figures in this report put international efforts into the context of Haitian poverty, drawing a statistical portrait to convey the extent of the poverty and obstacles that must be overcome in order for sustainable development to occur in Haiti. This report will not be updated.

Contents

Current Situation	1
Haiti's Development Needs	2
Short-Term Strategy for Addressing Haiti's Needs	3
Medium-Term Strategy for Addressing Haiti's Needs	4
Long-Term Strategy for Addressing Haiti's Needs	5
Critiques of the Poverty Reduction Strategy Process	5
The Bush Administration Strategy	6
Moving Forward on Haitian Development	8
Statistical Overview of Conditions of Poverty	10
Political Governance Data: Police and Penitentiary Institutions	10
Economic Data: Stability, Electricity, Private Sector Development, Transportation, and Environmental Indicators	11
Access to Basic Services Data: Water, Sanitation, Health, Nutrition, and Education	17

List of Figures

Figure 1. PPP GNI Per Capita, 1980-2003	11
Figure 2. Annual Inflation, 1995-2004	12
Figure 3. Access to Electricity, 2000	12
Figure 4. Transmission and Distribution Losses, 2001	13
Figure 5. Procedural Time, 2004	13
Figure 6. Business Start-up Costs, 2004	14
Figure 7. Cost of Registering a Property, 2004	14
Figure 8. Cost of Closing a Business, 2004	15
Figure 9. Investment Recovery Rate, 2004	15
Figure 10. Road Infrastructure, 2001	16
Figure 11. Forest Area, 2000	16
Figure 12. Annual Deforestation, 1990-2000	17
Figure 13. Access to Improved Water Source, 2000	17
Figure 14. Access to Sanitation, 2000	18
Figure 15. Life Expectancy, 2003	18
Figure 16. Adult Mortality Rate, 2003	19
Figure 17. Under-5 Mortality Rate, 2003	19
Figure 18. Maternal Mortality Rate, 2000	20
Figure 19. Skilled Health Attendant Present at Birth, 2005	20
Figure 20. Health Professionals, 2004	21
Figure 21. HIV/AIDS Cases in the Caribbean, 2004	21
Figure 22. HIV/AIDS Deaths in the Caribbean, 2004	22
Figure 23. HIV/AIDS Prevalence, 2004	22
Figure 24. Tuberculosis Profile, 2005	23
Figure 25. Food Security, 2002	23

Figure 26. Daily Calorie Intake Per Capita, 2002	24
Figure 27. Daily Nutrient Intake Per Capita, 2002	24
Figure 28. Adult Literacy Rate, 2005	25
Figure 29. Youth Literacy Rate, 2005	25

List of Tables

Table 1. Size of Police Force	10
Table 2. Penitentiary Institutions	11

Haiti's Development Needs and a Statistical Overview of Conditions of Poverty

This report provides a brief analysis of Haiti's development needs.¹ It examines the current situation in Haiti, Haiti's development needs, and what is being done by the Haitian government, the United States, and foreign donors to meet those needs. It also addresses priority areas for Haitian development. Haiti and its multilateral and bilateral donors developed an international assistance strategy, known as the Interim Cooperation Framework (ICF), to address Haiti's short-term needs following the collapse of the government of President Jean-Bertrand Aristide in February 2004. The Cooperation Framework has been extended through 2007, and is the basis from which a long term Poverty Reduction Strategy is being developed. The second part of the report uses the Interim Cooperation Framework's outline to organize statistics related to the priority needs that have been established. These statistics illustrate the challenges posed by current conditions of poverty in Haiti for achieving Haiti's development goals.

Current Situation

Haiti's poverty is massive and deep. Over half the population (54%) of 8.2 million people live in extreme poverty, living on less than \$1 a day; 76% live on \$2 or less a day. Poverty among the rural population is even more widespread: 69% of rural dwellers live on less than \$1 a day, and 86% live on less than \$2 a day. Hunger is also widespread: 81% of the national population and 87% of the rural population do not get the minimum daily ration of food defined by the World Health Organization. In order to reach its Millennium Development Goal of eradicating extreme poverty and hunger by 2015, Haiti's Gross Domestic Product (GDP) would have to grow 3.5% per year, a goal the International Monetary Fund (IMF) says Haiti is not considered likely to achieve. Economic growth for FY2006 is estimated to have been 2.5%. Over the past 40 years, Haiti's per capita real GDP has declined by 30%. Therefore, economic growth, even if it is greater than population growth, is not expected to be enough to reduce poverty.

¹ Sources include various reports from USAID [http://www.usaid.gov/locations/latin_america_caribbean/country/haiti/], the State Department [<http://www.state.gov/p/wha/ci/ha/>], the International Monetary Fund [<http://www.imf.org/external/country/HTI/index.htm>], non-governmental organizations, and the Haitian government's "Haiti: Interim Poverty Reduction Strategy Paper" [<http://www.imf.org/external/pubs/ft/scr/2006/cr06411.pdf>], and news articles. The text of this CRS report was written by Maureen Taft-Morales. For more information, see CRS Report RL32294, *Haiti: Developments and U.S. Policy Since 1991 and Current Congressional Concerns*, also by Taft-Morales.

The likelihood that economic growth will contribute to reduction of poverty in Haiti is further reduced by its enormous income distribution gap. Haiti has the second largest income disparity in the world. Over 68% of the total national income accrues to the wealthiest 20% of the population, while less than 1.5% of Haiti's national income is accumulated by the poorest 20% of the population.² When the level of inequality is as high as Haiti's, according to the World Bank, the capacity of economic growth to reduce poverty "approaches zero."³

President René Préval, who was inaugurated to a five-year term on May 14, 2006, recently completed his first year in office. He outlined his government's two main missions to be building institutions as provided for in the constitution — including the new municipal posts filled by elections on December 3, 2006 — and creating conditions for private investment in order to create jobs. Préval has criticized the donor community for not dispersing funds quickly enough. Some international donors have complained that Préval's government keeps changing priorities - first children's needs, then road-building, then security issues. Crime and kidnaping levels have been high, leading Préval's government and the U.N. Mission in Haiti (MINUSTAH) to focus on improving security.

Haiti's Development Needs

Plagued by chronic political instability and frequent natural disasters, the Republic of Haiti remains the poorest country in the Western Hemisphere. The United Nations designates Haiti as one of the fifty "least developed countries" in the world.⁴

"Least Developed Countries" (LDCs) [are] a category of States that are deemed highly disadvantaged in their development process..., and facing more than other countries the risk of failing to come out of poverty. As such, the LDCs are considered to be in need of the highest degree of attention on the part of the international community....the UN gives a strong signal to the development partners of these countries, and points to the need for special international support measures and concessions in their favour.⁵

Haiti has many priorities for development that are deeply interconnected. To address the persistent poverty crisis in the country, the Haitian government and the international donor community, including the United States, are implementing and developing assistance strategies that address many development needs

² Evans Jadote, "Income Distribution and Poverty in the Republic of Haiti," PMMA Working Paper 2006-13, Poverty and Economic Policy.

³ World Bank, "Income Distribution, Inequality, and Those Left Behind," in *Global Economic Prospects 2007: Managing the Next Wave of Globalization*, p. 83. December 1, 2006.

⁴ *The Least Developed Countries Report, 2006*, U.N. Conference on Trade and Development (UNCTAD).

⁵ "UN Recognition of the Least Developed Countries, UNCTAD, at [<http://www.unctad.org/Templates/Page.asp?intItemID=3618&lang=1&print=1>].

simultaneously. In the short-term, they are trying to implement projects that will boost public and investor confidence. At the same time, the government and donors are pursuing medium-term development plans that will improve living conditions for Haiti's vast poor population and construct government institutions capable of providing services and stability. The Haitian government is working with international donors to develop a long-term poverty reduction plan. Since 2000, in response to unresolved elections disputes and questions of transparency, U.S. and other foreign donors have directed assistance through non-governmental organizations.

The interim government (2004-2006) focused on macroeconomic performance. The Préval Administration has continued efforts begun by that government, maintaining fiscal discipline and implementing structural economic reforms. Now that an elected government is in place, donors are looking at how to ensure transparency as they provide funds directly to the government again. In addition, since President Préval took office in May 2006, both the new government and international donors are shifting from a short-term program to carry Haiti through a transition period to a long-term program to help reduce poverty in Haiti.

Short-Term Strategy for Addressing Haiti's Needs

Haiti and its multilateral and bilateral donors developed an international strategy for assistance to address Haiti's short-term needs in between the collapse of the government of President Jean-Bertrand Aristide and the time a new government could be elected and installed. The World Bank, the Inter-American Development Bank, the United Nations, and the European Commission convened the International Donors Conference on Haiti in July 2004. Working in conjunction with Haiti's interim government, the conference adopted the Interim Cooperation Framework (ICF), which focused on development goals in four general areas: political governance, economic governance, economic recovery, and access to basic services.

At the conference, international donors, including the United States, pledged \$1.2 billion from 2004 to 2006 to help Haiti rebuild its infrastructure, strengthen institutions, and improve basic services. According to the IMF, about \$960 million of these funds had been disbursed as of December 2006. In July 2006, international donors pledged \$750 million to bridge Haiti's budget gap and fund economic, social, and democratic reconstruction projects through September 2007.

The Interim Cooperation Framework establishes priority needs and projects that fall under four broad categories. For each of these four strategic axes, the Framework provides a strategy, priority objectives, and monitoring indicators.⁶

- The "Strengthen Political Governance and National Dialogue" axis addresses security, police, and disarmament; the judicial system and human rights; and the electoral process.

⁶ Each axis of the Framework, its priorities, and the projects designed to address them are discussed in CRS Report RL33156, *Haiti: International Assistance Strategy for the Interim Government and Congressional Concerns*, by Maureen Taft-Morales.

- The “Strengthen Economic Governance and Institutional Development” category promotes improved and more transparent management of public finances; strengthening the capacities of public institutions; and decentralization in favor of regional, urban, and local preparation of development strategies.
- The “Promote Economic Recovery” objective aims to reverse Haiti’s trend of economic regress by promoting macro-economic stability; providing reliable electricity; reviving the private sector; and providing jobs and access to micro-finance. Economic Recovery programs also aim to help farmers meet their needs; improve roads and transport; and rehabilitate and protect the environment.
- “Improve Access to Basic Services” is the fourth axis. Because basic services are so scarce in Haiti, the priorities in this category are many. They range from immediate goals such as providing emergency humanitarian aid to more long-term goals. Health-related long-term goals include increasing the availability of potable water and lavatories; extending minimal health services and improving access to them, improving the ability to address food security, and improving solid waste management. Programs also include improving the quality of and access to education at all levels; engaging disadvantaged youth; supporting Haitian artisans; and reinforcing the media as a means of promoting pluralism and democracy. Other priorities include improving slums and the government’s ability to provide social safety nets and protection.

Progress has been made toward these objectives since 2004, such as the organization of elections, jobs creation, and broader access to clean water and other services. The economic policies of the strategy focused on restoring macroeconomic stability and establishing good governance practices, and had success in areas such as the preparation of budgets before the commencement of a fiscal year, and improvements in fiscal transparency. But because the emphasis was not on economic growth, results were negligible, according to the Haitian government, and Haitians did not experience an improvement in living conditions.

Medium-Term Strategy for Addressing Haiti’s Needs

Building on drafts created by the interim government (2004-2006), the Préval Administration produced an Interim Poverty Reduction Strategy for the years 2007-2009. This plan calls for actions to be taken with a macroeconomic framework focusing on three goals: maintain macroeconomic stability; target actions to reduce poverty; and create conditions conducive to continuous and sustainable growth driven by private initiative. The strategy notes that programs already outlined need to continue, and that the absence of a sector in this strategy does not mean that sector is not important. Partially in response to criticism that too many priorities were set forth in earlier plans, the Haitian government says this plan focuses on those sectors that can be effectively financed in the first year, considering limitations of time, and human and financial resources.

The Interim Poverty Reduction Strategy defines major priorities for 2007-2009 to be infrastructure, energy, education, health and security. The government established these priorities for intervention activities:

- Growth favorable to the productive sectors, focusing on agriculture, industry, trade, environment, craft industries, transportation, electricity, communications, and tourism;
- Governance and institutional reforms, addressing justice and rule of law, fiscal transparency, modernization of the management of public affairs, deconcentration, and decentralization; and
- Development of social sectors, emphasizing health, HIV/AIDS, education, water, sanitation, and housing.

With such low, or negative, economic growth over the last forty years, Haiti's per capita income has dropped by about 1% a year. The government does not anticipate that real economic growth alone can alleviate poverty. As a result, the government has called for growth policy that is "pro-poor," and for first priority to be given to investment projects that have social and human benefits.

Long-Term Strategy for Addressing Haiti's Needs

International donors are assisting Haiti in developing a long-term Poverty Reduction Plan to succeed the Interim Cooperation Framework. It will build on the priorities, needs, and programs already laid out in the Interim Cooperation Framework and the Interim Poverty Reduction Strategy, as well as lessons learned in implementing those strategies. An important part of this strategy, as it was with the others, is developing the final plan through a participatory process, with the overarching goal of ensuring that the interests of Haiti's most disadvantaged population are taken into account. A participatory process is also intended to strengthen democratic and governance processes by building consensus among various political and civic entities, and promoting Haitian "ownership" of the development plan. According to the Haitian government's strategy paper, the participatory process was to begin in the first quarter of 2007. A final Poverty Reduction Strategy Paper is to be submitted to the Haitian Parliament in July 2007, and implementation is to begin in October 2007.

Critiques of the Poverty Reduction Strategy Process

Some analysts have questioned whether Poverty Reduction Strategies (PRS) in general represent the best development strategy for a country. Poverty Reduction Strategy Papers are required to qualify for debt relief through the World Bank's Heavily Indebted Poor Country (HIPC) initiative and the IMF's Poverty Reduction and Growth Facilities. Therefore, some groups say, fulfilling requirements set by the international financial institutions drives the Poverty Reduction Strategy process, and becomes another type of conditionality, rather than the poverty reduction goals of a country like Haiti driving the formulation of debt relief and loan packages, as the PRS process was supposed to do. ActionAid, an international anti-poverty agency,

argues that the World Bank and IMF's focus on poverty "is limited to lessening the social damage done by the negative impacts of their structural adjustment policy reforms...", and that alternatives or reforms to structural adjustment are generally precluded from discussion.⁷

In a review of earlier Poverty Reduction Strategies in seven countries, including Haiti, ActionAid reported that although there was general support for locally generated poverty reduction strategies, the evidence suggested there was little in-country "ownership" of the plans except among some of the bureaucracies that implement them. The study found that "important constituencies are being excluded through the consultation design or their own lack of capacity." The report also concluded that the IMF and the World Bank continued to have significant influence and control over the process and content of the Poverty Reduction Strategies themselves and their subsequent debt relief and loan packages. This influence, the report said, meant that "largely discredited adjustment instruments and targets have reappeared..." leaving the PRS susceptible to "the charge of new form, same substance, and...same impact on the working poor and excluded."⁸

Another group, the Bretton Woods Project, which monitors the World Bank and the IMF in collaboration with non-governmental organizations and researchers, says these international financial institutions should broaden their sources for development analysis, and that "Ministers from indebted countries and prominent academics have recently voiced concerns about the conflicts of interest underlying the Bank's role as analyst and lender."⁹

Some of these groups caution civil society organizations about participating in the public consultations for these Strategies. Poverty Reduction Strategies are not necessarily development strategies, they say, because the public consultation process excludes discussions of other important elements of development policy, such as trade policies, domestic and foreign investment strategies, industrial policies, deficit spending, and other issues. They suggest either broadening the scope of discussion within Poverty Reduction public consultations or supplementing them with public forums led by civil society organizations.

The Bush Administration Strategy

The U.S. Agency for International Development (USAID)'s primary objective in Haiti for 2007-2009 is, "Helping to meet the basic needs of Haitian citizens."

⁷ "Rethinking Participation: Questions for Civil Society about the Limits of Participation in PRSPs," An ActionAid USA/ActionAid Uganda Discussion Paper, April 2004, Washington, DC.

⁸ "Inclusive Circles Lost in Exclusive Cycles: An ActionAid contribution to the first Global Poverty Reduction Strategies Comprehensive Review," ActionAid Policy Brief on PRSPs, January 2002.

⁹ Alex Wilks and Fabien Lefrancois, "Blinding with Science or Encouraging Debate? How World Bank Analysis Determines PRSP Policies," Bretton Woods Project, 2002.

According to USAID's FY2007 Budget Justification, these basic needs include "better education and healthcare; more jobs and economic opportunities; greater access to equitably applied justice; humanitarian assistance; and institutions capable of providing these basic needs."¹⁰ USAID's programs are based on the objectives, strategy, and monitoring indicators established under the Interim Cooperation Framework.

USAID began implementing new strategies in three areas in FY2007. Because Haiti's poor have become even more vulnerable by the complex disasters arising out of instability and insecurity, one program is aimed at protecting vulnerable populations. This program includes efforts to: 1) improve emergency preparedness and disaster mitigation; 2) protect and increase the food security of groups such as children under five years of age, and pregnant and lactating women; 3) work with vulnerable populations to increase family income and decrease food insecurity; and 4) promote stability by providing short-term employment opportunities in violence-prone areas, especially for out-of-school youth. The proposed budget for this program for FY2007 was \$10.6 million in Development Assistance (DA), and \$19 million in Economic Support Funds (ESF). (Congress has passed Continuing Resolutions for FY2007, and funding for FY2007 is still unclear.)

The second new strategy involves democracy and governance. This program aims to strengthen civil society organizations so that they can reach out to groups traditionally excluded from the political process, and apply pressure on the Haitian government to create and implement good governance reforms. Judicial reform programs focus on improving the Justice Ministry's capacity to function; providing protection and treatment for victims of organized violence; preventing human trafficking; and providing specialized education and other opportunities for marginalized youth in Haiti's most violent areas. Other programs aim to strengthen the parliament, and help local government institutions be able to incorporate citizen input and deliver services. The proposed FY2007 budget for this program is \$8 million in Development Assistance (DA), and \$13 million in Economic Support Funds (ESF).

The third new strategy involves education. The four elements of this program include 1) investment in primary schools to achieve equitable access to quality basic education; 2) supporting the social integration of adolescents through vocational/technical education; 3) strengthening the capacity of the Ministry of Education; and 4) increasing government oversight of education at the local level. The proposed FY2007 funding for this program is \$4.6 million in Development Assistance (DA), and \$6 million in Economic Support Funds (ESF).

Overall, the Bush Administration requested \$198 million for Haiti for FY2007. Levels for child survival and health, development assistance, and counternarcotics assistance funds decreased. HIV/AIDS funding increased as part of the President's Emergency Plan for AIDS Relief.

¹⁰ USAID Budget Justification to the Congress FY2007, Haiti.

The Administration's FY2008 request of \$223 million represents increases in Economic Support Funds and HIV/AIDS funding, but decreases in all other categories of aid to Haiti from FY2006 and proposed FY2007 levels. Comparing FY2006 levels to FY2008 requested levels of aid to Haiti, ESF would increase from \$49.5 million to \$63.5 million; Global HIV/AIDS Initiative funding would increase from \$47.3 million to \$83 million. Child Survival and Health would decrease from \$19.8 million to \$18.0 million; Development Assistance would decrease from \$29.7 million to \$14.8 million; Foreign Military Financing from \$98,000 to \$0; International Military Education and Training from \$213,000 to \$200,000; International Narcotics Control and Law Enforcement would decrease from \$17.5 million to \$9 million, and P.L. 480 food assistance would decrease from \$39.5 million to \$34.5 million.

Moving Forward on Haitian Development

According to the IMF Mission Chief for Haiti, the Préval Administration has made concerted efforts to continue the strong macroeconomic performance initiated by the interim government, maintaining fiscal discipline and continuing structural economic reforms, such as passing a new organic budget law. Most analysts agree, however, that even strong macroeconomic performance will not be enough to reduce poverty in Haiti. The IMF points out that enormous political, technical, and institutional challenges must also be overcome before Poverty Reduction objectives can be achieved.

The World Bank and others say that it is highly unlikely that economic growth will reduce poverty as long as Haiti's income inequality remains as high as it is — and by 2030 the income gap is expected to grow. Three factors contributing to income inequality are: a large disparity in the capacity to generate income, with the rural areas having the least capacity; access to education, which only half the population has; and whether or not a household receives remittances from abroad. Analysts say that policy aimed at reducing income inequality in Haiti should address decentralization, to provide more and better infrastructure and services throughout the country.¹¹

According to the World Bank, public spending on education that is targeted toward the poor can reduce poverty in both the short- and long-term. Access to education, it says, can reduce poverty relatively quickly by increasing individual productivity and helping to shift poor people from low-paying agricultural employment to better paying jobs in the industrial and service sectors. In the long-term, the Bank says, education can increase poor children's chances of breaking out of the cycle of poverty by gaining access to formal employment. This means, however, that investment and the economy must be strong enough to create job opportunities for newly educated people.

¹¹ World Bank, "Income Distribution, Inequality, and Those Left Behind," p. 92.; Evans Jadote, "Income Distribution and Poverty in the Republic of Haiti," op.cit.; and UN Economic Commission for Latin America and the Caribbean, "Poverty and Income Distribution" in *Social Panorama of Latin America 2002-2003*, May 2004, p.72.

USAID defines three groups of challenges facing development efforts in Haiti: public sector institutions with little capacity to govern; a weak private sector whose growth is extremely limited by an atmosphere of insecurity; and the degradation of Haiti's natural resources, which are needed for productive economic activities.

Because Haiti's current capacity is so limited, and its needs are so great, the IMF maintains that technical assistance will be crucial in making progress. According to the Haitian government, there has never been a systematic policy for poverty reduction nor a coherent program with precisely defined objectives. Haiti's limited capacity to develop plans and absorb funds, and donors' concerns over transparency of government spending continue to pose obstacles to the execution of development programs. Both donors and the Haitian government share responsibility for addressing problems with the disbursement of funds and the coordination of foreign assistance. The Prével Administration notes in its Interim Poverty Reduction Strategy Paper that the capacities of those who have a stake in the poverty reduction process are also "generally inadequate for the implementation of such a process," and calls for assistance to strengthen those stakeholders' capacities as well.

USAID's Office of Transition Initiatives, which provides "fast flexible short-term assistance targeted at key political transition and stabilization needs," worked in Haiti from 2004 to 2006. Its mission identified three ingredients necessary to increase security in Haiti's most violence-prone areas: community ownership, development assistance, and rule of law, and said that all three elements must be present. It also said that programs targeted at reducing violence must address "spoilers," whether political or criminal, who want to incite disorder to promote their own interests.

The Millennium Development Goal that the Haitian government agreed to in 2000 for environmental sustainability was to reverse losses by 2015. According to the IMF, this will be difficult to achieve, as losses have continued over the last decade, and environmental policies are weak. Currently, only 3.8% of total land area is forested.

A weak political structure combined with ongoing political tensions, violence, massive poverty, and income inequality have made it difficult to pursue the goals of interim development and poverty reduction plans, and will do so for the successor Poverty Reduction Plan as well, if not adequately addressed.

Statistical Overview of Conditions of Poverty¹²

Several indices show Haiti lagging far behind countries in the region and the world in terms of development. As mentioned earlier, the United Nations designates Haiti as one of the fifty “least developed countries” in the world. The Economist Intelligence Unit ranked Haiti second-to-last in its 111-country Quality-of-Life Index. The Quality-of-Life Index uses the weighted measure of nine quality-of-life indicators to determine a country’s quality-of-life score on a progressive scale from 1 to 10. With a score of 4.090, Haiti trailed behind the other 21 Latin American and Caribbean countries included in the study.¹³

The United Nations Development Program’s Human Development Index (HDI) measures a country’s indicators for life-span, education, and income against established goalposts, yielding a score along a progressive scale from 0 to 1. Haiti’s HDI score is 0.482, behind the Latin American and Caribbean regional score of 0.795. Haiti ranked 154th out of 177 countries (177 being the least developed), the only country in the Americas or the Caribbean to fall in the category of countries of “low human development.”¹⁴

This section uses the Interim Cooperation Framework’s outline to organize statistics related to some of the priority needs that have been established. These figures and tables put international efforts into the context of Haitian poverty, drawing a statistical overview to convey the extent of the poverty in Haiti and the obstacles that must be overcome in order for development to occur there.

Political Governance Data: Police and Penitentiary Institutions

Table 1. Size of Police Force

	Population (millions)	Number of Police	Size of Territory (square miles)
Haiti	8.1	8,070 ^a	10,641
New York	8.1	37,038	303
Dominican Republic	9.2	15,000	18,704

Sources: The Military Balance, 2007, International Institute for Strategic Studies, Routledge, London; Ken Park, ed., “The World Almanac and Book of Facts,” World Almanac, 2006, pp. 422, 785, and 783; “NYPD ‘New York’s Finest’” at [<http://www.nye.gov/html/nypd/html/misc/pdfaq2.html>].

¹² Tables and figures in this section were researched and constructed by Demond Alexander Drummer, Research Associate, Foreign Affairs, Defense, and Trade Division.

¹³ *The World in 2005*. The Economist Intelligence Unit.

¹⁴ *Human Development Report 2006*, United Nations Development Program.

- a. Report of the Secretary-General on the United Nations Stabilization Mission in Haiti, December 19, 2006, S/2006/1003. The Préval government signed a Haitian National Police reform plan in August 2006 that would increase the police force by about 1,500 officers per year, to 14,000 by 2011. The report also notes that the plan says a staffing of up to 20,000 “would be required to undertake the full range of security tasks.”

Table 2. Penitentiary Institutions

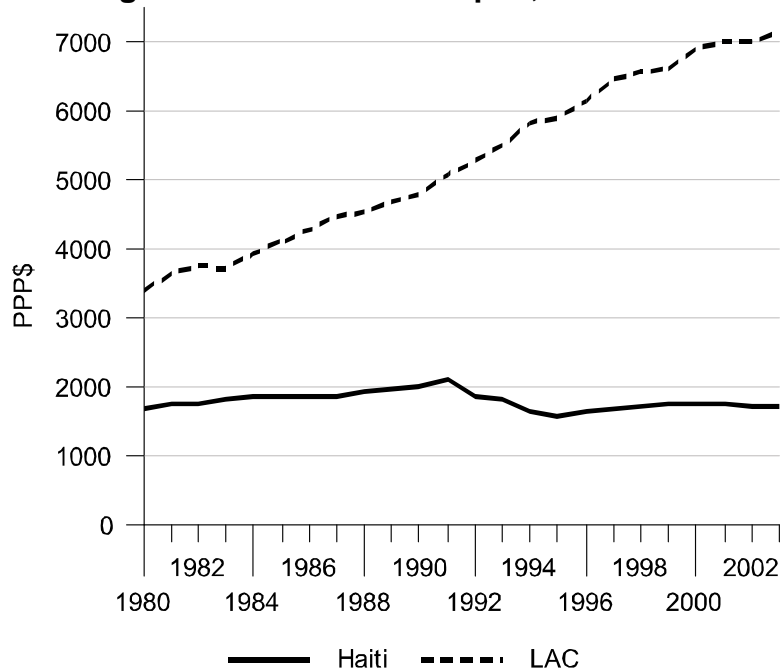
Year	Prison Population	Imprisonment Rate (per 100,000 pop.)	Occupancy Level ^a (%)
1995	1,617	23	81
1998	3,766	49	188
2003	3,519	42	176

Source: International Centre for Prison Studies.

a. Based on official capacity reported at 2,000 inmates.

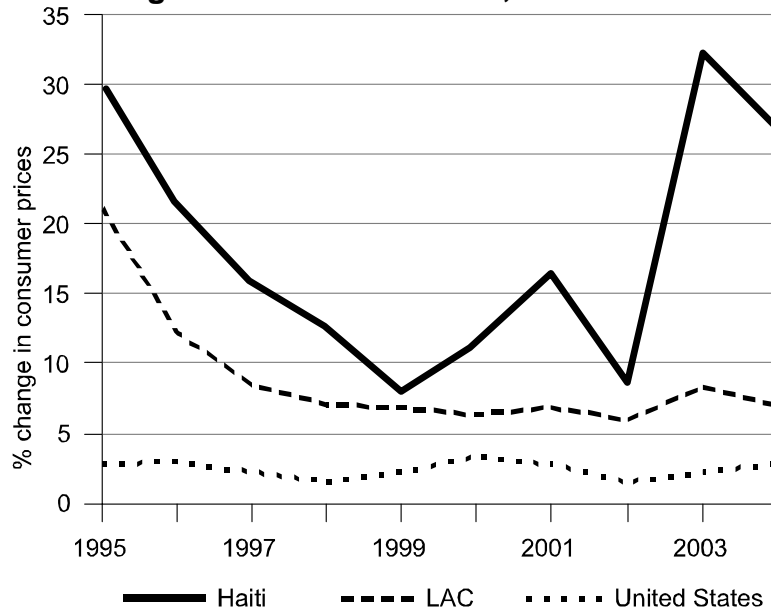
Economic Data: Stability, Electricity, Private Sector Development, Transportation, and Environmental Indicators

Figure 1. PPP GNI Per Capita, 1980-2003



Source: World Bank.
LAC: Latin American and Caribbean region.

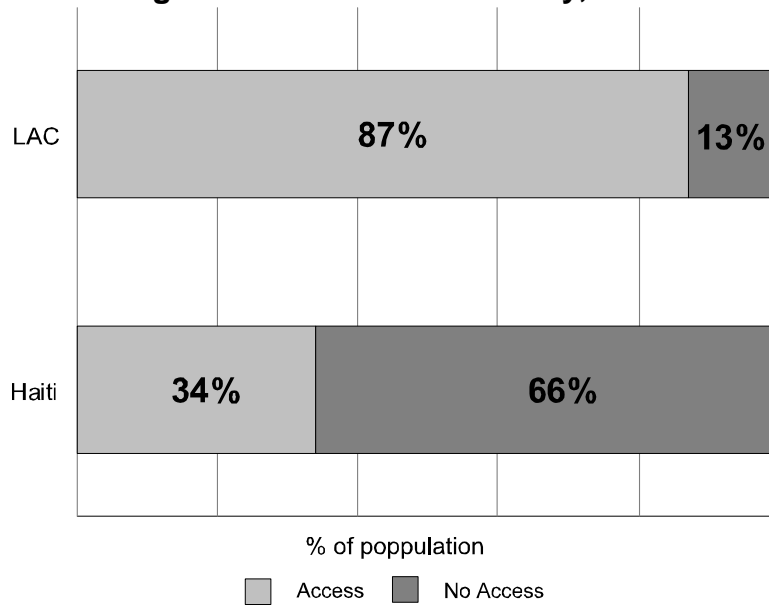
Figure 2. Annual Inflation, 1995-2004



Source: International Monetary Fund

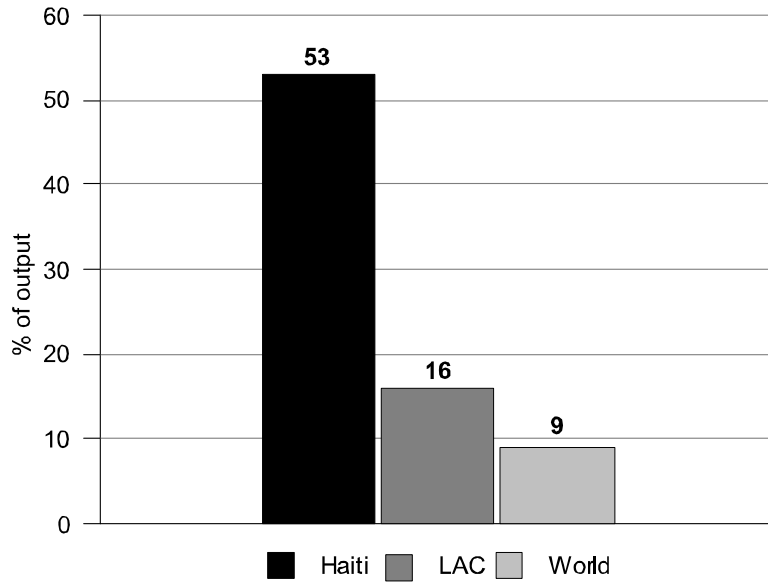
Note: LAC annual inflation is an un-weighted regional average.

Figure 3. Access to Electricity, 2000



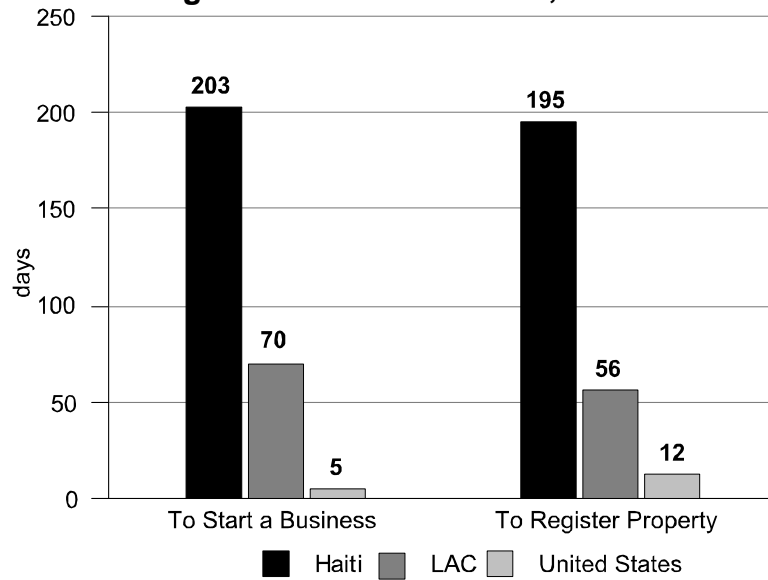
Source: World Bank.

Figure 4. Transmission and Distribution Losses, 2001



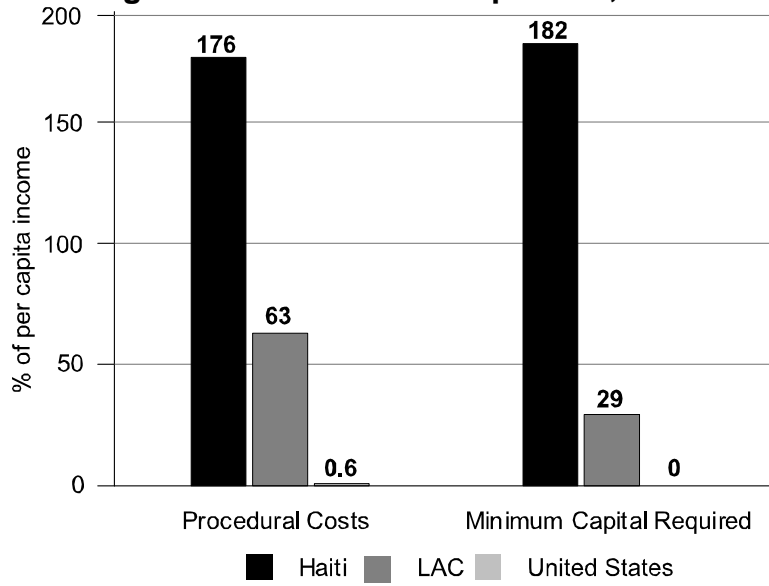
Source: World Bank.

Figure 5. Procedural Time, 2004



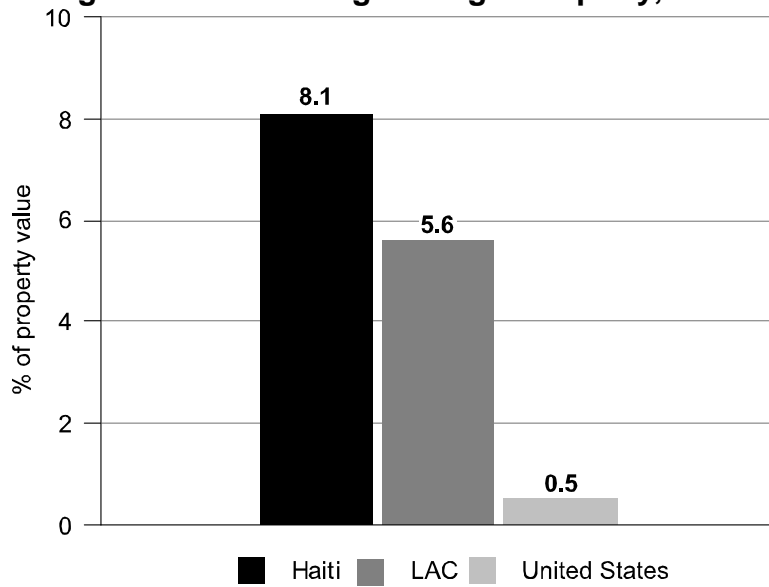
Source: World Bank.

Figure 6. Business Start-up Costs, 2004



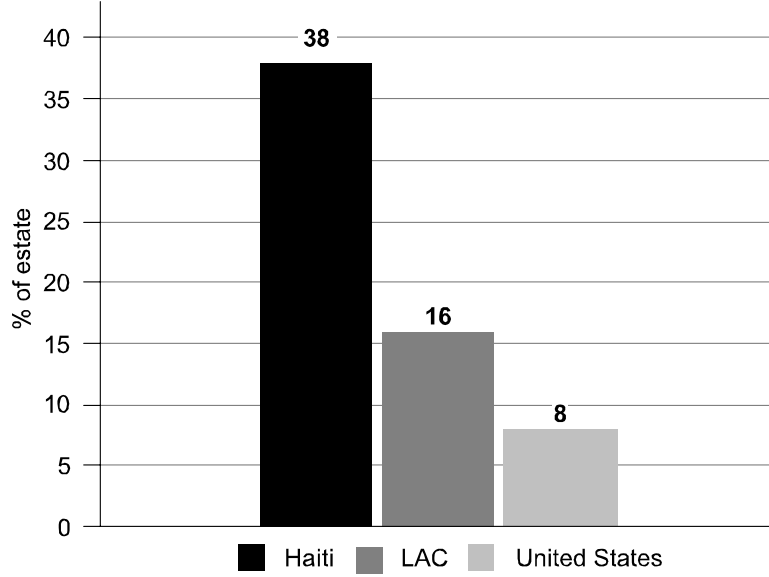
Source: World Bank.

Figure 7. Cost of Registering a Property, 2004



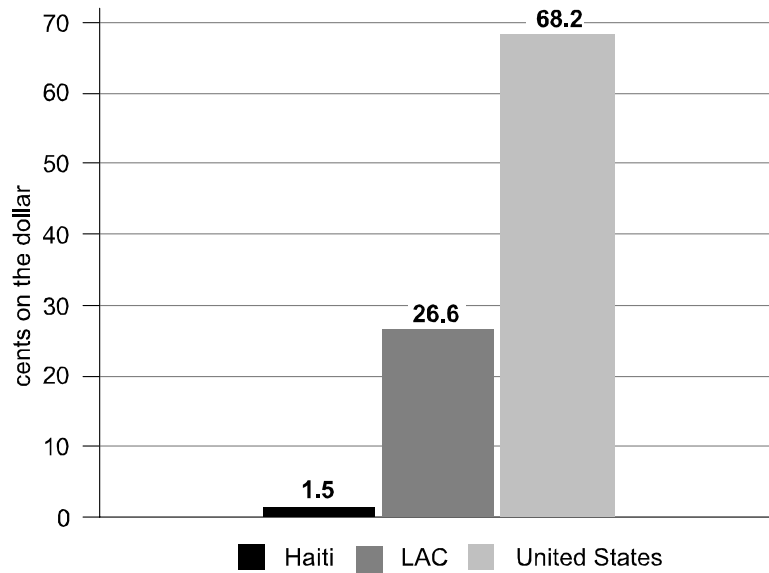
Source: World Bank.

Figure 8. Cost of Closing a Business, 2004



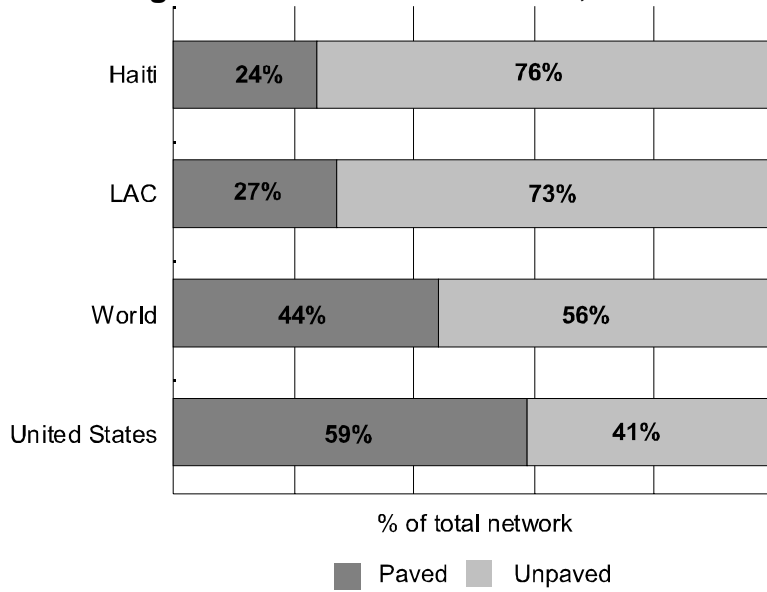
Source: World Bank.

Figure 9. Investment Recovery Rate, 2004



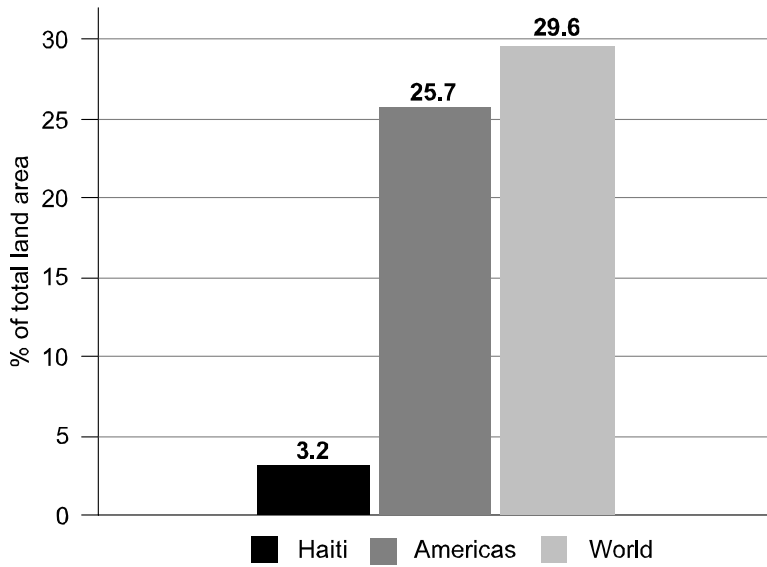
Source: World Bank.

Figure 10. Road Infrastructure, 2001



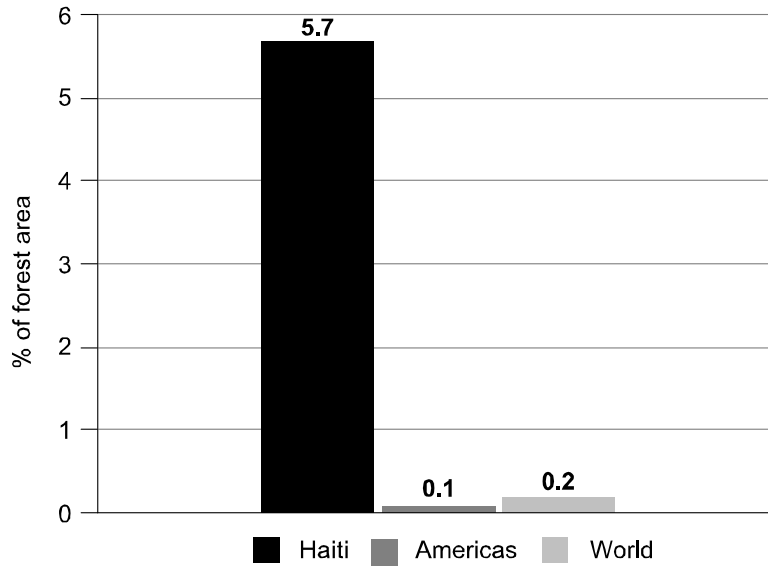
Source: World Bank.

Figure 11. Forest Area, 2000



Source: Food and Agriculture Organization of the United Nations.

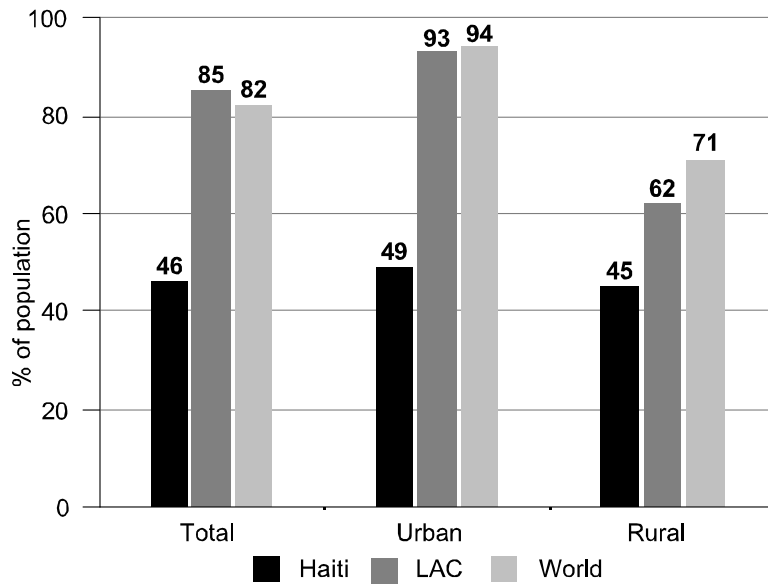
Figure 12. Annual Deforestation, 1990-2000



Source: Food and Agriculture Organization of the United Nations.

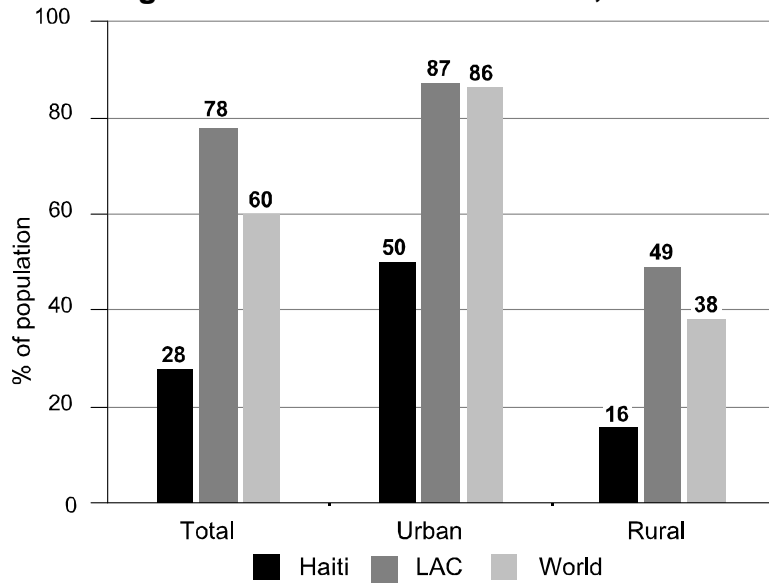
Access to Basic Services Data: Water, Sanitation, Health, Nutrition, and Education

Figure 13. Access to Improved Water Source, 2000



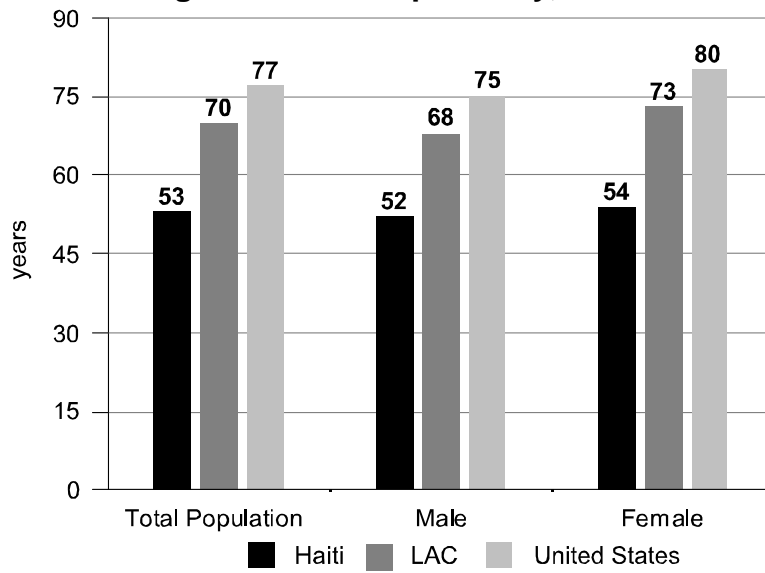
Source: World Health Organization.

Figure 14. Access to Sanitation, 2000



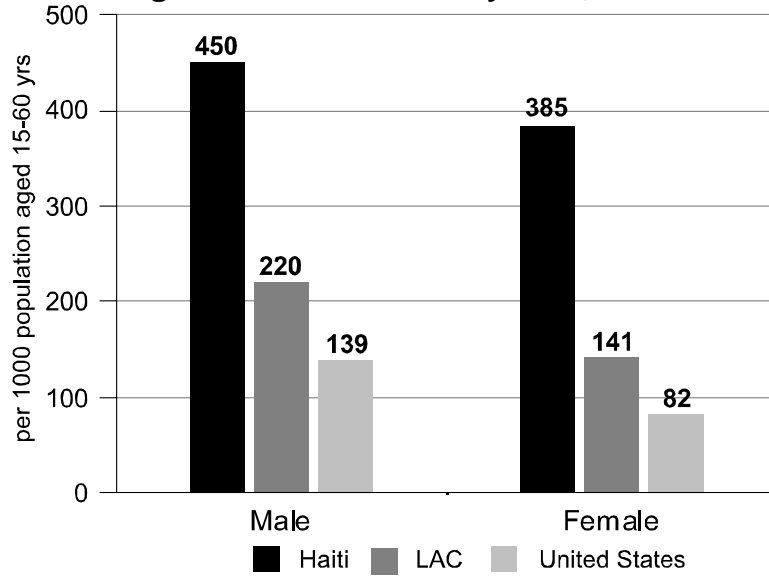
Source: World Health Organization.

Figure 15. Life Expectancy, 2003



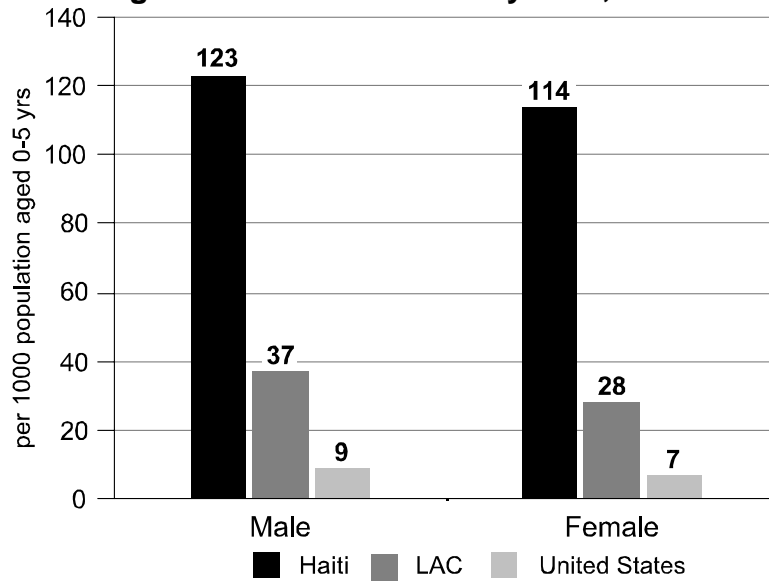
Source: World Health Organization.

Figure 16. Adult Mortality Rate, 2003



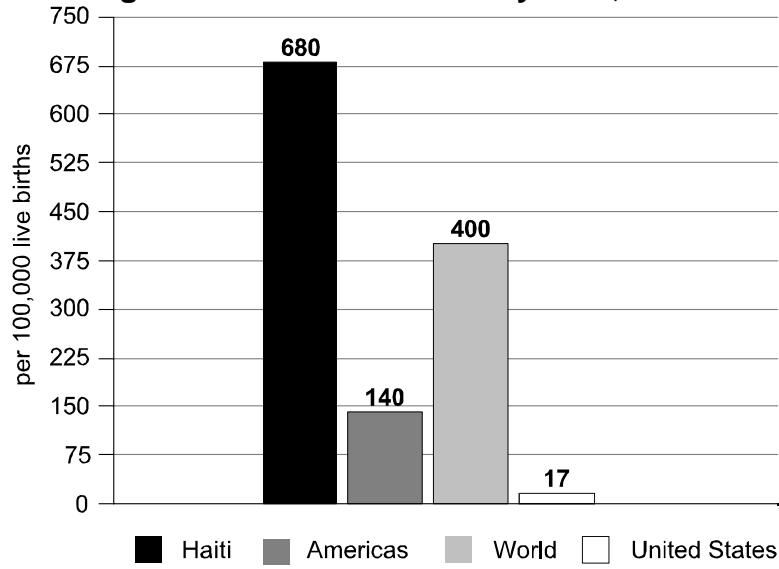
Source: World Health Organization.

Figure 17. Under-5 Mortality Rate, 2003



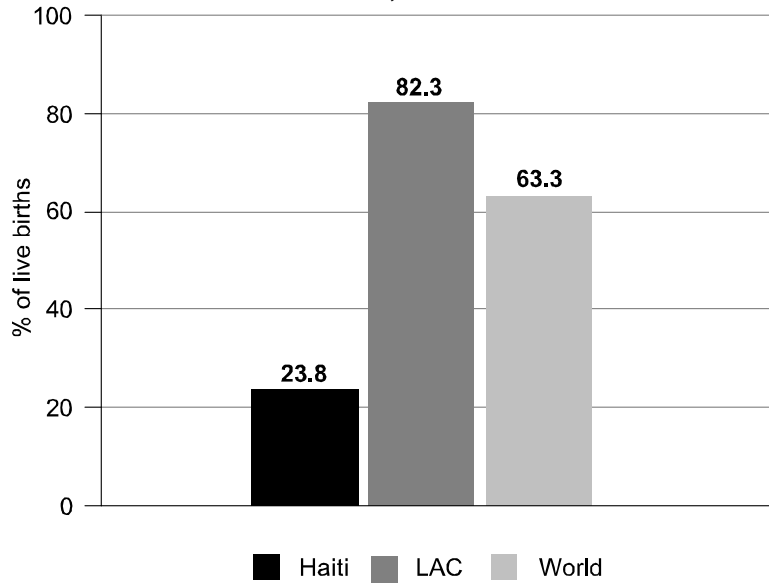
Source: World Health Organization.

Figure 18. Maternal Mortality Rate, 2000



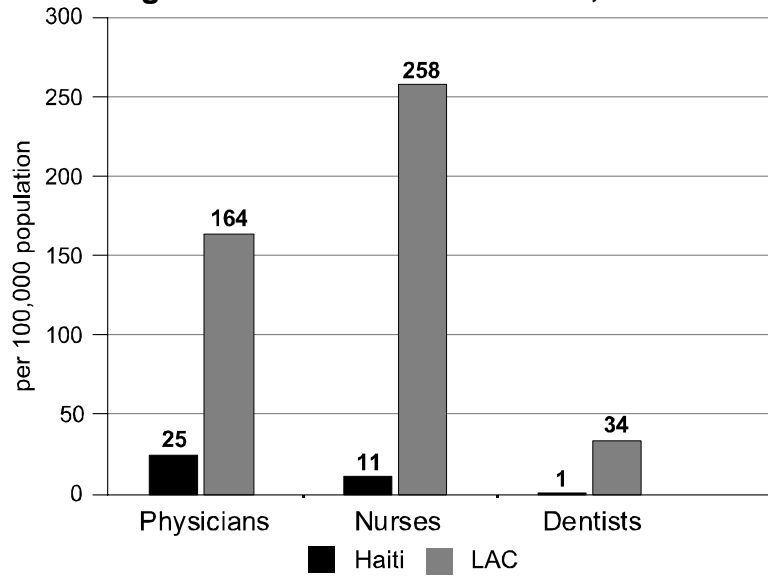
Source: World Health Organization.

Figure 19. Skilled Health Attendant Present at Birth, 2005



Source: World Health Organization.

Figure 20. Health Professionals, 2004

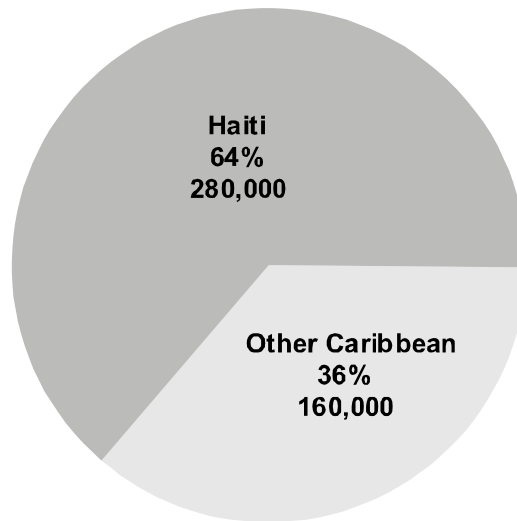


Source: World Health Organization.

Note: LAC figures are un-weighted regional averages.

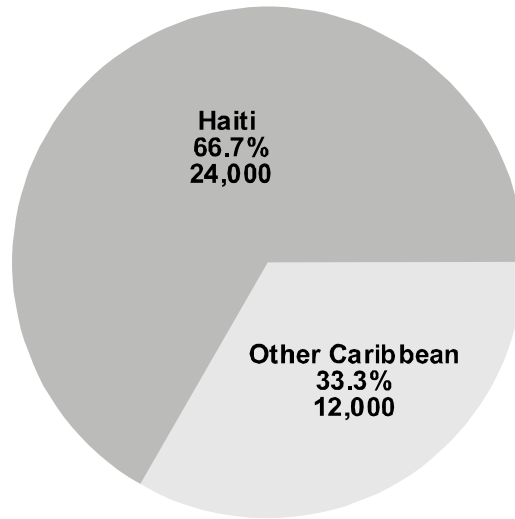
Figure 21. HIV/AIDS Cases in the Caribbean, 2004

440,000 Total Cases



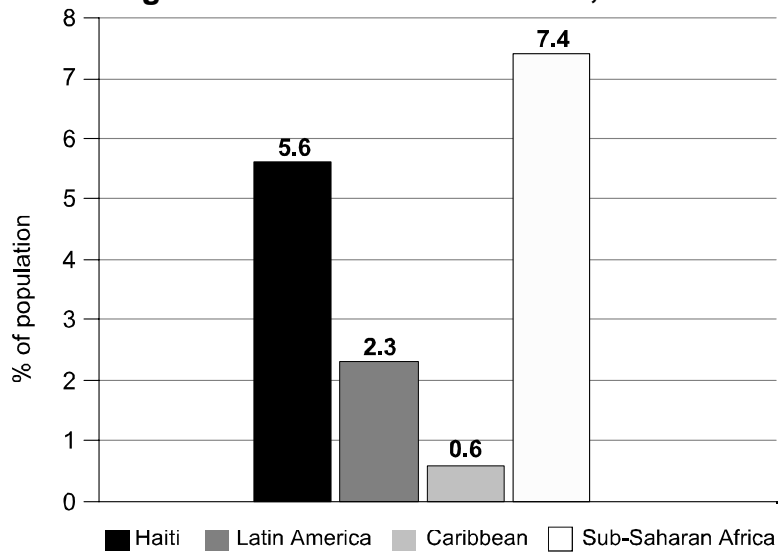
Source: United Nations Program on HIV/AIDS.

Figure 22. HIV/AIDS Deaths in the Caribbean, 2004
36,000 Total Deaths



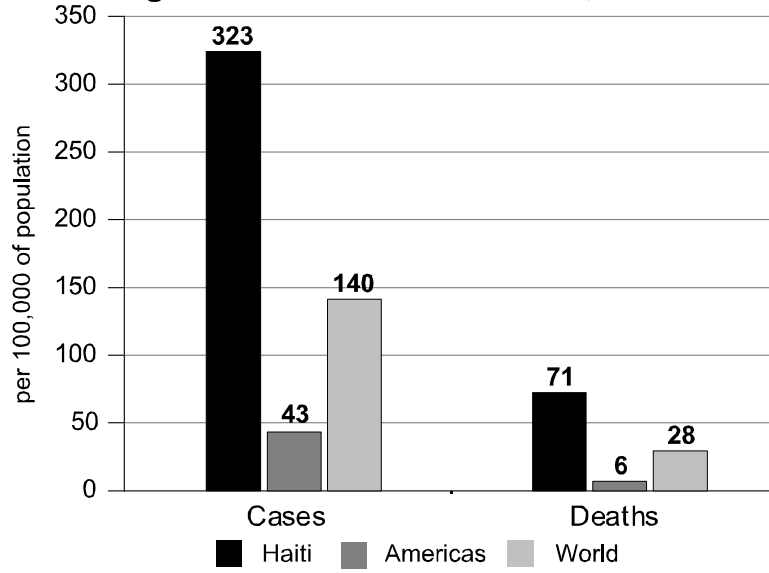
Source: United Nations Program on HIV/AIDS.

Figure 23. HIV/AIDS Prevalence, 2004



Source: United Nations Program on HIV/AIDS.

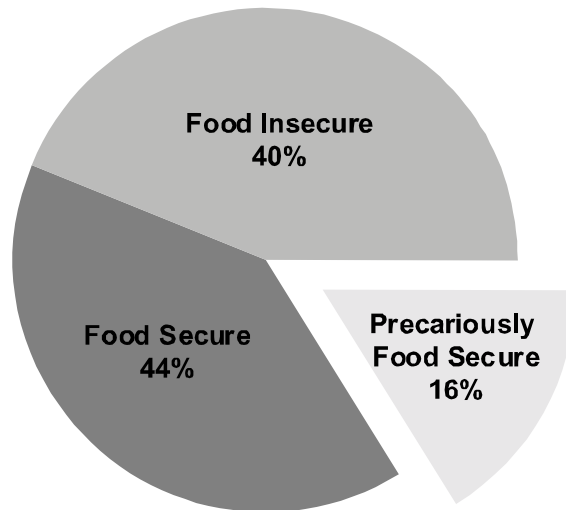
Figure 24. Tuberculosis Profile, 2005



Source: World Health Organization.

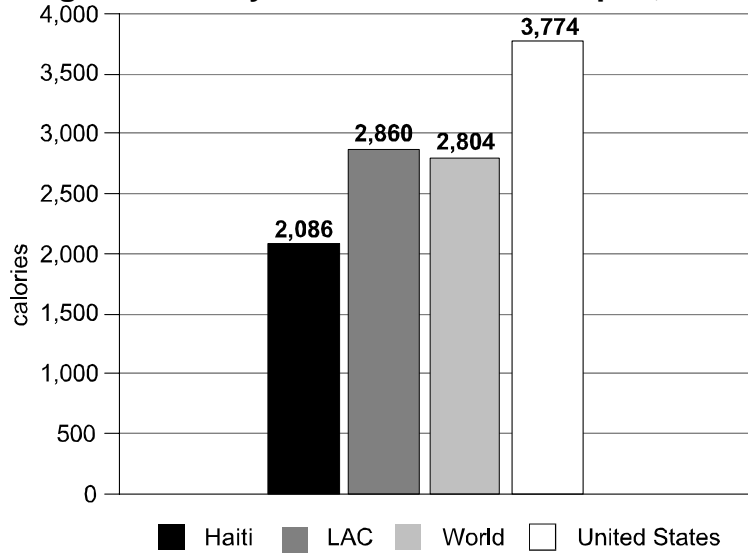
Figure 25. Food Security, 2002

Total Haitian Population



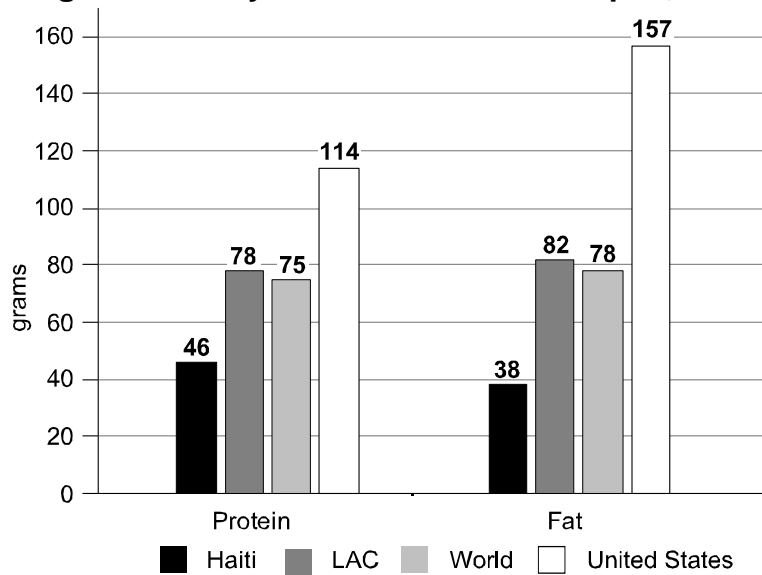
Source: World Food Program.

Figure 26. Daily Calorie Intake Per Capita, 2002



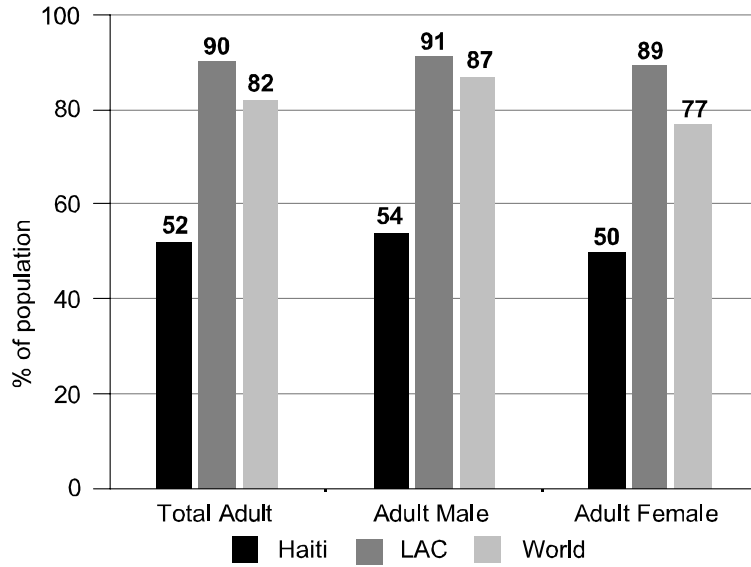
Source: Food and Agriculture Organization of the United Nations.

Figure 27. Daily Nutrient Intake Per Capita, 2002



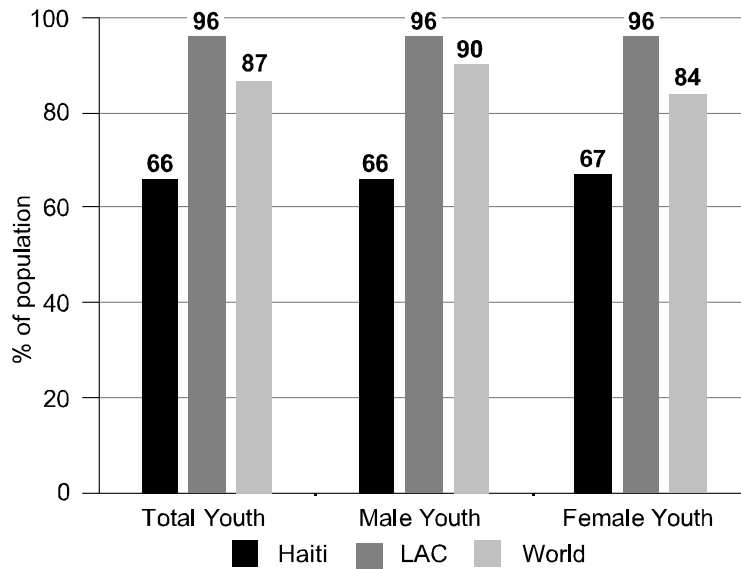
Source: Food and Agriculture Organization of the United Nations.

Figure 28. Adult Literacy Rate, 2005



Source: United Nations Educational, Scientific and Cultural Organization.

Figure 29. Youth Literacy Rate, 2005



Source: United Nations Educational, Scientific and Cultural Organization.

An understanding of the statistical information available for measuring poverty is essential and is the reason why the previous paragraphs have briefly described the INE sources. At the moment, official poverty measures are based on the LCS, as they follow the EUROSTAT recommendations, which in turn calculate poverty indicators for all European Union countries with data from the EU-SILC.

1.Â Poverty is not a static phenomenon however and a person's situation may change with time, moving in and out of poverty.Â Statistical scales. â” The Organisation for Economic Cooperation and Development's scale (OECD) or the Oxford scale. The number of consumption units in a household (c.u.) is calculated as the combination of the weightings allocated to each member.