

HAITI'S DEVELOPMENT NEEDS

HEARING
BEFORE THE
SUBCOMMITTEE ON
THE WESTERN HEMISPHERE
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS

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HAITI'S DEVELOPMENT NEEDS

TUESDAY, MARCH 13, 2007

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:57 p.m. in room 2172, Rayburn House Office Building, Hon. Eliot L. Engel (chairman of the subcommittee) presiding.

Mr. ENGEL. Good afternoon. A quorum being present, the Subcommittee on the Western Hemisphere of the Foreign Affairs Committee will come to order. I ask unanimous consent that any member who may attend today's hearing be considered a member of the subcommittee for the purposes of receiving testimony and questioning witnesses after subcommittee members have been given the opportunity to do so, and without objection, so ordered.

I am pleased to welcome you to today's hearing on Haiti's development needs. I cannot think of a country or a subject more deserving of Congress's full and sustained attention than our neighbor Haiti.

Haiti is personally very important to me and to several members of this subcommittee, and I plan to focus intensely on it throughout the 110th Congress.

Last year Haitians successfully carried out three democratic elections with a turnout rate of over 60 percent. With a strong mandate to govern, Haitian President Rene Preval is in a unique position to reduce poverty and rebuild Haiti's fragile democratic institutions. For the first time in years, there is a window of opportunity in Haiti and a bipartisan consensus here on Capitol Hill. But that window is small and we must act quickly.

With a stable political situation in place, we must turn our full attention to Haiti's development needs and the role that the international community can play in supporting the Haitian Government's efforts to curb poverty.

Haiti's poverty is massive and deep, and Haiti remains the poorest nation in the entire Western Hemisphere. According to the International Monetary Fund, 76 percent of Haitians live on less than \$2.00 per day, and 55 percent of those live on less than 44 cents a day.

Hunger is also widespread as 81 percent of the population does not receive the minimum daily ration of food defined by the World Health Organization. This is quite simply unacceptable to be happening right in our own back yard.

I am pleased by the overall increase in foreign assistance to Haiti in the President's budget, particularly the \$36 million increase in HIV/AIDS funding. However, I am deeply concerned by the decreases in all areas outside of HIV and AIDS, and economic support funds. I am particularly troubled by the minimal amount of assistance being provided for education in the 2008 budget.

When President Preval was elected last May, he outlined his two major goals, and I quote him: "Building institutions is provided for in the Constitution and creating conditions for private investment to create jobs." The elections last year put Mr. Preval well on his way to the first goal. Now we must support him in creating jobs in Haiti. Congress's passage and the President signing into law of the HOPE Act last year has the possibility of stimulating the country's textile industry and creating thousands of jobs, but we must move fast in implementing HOPE as time is of the essence. I look forward to working with the Bush administration to certify Haiti on or before the March 20 target date.

I hope that we can use today's hearing to think outside the box as to how best to create jobs and enhance development in Haiti. I am particularly interested in exploring ways to support Haiti in developing a viable and sustainable biofuels industry. With President Bush's visit to Brazil last week, we are beginning to see a renewed focus on hemispheric cooperation on alternative energy. I would like to see the United States partner with Haiti to develop crops that promote energy independence. *Jatropha* is one such crop which I know will be discussed today.

While it goes without saying, security in Haiti continues to be a major impediment to its development. Gang violence and kidnappings are frighteningly common. A hundred people were reported kidnapped in Haiti in December 2006 alone. Lack of road security, looting, and poor road conditions impede the delivery of aid. A modicum of security would go a long way in maximizing the impact of assistance to Haiti.

As someone who proudly represents one of the largest Haitian communities in the United States, I am also interested in identifying ways that the tremendous talents of the Haitian diaspora residing in Spring Valley, New York, in my district, and other places can be tapped into so that they can contribute to Haiti's democratic path toward peace, prosperity, security and stability. I am also happy to welcome the Haitian Ambassador to the United States here this afternoon.

I hope that our witnesses today can provide us with their ideas about how best we can work with the Haitian diaspora in rebuilding Haiti, and I am closely working with my colleague Barbara Lee on her legislation to set aside a moderate amount of funds for a program to assist Haitian Americans to return to Haiti to support its development.

Last year, an astounding \$1.65 billion in remittances was transferred by the Haitian diaspora to relatives and friends in Haiti. Our foreign assistance pales in comparison to these remittances. I hope that we can find ways to encourage the transfer of remittances that supports specific development projects in Haiti.

I now want to welcome our esteemed witnesses who are testifying today. Wyclef Jean is a multiple Grammy Award winning art-

ist and producer whom MTV has described as “hip-hop’s unofficially multicultural conscience.” He is also the founder of Yéle Haiti, a foundation which uses the combination of music and development to contribute to Haiti’s long-term progress. I and my colleagues are absolutely delighted to have him here today, and especially since he also has a New York connection.

And Adolfo Franco is the Assistant Administrator for Latin American and the Caribbean at the U.S. Agency for International Development. He has testified before this subcommittee several times, and also has served as counsel to the chairman of the full committee. We are honored by your presence here as well today, Mr. Franco.

Finally, I want to apologize in advance for the late beginning of this hearing, because we had a series of votes. As you know, those votes are ended, but I may have to break out and run out for a couple of votes in my other committee during the hearing, and if I have to do that, I apologize, but I will be coming back. There is a markup in the Energy and Commerce Committee this afternoon and my vote may be needed there.

[The prepared statement of Mr. Engel follows:]

PREPARED STATEMENT OF THE HONORABLE ELIOT L. ENGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

Good afternoon. A quorum being present, the Subcommittee on the Western Hemisphere will come to order. I ask unanimous consent that any Member who may attend today’s hearing be considered a Member of the Subcommittee for the purposes of receiving testimony and questioning witnesses after Subcommittee Members have been given the opportunity to do so, and without objection, so ordered.

I am pleased to welcome you to today’s hearing on Haiti’s development needs. I cannot think of a country or subject more deserving of Congress’s full and sustained attention than our neighbor, Haiti. Haiti is personally very important to me and to several members of this subcommittee and I plan to focus intensely on it throughout the 110th Congress.

Last year, Haitians successfully carried out three democratic elections with a turnout rate of over 60%. With a strong mandate to govern, Haitian President René Preval is in a unique position to reduce poverty and rebuild Haiti’s fragile democratic institutions. For the first time in years, there is a window of opportunity in Haiti and a bipartisan consensus here on Capitol Hill. But that window is small and we must act quickly.

With a stable political situation in place, we must turn our full attention to Haiti’s development needs and the role that the international community can play in supporting the Haitian government’s efforts to curb poverty. Haiti’s poverty is massive and deep and Haiti remains the poorest nation in the Western Hemisphere. According to the International Monetary Fund, 76% of Haitians live on less than \$2 per day and 55% of those live on less than 44 cents a day. Hunger is also widespread as 81% of the population do not receive the minimum daily ration of food defined by the World Health Organization. This is quite simply unacceptable.

I am pleased by the overall increase in foreign assistance to Haiti in the President’s budget, particularly the \$36 million increase in HIV/AIDS funding. However, I am deeply concerned by the decreases in all areas outside of HIV/AIDS and Economic Support Funds. I am particularly troubled by the minimal amount of assistance being provided for education in the 2008 budget.

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As someone who proudly represents one of the largest Haitian communities in the United States, I am also interested in identifying ways that the tremendous talents of the Haitian diaspora residing in Spring Valley, New York, and elsewhere can be tapped into, so that they can contribute to Haiti's democratic path towards peace, prosperity, security and stability. I hope that our witnesses today can provide us with their ideas about how best we can work with the Haitian diaspora in rebuilding Haiti. And I am working closely with my colleague Barbara Lee on her legislation to set aside a moderate amount of funds for a program to assist Haitian-Americans to return to Haiti to support its development.

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And Adolfo Franco is the Assistant Administration for Latin America and the Caribbean at the U.S. Agency for International Development. He has testified before this Subcommittee several times and also has served as Counsel to the Chairman of the full committee. We are honored by your presence here today, Mr. Franco.

Finally, I want to apologize in advance for having to briefly run out for a couple of votes during the hearing. There is a mark-up in the Energy and Commerce Committee this afternoon.

Thank you very much. I am now pleased to call on Ranking Member Burton for his opening statement.

Mr. ENGEL. So I thank you very much, and look forward to the testimony. I am honored to have my son Jonathan here as well, who is in from college in Arizona, and I am now pleased to call on Ranking Member Burton for his opening statement.

Mr. BURTON. Mr. Jean, I just read your biography, and you are a pretty impressive guy. I want to congratulate you on the humanitarian effort that you are putting forth for the people of Haiti. I think it is just great. I was chairman of the Western Hemisphere some years back, and chairman just the last few years, and we have always been troubled by the problems down in Haiti, and it is nice to have an artist like you taking a leading role in helping solve some of the problems down there, so I want to congratulate you for that. I think it is just great.

I am not going to have a long opening statement. I want to hear what our witnesses have to say, but I just have to say to you, Mr. Jean, that I am not as familiar with your records as I should be, I guess, but I am going to find one and listen to it real soon.

[The prepared statement of Mr. Burton follows:]

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF INDIANA

Thank you for being here today, I will be short. I would like to express my gratitude to those in the room for their efforts to bring attention to this fragile country that is generally recognized as being the poorest country in the Western Hemisphere. Today we must build upon the hearing on Haiti that we held last September by drawing attention to accomplishments and by building a vision to capitalize on these successes for future gains.

Haiti has been at a critical juncture in its path away from poverty with the successful presidential election and the forward momentum it provided in its newly elected government. Recently, however, the Haitian people are beginning to experience renewed paralysis in their government and are losing hope. As a result, the countries and non-governmental organizations providing international assistance to Haiti are losing their small window of opportunity for timely change in the impoverished nation.

Successes such as the tough vetting of police officers for corrupt behavior have taken place with signs of improvement. Unfortunately, gangs and crime continue to inhibit the growth of the economy and hinder many aspects of the development process. Additionally, evidence of corruption and bickering among members of the parliament further impedes the rate of progress.

The United Nations forces, who have recently stepped up operations against slum gangs, have been able to provide a substantial increase in security. This has allowed for some reconstruction efforts to take place. However, more needs to be done and these MINUSTAH forces are only authorized to be in Haiti until October 2007.

In addition to U.N. troops, international financial assistance remains to be a significant Haitian need. USAID has been very active in Haiti, as has Congress by approving the Emergency Supplemental for Haiti, supporting programs to help Haitians return to their homes to invest in local communities and initiating efforts to maintain Haiti's current funding levels. Canada has invested in Haiti's future by providing large amounts of aid and Brazil is supplying a needed leadership role in establishing security in the region.

Venezuela recently announced that it will provide support by having the Development Bank of Venezuela create a US\$20 million fund to provide humanitarian aid to Haiti. This money is designated to pay for healthcare, education, housing and other basic necessities which are badly lacking among Haiti's 8million people.

President Chavez's campaign of distributing money is nothing new or unexpected. However, if our desire for Haiti's democracy to develop and grow strong is to remain a possibility, noticeable improvements must be made, and these improvements are largely dependent on foreign aid reaching its target. I look forward to discussing these issues further as we hear from our two witnesses on the development needs of Haiti.

Mr. JEAN. Thank you.

Mr. ENGEL. I might say you are in trouble. If Mr. Burton is going to listen to your records, I would watch out.

I would like to give other members of the subcommittee a chance to make a brief statement. I would ask the members to try to keep it to 1 minute or less, and we will start with my good friend from New York, Mr. Meeks.

Mr. MEEKS. Thank you, Mr. Chairman, and I am going to be real brief because I am anxious to hear the testimony from Mr. Jean. I just want to say thank you to you for your dedication. You know, the key to this thing for me is my mother taught me three things when I grew up, you know, she sacrificed, I am sure. She said remember three things. Always remember who you are, always remember where you came from, and always remember who helped get you there. And I can tell from your life that you live by those three mottos and it is a pleasure to have you here. I look forward to hearing your testimony.

Mr. ENGEL. Thank you. Mr. Fortuño.

Mr. FORTUÑO. Thank you, Mr. Chairman. I commend you and the ranking member for holding this hearing. Mr. Jean, it is pleas-

ure to have you here, as well as Mr. Franco, with whom I have worked in the past in the region. I represent an island not far away from your country, and certainly I have every interest to see that Haiti succeeds in every aspiration that it may have. So I am looking forward to hearing both testimonies.

Thank you, Mr. Chairman.

Mr. ENGEL. Thank you. Mr. Payne.

Mr. PAYNE. Thank you very much. I too will be very brief, but it is great to see you again, Mr. Wyclef Jean. The last time I did see you perform Mr. Burton wouldn't have been there, but it was at the celebration—[Laughter.] It was at the celebration—

Mr. ENGEL. Now you don't know that. [Laughter.]

Mr. PAYNE. No. Well, listen, let me finish. It was for Nancy Pelosi and her winning—[Laughter.]—of the Speakership, so I know you weren't there.

Mr. ENGEL. Does that mean Mr. Burton is changing parties, is that right? [Laughter.]

Mr. PAYNE. But I would too like to commend you for the outstanding work that you do. It is important that young people who are talented in areas outside of say politics and government lend their support. Many times athletes or performers say, I don't want to get involved. It might hurt my profession, my business. We need more people like you. You are an example.

And I would also, as we have discussed already, although you lived in New York, you did come to New Jersey, and you came to Newark, my town, and Millsburg High School and all the rest, so it is wonderful to see you again.

Thank you very much.

Mr. ENGEL. Thank you.

Mr. PAYNE. Mr. Chairman, I would like to add into the record a statement from Ms. Monika Kalra Varma, who was the acting director of Robert F. Kennedy Memorial for Human Rights in my district in Jersey City that has a statement that she would like to have into the record.

Mr. ENGEL. Without objection, so ordered.

Mr. PAYNE. Thank you.

[The information referred to follows:]

STATEMENT SUBMITTED FOR THE RECORD BY MS. MONIKA KALRA VARMA, DIRECTOR,
THE ROBERT F. KENNEDY MEMORIAL CENTER FOR HUMAN RIGHTS

A COORDINATED DONOR RESPONSE

Today, as the Subcommittee meets to address Haiti's development needs, we must consider the implementation of the key international process designed to specifically respond to those needs. In July 2004, the international community pledged more than US \$1 billion to Haiti. The Interim Cooperation Framework (ICF) established priorities and procedures for disbursing and spending funds donated by multilateral and bilateral institutions for the period July 2004 to July 2006. Following a conference to assess progress in July 2006, the timeframe was extended to September 2007.

A potentially innovative vehicle, the ICF's purpose is to coordinate donor assistance and empower the Haitian government to hold donors accountable for their commitments. The ICF's components include three pillars of action: identification of needs; coordination of assistance; and implementation of programs. The ICF initial report identified four priority areas of need, referred to as themes and/or strategic axes:

- 1) Improving political governance and promoting national dialogue;

- 2) Strengthening economic governance and promoting institutional development;
- 3) Promoting economic recovery and institutional development; and
- 4) Improving access to basic services and humanitarian aid.¹

Each of these was further broken down into distinct areas of intervention, many of which were practical and concrete: improving delivery of electricity to promote economic recovery, for instance, and providing water and sanitation as a means of improving access to basic services. The ICF Report also identified four additional, “cross-cutting themes” to be addressed in each strategic sector: Crisis Prevention, Human Rights, Gender, and HIV/AIDS.

RESPONDING TO LESSONS LEARNED

The structure and process of the ICF were intended as a dramatic shift from previous funding trends, which failed to address adequately the Haitian people’s needs and rights. The ICF specifically recognized the central flaw in past assistance patterns: donors often created parallel project implementation structures, thus weakening the Haitian government and leaving it unable to coordinate external aid and to improve the nation’s own absorption and execution capacities.

To address past missteps, the ICF calls for strengthening Haiti’s institutional capacities through partnerships with local community organizations and non-governmental organizations (NGOs); at the same time, the ICF seeks to promote active participation of Haitian civil society in both coordination mechanisms and at every level of development. These considerations were designed to outlast the ICF mandate and set new standards for donor assistance to Haiti.

ZANMI LASANTE

In 2002, the RFK Center bestowed its annual Human Rights Award on Ms. Loune Viaud, the Director of Strategic Planning for Zanmi Lasante (Partners in Health), one of Haiti’s largest NGOs. These two tactics, strengthening government infrastructure and promoting local participation, are central to Zanmi Lasante’s success. Zanmi Lasante began working in the Central Plateau of Haiti in 1983. The organization started by traveling to villages, meeting people in their homes and asking about their most pressing needs. One of the organization’s first initiatives was a free medical clinic, and Zanmi Lasante now runs several clinics across the Central Plateau which now helps more than a million patients each year.

Zanmi Lasante’s founding principle is that “legitimacy is best achieved by collaborating with the poor and oppressed, who are not only the chief victims of structural and political violence, but also essential partners in any intervention that is to succeed.”² The organization has used strategic partnerships with the Haitian government to grow and expand its services.

The ICF attributes the collapse of Haiti’s public infrastructure in part to years of development funds flowing almost entirely to NGOs,³ and it anticipates that partnerships between the government and organizations like Zanmi Lasante will be key to finding and creating lasting solutions to Haitians’ needs. The ICF recognizes that not only will development projects gain legitimacy, but that to fail to work with the Haitian government will further weaken state institutions and permanently undermine Haiti’s ability to fulfill its people’s needs and to promote full respect for Haitians’ human rights.

WHERE THE ICF STANDS TODAY

Almost three years after the initiation of the ICF, approximately over US \$800 million has been disbursed. However, a relatively small portion of disbursed funds actually have reached Haiti, and international pledges have not always corresponded to the priority sectors the ICF report so clearly identified. Further, most disbursements so far have not been channeled through or in partnership with the

¹ Republic of Haiti Interim Cooperation Framework 2004–2006 Summary Report, July 2004 (haitici.undg.org/uploads/ReportVersion8%20Eng%20FINAL%20Low%20Res.pdf).

² Campos, Nicole Gastineau, and Farmer, Paul, “Partners: Discernment and Humanitarian Efforts in Settings of Violence,” *Journal of Law, Medicine & Ethics*, 31 (2003): 508.

³ In addition, critical collapses in Haiti’s infrastructure have stemmed from external intervention, including the closing of Haiti’s medical school in Tabarre, which was seized by US and international troops in 2004 and converted to a military base without consulting the Haitian government or relevant NGOs. See Farmer, Paul, “Political Violence and Public Health in Haiti,” *N.Engl. J Med* 350: 15 (2004): 1484. Reopening the medical school is a critical component to achieving the ICF’s strategic axis (4).

Haitian government. None of the key benchmarks have been met. There has been minimal participation by local NGOs and the Haitian people. Few Haitians have seen any concrete impact from these funds, and there seems to be little if any public accounting or reporting.

One key flaw in the ICF is the lack of any requirement or central means to track funds. Nominally, the Committee for Implementation and Monitoring (known by the acronym for its French title, COCCI), housed within the Haitian Prime Minister's office,⁴ has overall responsibility to implement the ICF and to monitor progress. In practice, however, COCCI has no tool or process to hold donor states accountable for their pledges or even to oversee funds disbursement. Further, multilateral and bilateral donors, including the United States, have not released any detailed public information about funds disbursement or plans to implement key components of the ICF.

RECOMMENDATIONS FOR THE UNITED STATES

1. Make public its ICF disbursements to Haiti, referencing the ICF priority axis.
2. Make public its efforts to ensure participation of local Haitian communities in all phases of project development and implementation.
3. Make public its work with the Government of Haiti, highlighting efforts to strengthen government infrastructure.
4. All efforts to make such information public should be made available in a manner which local Haitians can access.
5. Encourage other donor states to follow the same recommendations.

Mr. ENGEL. Mr. Sires, do you have an opening statement?

Mr. SIRES. Let me start with first thanking the chairman for holding this hearing, and I am really looking forward to hearing what you have to say.

I was very involved when I was the Speaker of the New Jersey Assembly in bringing supplies after the flood in the border between Haiti and the Dominican Republic, and I got a chance to travel through the area, and I had a chance to help build a school, but I know there were many people that were washed away that were never found. So I am here to help. I am here to work with you, and I am here to listen to what you have to say.

Mr. ENGEL. Thank you. Mr. Delahunt.

Mr. DELAHUNT. Thank you for serving as a role model, and thank you Adolfo Franco for being here and being such an outstanding public servant.

Mr. ENGEL. Thank you.

In December, when I knew I was going to become chairman, we took a trip to Haiti, and we were joined by our good friend who represents the largest Haitian community in the United States, in Miami, Florida, and that is Kendrick Meek, and I would like to give him a chance to say a few words.

Mr. MEEK. Well, thank you so very much, Mr. Chairman. You and Mr. Burton have been working together for—I was at your last hearing when, you know, different seats, but I am glad that we are having a level of consistency as it relates to the hearings on Haiti, long time coming to have some consistency.

You know, we have been here several times, but Mr. Jean, it is great to have you hear. I know that the members are excited about seeing you and others that are so concerned about Haiti to help us

⁴ COCCI is chaired by the Prime Minister of Haiti and includes the Minister of Economy and Finance, the Minister of Planning and External Cooperation, representatives from three Haitian civil society organizations (the Civil Society Initiative, Groupe Groissance, and the Professional Association of Artisans), and six international agencies (Canadian International Development Agency (CIDA), US Agency for International Development (USAID), the EC, the IDB, the UNDP, and the WB).

with a solution, and we are excited about hearing from you. I look forward to hearing your testimony and continuing to follow you throughout the capitol as you start to meet with Members of Congress, so that we can see the very best for many of the children that are counting on us to lead. So thank you for your work and I look forward to your future work, and your foundation and other NGOs that are there doing good things.

Thank you.

Mr. ENGEL. Well, thank you, and now Mr. Jean, we look forward to your testimony, and the floor is yours.

Push the microphone button. This is not like the Grammy's. [Laughter.]

**STATEMENT OF MR. WYCLEF JEAN, ARTIST, FOUNDER OF
YÉLE HAITI**

Mr. JEAN. I want to start off by thanking you, Mr. Chairman, everybody in the House, the most intimidated halls that I ever been to, which happened to be Carnegie Hall and the hall today.

But I am what you call a Haitian American. What that basically means is I am from Haiti. I used to go to school on a donkey. So to go from a donkey and to be here speaking in front of you, automatically you could see that the new generation of Haitians are definitely like. Jamaica has Bob Morley. Haiti has Wyclef Jean.

I have celebrities that are ready to campaign for Haiti for the first time. Some of them are Angelina Jolie Pitt, Nora Jones, just to name a few; my wife Claudinette Jean, my biggest celebrity; my daughter Angelina; Joey Wonder; just to name a few.

But five focus points that I think would really help is education, job creation, tourism, using the arts for development, engaging the diaspora, and what basically I mean by engaging the diaspora is a lot of times 2.5 million Haitians in the United States, but they are not proud of the fact that they are Haitians, and I think I challenge those Haitians first because you have somebody like Charlie Rangel, he is more Haitian than Wyclef Jean, you know. And my thing is I challenge the Haitians who are here, the businessmen that are here, let us start off by doing something for our country.

Haiti is the first Black country, of course, first Black republic. I feel that is a blessing and a curse at the same time, you know, of course, because we have been suffering ever since then, but a blessing because if anybody ever been to Haiti that is the place where you got most culture, when you are talking about culture.

We have a phrase in French, even though I failed French in school, the phrase is "L'union fait la force," meaning like "Unity is Strength," and that is really what I believe in, and just to demonstrate that this is the new generation of Haitians, if you would allow me I will just demonstrate New Jersey style, New York, Brooklyn rap that I just wrote for you guys a little bit to explain it.

It goes like this:

"Only 52 percent of our children in Haiti go to school. That drops 18 percent by grade five, down goes the blood pool. Our foundation Yéle Haiti is playing its part, so let me start. We got 7,000 kids in school, 10 students at universities too. I wasn't good in calculus, but let us do the mathematics: 6.8 mil-

lion on the table now and 4 million of those go to feeding programs. That leaves 2.8 million, and there ain't enough to feed the minor, the children. Sometimes I lose hope. Then I turn on the CSPAN channel and I get inspired when I see Congress doing the Harlem Shuffle, lyrics by Charlie Rangel."

[Laughter.]

Mr. JEAN. Just a little bit to let you all know, you know, what is going on. [Applause.]

So that is Yéle Haiti, our first sponsor we must say when we decided to go into this will be a cell phone company by the name of Voila/COMCEL, and Brad Horowitz is in the audience, I want to acknowledge him. Good to see you. Thank you for your money for Yéle Haiti. USAID also plays a big role. They helped us rebuild 20 schools in Gonaives, and today I am happy to announce that Yéle Haiti is into the partnership with the KATA job creation initiative, and the USAID-funded program that implement by CHF International, to collaborate building five vocational training centers. So these things are active and they are about to happen.

My uncle is Ray Joseph, and he is the Haitian Ambassador. I have kept that a secret for a long time. Now I am forced to say, you know, he is my uncle. A lot of people ask where I get my writing skills. I take no credit. It is all from my uncle. Which leads me to the very important HOPE bill.

The reason why the HOPE bill is very important to me is I have a group of some of the young businessmen with a lot of money and they are tired of playing golf every weekend. So I am like, okay, well, let us go put some of this money in Haiti. So what I need is I need to show them a signal, so I need Congress just to pass, certify this bill just to give me that signal, because if I get that signal, I could show these guys that we are open for business, and once we are open for business, I can start my part, which is bringing tourism back to Haiti.

The same way Bob Morley, once again I say was responsible for Jamaica, Wyclef Jean is responsible for Haiti.

Another program we have at Yéle Haiti, because I don't believe in giving, nobody gave me. They showed me how to fish, which is very important. I want to teach the Haitian people to fish because they are ready to fish. We have something which is called Yearly Cuisine. It is a microenterprise program, training women to be owner/operators of food outlets, and the first cuisine we are happy to announce will be in Cite Soleil, and the funding for that, of course, came from Canada and the International American Development Bank, and thanks to Louis Moreno—he is not here today, but I will stop harassing him for the money, but we need the money immediately.

Let us get into the arts. Haiti is rich in art. When we are talking about art, I would like to take a second to speak about the situation of art. Jamaica has the Reggae Sunsplash, so what I did was I said, okay, there is trouble in Haiti. Let us bring YéleFest to Haiti, December 50,000 in Jacmel, not one incident went down. So it means that if we can provide something for the people, then the people will have something else to do.

Haiti is making real progress. As I get ready to leave the Congress, I was requested one more rap for the elders. So I ask not

what your country could do for you but what you could do for your countries. I stutter because I didn't make that up, that is a quote from Kennedy.

So I am going to talk about the American dream and bring it back to Haiti, our forefathers' dream. Martin Luther King spoke, so I got inspired by that, and I went back to Haiti, and I vote. Against all odds, the elections were good. No contesting the vote. Preval prevailed with hope. A new wind of Haiti blows through the land. For the first time in my life I see political parties trying to work together hand in hand. Security gets secured by the MINUSTAH and the man. But most of the young kids you call the gang, they are just trying to look for a job and a helping hand. Fund job programs, sponsor education, help engage the diaspora, promote tourism, involve the arts and development.

My parting message, Mr. Chairman, is I speak like that because I do have a bit of the New York swagger in me, and I leave you with this, which I start off with myself, but to live for yourself is to live selfishly, but to live for others is to live eternally. So I decide to live for myself and live through people and for Haiti for the rest of my entire life.

Thank you.

[Applause.]

[The prepared statement of Mr. Jean follows:]

PREPARED STATEMENT OF MR. WYCLEF JEAN, ARTIST, FOUNDER OF YÉLE HAITI

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to speak to you about the needs for development of my country, Haiti, the first Black Republic in the world. Unfortunately, today Haiti finds itself the last in terms of development in this hemisphere. It didn't have to be that way—and certainly cannot remain that way, only about 800 miles from the shores of Florida. I will not dwell on the past, except to say that Haiti has paid a heavy price for having been the first to challenge slavery in the late 17th century. Many have benefited from the prowess of those black slaves who defied all odds to present the world with its first Black State on January 1, 1804. Among these beneficiaries are the great United States of America and several countries of Latin America, including Venezuela, that owe their greatness or independence to Haiti. In other words, Haiti was—and will remain—the trailblazer on the road to human freedom.

The example of Haiti was resented by the international powers of that day. They feared that the fire of freedom would also engulf their domains. Thus began the containment policy that effectively stunted Haiti's growth from day one. The country's resources were spent in paying indemnity to France for an independence won on the battlefield. The United States of America would not recognize the new State until nearly 60 years after the fact. Nonetheless, the Louisiana Purchase—for \$15 million—took place, because the Haitians defeated Napoleon's crack troops.

This short detour into history was meant to put in perspective Haiti's dire poverty today. It was planned that the Haitian example would fail, so that other enslaved people wouldn't be inspired to follow that route. So, when you read about Haiti as "the poorest nation in the Western Hemisphere," remember that it got where it is because there was an international plan to get it there. By saying this I am not absolving our own leadership that failed in the past to heed the motto on our flag: "*L'union fait la force*"—In unity there's strength. That's how we gained our independence.

I rejoice, however, when I see a revival of interest concerning Haiti on the part of the international community. The recent renewal of the UN Mandate last month underscores the commitment of the international community to help Haiti find peace and security and ultimately economic stability for the future. As if the current actors on the world scene would want to help us undo what was done in the past.

But after some 200 years of neglect, almost everything is a priority in Haiti: health, education, infrastructure, jobs, security, justice—all that's needed to achieve a healthy economy and a stable, vibrant society. One is overwhelmed as to where

to begin. It makes me think of a story I was told about a man who said, "I am so hungry I could eat an elephant!" Someone asked: "How would you do that?" He responded: "Bite by bite!"

EDUCATION

Well, Mr. Chairman, Members of the Committee, that's where I come in. When I look at all the unschooled children in Haiti, I say education is vital for Haiti to move forward. According to UNICEF, only 52 percent of primary school age children in Haiti are actually in school. That figure drops to 17 percent for boys and 20 percent for girls by the time they are secondary school age. Then, we are hit with the brain drain. Our most educated and professionally capable move to more developed countries.

The United States can help by earmarking more—not less—aid to education in Haiti. For example, in the current Congressional Budget Justification for Fiscal year 2008, the request for education to Haiti stands at \$6.825 million, of which \$4 million goes to PL480 feeding programs. That leaves only \$2.8 million for feeding the minds. In fiscal 2006, the figure for Haiti was \$10.441 million.

A bill introduced last year in the House (HR 5091)—the Henry J. Hyde Scholarships for Haiti Act of 2006—has Congressman Lantos as the first sponsor. Where do we stand with that bill? It is intended to help talented disadvantaged students to study in America and return home to contribute to the development of the country. This laudable endeavor should be enacted into law.

I would not feel justified in asking for consideration of these ideas if I was not directly involved in education in Haiti myself. Working through the non-profit organization I founded, Yéle Haiti, I have enlisted the help of many individuals, donor governments and corporations in order to make a modest contribution in Haiti in this field. We currently provide scholarships that give nearly 7,000 poor children the chance to attend primary school. We sponsor 10 of the country's top students in Haitian universities. We are helping to provide education and vocational training for former child gang members so they have a second chance.

Yéle sponsors a program for 650 of the country's most disadvantaged youth that combines schooling, soccer and after school study. We are installing a state of the art computer lab in a high school in Croix-des-Bouquets (my birthplace), and we assist in taking hundreds of students a year on environmental education excursions to Parc La Visite in Seguin, one of the few remaining green spots in Haiti.

Yéle is grateful for the support of the U.S. government to our work in education. We received help from USAID when we worked with the Pan American Development Foundation to rebuild 20 of the schools in Gonaives that were damaged by tropical storm Jeanne in September of 2004. And I am pleased to announce today that Yéle has entered into a partnership with the KATA job creation initiative, a USAID program that is implemented by CHF International, to collaborate in building five vocational training centers in Port-au-Prince, Petit Goave, St. Marc, Gonaives and Cap Haitien. We hope that construction will begin on the first of these vocational centers before the end of this year.

It is also fitting to recognize Voila (previously known as COMCEL), the American owned cellular provider that launched service in Haiti in 1999. This company has been the single largest corporate sponsor of Yéle since we launched in January of 2005, and they continue to underwrite our education activities—making them the largest corporate sponsor of education in Haiti.

JOB CREATION

As important as education is, job creation could be said to be more important. For, without jobs, where will the money come from to sustain the schools? How can the bread winners put bread on the table without jobs? The HOPE bill, recently enacted into law by Congress and signed by the President, is the kind of signal that needs to be trumpeted. It is narrow in its scope, because it's a trade bill that addresses the need of the apparel industry. Yet HOPE is significant because it signals to investors that Haiti is again open for business. Undoubtedly its implementation will attract businesspeople that still remember what Haiti offered in the 1980s. Of the more than 150,000 jobs in the transformation industries in Haiti back then, we are now under 20,000. Who remembers that at one time all the baseballs batted in the major leagues were made in Haiti? No more. The same could be said of other products that were manufactured in Haiti for the American market—from brassieres to electronic parts.

Haiti needs to get back all the jobs it lost—and more. With the certification of HOPE later this month, we will have taken the "first bite" in eating the elephant on that front. At this late hour, however, there are those who would still try to block

the certification of HOPE. My hope is that you in this committee will bring your influence to bear with the President to encourage him to do the right thing by Haiti. HOPE should be certified before the target date of March 20.

After HOPE, I urge the United States Congress to support measures to provide Haiti full parity with its regional partners as provided by the CAFTA-DR legislation. In addition, I ask that Congress work with the Administration to investigate other bilateral programs that can help the U.S. private sector enter the Haitian market. Specifically I would ask that some thought be given to an ambitious project announced in January in Wilmington, Delaware, that could have major repercussions on the environment in Haiti. Surplus wood from Delaware—and perhaps from Pennsylvania—will be shipped directly from Wilmington to Haiti for fuel, thereby helping to alleviate the problem of deforestation in Haiti.

An even more important opportunity awaits Haiti if the initiatives underway to promote energy independence in the Americas are given support in Haiti. Haiti offers the potential to help the ethanol trade in the region as it becomes one of the major centers of experimentation. The country can also develop a viable and sustainable biofuel industry based on the cultivation of crops like *Jatropha* that could bring renewable fuels to local markets. This appropriate technology of renewable energy, coupled with an entrance into the global ethanol market will not only create jobs for Haitians, but will also provide a more sustainable source of income and investment for Haiti's future.

I would not be clamoring for help to the private sector for job creation if Yéle was not also involved in that area. Our first venture was a partnership with the Pan American Development Foundation called "*Pwojè Lari Pwòp*," which literally translates as "*Project Clean Streets*." Some 2,500 people a day are employed, and the funding for the project comes from USAID. Just as *Pwojè Lari Pwòp* comes to a conclusion soon, Yéle is launching two new employment initiatives: *Yéle Cuisine* and *Voilà Toupatou*. The first is a micro-enterprise program where newly established women's associations in poor neighborhoods become owner-operators of food outlets, selling two-thirds of the meals they cook and donating one-third to children in the same area. The women receive business and management training along with micro-credit assistance.

The second program involves our longstanding educational sponsor, the telephone company Voila. They have just launched *Voilà Toupatou*, a micro-enterprise venture whereby individual local entrepreneurs sell time on a customized cell phone. Over one hundred agents have already received grants and business skills training through the USAID/KATA job creation initiative. The project is going to be jointly branded with Yéle Haiti, and the public will know that a percentage of every call goes to support Yéle's education projects.

THE ARTS

Anyone who has visited Haiti will tell you the importance of art for the country, especially visual arts. One could say that "Haiti is a nation of artists." Since the 1940s when some American artists began discovering Haitian painters, our art has imposed itself in the Caribbean and on the international scene. The late Katherine Dunham became enamored of Haitian culture and integrated Haitian Voodoo and folkloric dance in her work. This guiding light of modern Afro-American dance was known as the best Ambassador of Haitian art and culture, and it was my great privilege to meet her not long before she died. Last year the Embassy of Haiti here in this city recognized her contribution at a special gala event in her memory at the Kennedy Center. Among those who paid her tribute was Congressman Charles Rangel, who has since become the Chairman of the Ways and Means Committee. He said, "Miss Dunham told me not to ever forget Haiti. . . . and I promised that I wouldn't . . . and I will keep my promise." We need more like Congressman Rangel to get Haiti moving forward in the field of art and in other areas.

Haitian art, properly packaged, will become a magnet to attract tourists from far and wide. It's a complement to the new campaign started by our Ministry of Tourism to make Haiti once again a main attraction for North American tourists. Let's remember that in the 1940s right to the '60s, Cuba and Haiti were the two major tourist destinations in the Caribbean. The Phoenix will again rise from its ashes! The U.S. can go a long way toward helping Haiti regain the lost ground by helping with security. Thus, the State Department wouldn't have to issue those travel warnings about Haiti that do so much damage.

Whereas education and job creation are new fields for me, the arts are what I know best. From the start of Yéle, I have experimented with ways to use music in particular to help implement our projects in Haiti. This began two years ago when we started using local musicians to deliver food into slum neighborhoods where no

other organization or police, or even the MINUSTAH, as the U.N. forces are known, could go. This musician-based program has continued and we supply about 8,000 people a month with free food supplied to us by the UN World Food Programme.

Last year we held a hip-hop competition in which underprivileged youth wrote original raps on themes of picking up garbage in connection with the USAID-sponsored *Pwojè Lari Pwòp*. This year we will be launching a national version of this competition. Young people are being invited to write raps on any one of several key social issues. This national competition will be undertaken in partnership with USAID/KATA. The grand prize winner will get, among other things, a contract on my *Sak Pase* label.

Another project called Yéle Cinema involves free Creole-dubbed films shown in the slum neighborhoods which we will be interspersing with short messages about social and development themes.

THE HAITIAN DIASPORA

For Haiti to really move forward, the Haitian diaspora has to be integrated into what's happening in Haiti. It is estimated that about 2.5 million Haitians live outside Haiti, which boasts an internal population of 8.5 million. According to a study released last week by the Inter-American Development Bank (IDB), in 2006 the Diaspora transferred \$1.65 billion (b as in boy) to relatives and friends in Haiti. The approximately 1.5 million Haitians living in the U.S. accounted for \$1.17 billion of the remittances. In other words, the Diaspora contributes about one-third of the Gross National Product.

Most of the funds transferred go for consumption. Some mechanism should be found to canalize some of these funds into development projects. Perhaps the regional and professional Haitian organizations established in this country could pull their efforts together into a Diaspora Fund for Development that would channel a small percentage of these funds into viable projects in various communities in Haiti for the benefit of all.

A lively debate has been taking place in Haiti on amendments to the 1987 Constitution to, among other things, empower the Haitian Diaspora. The current Constitution bars the double nationality. Thus, some of the best and brightest sons and daughters of Haiti who chose another nationality in order to fit in their new environment are punished by the restrictive aspects of the Constitution. As it is, a constitutional amendment allowing Haitians to have the double nationality will result in more involvement of the Diaspora in the development of Haiti.

CONCLUSION

After the missed opportunities of the past few years, Haiti has shown some maturity as exemplified by a series of elections held last year that resulted in democratically elected representatives at all levels of government. For the first time in nearly two decades, there is no contestation of the vote. A new wind of unity is blowing through the land, with several political parties represented in Parliament and in President Préval's cabinet. A major effort is under way to combat the insecurity that plagued Port-au-Prince, with the United Nations working side by side with the President. Now it is essential to follow with job programs and educational opportunities to give a sense of hope for a better future.

Haiti is collaborating with its neighbor, the Dominican Republic, Colombia and the United States in a campaign against drug trafficking. The international financial institutions have acknowledged that the new government of Haiti is continuing to put order in the finances of the country while combating corruption. Obviously, there is a window of opportunity for Haiti to start the long march toward development. With your support, Mr. Chairman, and the members of this committee, we hope to change the image and the reality of Haiti.

Thank you.

Mr. ENGEL. Thank you very much. I like that New York swagger. We have some of it in the Bronx as well.

As I mentioned in my opening statement, I proudly represent one of the largest Haitian communities in the United States in Spring Valley, New York, and I am very interested in finding ways that the tremendous talents of the Haitian diaspora can be tapped into so that they can contribute to a brighter future for Haiti.

You mentioned the diaspora in your remarks to us and in your statement you said, "For Haiti to really move forward, the Haitian diaspora has to be integrated into what is happening in Haiti."

So I would like to ask you, how do you think, precisely, this can be done? How can the Bush administration and Congress support the diaspora in playing a greater role for Haiti?

Mr. JEAN. I think the first thing that we need to talk about is dual citizenship. It is very important that Haitians that are living in America get a dual citizenship because Haitians that are in Haiti feel that if you are an American Haitian, you are not a Haitian. Haitians that live in the United States feel, well, if you don't consider me a Haitian, I am not going to go back to my country. I think this is one of the issues that we need to talk about.

I think that Haitians in America should have access to dual citizenship, and I think what that would do, it would start to engage them in wanting to do more for their country.

Mr. ENGEL. All right. Well, thank you.

Mr. BURTON. I just wanted to make sure I was clear on that. Are you talking about Haitians who have become American citizens?

Mr. JEAN. Yes. If you become an American citizen, then you lose your Haitian citizenship.

Mr. BURTON. So you are talking about people that already are American citizens?

Mr. JEAN. Yes.

Mr. BURTON. Who you want to get citizenship back from Haiti so they can feel like they can return?

Mr. JEAN. Yes, they should have dual citizenship.

Mr. JEAN. I just wanted to make sure. Thank you.

Mr. JEAN. Yes, sir. Thank you.

Mr. ENGEL. When we were in Port-au-Prince in December, I raised this issue with Prime Minister Alexis, and told him that as far as I was concerned we were ready to move forward. He said that he would be looking into it; that it required a change in the Haitian Constitution, and that that was a potential stumbling block. So I just wanted to call it to your attention, to say we are ready to move forward here, and hopefully whatever constitutional changes can be done over there.

I understand, if I remember correctly, there was a timing problem, that something had to happen. It took extra time. It had to be passed by, I think, one congress, and then another congress, which would move it back quite a number of years, and we were trying to see if there was a way we could streamline that so that it could be done more quickly. So that was the question with that.

But I think that is a very good suggestion on your part, and I certainly endorse it.

We mentioned remittances and, of course, remittances are the monies that Haitian nationals or nationals from other countries who are living in the United States who become American citizens, and some don't, are sending back to the country, and \$1.65 billion, we estimate, remittances sent each year by the diaspora to relatives and friends in Haiti.

In your testimony, you mentioned a diaspora fund for development which could channel funds to developmental projects in Haiti, so I would like to hear from you how this would work in your opin-

ion, and have you found enthusiasm for this project amongst the Haitian American community?

Mr. JEAN. Right now I am working with the company COMCEL/Voila, and one of the things that we feel is that money going to Haiti, a percentage of that should go for charity, so what we are trying to do right now because we have been studying the remittance business for a minute, so it is like \$1.6 million, is we have to find a way to engage Haitians that are in America. When they are sending money to Haiti, how do we get them to take a dollar out of that money and feel that a dollar is going to help children eat?

So what we are coming with we feel that technology plays part of that. Technology, we mean the phone, coming up with a system, coming up with commercials for the television educating people on, okay, if you spend \$5.00 on a phone call, \$1.00 goes back to charity. And I think a lot of it has to do with media in creating commercials using celebrity to create commercials to bring that awareness to people in showing them how they can give back to Haiti.

Mr. ENGEL. I have one final question, and before I ask the question I want to acknowledge our colleague, Maxine Waters, who has come. I am delighted that she is here even though she is not on the committee, and also Jan Schakowsky, both of whom have had tremendous interests in Haiti. Oh, and I am sorry, Yvette Clarke, who is from Brooklyn, our new congresswoman from Brooklyn, and I am delighted that she is here as well. I mentioned this to her yesterday, and she said she would try to come, so I am delighted that you are here. So you can see there is a lot of enthusiasm, Mr. Jean, for people to hear you.

Mr. JEAN. Yes.

Mr. ENGEL. We have to get you back at more hearings because sometimes we have trouble getting attendance, but since you are here, everybody wants to come, so that is pretty good.

Let me ask you a final question.

Mr. JEAN. Yes.

Mr. ENGEL. And that is about, again, something you said in your testimony and something that I am particularly interested in because my other committee is the Energy and Commerce Committee, and you argue that Haiti can develop a viable and sustainable biofuels industry based on cultivation of crops like jatropha.

Tell me, what can we do? What can the President do to support the cultivation of biofuel crops like jatropha in Haiti?

Mr. JEAN. I mean, basically we are ready to go. I think we start with we have a bunch of farmers that don't have jobs, and I think it is basically the government providing the space, and we need a group to go out there and start to train these people, and we basically send people to train them, and spend like 6 months with the farmers because we have land, and the people are definitely ready to work.

If you can remember, sugar cane, we were responsible for sugar cane, and we can also be responsible for this.

Mr. ENGEL. Thank you very much.

I would now like to call on Mr. Burton for his questions. Thank you.

Mr. BURTON. Well, first of all, to me, who is not familiar with rap music very much, I hear it a little bit once in awhile, my son likes it a lot, I am very impressed with you. My gosh, you have got some great ideas. In fact, you haven't said one thing with which I disagree. I will help in every way that you suggested. I think your ideas are absolutely great.

I just have one thing I would like—I am not going to ask you any questions because I think you have answered them all in your statement, and you probably are one of the best spokesman I have heard from the private sector from any country that has appeared before any of our Foreign Affairs' subcommittees. I mean, you have come here with ideas and a pretty good sense of what needs to be done, and I am very appreciative of that.

I just want to say this to my Democrat colleagues, and I hope they will all listen to me because I have brought this up before. The HOPE program is a trade preference, and we have to pass those trade preferences not only for Haiti but for the other countries in Central and South America. If we don't, we are going to have severe problems down there. Haiti already has problems, and we need to give them trade preferences, and I am going to push for that very, very hard to make sure you get it. But I think we need to do that in those other countries, in the Andean regions in Central America. If we don't, we are going to have big problems.

But anyhow, I love you guys. Thank you very much. [Laughter.]

Mr. ENGEL. Well, thank you. I will make a deal with my friend Mr. Burton. If he says "Democratic" with an "I-C" at the end, maybe we will listen to him on trade.

Mr. Meeks.

Mr. MEEKS. Thank you, and again, thank you for your testimony, and a couple of things that I think that you said that I think are important, and I would like to hear your ideas and recommendations. I know my good friend Ron Daniels who travels to Haiti often. He is really focused and concerned about Haiti, and I have been working very closely with him.

But the conversation we often have is what we would see is a win-win is a development of roads and infrastructure because sometimes just transportation, trying to get a tour bus or something through. Give me some thoughts on areas where we may be able to focus. I know you talk about the USAID, some aid, but maybe there is some items or some specific areas or projects on which we can focus here in Washington on trying to further assist that would give some direct results as far as job creation is concerned for many of the Haitians there.

Secondly, some thoughts about ports, because if ports are open, that also creates jobs and opportunities, and I want to let you know that in your speech you talked about having a party with its regional partners, and we are in the process of writing now a bill giving Haiti a QIZ, a qualified industry zone. It has worked in other places in the world, and we think that Haiti would be ripe for a QIZ, so that you can be on party with others, and I am looking to drop that bill very shortly.

But I would like to hear about—you know, if you have any thoughts about how we can do it or an area that we should look

at that would initially give it the push, give Haiti the push that it needs to continue its progress.

Mr. JEAN. Well, I am not a road expert, but I definitely have thoughts on the whole island if Haiti. I think we have Port-au-Prince, we have Jacmel, we have Gonaives, we have Okap, and I think architect needs to come in, and see which areas are potentially tourism areas. So for example if you come from Port-au-Prince and you need to go to Jacmel, that is sort of like saying you are coming from Kingston and you want to go to Montego Bay, for example.

So there need to be a road which leads to Jacmel, which is a road that you can take. The eighth wonder of the world, which is the Citadelle, there needs to be a road, the roads should be built to our sights because historically we are rich in history, so a lot of times people go to Port-au-Prince and they say, okay, well, we want to go to Citadelle. There is no road.

So I think the start of the roads that we should be we should focus on tourism areas. So from the capital, how do you get to Okap, how do you get to Jacmel, how do you get to Gonaives? The way I feel that we implement it as far as jobs is, for example, a lot of roads that you are going to be building you have a bunch of houses in front.

Now let me just take a guess. If it is a hundred houses that you are going to building the roads in, those people don't have jobs, and these are a lot of times males, young males in these houses that are ready to work. One idea I thought about was what if the people that you was hiring was the people that actually lived in the house, so all they do is wake up every morning and go outside, and build part of the road. That is something that I thought that we could implement for the roads this model that I had in my head.

I think the situation of ports, you know, I think that ports are very important, but at the same time ports are corrupted. So what we need to do is we need to have more security in the ports so that people could start respecting the ports and businessmen could want to do more business because a lot of times the argument is no, we don't want to send nothing to the ports because before it gets through there is going to be a bribe. So I think that we need to police our ports more. Just my thoughts.

Mr. MEEKS. Thank you.

Mr. ENGEL. Thank you. Mr. Sires.

Mr. SIRES. Thank you, Mr. Chairman.

I thoroughly enjoyed that. I just have a question regarding the relationship between Haiti and the Dominican Republic. Has the tensions been reduced and are you working with the Dominican Government closely to help Haiti? Because I knew that when I was there, there was a little bit of a tension. Could you just talk a little bit about that?

Mr. JEAN. Yes. Definitely. The tension within Haiti and the Dominican Republic currently, we have presently in the Dominican Republic the Botez, and the Botez are where the Haitians are as slaves. They are as slaves. They are put in this area where they have to cut sugar cane. I mean, the majority population of the workforce of the Dominican Republic is the Haitian labor.

What I think would ease a lot of that tension, I am trying to set up a concert in the Dominican Republic with Latin artists, like the biggest Latin artists they happen to record in my studio. So what I want to do is take them, and I want them to go to the DR, and we want to put a big concert together, Haiti meets the DR, and through celebrities we are going to be able to slow down some of that tension because a lot of people in the DR look at Haitians as they are animals.

For example, when they see Wyclef Jean with Shakira, they said, Wyclef Jean is not Haitian. He must be Dominican. No. Wyclef Jean is not Haitian. But I think a lot of that tension has to do because we are not doing our jobs, and our jobs is basically wherever there is tension we need to go and bring awareness.

So I think a unity concert—never happened in the history of time—I think a unity concert in the DR, bring in Haitians and Dominicans together in one center, letting them know this is Espanol, you know, it is one thing. And personally, as on the Haitian side, I feel that you all should give me money so I can make my own Pootekana, you know, because they are already ahead of me, and you know, I feel that a lot of that tension basically has to do with—I call it a slave trade basically, because that is what I feel. I feel that, you know, when you have a bunch of Haitians populated somewhere, they are cutting sugar cane, and you know, they all Wyclef, so I have to visit the Botai. I have never really officially visited the Dominican Republic because of this issue. When I go into the Dominican Republic, I want the Dominican Republic to accept me as a Haitian that wants change in the Dominican Republic, and I am for Haiti and the Dominican Republic.

Mr. SIRES. Well, thank you very much.

Mr. JEAN. Yes, sir.

Mr. SIRES. I can't sing but I will try to be there.

Mr. JEAN. Be there. Thank you.

Mr. ENGEL. Thank you.

Just before I call on our next colleague, I just wanted to say when we went there in December, we also went to the Dominican Republic, and we visited the Batais, and I think Ms. Waters was with us, and Mr. Meek was with us, and it was really an eye opener for us.

Mr. Payne.

Mr. PAYNE. Thank you very much.

Mr. ENGEL. Mr. Payne was with us as well.

Mr. PAYNE. All right, I was going to remind you. I was behind you. I was protecting your back when we visited. [Laughter.]

We did have quite a conversation with the leadership there when I raised questions about the conditions in the Batai, and alluded to the fact that Balagar was supported by the United States military, and I got in a big argument I shouldn't have started. I shouldn't have gone there, but I did. But we went and visited the Batai. We saw the conditions. We saw the lack of water. We saw the fact that people have money taken from them for next year, so when they meet their quota, they don't get all their money. Can you believe that? They keep it so they can make them come back the following year to get the rest of their money. That is unbelievable.

First of all, they are not paying them very much at all, but they withhold from their pay. You remember, Maxine, when we went? And they told us. It is unbelievable what is happening, and the United States must, since 80 percent of the sugar grown down there in the DR comes to the United States, we have to just say we have got to get tough on those companies, and unless they improve their conditions for the Haitian workers, then we might want to alter that sugar that keeps flowing here.

Let me just say it was great for us to be at the meeting. I have been to Haiti many, many times. As all of us, we are involved in the whole time of Aristide, before Aristide, after Aristide, Papa Doc, Baby Doc, so Haiti has been a part of our whole existence.

I do want to say—probably won't even get a chance to ask a question because my time is expiring, and I will let it expire, but we are proud of you in Newark, New Jersey. We are proud of you being from our community, and let me just say this, many people know, but people said, Why should we be interested in Haiti, what obligation do we have to Haiti?

It was Haiti that fought in the Revolutionary War to help the United States of America win its independence from Britain, the colonies. In the Battle of Savannah, many, many Haitians died at that Battle of Savannah, and we are trying to work with my nephew Craig Stanley, who is in the state assembly, to have a monument dedicated to the Haitian soldiers there in Savannah not only because of the defeat of Napoleon's army, the first big defeat by any former slave colony, France was broke and had to sell the Louisiana Territory to the United States for a pittance because the United States would not have been able to develop west of the Mississippi because it was owned by France, from Canada to the Gulf of Mexico.

So by France needing money they sold it to the United States and Lewis and Clark took the expedition and opened up the West. Simon Bolivar lived in Haiti, and got his whole fervor for independence from the Haitians defeating the French, and went to South America to have indigenous people there defeat the Spanish, and so South America became open because Simon Bolivar, who got his courage and his expertise from Haiti, which had a great deal.

Finally, it was during World War II when Haiti was very, very fertile and there was no erosion, but we were cut off from rubber in the South Pacific because of World War II, and the United States insisted that we should try to grow rubber in Haiti, but there was a Haitian—whatever they are called—that dealt with the whole farming industry said that rubber trees won't grow in Haiti, but they cut down natural mahogany and things that were there to continue this failed experiment, which actually started the erosion that happens today, and as we know, every year now with more deforestation and people cutting it down, more and more of the top soil goes into the ocean. Much of that started by the forcing by the United States of trying to grow something that Haitian leaders said could not grow there.

So I just want to use my time simply to say that we owe an obligation because they are our brothers, and because of our policies that supported Papa Doc and Baby Doc, and kept a dictatorial gov-

ernment there by our U.S. Marines keeping the people of Haiti down.

My time has expired. Thank you very much, Mr. Chairman. No question. I just like your music too.

Mr. JEAN. Thank you.

Mr. ENGEL. Thank you. Before I call on Mr. Delahunt, I want to acknowledge that our colleague and member of the committee, Lynn Woolsey, has come in as well.

Mr. Delahunt.

Mr. DELAHUNT. Yes, thank you, Mr. Chairman, and Mr. Jean, your observation that the political parties seem to be working in a cooperative, collaborative way in Haiti is the most encouraging news that I have heard in 10 years because that has not been the history of Haiti. And I hope what that signifies is a recognition that the political class in Haiti cannot be about the zero sum game of power and self-aggrandizement, but rather working on behalf of the Haitian people who have suffered far too long, far too long.

I have been to Haiti on multiple occasions, and to be perfectly candid, my hope has waned over time, but the last 6 months to a year has rekindled at least an ember of hope, and you can play a very significant role in ensuring that that ember becomes a real flame of hope, and I welcome that.

We take your advice seriously. I can assure you that we have had our differences here on this committee in this Congress, primarily along partisan lines, political lines, but I think in the course of the past year we have reconciled those differences and no longer support a particular group or faction in Haiti, but the Haitian people. I think we may be on the verge of a very historic moment in Haitian history and the American relationship with Haiti, please God, because clearly the Haitian people deserve it.

I would encourage you to further energize the diaspora. I have always felt that the diaspora is essential to seeing good things happen for the Haitian people.

Let me ask you a quick question. You referenced the United Nations, and I am pleased that at least the United Nations has extended its presence for another 8 months. I think we need the United Nations there to provide security for years so that the democratic institutions can prosper, and I would be interested in your opinion on that.

I would also make an observation about Mr. Burton's allusion to trade, and I agree with him, that trade also provides opportunity to change conditions within a country, and how you describe the bateys as being slave trade. Let me suggest to my colleagues and others that this—yes, it is about trade, and yes, it is about a bilateral relationship, but it is about human rights and clearly the conditions that you describe are a gross violation of human rights, and if they are proven to be accurate, there ought to be action against those governments that do not enforce human rights, and that should be a prerequisite to trade agreements with any government anywhere on this planet.

With that, Mr. Jean, if you would let me know your impressions upon the appropriate role and whether they are carrying out their mission for the United Nations.

Mr. JEAN. Yes, I feel that the United Nations is a must right now in Haiti. I think that the signal right now is it is a must. These next 8 months, it is a must. I think any form of weakness right now on our part as the Haitian people, I think we need the United Nations, I feel we need the Haitian police, I feel we need the Haitian people securing, I feel that anybody feels that they can provide security for the country. Haiti needs security right now. You know what I mean?

A few months ago, I would say like 1½ years ago when I went to Haiti, you know, there was a lot of United Nation soldiers on the beaches. They were drinking Pina Colada, and the last, I would say 6 to 7 months I have noticed a change, and I feel that any form of pulling the U.N. out right now it would be a weakness on our part. The U.N. is a must. The police are a must. The Haitian people securing their own villages is a must, and I think that we need to back that up 110 percent.

Mr. ENGEL. Thank you. Ms. Woolsey, and I want to point out that Ms. Woolsey was with us on our trip in December to both Haiti and the Dominican Republic. Ms. Woolsey.

Ms. WOOLSEY. Thank you, Mr. Chairman, and I did enjoy that trip. I fell in love with Haiti. I had not been there before. But before we went to Haiti we were in the Dominican Republic, as everybody has told you. This was in December. One of the elected officials said to us we will know that the Dominican Republic is in good shape if there are no more Haitians. It was very upsetting to hear them say that, especially after having toured a sugar plant and seeing how hard everybody was working, and then going to not one but two, I don't think you call them camps, but areas where they house the sugar cane workers, and seeing, one, how hard they work, and what a contribution they were making to the Dominican Republic, and two, what shabby conditions they have them living in.

So, of course, everybody that knows me—you don't, Mr. Jean, but I have got a heart that doesn't put up with that kind of thing, so I came back at the guy, and he was incensed that I would suggest that possibly the Haitians that were working in this country should share in some of the benefits that they were providing, and he gave me about a half-hour lecture until somebody on our trip interrupted it and got it going.

But I know there is so much I would like to say about the art and the music, and we went to an orphanage, and they put on a full show for us, and it was really good. The music was good, the play was good, the art, of course, everybody knows Haitian art is just beyond wonderful.

So what I want to know from you, if you can tell me, what can the United States do at this point in time. You have got a fairly new government. Is there a role for us that we are not fulfilling or are there things we shouldn't be doing that gets in the way?

Mr. JEAN. Yes. I would like to just first say is that the reason the Dominican Republic made that remark about the Haitians is because they have been brainwashed. So as kids, they are brainwashed to grow up that Haitians are slave living in the Dominican Republic. So I forgive the Dominican Republic for making such re-

mark because you cannot—you know, if you have no wisdom you can't even bother to teach the man with no wisdom.

But what we can do is protect our people, and I feel that the Haitians that are working in the Dominican Republic in the Batai, we should not turn our backs on them. We should make sure that if these people are working, that they are getting treated fairly. So I urge and I ask you please don't turn your back on the Haitians that are working in the Dominican Republic. Let us make sure that they are getting the proper treatment and that the Dominican Republic is playing by the rules.

Ms. WOOLSEY. Thank you very much. I will yield back my time.

Mr. ENGEL. Thank you, Ms. Woolsey.

Let me just say, if I might, about the Batais, and again we were all very, very concerned, but I don't want to give the false impression that all people in the Dominican Republic are indifferent to the Batais. I think there are a lot of people in the Dominican Republic who are committed to changing some of the conditions and to uplifting some of the people there, and I expect to work very closely with the officials on the Dominican Republic in this regard.

Let me say, Mr. Jean, that this is very unusual that we have so many members from other committees who want to participate, and while I would like to think that participating because I am a terrific chairman, I know they are really here because they really want to listen to you and hear your wisdom, so I think it is a feather in your cap that we have so many members who are here from other committees, and it is my honor to call up on them now. I will call them in the order that they came, and the first one is Mr. Meek.

Mr. MEEK. I am sorry, Mr. Chairman, we were having a discussion about Haiti, and I want to thank you for allowing me to sit here in the subcommittee, not being a member of the overall committee, but we are people with common interests.

Mr. Jean, I think it is important for us to—I know that we had a discussion a little earlier about citizenship, and I know that we have to work on that. And I forgot when we had our earlier conversation about the dual citizenship issue, it is not necessarily totally an issue for the United States, it is an issue for Haiti because from what I understand Haiti's Constitution doesn't allow dual citizenship, so we have to make some revisions there. That is possible. That is possible because we know that discussions that I have had with Haitians living here in the United States, usually when I travel to a United States city, there is always some sort of get-together or sit down to talk about issues dealing with Haiti, and to build that relationship is vital to the future of Haiti.

The U.N. involvement, I am very glad to hear you say that it is important and it should be encouraged to stay, not only on the security side, and the economic side, but also as it relates to building society and having an international buy-in. There are a lot of countries in the Caribbean, leave alone the Caribbean, the Americas, Europe, you name it, that would love an international presence like we have here in Washington, DC, almost every country on the face of the earth is recognized here, and whenever you can have a diplomatic corps on the ground in a country that means that they are

investing in some way, and that is going to help on the private sector end.

I will also just mention a couple of other things. I heard you on private investment, and I think it is very, very important. So many, not only Haitian Americans, but Haitians that I speak with in Haiti during my visits or on the phone so many times expectations have been raised through their life. I mean, these are individuals 40, 50 years old, and it is like a roller coaster.

You are taking it on now. You have been chosen to do this, and you have taken it on as your responsibility for not only being the roving Ambassador on behalf of Haiti, working with the Ambassador from Haiti, but as we look at development so many people are trying, they want to help Haiti but they want to make sure the dollars are going to be spent in the right way, and maybe the development of the Sandals Resort in Jamaica and other countries like it, and how that has helped the Jamaican economy. Air Jamaica was created by the same person, assisting Jamaica in many ways. My wife is Jamaican so I can go into Jamaica.

But the real issue is trying to develop that for Haiti and the tourism because that was the number one generator, and now we count on Royal Caribbean as it relates to their part, the corner of the world there in Haiti, but we need it to be bigger than that, and we need to return back to many of the port cities that used to be.

So I want to hear more, if you can talk to us more about the private sector buy-in because in Miami we have the Brussels of the Western Hemisphere there in the banking community that invest, and if they feel hope and they know that the will and the desire is there on your part and others like yourself, the people that you say tired of playing golf, want to invest, then we have to make sure as a Congress that we provide you with the air support to make sure that we can see some outcome measures on the private sector, and what everyone can participate versus just someone in industrial park providing two or three hundred jobs, but we are talking about thousands of jobs and infrastructure.

So if you can elaborate a little bit more on that, I think it will help us figure out how we can be more of assistance.

Mr. JEAN. Well, speaking about the private sector, what I found is that in going back and forth to Haiti the money doesn't stay in Haiti. People who make money in Haiti, they take the money out of Haiti. So I have to put my foot in first, meaning that I have to come up with a team of investors that are willing to go in there and do the first model, which means we have to.

So right now I am working on a team doing the first model, which means we are going to put up the first hotel. We are going to put the first resort up. We want another airport built that is not in Port-au-Prince, but it is still an international airport where you can land from, and I think what that will do is that will end the signal to the people in Miami, to different people, because right now people are on the brink, people with money is on the brink. They want to spend it, but they don't want to spend it, meaning that they want someone else to spend it first to see if it is going to work because Haiti is so unpredictable.

So what I am doing is I am forming a team, and we are going to go ahead, and we are going to put the first step, and I think once

we do that it is going to allow the team in Miami, team in London, team in France to say, okay, this thing is really happening. Now let us take a part of Haiti and do the same thing.

Mr. ENGEL. Thank you. The gentleman's time has expired.

Mr. MEEK. Thank you, Mr. Chairman.

Mr. ENGEL. Ms. Waters.

Ms. WATERS. Thank you very much, Mr. Chairman, and let me thank you not only for inviting me here today, but inviting me on the trip that we took to Haiti, and the trip that we took to the Dominican Republic. You know my love for Haiti and the work that I have been involved in over the years, and so it is very important for me to take advantage of every opportunity to help promote the idea that Haiti can be a wonderful place. It has a wonderful history. And when you give me this opportunity, and one of my favorite artists is here also, Mr. Wyclef Jean, then I must be here, and I need to thank him for a lot, thank him for participating with the Congressional Black Caucus, and doing my "Young, Gifted and Black" workshops, and providing all that excitement and advice to the young people.

Thank you for being such a talented human being who is willing to use his talent to not only deal with the conditions in your country but in this country also. And I saw you with Shakira at the Grammy's, you were wonderful, but I like you with Lauren Hill best, and I wish that The Fugees could get back together again some day soon, but that is my little personal thing there.

Let me just say this. I have such love and respect for Haiti for a lot of reasons. I am from St. Louis, Missouri, and we were taught history, African history, world history, and one of the schools in my neighborhood was Tucante La Bajur, and so I have respect for the fact that Haiti was a proud country that fought off the French and who beat them, and I know the arrangement that was made later on that caused them to have to pay, to have to pay to keep from having an invasion.

But more than that, we talk about the Dominican Republic, but the fact of the matter is Haiti finds itself in a position where it is not treated like a neighbor by many of the countries in this hemisphere, and that includes my own country. We have not been good friends to Haiti in a way that we should, and as was mentioned by Mr. Payne, we have supported, you know, Papa Doc, Baby Doc, we have supported dictators who literally kept their foot on the necks of people who were forced into cheap labor and a lot of other stuff.

So Mr. Delahunt talked about the fact that we had taken sides. We had taken sides based on our knowledge and our information, and we believe that there have been a lot of injustices, and that still there is a small group of folks in Haiti with a lot of economic control as it relates to the imports and other kinds of things. We know who they are. We know all of those folks. We know the Group of 184, we know them all.

But we are trying now to put everything behind us and to work with President Preval and with the Haitian people to move Haiti to where we think it should go. You talk about the potential for it being a great place of tourism. You are absolutely right, and it did have that status at one time.

But I want to ask you this. I have a bill that I have put in to get rid of the debt that they have because they have to pay \$56 million on the debt, which is draining Haiti of money that it should be using for Haitians. But here is what my belief is. Prior to a lot of investment and even the security problem, don't you think it would be wonderful if all of the funding agencies, including the USAID, IMF, the World Bank, everybody could get together. We could put massive amounts of food into Haiti, particularly in Cite Soleil, and some of the very poor areas, get young people cleaning up, making sure that they are fed every day to get started, to build some hope, and to build some trust.

The IMF and the World Bank are talking about Haiti won't be ready until 2008 to receive certain kind of support, but I think we need to demonstrate to the young people of Haiti, even the bad ones, that we care about them even. We care about cleaning up those sewage ditches. We care about them having a place over their heads.

If we could do something while we are trying to get the money in to develop the roads and to put in the water systems and all of that, then investment is more likely to come. But I think we start with demonstrating that we care about the poorest of the poor, and that we can put the massive amounts of food and assistance in to get things started. What do you think about that?

Mr. JEAN. Well, I believe that to be a democracy there needs to be jobs. Food is necessary, and that is a program that starting with myself and my organization because we are all about action immediately. So if you put this program together, the funds are ready. You could come to me. We would sit down and we would go to Haiti and this program can start in a month.

What I would do is I would incorporate it with kids that are in the United States, the diasporas in the United States bringing them over to Haiti. We start a teaching and a feeding program. So I think that is something that we can start as soon as you are ready but we are all about action, just like you. So that is what we think.

As far as the debt, personally I think I am the wrong person to ask about the debt.

Ms. WATERS. Yes, sir.

Mr. JEAN. Because I feel if we are below zero, we shouldn't be paying nothing.

Ms. WATERS. Yes.

Mr. JEAN. I think that we should get a pass personally.

Ms. WATERS. Yes. Debt relief is it.

Mr. JEAN. Yes.

Ms. WATERS. Thank you, Mr. Chairman, very much, and thank you, Wyclef.

Mr. JEAN. Thank you.

Mr. ENGEL. Thank you. It is now my pleasure to call on Ms. Schakowsky who just the week prior to our trip to Haiti I know spent several days in the country. Ms. Schakowsky.

Ms. SCHAKOWSKY. Thank you, Mr. Chairman, and it is a privilege for me to be able to publicly thank Wyclef Jean and Yéle Haiti for a privilege of a lifetime to be able to go and see a concert on the beach at Jacmel where Wyclef Jean absolutely energized the

total country, 50,000 people coming to the beach, just really the tip of the iceberg of the people who love Wyclef Jean not just for his artistry but because they know this is a real leader who will get something done, so I can thank Yéle Haiti, and Hugh Locke, and Gwen and all the people who—Adam—who put this together, and the concert itself was an example of how you can make things happen in Haiti. The creation of the wonderful structures that were built, the electronics that it took, to show that Jacmel can be a destination point, a wonderful tourist destination.

I fell in love with Haiti a number of years ago when I went to visit Paul Farmer's Clinic in Cange, and traveled up the so-called road which is not really a road between Port-au-Prince and Cange, and felt ashamed when I came home because here in our own hemisphere is this country that has so much opportunity and possibility, and yet the United States is not only guilty of benign neglect, it is guilty, I believe, of contributing to Haiti's problems.

So here is what I wanted to get to. I think there is a window of opportunity and you fill it at every possible way, and your examples, with your education. I met some of your soccer students, and saw many things that you were doing. We were there for International AIDS Day, and I was also there for the elections the next day. But the window is not going to stay open all the time, forever. The window will slam shut at a point where people in Haiti say enough with the elections, when is something going to happen that is really going to show the kind of progress that I need.

While you demonstrate the kinds of things that we can do and provide leadership, it seems to me that we have to as a nation really make a bigger commitment and that there is a sense of urgency, a bigger commitment, and that there is a sense of urgency, that we need to do it quickly.

I was with Johanna Foreman Mendelson—which is it first? Johanna Foreman, on biofuels. There is a lot to do with education that needs to happen. You had a problem cleaning streets that needs to happen, putting people to work, but don't you agree that there have to be deliverables soon and that the United States needs to be a part of it soon?

Mr. JEAN. I couldn't agree much more. Definitely. I think that something needs to happen now in this window of opportunity, and I think exactly what you are saying. People are patient just for a minute, and right now they are hungry and they don't have jobs. So if we can't provide jobs for them, I think we are in the situation where enough money is coming in to Haiti through the NGOs where we could at least provide food for them.

Ms. SCHAKOWSKY. But I think—this is just my opinion. I think we need to start supporting the Government of Haiti as well. In order for that government to be able to do the things that it needs to do to govern properly that we need to show some confidence in that democratically elected government now, don't you think?

Mr. JEAN. I back that up 100 percent. I got on a helicopter from—I did a Fugees show in L.A., got in a helicopter from The Fugees's plane to the DR, got in a helicopter, went to Haiti and voted in the election, and voted from President Preval, and I feel that we are at the point right now where we have to back up the Haitian Government.

Ms. SCHAKOWSKY. Thank you very much.

Mr. JEAN. Yes.

Ms. SCHAKOWSKY. I appreciate it.

Mr. ENGEL. Thank you, Ms. Schakowsky, and now it is my pleasure to call on my fellow New York colleague and someone I know has a sizeable Haitian population in her district in Brooklyn, New York, our new Congresswoman Yvette Clarke.

Ms. CLARKE. Thank you very much, Mr. Chairman, and thank you for extending the invitation to attend this hearing. Thank you, Wyclef Jean, for coming and for testifying for us today.

I have had the opportunity to sit here and listen to my colleagues, and hear them talk about their love for Haiti. They all talked about how they visited and they fell in love with Haiti. Well, I fell in love with Haiti not because I visited, I have ever visited Haiti, but because I fell in love with her people, my neighbors, my schoolmates, my sisters and brothers of my community. And you know, we have been fortunate in that we understand the history in my neck of the woods of this nation and the contributions of her diaspora has meant to the growth and development of our nation, and many of us actually feel a debt is owed to the nation because of the valuable contributions that this nation has consistently made in partnership with ours, as part of our third border, and as part of, again, the diaspora that is now part of America.

A couple of things that I wanted to sort of put on the table just for your reflection and response has to do with building out the Government in Haiti. Yes, the elections are fairly recent, but I believe that even in local communities governance is going to be important for self-determination of the people in those areas for empowerment.

What vision or what have you seen on the ground that we can support in terms of helping to build out or helping to empower those who are on the ground who want to build locally?

Secondly, you talked about private investment and we have all been a part of the public/private world that is global and that is multinational. What are some of the indicators that you see perhaps in Haiti that we could use as part of a discussion for getting that type of private partnership happening with the people of Haiti?

Then thirdly, is there an international plan that you are aware of, anything that has been discussed around the third border, around the fact that, you know, it is great to have tourist destinations, but you know what, in order for the United States, the mighty United States to be secure in this world that we are living in right now the region, the Western Hemisphere has to be secure, and how can Haiti in its development be a part of this new world security that has to exist and how can we invest in the infrastructure, the training, the development, the education of the youth to take on those jobs in the 21st century?

So I am looking at a vision beyond what we see today and where we need to be in terms of conversation, real negotiable conversation, maybe balancing that debt in the hole with you want to be secure, here is what we can help you with, here is our human resource, those types of conversations. Give us some of your thoughts on some of those things that I have raised.

Mr. JEAN. Last time I was in Haiti I sat with President Preval, and one of the things that he was pressing on is he said he wanted to see 500,000 kids go to school with three hot meals a day. He said if only he can get that it would start to move things. And he said what was holding it up was a situation with the World Bank, which I am not aware of. But that was clear in his heart and he was ready to move forward with that.

And the reason why President Preval said that, if I can speak for him, is because he knows right now there is a window, and he don't want to miss that window. So I think the most important thing if we want to focus and look ahead in the future, then we have to look at the kids, and the kids are the future of tomorrow. So I think what we need to do is we need to focus and let us come on—roads and everything is good, but I think we need to make sure that if we are talking about the future of Haiti how do we secure, start, put 500,000 kids in school and give them three meals a day.

Ms. CLARKE. When you look at the development of the nation, you are talking about the development from the ground up. A lot of what we have available to us is the brain power, human resource, and sheer will of the people who have been a resilient people under anyone's standards and under really crazy circumstances.

What do you see as some elements that we can begin to plant today for sustainable development? And you talked about the children and getting them to school with three meals a day. Were there any other things that may have come across in your conversations that would deal specifically with sustainable development beyond what we may see today?

Mr. JEAN. Yes, definitely. Sustainable development comes with tourism. Tourism plays a heavy part of that, and for me 25 years from now, 30 years from now tourism will be in Haiti. So I think coming up with a real plan for developing tourism.

So if you ask me what is the future of Haiti, what can I see? I can see tourism benefitting Haiti.

Mr. ENGEL. Thank you. The gentlewoman's time has expired.

I am going to ask you a final question. I am going to try to wrap it up, but Ms. Waters asked me if I could mention the fact that last week she introduced H.R.S. 234, Mr. Jean, wishes a resolution commending you for being named the roving Ambassador of Haiti by Mr. Preval, and the title is both an honor and a responsibility that is it recognizes your commitment to the people of Haiti and also gives you new opportunities to represent and advocate for the people of your native country.

So Ms. Waters asked me if I would just mention that, and I think that is quite an honor, so congratulations.

Mr. JEAN. Thank you.

Mr. ENGEL. Two points that I would like you to comment on. Tell us what you know about the HIV and AIDS problem in Haiti. President Bush has requested \$83 million for HIV/AIDS work in Haiti in his 2008 budget. What is your assessment of that problem in Haiti, and the United States response to that problem?

Also, I will put them together. Gang violence is obviously a problem in Haiti, and we met with the minister on our way out of Port-

au-Prince at the airport. I know that in recent months Mr. Preval has cracked down on some of the gangs, particularly the violence in Cite Soleil. How can the Haitian Government and the international community in your opinion curb gang violence while avoiding heavy-handed police tactics? So if you could just answer those two, I would be very grateful.

Mr. JEAN. Thank you, sir. The HIV situation is definitely a situation that we need to move forward with. Haiti is in a situation right now where a lot of people are affected. We started a program which is where we started these mobile clinics, where we go throughout Haiti and we do tests, like we have performances, and people come and just get tested without them knowing.

I think right now we cannot ignore the AIDS situation in Haiti. If we are talking about moving the country forward and not spreading it, I think we really need to pay attention, and if we say we are putting money into AIDS, it is very important that that money go toward HIV doctors, medicine, affordable, at a reasonable price. That is the first one.

The second one, gang violence, I can talk from experience because I went to Haiti when it was the worst times, when they had gangs like Operation Baghdad, kids was wearing ski masks, and I went inside the caves, and I said, "Take off your masks. Let me talk to you." And they take off their masks. Seventeen-year-old kids, eighteen-year-old kids. Kids look at me in the eyes and I said, "You know you are going to die tomorrow." They said, "Well, we know but what do we got to live for?"

I think what we need to do is we need to start providing programs for kids that want to change their life and go from negative to positive, and I think coming up with programs like NLA, like in New York that we have. Okay, you don't want to be part of a gang no more, this is what we have for you. Call this unit, we have this center. That is what I think.

Mr. ENGEL. Well, thank you. Let me just say that I very much appreciate your testimony. I think you have given some very practical answers to some very, very important questions, and as the 110th Congress unfolds, I look forward to working closely with you so that together we can improve the conditions for the people of Haiti.

One of the things that is very evident throughout this entire hearing is that there are many ties between the United States and Haiti, ties, of course, because of the diaspora here, but also ties because we both share the Western Hemisphere, and are really in very close proximity to each other. So as long as I am chairman of the committee, I am going to continue to make Haiti a priority for me and for this subcommittee, and I thank you very, very much for your testimony and look forward to working closely with you and to seeing you again many, many times. Thank you, Mr. Jean.

Mr. JEAN. Thank you, Mr. Chairman.

[Applause.]

Mr. ENGEL. We will take about a 2-minute break before we begin our second panel with Adolfo Franco who is the Assistant Administrator for Latin America and the Caribbean of USAID. So we will take a 2-minute break.

[Recess.]

Mr. ENGEL. Thank you very much. We are now convening the second panel, and we are honored to have here as our witness for the second panel Adolfo Franco who is the Assistant Administrator for Latin American and the Caribbean for USAID. He was appointed January 2002 to the present, appointed by President Bush, confirmed by the Senate. He is responsible for the direction and supervision of the Bureau for Latin America and the Caribbean, and its overseas operations, including 16 missions, 1,200 personnel in the Western Hemisphere, and a \$1.5 billion budget. He represents USAID in overseas missions, including meetings with heads of state and speaks on developmental issues worldwide.

He testifies before the Congress on a regular basis, and we have had him here many, many times, and we appreciate his testimony and wise counsel. He has extensive contact with Members of Congress and staff on a wide variety of authorization and appropriations issues, and he represents USAID at high-level meetings and briefings, including those attended by the President of the United States and members of the Cabinet. But of course, the most impressive thing about him is he used to be a staffer on the Committee on International Relations, which is now the Committee on Foreign Affairs. So we think that is the most important, Mr. Franco.

Mr. FRANCO. That is true.

Mr. ENGEL. So thank you for coming, and we are all ears. You can put your testimony in the official record if you would like, and speak to us for about 5 minutes, and looking forward to hearing from you.

STATEMENT OF THE HONORABLE ADOLFO A. FRANCO, ASSISTANT ADMINISTRATOR, BUREAU FOR LATIN AMERICA AND THE CARIBBEAN, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. FRANCO. Thank you very much, Mr. Chairman, and I will try to be very brief.

First, I completely concur, Mr. Chairman, coming home to the now Foreign Affairs Committee is a delight, so thank you for inviting me. And congratulations on assuming the chairmanship of this very important committee which is my favorite subcommittee of the committee.

Mr. ENGEL. Thank you.

Mr. FRANCO. So it really is a great honor and a privilege to have the opportunity to appear again before the subcommittee. I have, Mr. Chairman, with your permission submitted my statement for the record, and I will try to be brief and summarize that testimony here.

As you have stated, Mr. Chairman, Haiti is the poorest country in the Western Hemisphere with a per capita annual income of less than \$520. Eighty percent of the population lives in poverty, and more than two-thirds of the labor force is in the informal sector.

Yet, as you have also noted, Mr. Chairman, a rare combination of factors—new leadership, a resumption of constitutional governance and growing and coordinated international support, which I would be happy to discuss in further detail—have the potential to

generate a turnaround in Haiti's economic fortunes and improve the well-being of the Haitian people.

I am pleased to report that the United States is and remains Haiti's largest bilateral donor. From 2004 to 2006, the United States provided over \$600 million in assistance to Haiti, the largest assistance we provide to any country in this hemisphere. The President's budget request for fiscal year 2007 includes over \$198 million for Haiti, making it one of our top priorities worldwide.

Mr. Chairman, I would like to discuss briefly the work that the U.S. Government is doing to help the Haitian people break the cycle that you know and other members of the committee know very well, that of instability, violence and poverty.

First, on the democratic front there is a climate of low public trust in Haiti's public institutions. Last year Haiti held presidential, parliamentary, and local elections, all of which were judged free and fair by international observers. The United States Government supported these elections and provided \$34 million of assistance for party-building activities, media, and voter education. This contributed greatly, in my view, to the peaceful transfer of power to a democratically-elected government.

Mr. Jean, I think, did a very good service of providing and talking about some of the breakthroughs of actual coordination and cooperation among political parties, the first time we have seen that in recent history.

USAID plans to provide assistance to enhance government legitimacy, improve transparency, and create conditions for growth. We are funding advisors in the area of democratic activities to provide managerial and technical assistance to Cabinet members, ministries, other national figures and national institutions. USAID is also helping to build a justice system that can be effective, independent and impartial.

To take advantage of this new momentum for democratic emergence in Haiti, USAID plans to offer Haiti's new legislators workshops on the roles and functions of members of Parliaments, rules and procedures, constituent outreach and relations, and accountability, transparency. Members of Congress are well aware of how important these all are.

We are also, since Members of Congress raised this issue during the previous panel, very much engaged in local governance and municipality, and working with the mayors and elected public officials since they are assuming democratic roles for the first time.

On the economic front, despite economic difficulties such as extremely high unemployment and a widening trade deficit, the Haitian Government's willingness to undertake reforms has caught the attention of the international donor community. As you know, the International Monetary Fund decided to move ahead with a low interest lending program and the Inter-American Development Bank has before its board a proposal to cancel \$468 million of Haiti's debt. This is all good news.

The Haitian business community has also expressed strong support for the current government, which also bodes well for investment. The United States remains Haiti's largest trade partner with bilateral trade totaling over \$1.3 billion in 2006. And we, USAID, are helping to improve market linkages for small-scale farmers and

strengthen the small microenterprise financial institutions in the country by providing assistance to 20 credit unions.

I also serve on the Inter-American Foundation's Board of Directors, and I would like to acknowledge their important work at the grass roots level with the remittance issue, and with small-scale farmers and other small grass roots development projects.

On the security front, following a surge in the level of armed robberies, shootings and kidnappings, Haiti's environment is becoming more secure and stable, but they are not out of the woods yet. In recent months, Haiti's leadership and the U.N. mission in Haiti have been increasingly effective and coordinating as never before in taking action against gangs and other criminal elements. I believe the relationship between President Preval and the MINUSTAH Director, Edmund Millay, is excellent.

USAID gives high priority to the immediate need to reach marginalized and troubled urban slums, Ms. Waters. We are doing everything we can to provide jobs and tangible improvements in the quality of life of people in Bel Air and Cite Soleil. However, I must report that the crime and security problem continue to be impediments for sustainable development activities.

Our goal is to reach unemployed youth with opportunities that demonstrate that there are clear alternatives to violence. We are providing funds for over 100,000 person days of work for underserved segments of the population today. We at USAID have also helped to reduce political tension in crisis spots throughout the community through community-wide projects that reach 860 small grants valued at \$18 million.

The U.S. Government has just announced an additional \$20 million for a program in the Cite Soleil neighborhood that is also, as you know, a persistent source of instability.

I know my time is limited here, but in the human rights area just very quickly since there is interest on the gang activities and human rights as a whole, we are continuing to provide assistance to victims of organized crime through the training of human rights organizations in the country, advocacy campaigns, and the documentation of abuses and transparency in this area.

Support will continue on the pretrial detention issue, which is a really critical issue, and on the justice program as a whole, which is, frankly, broken. So we need to continue to focus on these issues, and also provide services to children being trafficked into domestic service in Haiti, the Dominican Republic, and elsewhere.

The last thing, Mr. Chairman, on the HIV/AIDS funds since you asked about it. Haiti faces, of course, significant obstacles in this area, but the HIV/AIDS rates have been recently reduced. We are spending \$80 million and proposing that the Congress provide \$80 million in the next fiscal year, a substantial increase over this year's levels.

Haiti is one of the President's Emergency Plan for AIDS (PEPFAR) countries, which means it is a priority. We are providing counseling and testing for 200,000 people; care and support for 80,000 people; and treatment for 8,000. This is an area of increasingly high importance for the United States.

Since my time is up, Mr. Chairman, I do have other recommendations, and will respond to questions regarding the edu-

cational and environmental issues in the country, but I want to end my testimony by saying that President Bush has told us from the beginning that we are committed for the long haul in Haiti. He believes in Haiti. He believes in democracy for the country, and he is committed to do whatever we need to do to continue to demonstrate the leadership of the United States.

Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Franco follows:]

PREPARED STATEMENT OF THE HONORABLE ADOLFO A. FRANCO, ASSISTANT ADMINISTRATOR, BUREAU FOR LATIN AMERICA AND THE CARIBBEAN, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. Chairman, Members of the Committee, it is both an honor and a privilege to have the opportunity to appear before the Subcommittee on the Western Hemisphere of the House Foreign Affairs Committee.

Haiti is the poorest country in the Western Hemisphere. Its per capita annual income is less than \$520 and 80% of the population lives in poverty. Unemployment and underemployment remain major problems; more than two thirds of the Haitian labor force do not have formal jobs. Out of every ten children who enter primary school, only three will complete 6th grade. One out of every two adults is illiterate. A Haitian boy born today will on average die by the age of 51.

Yet despite this bleak picture there is a reason for hope. This is a particularly important juncture in Haiti's history. A rare combination of factors—new leadership, a resumption of constitutional governance, and international support—has the potential to generate a turnaround in Haiti's economic fortunes and improve the well-being of the Haitian people.

Last year Haiti held presidential, parliamentary and local elections—all of them judged free and fair by international observers. President Préval has a broad popular mandate. He has spoken positively about the importance of business growth, including foreign direct investment, as a way to pull the country out of poverty. President Préval has welcomed Haiti's business community as a partner in development, and the business community has expressed its support. The government's willingness to undertake reforms has caught the attention of the international donor community. For example, the International Monetary Fund has approved a Poverty Reduction and Growth Facility and the Inter-American Development Bank has a proposal to cancel over \$400 million of Haiti's debt before its Board. On the security side, both Haiti's leadership and the UN mission in Haiti have in recent months been more effective in taking action against the gangs and other criminal elements in Haiti. These events provide a window of opportunity to reverse the cycle of violence and instability. In collaboration with the international community, we are committed to help the Haitian people during this critical time.

U.S. ASSISTANCE PAST AND FUTURE ACTION

The United States continues to be Haiti's largest bilateral donor. From 2004 to 2006, the United States provided over \$600 million in assistance to Haiti. U.S. assistance, primarily humanitarian in nature, has played an important role over the past two years and helped lay the groundwork for a peaceful transfer of power to a democratically elected government. At the July 2006 Donor conference, the U.S. pledged \$210 million of the \$750 million pledged by all donors for the July 2006–September, 2007 period.

USAID funding provided over 600,000 short-term jobs for underserved segments of the population, and rebuilt areas devastated by Tropical Storm Jeanne in September 2004. Ongoing food program provide livelihood support for some of the poorest segments of the population. Currently 335,000 people receive supplemental food. The U.S. Government sponsored program ensures access to basic health care to approximately 47% of the population in Haiti. USAID supports civil society organizations and fund over 120,000 loans to micro entrepreneurs. Working with the Haitian Government and other donors, USAID helped improve economic governance, and was able to initiate reforms in the justice sector, including in the critical area of pre-trial detention. The United States contributed \$34 million for presidential, municipal, and local 2006 elections, as well as support for political parties, media, and voter education.

PRIORITIES FOR STABILITY AND GROWTH

The United States works with the Haitian government and the donors to help build a stable and well-governed state that is first, responsive to the needs of its people, and second, lays the foundation for long-term economic progress. As we look ahead, we see dual priorities—for stability and for growth. Continued instability threatens growth objectives, and growth is necessary for permanent stability to take root. In addition, donors need to consider both short and long-term needs.

The Préval administration has stressed the importance of visible, quick impact projects, especially in the poorest slums that are both underserved and that are the source of destabilizing crime and violence. An important element of the equation is short-term job creation and public works that address community needs—a critical step in enhancing Haiti's prospects for a stable future.

From the longer-term perspective, we are committed to strengthening the capacity of Haiti's government institutions. We believe that enhancing the effectiveness of Haiti's executive, legislative and local government branches is essential to good governance. We hope to reinforce government leadership in improving the conditions that most directly affect daily life in Haiti, such as social services and access to justice, and in creating a climate where investors will be willing to take risks and bring jobs to Haiti.

SHORT-TERM EMPLOYMENT AND COMMUNITY INFRASTRUCTURE

We give high priority to the immediate need to reach marginalized and troubled urban slum communities, providing jobs and tangible improvements in the quality of life. Our programs will aim to reach unemployed youth with opportunities that demonstrate that there are clear alternatives to violence.

Over the past two and a half years, USAID has supported programs that work with community groups in violence prone neighborhoods to identify and quickly fund small, high impact projects that engage the community and build citizen confidence and trust. USAID helped to reduce political tensions in several crisis spots through community projects in Port-au-Prince, Gonaïves, Saint-Marc, Petit Goâve, Cap-Haïtien, and Les Cayes, with 860 small grants valued at \$18.2 million. Also during this period, USAID funded a Clean Streets program that employed youth to collect more than 300,000 cubic meters of solid waste in the Port-au-Prince area. The U.S. Government announced on February 1 an additional \$20 million for a program in Cité Soleil, one of Haiti's most dangerous neighborhoods and a persistent source of instability. This initiative aims to improve access to police and justice, strengthen local governance, provide vocational training, and create jobs through infrastructure and public works projects.

The United States Government has expanded these activities through a program that offers short-term employment while at the same time builds the foundation for longer term community improvements through extensive public works. This new conflict mitigation jobs program emphasizes short-term employment by implementing community-identified, labor-intensive, infrastructure rehabilitation activities in these same cities. These improvements will include both productive infrastructure, such as roads and drainage, and social infrastructure such as clinics and schools. This program will also work with local and national government entities so that they can better serve these communities. In addition, we plan to expand a program of job-relevant training and to work to link youth from slum areas with durable employment opportunities.

DEMOCRACY BUILDING

Haiti has passed a turning point. The Government of Haiti can now consolidate its restored institutions of democracy. USAID assistance will facilitate lasting improvements in key sectors of the government that will both enhance government legitimacy and create conditions for growth.

The United States Government is already working with key ministries to help the Haitian Government fight corruption, assume more fiscal responsibility, and reach out to its citizens. Since December 2004, the United States Government has funded and continues to fund advisors to provide technical and managerial assistance to several cabinet Ministries. Approximately 3.4 million textbooks were subsidized to reduce back-to-school expenses for Haitian families and to allow the poorest families access to affordable school materials. USAID's program is helping increase transparency and internal controls through an Integrated Financial Management System that connects a network of 41 major government and public service sites, in order to promote internal controls and transparency in government spending. Support in the area of economic governance helped the Ministry of Finance establish trans-

parent budgets and a framework for continued sound macroeconomic performance. We plan to continue these types of programs to enhance democracy within the executive branch.

A priority for U.S. assistance is to help Haiti build a justice system that is effective, independent and impartial. Within the past two years, USAID has helped Haiti increase access to justice by improving court management and operations. USAID supported training for over 800 judges, prosecutors, court clerks and other judicial personnel. The Agency supported the development of 82 standard rules of practice for Justices of the Peace and introduced them throughout the country through direct assistance to some courts and leveraging assistance of other donors in addition USAID helped the judicial police adopt standard procedures for criminal investigations. The Agency has also begun work to reduce pre-trial detention by providing legal assistance to more than 300 pre-trial detainees by a Port-au-Prince court.

USAID will continue to help Haiti strengthen the capacity of courts, legal defense and prosecution and continue efforts to reduce length of time spent in pre-trial detention and percent of prison population detained awaiting trial. Our program will help increase oversight of the justice function to detect and sanction corruption and poor performance, modernize procedures, improve and standardize justice service delivery at all levels; rehabilitate deteriorated courts and facilities; and expand legal education and defense for the indigent.

USAID plans to help Haiti's new legislators to reach out to citizens and function effectively. Agency assistance will include workshops in such topics as the roles and functions of Members of Parliament and their staff, rules and procedures, constituent outreach and relations, and accountability and transparency. Following recently held municipal and local elections, our program will strengthen the capacity of local government institutions to deliver services with citizen input through a program of technical assistance and training. Representative local governments will ensure responsiveness to citizens at the local level.

HUMAN RIGHTS

USAID will continue to provide assistance to victims of organized violence through training of human rights organizations, advocacy campaigns, and the documentation of abuses. The Agency will build upon partnerships with multilateral, international, and civil society organizations and local communities to combat trafficking in persons, including children in domestic servitude. Support for this effort will continue with a program that focuses on services to children trafficked into domestic service in Haiti and into the Dominican Republic, as well trafficking prevention measures and steps leading to the arrest and prosecution of traffickers.

ECONOMIC GROWTH

The United States remains Haiti's largest trade partner, with bilateral trade totaling over \$1.3 billion in 2006. The Haitian Hemispheric Opportunity through the Partnership Encouragement Act of 2006 (HOPE Act) provides new trade benefits to Haiti to help support export-led growth. If the President certifies that Haiti is eligible to receive benefits under HOPE, USAID will be supporting its implementation through technical assistance to help the Government of Haiti comply with the provisions of the Act.

Our assistance is helping to improve market linkages for small-scale farmers, with crops such as mangos, cacao and coffee, yams and peppers, and for small-scale producers in non-agricultural sectors (such as handicrafts). For example, with USAID assistance, mango growers identified a new market for organic mangos and shipped 6,000 lbs to U.S. buyers. Coffee farmers shipped eight containers of Haitian Bleu and Fair Trade coffee to the U.S., Europe and Japan. Farmers have planted more than 42,000 grafted citrus and mango trees. Eighteen micro-finance institutions and 20 credit unions have been strengthened and their combined loan portfolio now exceeds 120,000 clients. Many of our agricultural programs have the additional benefit of introducing better natural resource management techniques which help prevent further degradation of the country's hillsides.

U.S. assistance supports the Haitian Government's efforts to create an environment for trade and investment-driven employment generation. Through our support for Haiti's new Investment Facilitation Center, we are poised to help Haiti recast the regulations that affect business operations and help Haitians to promote trade and investment.

This year we intend to initiate new environmental activities as part of a strategy to reduce the ongoing degradation of Haiti's natural resource base, expand livelihood options, and reduce population vulnerability. We have just completed an assessment of Environmental Vulnerability in Haiti and are reviewing the findings and rec-

ommendations as the basis for this new strategy. We are looking at such areas as better management of critical watersheds and sustainable natural resource management. We are also exploring new ways to further improve rural livelihoods, including production and marketing of high value crops using a market-driven approach. The activity would involve strong collaboration with the Ministries of Environment and Agriculture, other donors, and, very importantly, the private sector.

HEALTH AND WELFARE OF THE HAITIAN PEOPLE

In the health sector, we are addressing the most pressing health concerns: malnutrition, child health, reproductive health and HIV/AIDS. Through a USAID-funded network of NGO and Government health service facilities in ten departments, roughly 47% of Haitians have access to basic health care through 100 NGO health clinics and 27 of 30 Haitian Government health clinics funded by the U.S. government. Providers offer a package of services including immunization, nutrition, maternal and reproductive health care, ante-natal care, and TB detection. Every year U.S. funding is used to immunize approximately 50,000 children under the age of one. Last year, USAID helps the Ministry of Health expand to underserved areas by reactivating essential health services at 27 public sector sites-reaching another 1.5 million Haitians. A new focus of the program promotes a more pro-active role in health services management for the Ministry of Health at the departmental level. We plan to continue these activities, with expansion to underserved areas.

The United States Government assists the Ministry of Health and civil society NGOs to support persons affected by HIV/AIDS. Through the President Emergency Plan for AIDS Relief (PEPFAR), the U.S. Government has provided support for the counseling and testing of over 193,600 people, care and support for 77,200 people, and treatment for nearly 8,000.

U.S. supported programs are improving education at 450 primary schools, and 150,000 children and youth have benefited from this work. Our programs offer children in the poorest neighborhoods help with tuition payments, provision of books, and other school fees. In addition, we provide a non-formal education program for out-of-school youth emphasizing literacy, basic education, and vocational training in addition to a special emphasis emphasize on educational opportunities for young children in the urban slums.

CONCLUSIONS

Over the next year, we will give priority to expanding development and humanitarian programs in the poorest and most violence-prone neighborhoods of Port-au-Prince and other towns. USAID will also implement projects in key sectors—such as agriculture and natural resources, health and education. We will work to help strengthen the executive, legislative, and judicial branches of government which will enable an environment for private sector expansion. By doing so, the United States will support the Préval administration in its efforts to establish an environment for long-term stability and economic recovery.

The United States is using its wide-ranging assistance resources to help Haiti move beyond its history of endemic poverty and political instability. The Administration does not underestimate the challenges involved in achieving stability and a permanent economic turnaround. It will take time and patience and sustained U.S. Government assistance. Yet in Haiti today there is a climate of hope, and sustained progress is within our grasp.

Mr. Chairman, this concludes my statement. I welcome any questions that you and other Members of the Subcommittee may have for me. Thank you.

Mr. ENGEL. Thank you, Mr. Franco, and let me ask my first question. Let me take off from what you just said about President Bush's commitment to Haiti.

Mr. FRANCO. Yes, sir.

Mr. ENGEL. In his fiscal year 2008 budget, he has requested \$223 million for Haiti. That is a \$17 million increase above the fiscal year 2006 levels. However, the request contains \$36 million increase for HIV/AIDS funding. I was happy to see that.

Mr. FRANCO. Yes.

Mr. ENGEL. And increases in economic support funds, but decreases in all other areas. I wasn't so happy to see that.

Mr. FRANCO. Right.

Mr. ENGEL. Why was the decision made to decrease funding to Haiti in all other areas other than HIV/AIDS and ESF, which is the Economic Support Funds?

Mr. FRANCO. Well, one of the things that I think is important to underscore with respect to Haiti is not only are we the largest bilateral donor, but there is a very important international coordination and component and division of labor that we are conducting or do with the international donor community.

Several years ago, it was July 19, I believe, 2004, Secretary Powell chaired the first donor coordination meeting where we pledged, including the United States as an international community, \$1.3 billion for Haiti. So there are substantial amounts of resources that are going into the country for a number of activities.

We believe, as we have tried to do very hard in our Andean narcotics initiative, that the United States should not go at it alone in Haiti—and in fact we have not. We continue to provide a large package for Haiti, but we are calling on additional international support. I have attended every single donor conference. We have them twice a year. The last one was in November in Madrid, and I did meet with Prime Minister Alexis at that time. I believe that the Haitian Government is very pleased with the level of support that is coming from the United States, but we are increasingly looking for additional international support to also supplement the U.S. assistance package.

Mr. ENGEL. Our witness in the first panel is Wyclef Jean. I know you were here to hear him.

Mr. FRANCO. Yes, I was.

Mr. ENGEL. And he emphasized that education is vital for Haiti to move forward.

Mr. FRANCO. Yes.

Mr. ENGEL. In his written testimony, he expressed dismay at the President's 2008 request for education, it is only \$8.6 million. It is my understanding that without the generosity of the American people that tens of thousands of Haitian grade school students would have no textbooks today, for instance.

Mr. FRANCO. Correct.

Mr. ENGEL. So why has the President reduced funding for education in Haiti in the 2008 budget?

Mr. FRANCO. Again this reflects a matrix that we have with the international community. Other donors are also providing additional funds for education. We have provided budget support for education, meaning when we had the Haitian Government actually buy a number of supplies and uniforms and goods and so forth on which we put a premium in education. But we believe it is a shared responsibility.

One of the things, with all candor, is that when you have donors—and education is an area where a lot of our European allies and friends are engaged in and want to make contributions in this area. We make contributions across the full gamut and we have other donors that are also picking up part of the tab. But we are providing and will continue to provide, Mr. Chairman, the funds necessary for educational activities in 450 primary schools that benefit 150,000 children, and we will continue to provide the books and the other provisions, and they will be covered.

But again, one of the things we have talked about is lessons learned, the mistakes of the 1990s where we poured billions of dollars into Haiti, as you know, in the last dozen years. One of the things we have learned is that we need to have—and I think we learned a lesson—very good international donor coordination which we have. This means that others are stepping up to the plate in addition to the United States.

Mr. ENGEL. Well, let me just say, Mr. Franco, that I would hope that we can see, and I am going to do everything that I can to increase the level of funding to Haiti. While I appreciate you're wanting to get international donors involved, and I share your concerns, I do think that the United States has a special relationship for all the reasons that we have mentioned before, and I would hope that we could see fit to do more. For instance, when Mr. Jean talked about Mr. Preval talking about feeding school children, giving them three good meals a day, I think that is something that is very, very important.

Let me just ask you one other question, and that is, we talked a lot in the first panel about the diaspora, the Haitian diaspora.

Mr. FRANCO. Yes, sir.

Mr. ENGEL. Let me ask you what extent is USAID utilizing the Haitian American diaspora in supporting development in Haiti?

For instance, we are talking about possible legislation to set aside a moderate amount of funds for a program to assist Haitian Americans to return to Haiti to support its development. Will the President support that legislation? And tied in with that I wanted to ask you, we mentioned the remittances and we said it was \$1.65 billion in 1 year of remittances. Has USAID considered ways to regularize and leverage the transfer of remittances in order to support development in Haiti?

Mr. FRANCO. Well, Mr. Chairman, let me first talk about the remittance question. This is an area also that the Inter-American Foundation and the Inter-American Development Bank, and we have all worked on to do one key thing—and the President has talked about this at all his summit meetings throughout the region not only for Haiti but across the board—to reduce remittance costs. We have had remarkable progress in that, and that is the cost of actually sending money to Haiti and other Latin American countries. Sometimes we have had fees as high as 15 percent, so we have worked very hard in that area.

It is one thing though just to keep in mind, and I was intrigued and we can follow up on some of Mr. Jean's suggestions, it is private money. It is people sending money for their purposes. And the idea of government, we can certainly do what he suggested and check a box for charity or something of that kind. But the idea of the public authorities trying to get a handle on part of that money is a debatable point.

But nevertheless it does dwarf anything that we provide in terms of official development assistance. We are working in this area, particularly on the Haitian side, so that people can manage the money better there, can invest temporarily the money in a micro finance institution. This is not long term, but for security purposes, and to generate maybe a little additional income.

On the broader questions that you had regarding the—

Mr. ENGEL. The diaspora.

Mr. FRANCO [continuing]. Diaspora, one of the things I did, and I am sorry Mr. Meeks left right now because he attended one of the conferences I had in New York several years ago. I also set up conferences in Miami, Chicago, and New York, and then did one in Montreal with the Canadians to organize the Haitian community around two themes. In addition, Governor Bush set up a commission on Haiti—

Mr. ENGEL. Yes.

Mr. FRANCO [continuing]. The Haiti Advisory Council in Florida. And they actually named me to it as well as other private sector people, and that was to get from the Haitian community two things: Ideas, suggestions. Haitian Americans know better than anyone. They know the reality of our country and what the needs are in Haiti, suggestions in areas of improvement, where we could make the investments we were talking about, and share that with the Government of Haiti. The previous government named Haitians Abroad, or a diaspora minister, Jean Baptiste, whom I worked with very closely.

So we formalized a very strong consultation process. One of the things that Mr. Jean said, and I am pleased to hear his courage when he said, "I am going to do the first hotel and I am going to actually make the investment." I think he got it right when he said, "I think people want to but they don't want to," meaning there is a strong commitment for the diaspora to—I mean, I mean this sincerely, I have never quite seen in the group—sincerely engage, be part of the process, do meaningful things in the country. But there is a reluctance—particularly the security situation is such—to actually make the necessary investments.

I hope that continues to change. I hope to have another of these formalized conferences. I am in touch with the leaderships in all of these cities on issues so they can advise us.

Mr. ENGEL. All right. Thank you very much. Mr. Sires.

Mr. SIRES. Thank you, Mr. Chairman.

I was just thinking, what is our policy in regards to security in the ports in Haiti? Do we have some oversight of what is going on there with some of this money that we give to the police or anything?

Mr. FRANCO. Well, the port security is a hugely important issue and is a very complex one. It is not my area directly since I do the development portfolio, so other colleagues at the INL Bureau at State are more conversant on that issue. We are doing what we can to particularly secure Port-au-Prince. It has been more difficult in Gonaives and elsewhere to secure the ports.

It has been at times difficult because that is a source of a lot of the violence and gang activity has been near there. People can make money there, so it has been a problem.

MINUSTAH has made a lot of progress. I am not sure they were drinking Pina Coladas on the beach, but the MINUSTAH relationship and its role as been, as you know, polemic at times. But their function has been we are not the police so it is a chicken and egg type of thing in terms of the ports and other things.

What we have done—and again it is mostly our colleagues at INL—is to try to strengthen the relationship between MINUSTAH

and the Haitian national police, to make it professional. One of the ministers in Haiti in the transition government told me the problem is we don't know who the police really are, meaning the reliability of the police force in Haiti is a key issue. So we are doing everything we can to regularize that, and the ultimate security issue in these ports needs to be done by the Haitian police themselves. But we need to get up to speed.

Mr. SIRES. The reason I ask that is because Wyclef Jean mentioned that one of the problems is with the merchandise, and if you want to start successful commerce or development——

Mr. FRANCO. Yes.

Mr. SIRES [continuing]. You have to make sure that you guard and you protect.

Mr. FRANCO. That is right.

Mr. SIRES. Nobody is going to invest if when you ship something down to Haiti it is going to disappear before it gets anywhere. So I just wanted to get an idea.

Who can I address this question to?

Mr. FRANCO. I think the key person would be Assistant Secretary Ann Patterson at the State Department. She would manage that part of their portfolio. But I agree with your concern, Congressman, on that. I don't want to lead you to believe that it is not under control in the Port-au-Prince area, but we need to do more than just Port-au-Prince.

There are three areas raised every time a businessman talks to me: Port security, energy, and security. And I would start out really with security first. Energy, where the costs are quite high, and then port security in terms of investment.

Mr. SIRES. Thank you.

Mr. ENGEL. Thank you. Mr. Payne.

Mr. PAYNE. Thank you very much.

The MINUSTAH has a mandate for only 6 months.

Mr. FRANCO. 8 months.

Mr. PAYNE. 8 months. When does it expire?

Mr. FRANCO. I believe it expires in, I think, November, October/November.

Mr. PAYNE. You know there was a request for a longer mandate.

Mr. FRANCO. Yes, we supported a longer mandate.

Mr. PAYNE. Yes. I guess China on the Security Council opposed it.

Mr. FRANCO. That is correct.

Mr. PAYNE. I guess getting involved in Taiwan/China issues.

Mr. FRANCO. That is correct, sir.

Mr. PAYNE. Do you feel confident that there will be a renewal because November is not a time for MINUSTAH to leave? I mean, that goes without saying. So are we working on trying to be sure that we can then have another extension?

Mr. FRANCO. We are. Unless some pleasantly remarkable events happen between now and toward the end of the year, you know, the Haitian Government and the Haitian police can handle the situation. Although they are making progress, we don't foresee those events and we are working on that renewal. We need to remain committed to that. We are very encouraged with the MINUSTAH leadership. We are very grateful for the leadership of Brazil and

other countries, particularly Brazilian leadership in this area. And we are working on beyond November, and our position was for a longer period of time.

Mr. PAYNE. The Haitian police, as you mentioned, are still in the process. We had the opportunity to meet the police chief who seemed to be as sharp——

Mr. FRANCO. Yes, he is.

Mr. PAYNE [continuing]. And straight and so forth. However, have you been able to vet the—as a matter of fact he was reluctant at that time to say we should give arms to the police until we really vet them and check them out and make sure that they are——

Mr. FRANCO. That is right.

Mr. PAYNE [continuing]. Going to do the right thing. So I think it was very courageous of him and honest for him to——

Mr. FRANCO. Yes.

Mr. PAYNE [continuing]. Say that I am not ready yet. How are things going now with the police?

Mr. FRANCO. Well, they are moving. I think they are moving well, but I share that caution. First of all, we understand the patience and the legitimate requirements or expectations of the Haitian people, but we want to get it right. We don't want to create gangs or inadvertently arm the wrong people. And we had enough problems with the police or have had enough problems with the police in the past or even currently. So we need to make sure that new police officers are properly vetted.

With that, and I am a strong advocate of this, we need to compensate the police. The reason we have a police problem throughout the developing world is largely because the police are under compensated. This is not limited to Haiti. So we need to compensate them. It has to be an honorable profession. It cannot be a way to really use a weapon for a livelihood.

So we are going to take it responsibly. I won't say slowly, but we are going to take the time necessary to build a credible police force. And that is why, Mr. Payne, your question is very good about MINUSTAH previously. This has to be tied with MINUSTAH remaining for a period of time, and also, as they are doing now, patrolling with the new Haitian national police that has been vetted in the troubled areas. And I think that is going to be very, very critical in terms of their training.

Mr. PAYNE. Right. Just my last question. The whole question of deforestation is just unbelievable.

Mr. FRANCO. Yes.

Mr. PAYNE. And I know it is difficult. Is there any way we could really start a reforestation program? You know, it takes you 20 years to grow a tree.

Mr. FRANCO. Yes.

Mr. PAYNE. I mean, only God can make a tree on that thing I used to say when I was a kid, you know. Poems are made by fools like me but God can make a tree. And it seems like when he made the tree, they all came down. Is there some way that areas can just be cornered off so that even if it is half an acre at a time there will be no more top soil as you know?

Mr. FRANCO. Yes.

Mr. PAYNE. I mean, once it gets down to that rock, as you know, there is no—it happens in New Jersey. What they do every year they go and they take the sand and they put it back on the beach so that New Jersey has beaches, but you can't go back and take the dirt out of the river to put it back. I wish we could to grow something.

Mr. FRANCO. Right.

Mr. PAYNE. So this is so serious. It will be a rock if it continues.

Mr. FRANCO. No question about it. We have just completed, and I don't want to talk about study after study because we know what their problem is.

Mr. PAYNE. Right.

Mr. FRANCO. But we have actually completed and we have it before us an environmental vulnerability assessment for Haiti. It shows what we need to do concretely, not just assess the study or the problem. We are looking at things like better grass that has been used in Indonesia and Bangladesh and other places.

The environmental problem in Haiti is compounded not only because of the degradation and the tall task—environmentally speaking—in and of itself. But the fact is that once you initiate any activity—this is tied to the economic problem in the country—people chop the tree down before it grows. It doesn't even get to be anywhere near the 20 years.

So economically, it is a vicious cycle. The economic problems of the country, they are so severe, create or exacerbate or preclude us from really addressing the environmental issue the way that ideally it would be addressed. And even under ideal circumstances it is a daunting task.

I mean, independently I have looked at this personally, not with USAID studies. You know, we are talking, and some estimates of a billion-dollar program, something of that magnitude just on the environmental side. And we need to do that with a policing function, a security function. I mean, in societies that are quite sophisticated, such as Brazil, which is the largest economy in all of Latin America, you know, we have all kinds of illicit activities going on and a lack of controls. And in Colombia and Ecuador and Peru and elsewhere. So you can imagine in Haiti.

So we need to tie all of those components together. We can't even look at it in a vacuum. But looking at it in a vacuum, Mr. Payne, it is an enormous task.

Mr. ENGEL. The gentleman's time has expired. Ms. Waters.

Ms. WATERS. Thank you so very much, Mr. Chairman.

We hear about all the money that Haiti has been given, and the donor conferences and the donor conferences, and the Inter-American Development Bank. Where is the money?

First of all, before I talk about the Inter-American Development Bank—

Mr. FRANCO. Okay.

Ms. WATERS [continuing]. Tell me exactly how USAID spends its money. Who gets what portion? The nongovernment organizations, the government, and what do they do with the money?

Mr. FRANCO. Well, I don't have the exact breakdown but I will supply that for the committee and for the record in terms of the

breakdown, but we have programs with the government and with the nongovernmental sectors.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE ADOLFO A. FRANCO TO
QUESTION ASKED DURING THE HEARING BY THE HONORABLE MAXINE WATERS

NON-GOVERNMENTAL ORGANIZATIONS

At the end of FY 2006 USAID established a bilateral agreement with the Government of Haiti (GOH) that outlines in detail our mutual priorities and objectives. USAID works closely with GOH by actively soliciting its participation in program design, in selecting partners to receive USAID funding for program implementation and in monitoring progress. USAID Haiti's implementing partners include: Haitian NGOs; Haitian or US private sector firms; and International Organizations (such as the International Organization for Migration, United Nations Office for Project Services, Organization of American States).

USAID/Haiti makes a concerted effort to forge partnerships with the Haitian private sector, civil society, NGOs and community organizations. In FY 2007, USAID will continue to implement the vast amount of its program assistance through this bilateral agreement with the GOH.

Virtually all of USAID's assistance to Haiti in FY 2006 was implemented through grants, cooperative agreements, and contracts. No direct cash transfers are provided to the GOH. However, USAID provided \$7 million in FY 2006 to the Government of Haiti as budgetary support to reimburse the government for purchase of primary school text books for disadvantaged students. All books were purchased from local publishers. In addition, technical assistance is provided to individual ministries; this assistance is coordinated through the Ministry of Planning.

USAID's programs in Haiti respond directly to the priorities the GOH presented to donors at the July 25, 2006 Conference for the Economic and Social Development of Haiti. USAID supports the GOH's objectives of creating conditions favorable for economic growth that benefit the Haitian people including re-establishing basic services, helping to modernize the state and reinforcing democratic institutions.

USAID/Haiti has developed effective collaboration with Haitian communities, local non-government organizations, civil society and the private sector to improve the living conditions of Haitian citizens. USAID's activities involve Haitian executive, legislative and judicial branch ministries or agencies at the central level or at the deconcentrated, departmental or municipal levels.

- USAID provides direct technical support to the Ministry of Health in pursuing its Departmental Strategy.
- Similarly, USAID supports the Ministry of Education in developing its accreditation capacity to develop and apply standards to oversee the education sector and improve quality education service delivery.
- Technical advisors are provided to priority executive branch ministries and agencies, including the Office of the President and the Office of the Prime Minister.
- Ministry representatives at the regional level and local government authorities are involved in implementation of USAID public works programs such as those managed by the International Organization for Migration (IOM). A new four-year JOBS program will follow a similar implementation strategy.

Ms. WATERS. What do you do in Cite Soleil?

Mr. FRANCO. In Cite Soleil, they work for food and they work for programs. We pay people for garbage pick up. We have microenterprise activities. We have a series of activities that are designed to give to people that have very little access and who can work.

Ms. WATERS. Who runs the programs?

Mr. FRANCO. A number of our implementing partners and contractors that we employ.

Ms. WATERS. Contractors that you employ?

Mr. FRANCO. They are nongovernmental organizations. I can get you a list of them, and contractors as well.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE ADOLFO A. FRANCO TO
QUESTION ASKED DURING THE HEARING BY THE HONORABLE MAXINE WATERS

CITE SOLEIL

The International Organization for Migration (IOM) and the Community Housing Foundation International (CHF) implement conflict mitigation and infrastructure rehabilitation programs in Cite Soleil. The Pan-American Development Foundation (PADF) will complete a solid waste management and infrastructure rehabilitation program which included Cite Soleil in April 2007. Fonds de Parrainage National in association with the American Institutes for Research (AIR) is providing primary school scholarships to 4230 disadvantaged youth in 50 schools in Cite Soleil. Management Sciences for Health is improving access to health care for the most vulnerable people in Cité Soleil.

Ms. WATERS. And so why aren't they working?

Mr. FRANCO. I beg your pardon?

Ms. WATERS. Why aren't the programs working?

Mr. FRANCO. I think they are working. There are two things. I am going to be as candid as I can. I am not hiding behind the security problem, but it is a problem. That is the number one problem we have faced in Cite Soleil. In Bel Air, it is a serious security problem.

There was a period of time when we had a worse situation when we were precluded from going into those areas at all in terms of conducting our programs and certainly our oversight. So that is number one. That is a persistent problem.

The second problem, I wish I could say otherwise, the problems in Haiti are so large, so endemic—and I know we are trying our level best to do what we can to address them—they are not going to be resolved overnight.

Ms. WATERS. The Inter-American Development Bank, what do you know about what they are doing? Is there anybody here from the Inter-American Development Bank today, Mr. Chairman?

Mr. FRANCO. I don't know.

Mr. ENGEL. Just to answer your question, there was someone in the audience but they have left.

Mr. FRANCO. I think one of their representatives, their government liaison.

Ms. WATERS. So do you work with them?

Mr. FRANCO. We do work with them.

Ms. WATERS. Do you know what they are doing?

Mr. FRANCO. I do know that their programs are designed primarily on infrastructure and road construction.

Ms. WATERS. Yes, but did the money ever get there? I think money was allocated to Haiti back as far as 1994, 1995, 1996.

Mr. FRANCO. But a lot of those funds were withheld as you know, Congressperson.

Ms. WATERS. Yes, I know they were withheld. That is why I am asking about them because everybody talks about how much money Haiti gets.

Mr. FRANCO. Yes.

Ms. WATERS. But I am not so sure Haiti gets the money. The monies were withheld. Have they started to flow yet?

Mr. FRANCO. I can't really—I would be remiss to be speaking for and on behalf of the bank.

Ms. WATERS. Okay. So we don't have that information.

Mr. FRANCO. No, I don't.

Ms. WATERS. I guess my point is this.

Mr. FRANCO. I know what you are getting at.

Ms. WATERS. Infrastructure development is not going to happen by itself.

Mr. FRANCO. No.

Ms. WATERS. It takes a lot of money, and by now I would hope someone would be thinking about how we are going to get potable water in Haiti for the people to drink. I just don't hear it. I don't understand yet. I do know that the IMF and the World Bank are basically saying that there will not be any relief for Haiti—according to IMF, Haiti owes over \$1 billion to multilateral institutions, including \$21 million to the IMF, \$507 million to the World Bank, and \$534 million to the Inter-American Development Bank. This was all accumulated under the Duvalier regimes, and the debt service again is \$56 million. This is draining Haiti, and that Haiti is going to have to wait until 2008 for debt cancellation. That means they are going to have to continue to spend \$56 million a year on debt relief.

Mr. FRANCO. Yes.

Ms. WATERS. So I guess I am asking everybody, and you are not the one to ask about any of those, the Inter-American Development Bank or IMF or World Bank, but let me just on what you do.

Mr. FRANCO. Okay.

Ms. WATERS. The reason that you are in Bel Air and Cite Soleil is because it is so poor.

Mr. FRANCO. Yes.

Ms. WATERS. They have so much crime.

Mr. FRANCO. Correct.

Ms. WATERS. There is little hope. You have got open sewage there.

Mr. FRANCO. Yes. I have been there.

Ms. WATERS. You are there, but what you are telling me what you are doing is not really making a difference.

Mr. FRANCO. I think it is making a difference. I mean, next time you have a codel I hope you invite me. We can go to it, because I have gone for my site visits and we are making a difference. We have reached 50,000 people in the worst neighborhoods of Port-au-Prince.

Now, that is in a sense a drop in the bucket, I mean when you look at it. We are trying to make headway in those places. We are working with demonstration projects in that area. I think in his testimony, Mr. Jean was talking about demonstration projects, and what we are doing. It is going to take some time to address.

Ms. WATERS. The people that you hire, your contractors, do they speak Creole?

Mr. FRANCO. Yes. What we do is use local people. I mean, the subcontractor uses local people. Yes, they do speak Creole as does our staff. The majority of our staff at our mission are foreign service nationals.

Ms. WATERS. In these feeding and clean-up programs you have people who are getting paid, who are working every day, who are engaged, is that right?

Mr. FRANCO. Yes. For example, we reach every day in Haiti, and I will bring the statistics to you, 350,000 people through feeding.

There were some questions about feeding and programs—we have been feeding people in Haiti. I am not proud of that, but Haiti should graduate from that at some point. We feed people in Haiti every day. We provide health care to people and mothers and milk every single day.

Ms. WATERS. What do you recommend for reducing the crime and to eliminate some of the harshest poverty in the world so that we can get on with the development of Haiti?

Mr. FRANCO. Well, number one is I hope that we can continue, and I think we are doing this, the relationships we have between the Preval government and MINUSTAH and strengthening the police. Sending the right signals that we are committed to law and order in the country. That is number one.

Secondly, I hope there isn't donor fatigue. Just as the President is committed to stay the course for the long haul, I hope that we get the resources we need from the Congress and from the international community, and from the banks. We don't have—I was going to say we don't have the resources.

Ms. WATERS. Is France and Canada helping?

Mr. FRANCO. What is that?

Ms. WATERS. Do we have money from France and Canada?

Mr. FRANCO. Canada is the second largest donor, and France is also engaged.

Ms. WATERS. But with all of this we still can't make any headway?

Mr. FRANCO. I think we are making headway. I have to tell you we have disbursed more money. We would like the disbursement rates from some of our other donors to be a little quicker. I think that you might hear that from the Haitian Ambassador. At the last donor conference in November, Prime Minister Alexis when he spoke thanked the United States Government and the USAID for the disbursement rate, meaning what we have actually provided, the money you are actually talking about for the activities. We would hope that the rest of the international community lives up to its pledges, and also disburses money more rapidly than it has in the past. You are absolutely right, the problems are quite pressing.

Ms. WATERS. Thank you, Mr. Chairman.

Mr. ENGEL. Thank you, Ms. Waters. Mr. Meeks.

Mr. MEEKS. Thank you, Mr. Chairman.

Mr. Franco, it is always good to see you.

Mr. FRANCO. Good to see you, sir.

Mr. MEEKS. I wanted to make sure I was here.

Mr. FRANCO. Thank you.

Mr. MEEKS. And came back to ask you some questions and we appreciate you. Let me just ask a couple of quick questions, and I will be real brief.

Number one, is there any initiative now, because, you know, we talked here about the crimes, et cetera, to get some of the guns out of Haiti? What could be done? As long as individuals have guns and there are weapons, et cetera, what could be do so that we can get some of the guns, get some of the people to turn in the guns so that we can try to have less violence?

Mr. FRANCO. Well, we have initiated some of those programs and they have had mixed success. I will tell you why I think there is mixed success. I think turning in a gun in many cases for people is turning in a livelihood, a known one. So it is risk for people to—they depend on that for their personal security, and frankly, to eat so to speak.

So we need to do the gun programs, which we try to do, in conjunction with what Ms. Waters is talking about that gives people an opportunity, not just turning in a gun, and not even for a one-time offer, which I think is not really the approach, but meaning to actually offer people an opportunity for an ongoing job and not just a temporary reward. Because what you do in these types of programs if they are not well managed is that people will turn in bad guns or guns that are no longer working, and they will take the benefit. So we really haven't addressed the problem.

That is, though, tied to a law enforcement issue. It is great to offer those incentives that are there, but until there is a stronger police presence on the ground, the ability to have that type of program succeed will also, in my judgment, be limited.

Mr. MEEKS. So you were here when I asked Wyclef Jean about the development of the road, et cetera, and he talked about individuals who were living there working on those roads. So could there be something with the USAID, for example, in developing those roads and people who are living right there those are the individuals also would have the guns, and say come work on these roads.

Mr. FRANCO. Right.

Mr. MEEKS. Turn in your guns and you are also going to get paid some money for your livelihood. Is there something that we can do affirmatively in a short order to get something like that done?

Mr. FRANCO. Right.

Mr. MEEKS. Because we are then connecting—

Mr. FRANCO. No, that is absolutely right. Connecting that activity to be a permanent thing, meaning finding real employment, not short-term employment. We are doing short-term employment, not trying to minimize its importance. But the idea of turning in goods and getting rid of guns and going into some other activity, meaning licit activity, requires people to have a comfort level that this is going to be a good deal to replace it. And we need to do more on that. We are not there yet.

Mr. MEEKS. Let me end here with this, and I missed the answer, and maybe I will ask you after the hearing, that you gave the chairman because I wanted to know about how USAID was planning to utilize the Haitian American community.

Mr. FRANCO. Yes, we talked about that.

Mr. MEEKS. And I know you talked something about your conference one time.

Mr. FRANCO. You participated in that conference.

Mr. MEEKS. I want to talk about that, but lastly is how can the United States or what is going to happen and how can we get the maximum out of HOPE once it is implemented, and what is your thought about—you know, I am dropping a bill that indicated about having Haiti have a QIZ, and what is your thoughts on that so that it can then be on par with its partners in the region?

Mr. FRANCO. Well, I will be leaving USAID soon, but my hope is that—

Mr. MEEKS. We may not accept that resignation.

Mr. FRANCO. Thank you, sir. But my hope is—no pun intended on this—that as we move with this legislation, as we have done with CAFTA and other trade agreements—that with it comes something which we have not done in Haiti or have not budgeted yet, Mr. Chairman, Mr. Meeks and Mr. Payne, that has to do with trade capacity. And that is, once you sign the agreement—Bob Zoellick used to tell me that is the easy part—then there is implementing it, and that means getting up to the standards, creating the investment environment, creating the linkages. If not, we are going to set up a lot of people for a lot of false expectations.

So once this legislation starts moving—and I think we need to engage the Congress on things like your bill—what we need to do is create on the ground the conditions necessary to attract that international investment. What we need to do is to make sure that those goods are competitive and there are markets in the United States for them. This, I hope, will be a new activity that we will have to initiate.

Mr. ENGEL. Thank you. Before I let you go, I want to just do with you what I did with Mr. Jean, and I want to just ask you a final question, and I want to kind of throw two questions together on things that were touched on here and that you mentioned, but I want to just talk about it.

Mr. Payne, I think it was, talked about the problem with the forests and the trees—

Mr. FRANCO. Yes.

Mr. ENGEL [continuing]. And all the problems. I am told that the use of charcoal as a cooking fuel in Haiti is leading to a demand for cutting down more of the trees.

Mr. FRANCO. Correct.

Mr. ENGEL. And it certainly undermines efforts of planting new trees obviously to protect the land. The World Bank has studied how there might be a switch to a more environmentally friendly cooking fuel. I would like to ask you what you think about it, and what are we prepared to do to support that. Let me let you answer that and then I have one more question.

Mr. FRANCO. Okay. Well, of course, I follow that issue and it is—I won't say a new study, but under consideration. I would be extremely supportive of it. Obviously it is a way to address the environmental issue. But beyond that even the charcoal is a health issue in many households. There is a huge linkage, I mean a significant linkage between the health issues and of course it creates additional pressure for fire wood, and the rest of it. You can see it in Port-au-Prince, people carrying that on their backs. So I would be extremely supportive of that.

That will also require an effort. The problem with alternative fuels is that they are as—in terms of economics—either cheaper or certainly not more expensive than what is being currently used. That is the bottom line in Haiti.

Mr. ENGEL. Thank you. And finally, we talked about MINUSTAH today.

Mr. FRANCO. Yes.

Mr. ENGEL. And about what a tragedy it would be if it wasn't renewed because it is necessary. Last year when I was ranking member and Mr. Burton was the chair we sent a joint letter to Secretary Rice recommending several policy actions relating to the situation in Haiti, and in the letter we urged the State Department to provide 150 U.S. police for MINUSTAH.

The State Department responded to the letter saying that we currently provide 50 officers to MINUSTAH's police unit.

Mr. FRANCO. Yes.

Mr. ENGEL. And the response did not mention our request or any plans to add any additional officers. So I would like to revisit the issue, and would ask you if you are prepared to mention it now or if you can get back to me, would the Bush administration consider providing MINUSTAH with what I think is well-needed additional support in the form of human capital?

Mr. FRANCO. Mr. Chairman, I can raise that with Assistant Secretary Shannon when he returns. He is with the President now on the Latin American tour. That would really be a State Department lead in terms of the review, so I will deal with the Assistant Secretary.

Mr. ENGEL. If you would, I would appreciate that. And last but not least I have just been handed a note that Mr. Payne has one more quick question so we will let him ask it.

Mr. FRANCO. Sure.

Mr. PAYNE. It is just a question, not a request. As you know, the United States has built a new Embassy in Haiti in Port-au-Prince, and the House Democracy Assistance Commission recently visited Haiti a few days ago, and there is a request that the U.S. Government give the old Embassy to the Parliament for the Haitian Parliament. They have no offices, nothing, and so I would hope that you would pass along the fact that we think it would be a—they could sell it to them, but they will just have an IOU, so might as well just give it, but it would certainly, I think, be a great gesture and would really assist their Parliament in trying to have office space and trying to run.

Mr. FRANCO. Sure. I will pass that on to Secretary Shannon as well.

Mr. PAYNE. Thank you very much.

Mr. FRANCO. Thank you.

Mr. ENGEL. Thank you, Mr. Franco.

Mr. FRANCO. Thank you so much.

Mr. ENGEL. We appreciate your testimony today.

Mr. FRANCO. Thank you, Mr. Chairman.

Mr. ENGEL. And we will follow up with some of the things. You are going to get Ms. Waters and—

Mr. FRANCO. I will get that.

Mr. ENGEL. Thank you very much.

Mr. FRANCO. Thank you, sir.

Mr. ENGEL. The hearing is adjourned.

[Whereupon, at 5:13 p.m., the subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

STATEMENT FOR THE RECORD BY DR. JOHANNA MENDELSON FORMAN, SENIOR
ASSOCIATE, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

JATROPHA AND PEACEBUILDING IN HAITI

Chairman Engel and distinguished members of this subcommittee: I appreciate the opportunity to submit for the record this short discussion about how Haiti could benefit from the creation of a sustainable biofuels economy that would not only relieve poverty, but would also provide energy for light, transport and cooking. It is especially timely to consider alternative energy sources for Haiti, and also for the Caribbean. Fossil fuel dependence must be countered by strong programs that assist developing states create sustainable energy futures in a time when we face dramatic challenges created by global warming and dwindling resources for energy.

As Haiti returns to a more politically stable situation, and the government of President Rene Preval works to ensure that Haiti's economic sustainability is addressed, it is time to look at what appropriate technology for biofuels could do to restore Haiti's deforested landscape. Creation of a small scale Jatropha farms that can be incorporated into existing agriculture can also help bring a marketable energy product to a vast number of poor people. A bioenergy market would also improve the potential for regional commerce by providing Haitians with a renewable fuel for generators, and for transport. These benefits can be realized within a year after planting the first crops. And because Jatropha is not edible, growing Jatropha will not compromise food supplies.

And because Jatropha is a natural fence (its leaves of toxic to animals) it will not be eaten by cattle or goats, thus allowing it to grow.

I am not talking about making Haiti into another Brazil. I am talking about using the existing knowledge we have on biodiesel crops to help small farmers grow a product that can be readily adapted to their local community needs, while also helping improve the soil, prevent erosion, and provide job opportunities to thousands of Haitians living in rural areas. This is a huge opportunity given that 70 percent of Haiti's population still lives in the rural areas of the country.

This is not a dream, but a reality that can start immediately if U.S. government agencies like U.S. AID and the Department of Energy, and the international financial institutions begin a serious program to use what we now know about energy crops to help lift Haiti up economically, and also provide a decent future for so many poor Haitians.

Introduction:

Chronic insecurity in Haiti is exacerbated by the absence of opportunities for employment. Conclusions about security always repeat the same observations linking economic development and security, but drop off on any remedies to alleviate this cycle of security sector reform and economic growth.

The conditions today for the inclusion of renewable energy projects for development offer some hope for Haiti where a decade ago there was less cause of optimism. In the past decade the advent of bio-energy crops and the advances in processing make it possible for pilot projects to be initiated in Haiti. In particular, the use of Jatropha, an indigenous plant that thrives in arid regions, and is a natural fence because its leaves and seed are toxic to animals, presents an opportunity for biodiesel production that could revolutionize the agrarian base of Haiti. Not only could the cultivation of Jatropha provide a product that could easily be used to meet local energy needs, but its cultivation also lends itself to the type of agriculture that is suitable in Haiti: small plots cultivated among cooperatives of peasants that could pool their production and output to produce biodiesel.

Haiti's development deficits are manifold. But the ability to grow energy crops which also have a great potential to prevent further soil erosion while also producing a crop with a broad market, provide an important solution to the current economic crisis. Energy crops are also offer job creation potential in an island where more than two-thirds of the population has no formal employment, and where 78 percent of the population lives on less than \$2 dollars a day. The labor intensive nature of energy crops is well-documented, and in Haiti the ability to employ people in agriculture that has a market could mitigate the problems of rural to urban migration through the expansion of jobs in the countryside.

Why Jatropha?

Jatropha curcas is an important feedstock for the production of biofuels. Its widespread use in India and Egypt is gaining popularity as a quick growing source of oil-bearing nuts that can be pressed to produce biodiesel products. *Jatropha* has also been a crop of choice in development programs in Africa where local villages have grown *Jatropha* on small plots of land and have hand-pressed the oil for use in generators, sewing machines and small motors. Glycerin, a by product of *Jatropha* oil, can also be used to produce soap.

Jatropha has also been proven to have strong anti-erosion qualities which make it ideally suited for use in Haiti. A recent study on watershed preservation commissioned by USAID this year reinforced this fact, adding that it was more effective than the traditional tree-planting efforts that have been used to help reforest Haiti.

Finally, there is already good experience in the production of seed for commercial use, and a track-record of marketable product based on the cultivation of *Jatropha*. There are really no negatives for its use in Haiti, given the dire condition of the land and the rate of deforestation.

Energy as a Peacebuilding Tool:

Haiti shares an island with another nation, the Dominican Republic. It has also shared a very dark history of international relations due to clashes at the border, persistent cross-border migration issues, and a long history of prejudice that colors the bi-national relationship. The cultivation of energy crops provides one means of building peace between the two countries in that both nations suffer an energy deficit and both nations are committed to seeking a remedy for continued border violence.

The Haitian-Dominican border could become a center for bio-energy production with the introduction of *jatropha* cultivation. Both sides of the border could be developed to create bio-diesel growing zones. The Dominican side of the border could host larger scale biodiesel processing plants, with Haitian-Dominican private sector investors forming the basis of a new industry that could help to offset both nations' energy needs. While this is a medium- to long-term process, there is already interest and some experimentation with bio-diesel that is worth pursuing.

Common economic interests are powerful tools for peacebuilding. And the Haitian private sector could be brought into this venture, with the help of the Inter-American Development Bank, the UN, and other private investments. Bi-lateral donor cooperation in this area could also become a novel way to look at economic growth as a means for building confidence and trust between two nations. There is no time to waste in advancing this concept. Presidents of the Dominican Republic and the Republic of Haiti recently signed an accord on technical and educational cooperation. This agreement could also serve to advance this concept if it lent support to this type of effort.

Haiti is also ripe for bioenergy because of the unique convergence of national support for the peace operation in Haiti. With Brazil as the lead nation in the peace operation, it also brings to Haiti extensive, long-term experience in the bioenergy field can be tapped to help Haiti on the path to energy independence. Brazil's ambassador to Haiti has already discussed ways in which his government can help expand technical assistance on biofuels. This opportunity must be used to help advance an industry that offers one of the best hopes for sustaining any economic development in Haiti.

And with the recent memorandum of understanding that the Government of Brazil has signed with the United States, the Caribbean could become a model for how such technical cooperation could foster better economic support to the Caribbean, and in particular, to Haiti and the Dominican Republic.

Energy as a Means of Sustainable Livelihood:

Poverty reduction is a central goal for a country like Haiti, the poorest nation in the Western Hemisphere. Lessons from other countries, most notably Brazil, demonstrate the power of bioenergy as a form of new livelihood creation. But there are also models from Africa where bioenergy crops have afforded important examples

of new livelihood creation in rural villages. In other words, bioenergy is a sector that can be taken to scale, and has in its toolkit, means of providing energy needs at the most basic level of development, but also the potential to offset the requirements for fossil fuels. In a country such as Haiti, small scale biodiesel production lends itself to the current form of agriculture: small scale plots worked by individual families or cooperatives.

Jatropha is an excellent feedstock for Haiti. It is indigenous to the island, thus preventing the problem of invasive species being introduced into the ecosystems. While it would be desirable to import hybrid Jatropha seed to get a product that was quick-growing and pure, this could be easily managed in any pilot project. In addition, there are other types of feedstock suitable for Haiti including Mamona, or castor bean. All these crops have proven to be excellent sources for the production of biodiesel.

Incentive programs for small growers of bioenergy already exist and could be used as potential models for a Haiti pilot. In Brazil, the Ecodiesel program comes to mind as a good example of a case where the government helped provide land (5 hectares) and seed to farmers. The program helped to refine the harvested biofuels and gave farmers who met their production quotas over five years title to land they worked. This type of program could have a powerful effect in Haiti where small farmers are more common than large-scale land holders when it comes to agriculture.

Energy as Security Tool:

Haiti's lack of an independent energy supply is evident by the erratic supply of electric power and the shortages of fossil fuels for transport. Even with the new commitment of a steady supply of petroleum that President Hugo Chavez has made in recent days, this type of assistance is not the long-term solution. In addition, Haiti's continued deforestation due to use of timber for firewood, has increased the risk of complete environmental devastation from hurricanes or other natural disasters. Today Haiti is 96 percent deforested. It is in a state of environmental crisis. If you cannot turn on the lights and your land is washed away every time it rains, then you are not able to support basic needs or provide an environment conducive to safety.

A local bio-energy program that focuses on cultivation of energy crops would provide a means for local power generation in the absence of other infrastructure. You do not need an electric grid to run generators on biodiesel. And when you run a generator you can light a village. And when you provide light to a village then children can read and do their homework after dark. You also increase public safety security when you can turn on the lights.

A second security complement is that any bio-energy program will be a means of using human resources to support a growth sector. When you have a means to generate employment, and a market to support this product you can keep people within regions and engaged in productive livelihoods. This resolves a major problem of rural to urban migration as the rural economy literally dries up.

Finally, providing jobs for young men and women could also be an important spin-off in any bioenergy program. Not only is there work in the agricultural sector, but there is also an important role for individuals who can transport and market biofuels. Encouraging commerce between communities can help support networks of trade, and stimulate regional economies.

Role of the Private Sector:

The Haitian private sector is a driver of economic development in Haiti. Its receptivity to any type of bioenergy regime must be done through a process of education about the product, and also about the potential for cross border markets with the Dominican Republic. There is already ample discussion and investment by some Diaspora business groups in this area, but there needs to be a more robust effort to encourage this type of market.

There have been some initial discussions with the private sector and with some government officials who are receptive to the bioenergy sector for Haiti. But it is also important that a comprehensive training be prepared for those who are interested. And some type of cross-border business coalition could also be a powerful engine for investment and exchange in this area.

An Integrated Approach: Economically Uniting Hispaniola

Energy crops will not solve all of the problems of economic growth in Haiti. This short paper about the potential for local biodiesel initiatives is just a first step in a process that will also work toward greater economic integration between the Haitian and Dominican private sectors. If cross border bioenergy programs are created, and successful pilots demonstrate the economic viability of such projects beyond local communities then we will be ready to move Haiti toward a new area of eco-

conomic growth. By developing a bioenergy program in Haiti there are many inter-related issues that can be addressed simultaneously:

- Local security through the availability of biodiesel for generators, thus providing light and fuel.
- Use of a crop, *Jatropha* that can be grown in poor soil conditions, with great environmental benefits by preventing erosion and also revitalizing the soil.
- Job creation in rural areas, with potential for other types of employment if bioenergy crops expand.
- Rural employment opportunities also provide a strong deterrent to rural to urban migration.
- Local markets for biofuels that could be readily available for private sector investors.
- The potential for cross-border peacebuilding through shared production interests in biodiesel cultivation.
- A means to help offset immediate energy deficits in Haiti in the short and medium term.

As we seek tangible economic development for Haiti it is imperative that the bio-energy sector play a central role in this strategy. The benefits for such a project should be evident, and the medium to long-term growth could help provide a massive poverty-reduction program that has real and lasting results.

Implementation:

To start the cultivation of *Jatropha* a pilot program should be developed on government donated land. Given Haiti's history as a nation of small landowners, it would not be difficult to also find areas where small farmers work to see whether pilot cooperatives could be established for the purpose of growing a bioenergy crop. Moreover, for this program to be successful the government of Haiti and the relevant ministries of Agriculture and Planning must be brought in to the process so that Haitian citizens become an integral part of the planning and assessment process.

With government donated land, and commercially donated or purchased seed (D-1 Oils in England is a potential source of seeds as this private firm has development good hybrid *Jatropha* that could be readily started in Haiti) the pilot plots could be cultivated and harvested within a year. There is new, fast growing seed that bears a crop in seven months. Infrastructure for pressing the nuts into diesel oil would have to be provided by a bilateral donor, or some other agency of the Haitian government overseeing this program. But the potential for seeing quick results, and the demonstration effect of a successful project could be a powerful incentive to greater investment.

Support for this project must come from the international community with the collaboration of the Government of Haiti. The Inter-American Development Bank has made it clear that bioenergy is central to the vision that is being projected for the hemisphere. The resources allocated to biofuels should be tapped for pilot projects, technical assistance, and sustainable development models.

The presence of Brazil in the UN Peace Operation in Haiti (MINUSTAH) is affords another great opportunity to begin work on pilot bioenergy projects. No country in the world has garnered as much experience in this agricultural field. And Brazil has already made offers to help Haiti with technical assistance in this area. The convergence of Brazil's willingness to provide assistance, the potential for private sector engagement, and the chance to give Haiti a marketable product that has a national market is too good an opportunity to pass up. The Ecodiesel program that was developed by the Brazilian government could become a model suitable for Haiti, and one that could be easily replicated on Hispaniola.

While figures must be developed for financing and land requirements for a pilot project, it is clear that with the support of the government of Haiti, and President Rene Preval in particular, a bioenergy-based agricultural future could make the difference between survival and security in the case of Haiti.

I cannot underscore the urgency of a bioenergy program for Haiti. If the government of Haiti, working together with the international community makes this priority, the country's landscape can change, its economy can grow, and its relationship with the Dominican Republic improved. It is essential that hope be restored to the

more than 8 million Haitians who are desperately seeking a future. Bioenergy gives Haiti a second chance, and is one that should not be refused by either its leaders or by our own government who seeks to help our Caribbean neighbors.

