

## CRITICAL QUESTIONS

**The Haiti Donor's Conference, Washington, D.C., April 13–14, 2009**

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Background: This long-postponed conference has put Haiti back on the agenda of the international community at a critical time in the country's history. In the last year, Haiti has experienced food riots in April 2008 that forced the resignation of its prime minister and left the government of President René Préval in turmoil as the Haitian parliament dallied for five months to select a replacement, Michèle Pierre-Louis. Within weeks of resolving this political crisis, a series of four hurricanes ravaged the country. With hundreds dead, the city of Gonaïves underwater, and almost every road and bridge destroyed, Haiti's humanitarian crisis set back any progress that had been made on specific economic and political reforms.

**Q1: Why is this donor's conference important to Haiti's progress?**

**A1:** Haiti's economic survival hangs in the balance. Haiti will continue to need resources (60 percent of its projected budget for FY09, \$256.4 million, will come from international donors) and also security support to control and destroy gangs that threaten public safety. As the donor community returns to the table to discuss how Haiti can again move forward, the needs of the poorest country of the region are even greater, exacerbated by the global financial crises. Remittances, the main source of income for most Haitians, or 30 percent of GDP, are expected to decline, putting the 1.1 million Haitians dependent on this resource into even deeper poverty. (These are families that survive on only \$500 per year.) Previously forecast GDP growth of 3.7 percent and inflation at 9 percent has also been recalculated so that growth will drop to 1.5 percent and inflation will rise to 13 percent.

**Q2: What is the position of the Obama administration toward Haiti's needs?**

**A2:** Haiti is once again a priority for the United States and its partners in Latin America as the Obama administration prepares for its first face-to-face meeting at the Summit of the Americas later this month. The first foreign leader to visit Secretary of State Hillary Rodham Clinton was President Préval in February, where Préval acknowledged Haiti's fragility and its need for ongoing assistance from the United States, the largest donor. The administration has also approached Haiti as a multilateral problem. Last month, UN secretary-general Ban Ki Moon traveled to Haiti with former U.S. president William Clinton to call attention to both the problems and opportunities there.

**Q3: What can we expect as an outcome of this meeting and what is different?**

**A3:** Support for Haiti among Latin American nations has grown over the years since the return of the Brazilian-led UN Mission to Haiti (MINUSTAH) in 2004. This growing engagement by troop contributors from nine nations of the Americas has already been translated into technical support and greater cooperation in the region. The immediate focus of assistance will require funds to address food security, job creation in urban and rural areas, community-driven development, and greater transparency in transaction. The UN role in providing a secure and stable environment is essential for the economic stabilization of the country. With U.S. leadership, the April 14 meeting could demonstrate that the transition window is once again open and that the timing ripe for reinforcing this message among members of the international community. As Organization of American States (OAS) assistant secretary-general Albert Ramdin noted, there is "unique momentum" to take advantage of a wave of solidarity that has been building for Haiti.

**Q4: Can Haiti benefit from a new approach to development?**

**A4:** There will also be great attention paid to the role of the private sector, particularly the assembly industries in Haiti, in light of a new report that the UN secretary-general commissioned from economist Paul Collier, author of *Bottom Billion* (Oxford University Press, 2008). Collier provided a realistic but optimistic assessment of the immediate potential to use the U.S. legislation, HOPE II (the Haitian Hemispheric Opportunity

## CRITICAL QUESTIONS

through Partnership Encouragement Act of 2008), to serve as a stimulus to international investors seeking a place where close access to the U.S. market provides an incentive for new investments. If the private sector comes in and new jobs are created, Haiti will be better prepared to manage the ongoing challenges of government and development that will be needed to move Haiti from its turmoil and misery.

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