Written Testimony of Dr. Rajiv Shah
Administrator
U.S. Agency for International Development (USAID)

Before the Committee on Foreign Affairs
United States House of Representatives
July 29, 2010

Mr. Chairman, Members of the Committee, I am honored to join you here today. I am grateful for the opportunity to discuss the relief and reconstruction efforts in Haiti, and would like to thank you for your continued support of Haiti's reconstruction efforts. I believe we can all agree that building a more stable and prosperous Haiti will greatly benefit the people of Haiti, as well as the American economy and our national security.

Two and a half weeks ago, we marked six months since the devastating earthquake in Haiti. On January 12, Haiti experienced one of the most destructive natural disasters in history. In only 35 seconds, Haitians found their country and their lives profoundly changed. More than 230,000 people lost their lives; hundreds of thousands more were injured, and over a million were displaced. Millions of Haitians were left without basic necessities, including shelter, water, and food. Gains that had been made in Haiti's economy and the private sector before the earthquake were also reversed.

In all, the earthquake caused more than $7 billion in damage, about 120 percent of Haiti's 2009 GDP. The extent of this damage was profound and far-reaching. By striking the capital city, the earthquake paralyzed and destroyed much of Haiti's center of government, commerce, and culture.

I have been to Haiti often since the earthquake. On each visit, I am struck by the deep reserve of spirit and resolve the Haitian people have demonstrated in the face of great tragedy. In the immediate aftermath of the earthquake, Haitians came together to help their neighbors trapped in the rubble or in need of critical medical attention. Their strength will guide the rebuilding process.

Even during the emergency response stage, we have strived to empower the people of Haiti. Over the last six months, USAID has provided jobs to an average of 22,000 Haitians each day, helping them earn vital income through their participation in cash-for-work programs to help clear rubble and begin rebuilding their lives and livelihoods.

With each visit to Haiti, I come away convinced that US assistance is helping to build a foundation that will position Haiti to realize future opportunities, particularly as USAID combines its wealth of technical knowledge with new technologies and uses reformed procurement processes. However, while these successes constitute real grounds for optimism, I want to emphasize that Haiti continues to face many challenges and must confront deep-rooted problems exacerbated by the earthquake.

Despite these challenges, our commitment remains. I believe that the American people and our government have responded to the Haitian tragedy with a generosity that demonstrates the best of American compassion and American character. Half of America's families have contributed to the relief and rebuilding efforts. Thousands of people volunteered to provide medical relief, distribute commodities, or help manage a settlement of displaced people. Our government was quick to address

an urgent need; the day after the earthquake, President Obama asked USAID to lead a "swift, coordinated, and aggressive" response to the disaster.

A Look Back: Immediate Relief, Long-Term Impact

Within 24 hours of the earthquake, a USAID Disaster Assistance Response Team and Urban Search and Rescue teams were on the ground, bringing much-needed emergency relief and rescue tools and expertise. From the very beginning, the U.S. Government's USAID-led whole-of-government approach encouraged close collaboration across agencies. I would particularly like to highlight the critical role played by the U.S. military in supporting the civilian agencies' immediate post-earthquake response. For example, the U.S. military restored the airport to operational level three times greater than before the earthquake enabling the inflow of lifesaving supplies and volunteers. The military also restored the fuel supply to Haiti – without fuel, the relief effort would have ground to a halt. And, when these committed men and women were needed on the ground, they also worked door-to-door to provide assistance where they could, providing an important contribution to the overall U.S. effort.

Cooperation across the responsible United States Government agencies – in partnership with the Government of Haiti and the international community – led to humanitarian relief that saved and sustained the lives of thousands of Haitians. Over the last six months, the United States' interagency strategy has leveraged talents and resources throughout our Government. For example:

- U.S. search and rescue teams from the Federal Emergency Management Agency took part in the most successful international rescue effort to date, with more than 130 lives saved by over 40 teams from around the world.
- Through the World Food Programme and other implementing partners, we participated in the largest emergency urban food distribution ever, feeding more than 3.5 million people.
- U.S. medical teams from the Department of Health and Human Services treated more than 30,000 patients and performed hundreds of surgeries.
- With the international community, USAID supported the delivery of emergency shelter to earthquake victims at an unprecedented rate, providing 1.5 million people with basic shelter materials.
- USAID and its partners have also provided safe drinking water to approximately 1.3 million people daily since early May. This gives access to treated drinking water to more of the most economically vulnerable Haitians than had such access before the earthquake.
- And, finally, USAID experts provided Haitian truck drivers dispensing drinking water with chlorine purification tablets to distribute at each stop. Due in part to this simple, inexpensive, and life-saving innovation, diarrheal illness in Port-au-Prince is 12 percent less prevalent than it was before the earthquake.

While we have embraced our mission to help Haiti with immediate relief, we are also establishing a foundation for long-term, sustainable development. We have seen early successes that position Haiti for further advances:

- Haiti's medical capacity is greater now than it was before the earthquake. USAID and our partners have helped the Government of Haiti to vaccinate one million people against highly communicable diseases, and a second round of vaccinations is currently underway. No

significant, widespread outbreak of infectious disease has occurred despite the severity of the earthquake, the displacement of people, and the initial disruptions within Haiti's health system.

- The work that USAID has supported has resulted in a piped water network in Port-au-Prince that can provide about 50 percent more water today than before the earthquake.
- With our partners, USAID coordinated and funded the removal of debris and sludge from critical canals to enable better water flow and prevent flooding in Port-au-Prince. Some of these canals had not been cleared in 15 years.

Finding Solutions to Current Challenges: Preparing for Permanent Housing and Hurricanes

I can say on behalf of the entire USAID team that we are proud of what we have accomplished to respond to the devastation. At the same time, my team and I recognize that the hard work is just now beginning, and that there is a long road ahead.

The next few years will not be easy. It will not be easy for the Haitian people as they struggle to rebuild from what they have lost, and it will not be easy for those of us in the international community who are working to help them. Nonetheless, I assure you that USAID is committed to Haiti for the long term.

The USAID team is working tirelessly with agencies from across the federal government and with partners from around the world to "build back better." Though Haiti's reconstruction may at times fade from the top of our nation's news, USAID is bringing our expertise to serve the people of Haiti and help them recover and rebuild. Joining with other nations, we and the Haitian people will build tomorrow's more stable and prosperous Haiti. We support the Government of Haiti's vision for a reconstruction that will ultimately create economically vibrant centers outside of Port-au-Prince, and reduce vulnerability to natural disaster.

While we are committed to meeting these challenges, it is important to be clear about how significant they are. The earthquake's impact on Haiti cannot be overstated. To put some perspective on the scale of the disaster, we need only remember what President Obama pointed out – if the United States suffered a tragedy of similar proportions, it would be as if 8 million Americans died and more than 100 million were affected in less than one minute.

As we face the enormity of this loss, we also respond to the significant logistical difficulties in rebuilding. One of the most unique characteristics of this disaster is that it occurred in a densely populated urban environment, the center of a national government. Land that was difficult to come by before the earthquake is even less available today. Records of ownership and title were lost in the earthquake when 28 of the 29 government ministries' buildings collapsed. The earthquake generated more than 50 million tons of rubble, blocking streets, schools, and businesses and hampering recovery. Hurricanes, traditionally a menace to Haiti, present an even more dangerous threat to the more than 1.5 million Haitians living in temporary settlements built for those displaced by the earthquake.

Recognizing these difficulties, we are moving forward conscientiously to provide solutions that meet immediate needs while keeping an eye on long-term, sustainable development. USAID's development expertise offers critical knowledge and experience as we proceed with recovery and reconstruction. USAID professionals, together with partners from across the U.S. Government, the

Interim Haiti Recovery Commission, the international community, and the Haitian Government, are helping to find solutions to some of the most pressing matters at hand, including shelter and disaster preparedness.

One of our main priorities is housing for Haitians who remain displaced. The Government of Haiti has made clear that moving Haitians from camps for internally displaced persons is a top priority. As the Haitian Government identifies appropriate land for resettlement, the U.S. Government, together with international and NGO partners, are working toward a goal of building 135,000 transitional shelters in the coming months, and will continue to construct these shelters until other solutions are found. The international community and President René Préval have committed to help displaced Haitians move from temporary arrangements to more permanent shelters where they can live for three-to-five years before moving into long-term housing.

Rebuilding efforts must be led by Haitians, build Haitian capacity, and stimulate Haiti's economy if they are to be sustainable. For this reason, we are identifying and helping to train Haitian masons and Haitian construction workers in improved techniques, including the use of rebar and better cement mixing, so that structures are better able to withstand future shocks. We have also trained electricians and other workers in the process of the construction efforts we have already undertaken. As the private sector starts up again, these newly acquired skills will be increasingly valuable to Haiti.

We have supported the Pan American Development Foundation as they provide habitability assessments on houses in earthquake-affected areas. As of July 14, U.S. and Haitians engineers had assessed more than 180,000 structures. Forty-seven percent of those have been designated as "green," or habitable, and another 27 percent require modest repairs to make them structurally sound. USAID is working with the Government of Haiti and partners to develop assistance packages that will help people return to safe homes and provide materials or financing to repair others.

Although we are making progress, we know that with so many people deprived of their homes, it is going to take time to get them into safe settlement sites. The Government of Haiti also recognizes this, and earlier this month, President Préval issued a communiqué outlining his Government's commitment to make land available.

This commitment by the Government of Haiti is also crucial to the safety and well-being of Haitians during the hurricane season, particularly those displaced and living in temporary settlements. We are acutely aware of the precarious situation in which many Haitians are currently living. While we cannot move everyone if and when a hurricane makes landfall, we are working to lessen the impact that a hurricane would have.

Beginning just after the earthquake, USAID, the U.S. Military's Joint Task Force-Haiti, and our implementing partners worked in close partnership to complete major projects to mitigate the effects of the rainy and hurricane seasons. By clearing canals, constructing retaining walls, stabilizing slopes, distributing gravel, constructing sewer systems, placing latrines, and installing lights in priority camps, we have been able to save lives while we start the process of durable solutions.

In addition, we have pre-positioned sufficient water, sanitation, and hygiene supplies for 100,000 individuals, with more available through our partners; are finalizing a detailed preparedness strategy; and have made additional assets available in our fully stocked Miami warehouse for immediate deployment and delivery. We are preparing as best we can to help the people of Haiti should another

natural disaster strike. The Government of Haiti, USAID partners, the United Nations, and Red Cross Societies have also prepositioned emergency relief supplies. USAID is also coordinating with other donor governments, such as the U.K. Department for International Development, to ensure that we are stockpiling complementary emergency items. In partnership with the Government of Haiti and other international actors, we are preparing as best we can to help the people of Haiti should another natural disaster strike.

Looking Forward: Aligning USAID's Strategy with the Government of Haiti's Vision

These short-term measures are part of a long-term strategy for Haiti. Our overarching vision is guided by the core principles agreed to by the Haitian Government and donors at the Ministerial meeting in Montreal in January – reconstruction will be Haitian-led, inclusive, accountable, transparent, coordinated, and results-oriented. To ensure that we meet these principles, we are aligning our strategy with the priorities set out by the Government of Haiti.

Based on the Post-Disaster Needs Assessment conducted by the World Bank, the United Nations and others, the Government of Haiti drafted the Action Plan for National Recovery and Development of Haiti. This Action Plan, announced on March 31 at the Donor Conference in New York, called for the international community and the Government of Haiti to commit to follow a country-led strategy, include all stakeholders, coordinate efforts, and act in a transparent manner.

The Haitian-led Action Plan focuses on territorial, economic, social, and institutional rebuilding, which has likewise served as the starting point for the United States in identifying needs, prioritizing projects, and designing new programs that will help Haiti build back better.

USAID is targeting areas in which we can materially and systemically add greatest value and generate greatest results. We are doing so in a way that is coordinated with other donors and not duplicative of other efforts. U.S. Government investments in the reconstruction effort seek depth, rather than breadth, in four key sectors – infrastructure, including housing and energy; agriculture; health and other basic services; and rule of law, governance, and security – across three key geographic corridors.

The U.S. Government is in the process of finalizing this whole-of-government strategy for Haiti. The five-year strategy seeks to partner with the Government of Haiti and other stakeholders to catalyze economic growth through investments in infrastructure and agriculture, while building long-term stability through investments in public institutions.

- On infrastructure, as we work to help Haiti develop that infrastructure and its energy capacity, we seek to increase access to appropriate housing and community services; enable increased access to international markets via a secondary port; and provide solutions for affordable, reliable power to Haitian citizens and to businesses, including agricultural processing and the manufacturing sector, complementing advantages made possible through HOPE II legislation. Our work in this area also seeks to deter deforestation by transitioning urban consumers away from environmentally destructive charcoal cooking fuel.
- For the agricultural sector, our strategy is addressing critical food security and environmental degradation issues, and will assist Haiti in improving its ability to export cash crops such as mangoes and coffee.

- In health, we seek to build upon ongoing U.S. Government efforts and expand the capacity of the Haitian state to provide health care while saving lives, improving nutrition, and protecting Haiti's future by meeting demands for family planning.
- On governance, our strategy aims to build the Government of Haiti's capacity, after the loss of what is estimated to be between 17 and 30 percent of its civil service. This includes the ability to address the needs of the Haitian people, including through delivery of essential public services, especially in the most earthquake-affected areas, including camps for internally displaced persons, and perform critical security and legislative functions. We are mobilizing technical assistance throughout the government, rebuilding infrastructure so that civil servants can get back to work and supporting the Interim Haitian Recovery Commission to put the Haitian Government in the lead. It also means working to make sure that elections, across all levels of government, realize the highest levels of transparency and accountability, while ensuring the greatest levels of participation.
- In the rule of law and security sector, our work to develop the judicial system and support anti-corruption measures is focused on public sector capacity building. This work will also complement other U.S. Government support for the security sector – including policing, corrections, and countering narco-trafficking – that serve as a vital insurance policy for all other investments made in the country.

As I have noted throughout my testimony today, we are working in these sectors with numerous partners. Helping Haiti build back better is truly an international effort. We look forward to working with the Government of Haiti, donors, relief organizations, the private sector, and civil society to develop accountable and transparent systems that provide coordination and consultation so aid can be effective and so it can be directed where it is most needed.

Through the Interim Haiti Recovery Commission (IHRC) and the Haiti Reconstruction Fund (HRF) the international community has pledged money, expertise, counsel, and support to reinforce and build the capacity of the Government of Haiti to lead the reconstruction. The IHRC, which is co-chaired by Haitian Prime Minister Jean-Max Bellerive and former U.S. President Bill Clinton, held its first meeting on June 17. The Commission allows for Haitian-led planning, sequencing, and prioritization of projects – for example, it will help ensure that a hospital is not built without a road that can reach it. It will also provide greater efficiency in the reconstruction phase as donors coordinate and harmonize their investments with Haiti's plan, identifying gaps and limiting duplication of efforts.

A New Path: Leveraging Innovation and Development Expertise in Service of Haiti

As we move forward, I am also deeply focused on identifying high-impact, forward-thinking, and innovative development projects. As part of this Administration's efforts to support a reform agenda for USAID, I am encouraging the agency to draw upon its vast experience, talents, and knowledge base and to be development entrepreneurs, trying new approaches, finding new ways to stretch budgets, and leveraging the expertise of our public, governmental, community, private, and non-governmental partners. We recently held a science and technology conference with this agenda in mind, and are actively seeking out new and inventive ways to use technologies in our approaches in Haiti and around the world.

One great example of this innovation can be found in one recent public-private partnership through which we created a $10 million fund to incentivize the creation of a mobile banking system in Haiti. Mobile banking is faster, easier, and less expensive than traditional banking and will help to facilitate the country's economic advancement. For a country in which only 10 percent of the population had been inside a commercial bank before the earthquake, this opportunity could expand access to critical financial services and facilitate Haiti's economic development. On a global scale, we can use this type of cutting-edge thinking to help those countries around the world that, like Haiti, are in critical need of game-changing new technologies and development approaches.

We are drawing upon our development expertise in other ways, as well. The Government of Haiti has put forward as a fundamental part of its reconstruction strategy an effort to decentralize Haiti so that the population and economy are more evenly distributed across the country. According to the Haitian Government, the capital city accounts for more than 65 percent of the country's economic activity and 85 percent of tax revenue. We support the Government of Haiti's vision to embrace sound urban planning and development in new growth poles outside of Port-au-Prince.

In the near term, we are helping to provide support for displaced people who have migrated out of Port-au-Prince and their host families. Looking forward to the long term, we will support economic investments in secondary cities through the provision of productive infrastructure, such as housing and energy investments.

We are also putting particular attention to building robust monitoring and evaluation into our programs in Haiti. The investments the United States makes in Haiti's economy, infrastructure, and people must reflect overall development objectives, have a tangible impact on people's lives, use resources efficiently, and yield results that are sustainable beyond donor funding. In order to ensure this, the U.S. Mission in Haiti will establish an independent monitoring and evaluation unit staffed with specialists who will collect data on program performance, design evaluations, and use data to assess program progress and impact. We anticipate using methods for monitoring and evaluation that will permit us to understand how the combination of investments in health services, infrastructure, economic development, agriculture, education and other areas are affecting lives and livelihoods in the key economic development corridors. Thorough data collection and analysis will be integrated into the design and management of every United States-funded program in Haiti so that the United States can make course corrections and amplifications to programs as necessary. Future programming will benefit from evidence-based designs that take the lessons of past evaluations into account.

In addition to monitoring and evaluation, reforming the procurement process is crucial to getting the maximum impact possible from our resources. Due to the urgency of the situation in Haiti, USAID and other Government agencies have pledged to find ways to do business differently – ways that are faster, more flexible, and culminate in the achievement of real results. USAID is very mindful that every dollar we spend comes from the American taxpayer and that we are accountable to them. We are committed to making our work in Haiti a model for USAID development programs around the world, particularly in the area of procurement reform.

Guided by the principles of transparency, fairness, and efficiency, our revised procurement strategy will support the humanitarian response, as well as the recovery and reconstruction phases, in a way that is country-led, builds local capacity, and features broader outreach to tap the expertise and

energy of the Haitian-American community and attract new partners including local NGOs, and U.S. small, minority, and women-owned businesses.

We believe that working more directly with local partners must also be a particularly high priority. While local partnerships will ultimately help the United States and Haiti better advance our common goals, it is also important to note that in some cases doing this work will also increase the time and burden required to implement some projects. As a way of simultaneously providing assistance and building local capacity, this investment of time and effort is well worth it. In sum, this and the other reforms I have described will help USAID ensure that we are using our resources wisely and efficiently.

Conclusion: Standing with the Haitian People for the Duration

The tremendous needs evident on the ground, particularly for the large population that has been displaced, necessitate that we move forward aggressively and rapidly to finalize plans for reconstruction. These strategies must focus on achieving concrete outcomes in the medium and long term, while ensuring transparency and accountability at every step of the process. The U.S. Government has committed almost $1.15 billion to Haiti's long-term reconstruction and development. The Supplemental funding for Haiti will allow us to continue with this critically important work.

USAID is focused on identifying high-impact, forward thinking, and innovative development projects that draw on both our experience in Haiti and best practices from around the world. As we look toward the future, I am committed to ensuring that our assistance to Haiti:

- Addresses the Haitian Government's priorities and plans and builds the Government's capacity for sustainable stability and economic growth;
- Is deployed in the service of an integrated plan, focusing on key sectors and geographic regions of the country;
- Harnesses the strengths of the entire United States Government through a coordinated approach;
- Leverages and complements the resources of other donors and stakeholders; and
- Is subject to rigorous monitoring and evaluation.

The reconstruction effort will take many years. Significant challenges lie ahead and progress will be difficult, hard-fought, and will require close coordination from across the international community and Government of Haiti. But as President Obama made clear, we are committed to standing shoulder-to-shoulder with the people of Haiti to rebuild their lives and their country and put them on a path to a better future.

Mr. Chairman, Members of the Committee, thank you for the opportunity to appear before you today and I welcome any questions you might have.