Policies for Effective Development: Rethinking the Role of NGOs in Haiti

Sonia Lee
Leland International Hunger Fellow
Policy Paper
June 29, 2011
Executive Summary

Non-governmental Organizations (NGOs) have a crucial role to play in the development of Haiti.\(^1\) NGOs deliver much-needed services to the Haitian population, including health care, education, food assistance and microfinance. While the work of NGOs has undoubtedly provided relief and support to the Haitian people, the presence of NGOs in Haiti also has negative impacts.

As they often have larger capacity and more resources than the Haitian government, NGOs have inadvertently created a parallel system which is better resourced and executed than the public system. The parallel system established by NGOs and their abundance in the country has resulted in Haiti being frequently called the “Republic of NGOs”.\(^2\) However, NGOs are left to operate with little oversight and accountability to the government and their work is often fragmented and uncoordinated. Further, foreign donors are giving funds directly to NGOs over the Haitian government due to fears of corruption and political crises. Thus, NGOs have gained more leverage in how development efforts are shaped and implemented in the country. Yet the activities of NGOs may not always align with the country’s priorities.

Given its limited capacity, weak public institutions and lack of resources, the Haitian State is inevitably reliant on NGOs to provide the services that it is not able to. Yet continued reliance on NGOs and foreign assistance indisputably impedes the sustainable development and sovereignty of Haiti. Thus, the Haitian government is caught in a cycle that impairs the long-term development needs of the country in order to address the immediate needs of its population.

As the recent events in Haiti, including the January 2010 earthquake, flooding and current cholera epidemic have shown, effective development requires more than the presence of NGOs. For development assistance to work, the role that NGOs play in development needs to be redefined and new strategies to support the sustainable development of Haiti must be devised, including 1) coordinating NGO activities; 2) aligning NGO priorities with government priorities; 3) renewing strategies for aid effectiveness; and 4) building the capacity of the public sector. NGOs should focus on long-term solutions that are centered on strengthening and supporting the public sector.

Appropriate international and domestic policies are needed to guide and regulate how NGOs function and support development in Haiti. Foreign assistance policies should be designed to ensure that a major focus of NGO activities is shifted to building up the capacity of Haiti’s government and the public sector. With renewed global attention and promised foreign aid, there is a great opportunity now to rebuild Haiti in a smarter and more sustainable way that respects Haiti’s sovereignty and increases its own ability to improve the lives of its population.

---

\(^1\) For research purposes, NGOs refer mainly to international organizations. Local NGOs also exist in Haiti, but often do not have the same scope and level of funding as international NGOs.

**Recommendations:**
The following are recommendations on how NGOs, donors and the Haitian government can most effectively work together:

1. **Non-Governmental Organizations (NGOs)**
   - Require effective engagement of the Government of Haiti in program design and implementation of NGO activities
   - Conduct reassessment of NGOs development strategy

2. **Donors**
   - Develop a funding policy that strengthens the capacity of partner countries
   - Comply with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action
   - Reduce the level of funds channeled to NGOs at the expense of the Haitian Government

3. **Government of Haiti (GoH):**
   - Develop a national policy on NGOs
   - Establish a coordinating mechanism for NGOs
   - Conduct a participatory and transparent process for identifying the country’s development priorities
POLICIES FOR EFFECTIVE DEVELOPMENT: RETHINKING THE ROLE OF NGOs IN HAITI

I. Introduction
Non-Governmental Organizations (NGOs) have a crucial role to play in the development of Haiti. Given the limited capacity and resources of the Government of Haiti (GoH), NGOs deliver much-needed services to the Haitian population, including health care, education, food assistance and microfinance. In some cases, NGOs work directly with the government by providing technical assistance and budget support to the public sector.

While the work of NGOs has undoubtedly provided relief and support to the Haitian people, the presence of NGOs in Haiti also has negative impacts. As they often have larger capacity and more funding resources than the Haitian government, NGOs have inadvertently created a parallel system that is better resourced and executed than the public system. Consequently, NGOs are viewed as more adept than the public sector, and a large number of the Haitian population, particularly those living in impoverished conditions, relies heavily on them for essential social services. This further exacerbates the low level of confidence that the local population, foreign donors and development partners have in the government and the public sector as a whole. The parallel system established by NGOs and their abundance in the country has resulted in Haiti being frequently called the “Republic of NGOs”. However, NGOs are left to operate with little oversight and accountability to the government and their work is often uncoordinated and fragmented.

The presence of NGOs continually undermines the capacity of the Haitian State, rather than investing in long-term efforts that would encourage strong leadership, self-sufficiency, country ownership and sustainability. Furthermore, citing reasons of corruption and political crises, foreign donors have often bypassed the Haitian government and given funds directly to NGOs. Thus, NGOs have gained more leverage in how development efforts are shaped and implemented in the country. But the activities of NGOs are often designed to meet the objectives of their respective institutions, and may not always align with the country’s priorities.

In the end, Haiti’s government has been criticized for not taking a stronger role in coordinating and monitoring the activities of NGOs. Given their limited capacity, weak public institutions and lack of resources, the Haitian State is inevitably reliant on NGOs to provide the services that it is not able to. Yet their continued reliance on NGOs and foreign assistance indisputably impedes the development and sovereignty of Haiti. Thus, the Haitian government is caught in a cycle that struggles to address the immediate needs of its population and the long-term development needs of the country.

Effective development in Haiti requires more than the presence of NGOs. For development assistance to work, a rethinking about the role that NGOs play in development is needed. NGOs must develop long-term solutions that are centered on the public sector, which include forging

---

equitable partnerships with the GoH, engaging in programmatic activities that align with the country’s priorities, strengthening public institutions and providing financial support directly to the National Budget. Further, the work of NGOs needs to be coordinated and monitored to avoid duplication and wasting of resources and ensure accountability. In order to do so, both international and domestic policies are needed to guide and regulate how NGOs can most effectively function and support sustainable development in Haiti. Policies on foreign assistance and NGOs can be developed or changed to ensure that investing in the capacity of Haiti’s government and the public sector is a central goal.

Given the recent events in Haiti, including the January 2010 earthquake, flooding and current cholera epidemic, global attention on Haiti has been renewed, including an influx of new NGOs into the country, scaling up of efforts by existing NGOs and immense promises of aid by the global community. The devastation of these consecutive events has contributed to an already difficult situation in Haiti; yet it also presents a major opportunity to design and implement development efforts in a smarter and sustainable way. While NGOs remain an important part of Haiti’s recovery and continued development, a true rethinking is needed about how NGOs could be more effective in development efforts, and lessen the negative impacts that their presence creates in Haiti.

II. Background

Country Context
Haiti is the poorest country in the Western Hemisphere with one of the worst human development indicators in the Latin America/Caribbean region. Since its independence in 1804, Haiti has been wracked with political instability, 33 coup d’états, two U.S. occupations, a brutal dictatorship and military regimes, which have all contributed to the deterioration of the public infrastructure and widespread poverty in the country. In 1990, Haiti held its first democratic presidential elections, but the first democratically-elected president was overthrown two times by coups d’état, in 1991 and 2004. Eighty percent of the population lives under the poverty line. Further, there is an incredible inequality of income distribution - 66 percent of the nation’s wealth is concentrated among just 4 percent of the population. Massive deforestation and the loss of the agricultural sector have further isolated the rural population, which has led to large urban migration and densely-populated slums vulnerable to disease, ill health, violence and high unemployment.

Traditionally, Haiti is an agrarian society, and farming has served as a primary source of livelihoods and food production in the country. However, in the 1980s and 90s, in response to donor pressure to globalize, Haiti’s development focus shifted from domestic agricultural production to producing foods for export and reducing tariffs on imports, particularly from the

---

United States. As a result, Haiti was flooded with US-subsidized imports, such as rice, which had a devastating effect on the country. Presently, the agricultural sector constitutes 26 percent of Haiti’s gross domestic product (GDP), whereas in the 1970s it made up over half of the GDP. In fact, former US President Bill Clinton told the Senate Foreign Relations Committee on March 10, 2010, “Policies forcing the reduction of import tariffs may have been good for some of my farmers in Arkansas, but it has not worked [in Haiti]. It was a mistake...the lost capacity to produce a rice crop in Haiti to feed those people...because what I did.” Additionally, loans from international financial institutions, such as the Inter-American Development Bank, IMF and World Bank, imposed conditions on Haiti that required privatization of public utilities, a highly productive state resource that generated half a billion dollars annually, and on “cost-saving measures” that reduced resources for social services. Thus, for many decades, resources that could have been better directed to essential social services have been used to service Haiti’s external debt. Yet these loans have done little to improve the lives of the majority of the Haitian poor. Further, although US$1.2 billion of Haiti’s debt was cancelled in 2009 under the Heavily Indebted Poor Countries (HIPC) program, the country still faces an external debt of $1.051 billion.

Predictably, the Haitian State is highly dependent on foreign aid. State-generated revenues are low, and corruption still remains a rampant problem within the public sector. Remittances serve as an “informal” but major contributor to the economy of the country. However, the recent economic crisis impacted the Haitian Diaspora, which affected the amount of remittances that were sent back home, leaving Haiti more dependent on foreign aid than ever. Following the January 2010 earthquake, reconstruction costs have been estimated at US$11 billion. Foreign donors have pledged US$9 billion, though a majority of the money has yet to reach Haiti.

**The NGO Effect in Haiti**

It is estimated that the number of Non-Governmental Organizations (NGOs) operating in Haiti ranges from 3,000 to as many as 10,000. Haiti has the second highest number of NGOs per capita in the world. Aid groups provide four-fifths of social services, and NGOs may account

8 CHRGJ, PIH, RFK Center, Zanmi Lasante, 2011.
11 Over half of Haiti’s debt were for loans received during Haiti’s dictatorships, particularly the Duvalier father-son dictatorships from 1957-1986. From Jubilee USA, “Haiti’s Debt Cancellation”. Retrieved on June 17, 2011 from [http://www.jubileeusa.org/jubilee-act/haiti-debt-cancellation-resolution/resources-on-haitis-debt.html](http://www.jubileeusa.org/jubilee-act/haiti-debt-cancellation-resolution/resources-on-haitis-debt.html)
13 Under the Heavily Indebted Poor Countries (HIPC) program, the International Monetary Fund (IMF) and Inter-American Bank (IDB) agreed to write off Haiti’s debt, but the World Bank did not. On April 15, 2009, the US pledged US$20 million to pay off the remainder of Haiti’s debt to the World Bank.
14 USIP, 2010.
15 USIP, 2010.
for as much as a quarter of the gross domestic product. Given the limited capacity and lack of resources of the Haitian government, NGOs have been providing much needed services and support to the Haitian population, including health care, education, microfinance and food aid, as well as job creation. Inadvertently, NGOs have created a parallel system which is better resourced and executed than the public system. Consequently, NGOs are viewed as more adept than the public sector, and a large number of the Haitian population, particularly those living in impoverished conditions, relies heavily on them for essential social services.

Despite the large number of NGOs and their various activities in Haiti, they often operate with little oversight and accountability to the government. Although the GoH is technically the national authority for all sector activities, its authority is weak because of the lack of money and limited human resources. NGOs are generally left unmonitored, and it is difficult to know where and what activities are being implemented by all the NGOs in the country. Furthermore, the lack of coordination often leads to duplication of efforts, wasting of resources and less accountability. However, in some cases, NGOs will collaborate with the public sector on a certain project, where the project will sit within a Ministry. Although the Ministry technically should oversee and coordinate all the projects within its institution, its authority is weak due to its lack of financial and human resources. An NGO-funded project within a Ministry will be better resourced and staffed than most programs and departments within the Ministry. Inevitably, issues of authority between the Ministry and NGO will arise, and jealousy and resentment among the Ministry staff will come up, particularly for those departments that are lacking resources as compared to the NGO-funded projects.

Another effect of NGOs in Haiti is the “brain drain” from public institutions to the NGO sector. NGOs are able to recruit among well-educated Haitians, by offering better functioning and well-resourced systems and higher paying jobs, as compared to a highly-bureaucratic, poor functioning and resource-limited government setting. This is most apparent in the case of Haitian doctors. Haitian doctors, who have been trained by the State, are choosing to work in NGOs on various projects, rather than practice medicine in the public sector, particularly in the rural and hard-to-reach areas. Consequently, Haiti has a health workforce crisis, although it has invested in educating and training health workers, especially doctors. But ultimately, the population is the one who suffers, as there are not enough trained health professionals available to them. This internal “brain drain” further weakens the human and institutional capacity of the public sector, perpetuating the cycle.

Government corruption is also a major contributor to Haiti’s weak public sector and poor infrastructure. As a result, foreign donors continue to channel money to NGOs for development purposes, rather than providing direct support to the government. In FY 2007-2008, USAID spent $300 million in Haiti, all of which was implemented through international NGOs. In many cases, a single NGO project has more funds than the entire budget of a government ministry. Most recently, post-earthquake, the U.S. has pledged nearly $10 billion

17 USIP, 2010.
to rebuild, but it is estimated that 70 percent of this year’s money will be channeled through NGOs.\textsuperscript{18} It is clear that stronger efforts to fight corruption are needed, and NGOs can play a major role by working in partnership with the Haitian State to build up its level of capacity to govern, including reinforcing systems of transparency and accountability.

Political crises in Haiti have also resulted in the channeling of funds to NGOs. For example, from 2001 to 2004, long-approved loans from the Inter-American Development Bank (IDB) were blocked by a US veto in response to disputed 2000 parliamentary elections. The three loans totaling US$146 million were intended for health sector improvement, education reform, potable water enhancement, and road rehabilitation.\textsuperscript{19} Although the seven parliamentarians in question stepped down, an international embargo on aid was placed on Haiti. As a result, humanitarian aid was now channeled through NGOs, which further crippled the resources and capacity of the State. Thus, putting an embargo on aid and giving money directly to NGOs had a significant impact on the capacity of the State to function and provide public services. The continued deterioration of the public sector has inevitably diminished the public trust and confidence in the government.

The impact of NGOs has been a concern for a long time. Although many have been in the country for over 50 years, it is evident that not much has changed to improve the lives of the majority of Haiti’s population. The public infrastructure continues to deteriorate, the cost of living rises and the State is unable to provide the basic essential services to its people. Since the government lacks the capacity and money, NGOs continually play a crucial and often times life-saving role in Haiti. Yet as NGOs are constantly addressing the immediate needs of the people, they often do not have the time or money to create long-term solutions, which are more challenging and do not necessarily show immediate, quantifiable results. However, if NGOs continue to undermine or take over the role of the State, the government will not have the incentive to change and improve the system. Although there is still uncertainty whether the Haitian government can genuinely serve the needs of the country, it needs to have the chance to do so. As Haiti continues its transition to a democratic state, a strong and well-functioning public sector that is ultimately accountable to the Haitian population is crucial.

III. Rethinking the Role of NGOs
Recent events in Haiti, including the January 2010 earthquake and current cholera epidemic, have highlighted the limited capacity of the Government of Haiti and the poorly coordinated efforts of NGOs in the country, as well as the continued impoverished state and vulnerability of the majority of the Haitian people. Thus, discussions around aid effectiveness need to reassess the role that NGOs play in development and devise ways that they can successfully support the sustainable development of Haiti.

1. **Coordination of NGOs:** The work of NGOs can be fragmented and lack coordination, which results in duplication of efforts and wasting of resources and becomes

\textsuperscript{18} De Cordoba, 2010.
unsustainable. The Haitian government may not have the resources to directly implement programs, but it does have the resources to oversee and coordinate NGO activities. National and internal policies within organizations that require the coordination of efforts can also be another effective strategy to create a positive impact by NGOs in Haiti.

2. **Aligning Priorities:** Often times, NGOs are focused on providing direct services to address immediate needs, and their priorities may differ from the priorities of the GoH. Thus, NGOs need to engage with the Haitian government in order to ensure their work aligns with the long-term priorities of the Haitian government. However, the priorities of the country must be clearly defined so that key stakeholders, such as donors and NGOs, understand what the government needs from them. Further, the country’s priorities must be comprehensive and identified through a participatory and transparent process that reflects the primary needs of the country.

3. **Aid Effectiveness:** International agreements, such as the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, have been endorsed by more than 100 signatories, including the United States and Haiti. The agreements call for strengthening the public sector, country ownership and the coordination of efforts and offer a strong framework for designing effective development strategies. Furthermore, a NGO Code of Ethics and Code of Conduct have been developed, which could be adopted and applied by NGOs around the world. These codes could serve as guidance for NGOs to develop their own internal policies, which would focus on greater accountability and engaging the public sector in their work in Haiti.

4. **Capacity Building:** Building the capacity of government undoubtedly takes time, but it is crucial in the sustainable development of Haiti. In the meantime, NGOs play an important role in providing much-needed services to the Haitian people. Additionally, NGOs have great expertise in many fields, and this expertise can be channeled into building the capacity of the public sector. Collaborations with the government could focus on rebuilding or scaling up the public infrastructure, rather than solely concentrating on the delivery of services or program interventions. This could be a more effective intervention by NGOs and donors, and have a lasting effect, as their presence in the country is more tenuous. Additionally, corruption is a huge problem, and it cannot be dismissed lightly. More incentives and support are needed to motivate real change within the public sector. Political will is a major factor in pushing things forward, and a genuine commitment to form equitable partnerships and relationships can also be motivating forces.

---

20 USIP, 2010.
21 Paris Declaration (2005) and Accra Agenda for Action (2008). Retrieved on June 9, 2011 at [http://www.oecd.org/document/15/0,2340,en_2649_3226908_35401554_1_1_1_1,00.html](http://www.oecd.org/document/15/0,2340,en_2649_3226908_35401554_1_1_1_1,00.html).
There are some examples where both a NGO and foreign government have successfully partnered with the Haitian government. Zanmi Lasante, the Haiti-based affiliate of Partners in Health, has been providing health services to the poor in the Central Plateau region for over two decades. The organization established a solid, rural health care network in Haiti and worked independently of the government. However, Zanmi Lasante started to recognize the need to partner with the Ministry of Health and Population (MSSP) as a way to ensure sustainability, expand their reach in the rural areas and to improve the public health system. Presently, Zanmi Lasante, in partnership with MSPP, has rehabilitated several public hospitals and health centers, including a new teaching hospital in the provinces, and complemented the MSSP personnel with PIH-trained staff. This type of private-public partnership serves as a good model because it puts into action long-term, sustainable strategies, which draw on the expertise of Zanmi Lasante, and engages the GoH to help rebuild the public health infrastructure of the country.

Another example of an equitable and effective partnership is the one between the Governments of Haiti and Cuba. Through Cuba’s health diplomacy efforts, Haitian medical students are able to attend medical school in Cuba for free, with the only stipulation that once their studies are completed, they return to Haiti and serve in their communities. However, in the meantime, and to compensate for Haiti’s weak public health system and its problem of brain drain, over 500 Cuban doctors and nurses have been placed in the rural and remote, hard-to-reach areas throughout the country and are providing access to free health care services to the rural population.

IV. Recommendations
NGOs cannot ignore the important role that the public sector plays and must engage it in their development efforts. In order to effectively deliver services and improve the lives of the Haitian people, equitable partnerships between NGOs and the government are needed, which focuses on capacity building, coordination and accountability in all aspects of planning, implementation and policymaking. The following are recommendations for how NGOs, donors and the Haitian government can most effectively work together:

1. Non-Governmental Organizations (NGOs):
   1) **Require effective engagement of the GoH in program design and implementation of NGO activities:** To avoid developing parallel systems in Haiti and undermining the authority of the GoH, NGOs should individually or collectively develop a policy that ensures that a significant percentage of their work engages the public sector, serves to strengthen their capacity and establishes dedicated funding through collaborations and/or budget support. The policy should incorporate the principles of aid effectiveness. Further, input from the GoH, civil society groups and donors are needed.

   2) **Conduct reassessment of NGOs development strategy:** NGOs should reassess their development strategies in order to understand their long-term impact on Haiti and to

ensure that they are effective, inclusive of the public sector and not hindering sustainable development.

2. Donors

1) Develop a funding policy that strengthens the capacity of partner countries: Foreign donors can develop funding policies that will require a significant percentage of aid to be directed at strengthening the capacity of recipient countries, such as Haiti, so that it has the ability to take the lead in development efforts. Further, funding should be directed at supporting the national budget and in alignment with the national development strategies of Haiti.

2) Comply with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action: The principles of aid effectiveness emphasize the need for strengthening the capacity of governments and alignment with their priorities. Therefore, policies that are developed should be infused with these principles and comply with international agreements, such as the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

3) Reduce the amount of funds channeled to non-state actors, particularly NGOs, at the expense of the Haitian Government: Although aid increased significantly between 2009 and 2010 for relief, recovery and development efforts, a majority of the funds still have been given to non-state actors. For example, following the January 2010 earthquake, only 12 percent of recovery aid was given directly to the Haitian government through public institutions, while 55 percent was given to NGOs and other non-state institutions. Further, 99 percent of relief aid was given to the Red Cross, bilateral and multilateral agencies, NGOs and private contractors. Haiti depends heavily on foreign aid as a significant source of public financing. By channeling funds to NGOs and other non-state actors rather than the public sector, donors damage the capacity of the government. Thus, donors should direct more aid to the Haitian government, when appropriate. However, in cases where NGOs are the main recipients of foreign aid, donors should stipulate that NGOs support the public sector through capacity building and alignment of activities.

3. Government of Haiti (GoH):

1) Develop a national policy on NGOs: Given the large number of NGOs in Haiti, the Government of Haiti needs to officially recognize the major role that NGOs play in delivery of essential services in the country. A national policy on NGOs needs to be developed that defines how they can most effectively serve the priorities of the country and the type of public-private partnership that is required to carry out development activities. Input from NGOs and donors are needed to develop this policy.

2) Establish a coordinating mechanism for NGOs: A national authority and/or coordinating mechanism needs to be established to monitor and regulate the activities of NGOs, and

26 Office of the Special Envoy for Haiti, 2011.
should be headed by the GoH. This national authority should include representatives from a cross-section of NGOs, as well as civil society groups, and requires multi-sectoral cooperation.

3) **Conduct a participatory and transparent process for identifying the country’s priorities:** In order to identify the priorities of the country, a participatory and transparent process that includes key stakeholders such as government, donors, other development partners, NGOs and civil society groups is needed. By engaging in this process, the GoH can show their commitment to effective development, to transparency and accountability, and to ending corruption within the public sector.