

MOVING FORWARD ON HAITI: HOW THE U.S. AND THE INTERNATIONAL COMMUNITY CAN HELP

HEARING BEFORE THE SUBCOMMITTEE ON THE WESTERN HEMISPHERE OF THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED NINTH CONGRESS SECOND SESSION

SEPTEMBER 28, 2006

Serial No. 109-238

Printed for the use of the Committee on International Relations



Available via the World Wide Web: <http://www.internationalrelations.house.gov/>

U.S. GOVERNMENT PRINTING OFFICE

30-144PDF

WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON INTERNATIONAL RELATIONS

HENRY J. HYDE, Illinois, *Chairman*

JAMES A. LEACH, Iowa	TOM LANTOS, California
CHRISTOPHER H. SMITH, New Jersey, <i>Vice Chairman</i>	HOWARD L. BERMAN, California
DAN BURTON, Indiana	GARY L. ACKERMAN, New York
ELTON GALLEGLY, California	ENI F.H. FALEOMAVAEGA, American Samoa
ILEANA ROS-LEHTINEN, Florida	DONALD M. PAYNE, New Jersey
DANA ROHRABACHER, California	SHERROD BROWN, Ohio
EDWARD R. ROYCE, California	BRAD SHERMAN, California
PETER T. KING, New York	ROBERT WEXLER, Florida
STEVE CHABOT, Ohio	ELIOT L. ENGEL, New York
THOMAS G. TANCREDI, Colorado	WILLIAM D. DELAHUNT, Massachusetts
RON PAUL, Texas	GREGORY W. MEEKS, New York
DARRELL ISSA, California	BARBARA LEE, California
JEFF FLAKE, Arizona	JOSEPH CROWLEY, New York
JO ANN DAVIS, Virginia	EARL BLUMENAUER, Oregon
MARK GREEN, Wisconsin	SHELLEY BERKLEY, Nevada
JERRY WELLER, Illinois	GRACE F. NAPOLITANO, California
MIKE PENCE, Indiana	ADAM B. SCHIFF, California
THADDEUS G. McCOTTER, Michigan	DIANE E. WATSON, California
KATHERINE HARRIS, Florida	ADAM SMITH, Washington
JOE WILSON, South Carolina	BETTY MCCOLLUM, Minnesota
JOHN BOOZMAN, Arkansas	BEN CHANDLER, Kentucky
J. GRESHAM BARRETT, South Carolina	DENNIS A. CARDOZA, California
CONNIE MACK, Florida	RUSS CARNAHAN, Missouri
JEFF FORTENBERRY, Nebraska	
MICHAEL MCCAUL, Texas	
TED POE, Texas	

THOMAS E. MOONEY, SR., *Staff Director/General Counsel*

ROBERT R. KING, *Democratic Staff Director*

SUBCOMMITTEE ON THE WESTERN HEMISPHERE

DAN BURTON, Indiana, *Chairman*

RON PAUL, Texas	ELIOT L. ENGEL, New York
JERRY WELLER, Illinois, <i>Vice Chairman</i>	GRACE NAPOLITANO, California
KATHERINE HARRIS, Florida	ENI F.H. FALEOMAVAEGA, American Samoa
JAMES A. LEACH, Iowa	DONALD M. PAYNE, New Jersey
CHRISTOPHER H. SMITH, New Jersey	WILLIAM D. DELAHUNT, Massachusetts
ILEANA ROS-LEHTINEN, Florida	GREGORY W. MEEKS, New York
CONNIE MACK, Florida	BARBARA LEE, California
MICHAEL MCCAUL, Texas	
MARK WALKER, <i>Subcommittee Staff Director</i>	
JASON STEINBAUM, <i>Democratic Professional Staff Member</i>	
BRIAN WANKO, <i>Professional Staff Member</i>	

CONTENTS

	Page
WITNESSES	
Mr. Patrick D. Duddy, Deputy Assistant Secretary, Bureau of Western Hemisphere Affairs, United States Department of State	11
The Honorable Adolfo A. Franco, Assistant Administrator, Bureau for Latin America and the Caribbean, United States Agency for International Development	18
The Honorable Mark L. Schneider, Senior Vice President and Special Adviser on Latin America, International Crisis Group	38
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
The Honorable Dan Burton, a Representative in Congress from the State of Indiana, and Chairman, Subcommittee on the Western Hemisphere: Prepared statement	3
Mr. Patrick D. Duddy: Prepared statement	14
The Honorable Adolfo A. Franco: Prepared statement	20
The Honorable Mark L. Schneider: Prepared statement	41

MOVING FORWARD ON HAITI: HOW THE U.S. AND THE INTERNATIONAL COMMUNITY CAN HELP

THURSDAY, SEPTEMBER 28, 2006

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:15 p.m. in room 2172, Rayburn House Office Building, Hon. Dan Burton (Chairman of the Subcommittee) presiding.

Mr. BURTON. Good afternoon. A quorum being present, the Subcommittee on the Western Hemisphere will come to order. I ask unanimous consent that all Members' and witnesses' written and printed statements be included in the record. Without objection, so ordered.

I ask unanimous consent that all articles, exhibits, and extraneous or tabular material referred to by Members or witnesses be included in the record. Without objection, so ordered.

I ask unanimous consent that any Member who may attend today's hearing be considered a Member of the Subcommittee for purposes of receiving testimony and questioning witnesses after Subcommittee Members have been given the opportunity to do so. Without objection, so ordered.

Today, we convene a hearing on Moving Forward in Haiti and how the United States and international community can help. This fragile country, generally recognized as being the poorest in the Western Hemisphere and one of the poorest in the world, has been through tumultuous times.

In recent decades, it has survived natural disasters that brought hurricane winds and terrible mud slides, taking lives and devastating crops; well-established gangs control city streets and spread fear among the population; economic growth is dismally low, and the people lack the most basic of needs, such as housing, education, and access to health care; and its democracy has been shocked by years of corruption and poor, misguided leadership. Today, Haiti has some forward momentum in its newly elected government, but the situation still remains fragile, and Haiti is clearly at a critical juncture in its path away from poverty.

First, ensuring peace and security for all of her people remains one of Haiti's biggest hurdles. Gangs and crime inhibit the growth of the economy and hinder many aspects of the developmental process. The national police force lacks the basic operating needs and

requires extensive training assistance and equipment for it to function effectively. It is impossible for businesses to take root and to make the economy grow, providing good jobs for the Haitian people, while armed and organized bands of criminals roam neighborhoods unchecked.

Programs aimed at disarming these rogue elements need to be expanded, and a culture of lawfulness needs to be instilled into the minds of the Haitian people. The presence of United Nations peacekeepers has helped stabilize the security situation to some degree. Currently, the MINUSTAH mission is providing 6,700 peacekeeping personnel from more than a dozen countries, and it appears to be helping to provide a more secure and stable environment, build support for the ongoing political process, and promoting and protecting fundamental human rights, but a lot more needs to be done.

In addition to a stabilizing force, Haiti is in dire need of international assistance in a host of areas. For example, Haitian schools lack the proper supplies to effectively teach the children, and the quality of educational instruction in general needs to be dramatically increased at all levels. Furthermore, Haitians have limited access to health care and suffer from many treatable diseases, such as malaria and elephantitis, but they are unable to obtain the proper medication and treatment. The people even lack access to the most basic infrastructure, such as electricity and sanitation.

I am encouraged to see many nongovernmental organizations working in Haiti to help resolve the problems that have been mentioned, as well as many other challenges. Results are being seen in the rebuilding of the infrastructure, agriculture sector, and overall welfare of the people. These are critical steps in the right direction, but NGO resources are limited, and the steps are small. Much more can and needs to be done, and I hope more NGOs will be involved.

The United States, primarily through USAID, is the largest international donor to Haiti. Programs in child survival and health, HIV/AIDS, and improving the rule of law are some of the many areas that the United States is getting involved in, and this Congress, in the last emergency supplemental, provided Haiti with an additional \$5 million in child survival and health funds and \$17.5 million in economic support funds.

In addition, this Committee, in a bipartisan effort supported by many Members of this Subcommittee, recently passed H.R. 611, the Haiti Economic and Infrastructure Reconstruction Act. This bill establishes an entirely new and innovative program designed to recruit and send Haitian-Americans back to the Republic of Haiti to help reclaim their heritage by helping to rebuild the country's economy and its infrastructure. As a proud co-sponsor of the bill, I am working closely with other Subcommittee Members, Members of the Full Committee and leadership to hopefully bring this bill to the Floor by the end of the year and get it passed by the whole House.

The United States is doing its share. The international community also needs to step up and do its part. That is why the Administration is working closely with the United Nations and other donor countries to bring more funding to the table. It is encour-

aging to see other countries, such as Canada, take a large role in helping the people of this struggling nation. In 2004, Canada pledged over \$180 million to Haiti over 2 years, and, so far, they have come through with more than \$130 million of that pledge. In July of this year, international donors pledged another \$750 million to help the people of Haiti.

So the international community is moving in the right direction, but we must stay committed to the Haitian people, and we must ensure that donors follow through on their promises, which does not happen all of the time.

President René Preval was inaugurated in May 2006 after a free and fair election. In the months since taking office, he has tried to build a government that is inclusive of many of the political parties in the country, and it is seen by the people of Haiti and the international community as having really great promise. Municipal elections will take place in November, and it is hoped that this will provide an even larger platform upon which to build a positive future.

There are many challenges still ahead, but I am very optimistic about the future of Haiti, and I am looking forward to hearing the comments of our witnesses on the direction of United States and international policy toward Haiti. Thank you.

[The prepared statement of Mr. Burton follows:]

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

Today, we convene a hearing on Moving Forward in Haiti and how the United States and international community can help. This fragile country, generally recognized as being the poorest country in the Western Hemisphere, has been through tumultuous times. In recent decades, it has survived natural disasters that brought hurricane winds and terrible mudslides, taking lives and devastating crops; well established gangs control city streets and spread fear among the population; economic growth is dismally low and the people lack the most basic of needs, such as housing, education and access to healthcare; and its democracy has been shocked by years of corruption and poor, misguided leadership. Today, Haiti has some forward momentum in its newly elected government, but the situation still remains fragile, and Haiti, is clearly at a critical juncture in its path away from poverty.

First, ensuring peace and security for all of her people remains one of Haiti's biggest hurdles. Gangs and crime inhibit the growth of the economy and hinder many aspects of the development process. The national police force lacks the basic operating needs, and requires extensive training assistance and equipment for it to function effectively. It's impossible for businesses to take root and the economy to grow, providing good jobs for the Haitian people while armed and organized bands of criminals roam neighborhoods unchecked. Programs aimed at disarming these rogue elements need to be expanded and a culture of lawfulness needs to be instilled into the minds of the Haitian people. The presence of United Nations peacekeepers has helped stabilize the security situation to some degree; currently the MINUSTAH mission is providing 6,700 peacekeeping personnel from more than a dozen countries and it appears to be helping to provide a more secure and stable environment, build support for the ongoing political process, and promoting and protecting fundamental human rights; but more needs to be done.

In addition to a stabilizing force, Haiti is in dire need of international assistance in a host of areas. For example, Haitian schools lack the proper supplies to effectively teach the children and the quality of educational instruction in general needs to be dramatically increased at all levels. Furthermore, Haitians have limited access to healthcare and suffer from many treatable diseases, such as malaria and elephantitis, but they are unable to obtain the proper medication and treatment. The people even lack access to the most basic infrastructure such as access to electricity and sanitation.

I am encouraged to see many Non-Governmental Organizations working in Haiti to help resolve the problems I mentioned, as well as many other challenges. Results are being seen in the rebuilding of the infrastructure, agriculture sector, and overall welfare of the people. These are critical steps in the right direction. But NGO resources are limited and the steps are small. Much more can and needs to be done and I hope more NGOs will become involved.

The United States, primarily through USAID, is the largest international donor to Haiti. Programs in Child Survival and Health, HIV/AIDS, and in improving Rule of Law are some of the many areas that the United States is getting involved in. And this Congress, in the last Emergency Supplemental, provided Haiti with an additional \$5 million in Child Survival and Health funds and \$17.5 million in Economic Support Funds. In addition, this Committee, in a bipartisan effort supported by many Members of this Subcommittee, recently passed H.R. 611, the Haiti Economic and Infrastructure Reconstruction Act. This bill establishes an entirely new and innovative program designed to recruit and send Haitian-Americans back to the Republic of Haiti to help reclaim their heritage by helping to rebuild the country's economy and infrastructure. As a proud co-sponsor of the bill I am working closely with other Subcommittee Members, Members of the full Committee and Leadership to hopefully, bring this bill to floor by the end of the year and get it passed by the whole house.

The United States is doing its share. The international community also needs to step up and do its part. That is why the Administration is working closely with the United Nations and other Donor Countries to bring more funding to the table. It is encouraging to see other countries, such as Canada, take a large role in helping the people of this struggling nation. In 2004, Canada pledged over \$180 million to Haiti over two years and so far they have come through with more than \$130 million of that pledge. In July of this year, international donors pledged another \$750 million to help the people of Haiti. So, the international community is moving in the right direction, but we must stay committed to the Haitian people and we must ensure that donors follow through on our promises.

President Rene Preval was inaugurated in May of 2006 after a free and fair election. In the months since taking office, he has tried to build a government that is inclusive of many of the political parties of the country; and it is seen by the people of Haiti and the international community as having great promise. Municipal elections will take place in November and it is hoped that this will provide an even larger platform upon which to build a positive future. There are many challenges still ahead but I am very optimistic about the future of Haiti and I am looking forward to hearing the comments of our witnesses on the direction of U.S. and international policy towards Haiti. Thank you.

Mr. BURTON. Mr. Franco, you ought to buy a cot and just stay in this chamber. I see you every time we have a hearing. I know you worked here at one time. Do you just miss this place or what?

Mr. FRANCO. It is always home here. You know that, Mr. Chairman.

Mr. BURTON. Okay. Well, I will take that. That is good.

And, Mr. Duddy, we really appreciate you being here. We know the Deputy Secretary of State could not be here, so we really appreciate you being here in his place.

Before we get to you, however, I would like to let my Ranking Member, Mr. Engel, who is a good friend and does a great job say a few words.

Mr. ENGEL. Thank you very much, Mr. Chairman. Mr. Chairman, colleagues, and friends, before I turn to this afternoon's hearing, I note that today marks the last Western Hemisphere Subcommittee hearing of the congressional session, so I want to extend my sincere thanks and appreciation to Chairman Burton, with whom I have enjoyed working so closely this past year.

I truly appreciate the gracious and fair manner in which the Chairman has run the Subcommittee, and it has been a distinct personal pleasure to collaborate with him on so many important and ambitious legislative efforts.

In that vein, I would like to extend my deepest appreciation and gratitude for his agreeing to hold today's hearing on Haiti. I also want, on a personal note, to congratulate Chairman Burton on his recent marriage. I know, if you notice, he is smiling a lot these days and has a much better look. I think his wife has already made a better man out of him.

Mr. BURTON. I am working out more and losing weight, all that good stuff, and if you saw her, guys, you would know why.

Mr. ENGEL. He has a picture, in case you would like to see.

I want to also thank my fellow Subcommittee colleagues for their efforts to raise the profile of the Western Hemisphere region and help ensure that its numerous pressing issues receive the attention they deserve. It has been an honor and a pleasure to serve alongside you this year as Ranking Member.

Finally, tomorrow is the last day for my legislative fellow, Lisa Kaplan. Lisa came on board just as I assumed the Ranking Member position of this Subcommittee, and since then she has been a great help to me as I prepare for hearings and meetings related to the hemisphere. I extend my sincere gratitude to Lisa for her excellent work and professionalism, and I want to also offer my best wishes to Lisa, who has some major changes coming in her life.

Lisa is returning to the State Department, where she is assuming the position of deputy director at the Office of the Special Envoy for Anti-Semitism. As anti-Semitism rears its ugly head, that is a very important endeavor.

More importantly, she recently became engaged to our colleague, Brad Sherman, and they will be married later this year. So I would like to extend to Brad and Lisa my best wishes for their life together.

So we have lots of good things happening in this Subcommittee.

Now, as we begin our last Western Hemisphere hearing of the year, let me say that I cannot think of a country or subject more deserving of Congress's full and sustained attention than our neighbor, Haiti. Friends, I am proud to share that Haiti has, and continues to be, a primary and key focus of mine in the region.

As we all recall, earlier this year, after a history of instability, poverty, and democratic setbacks, Haitians poured onto the streets of their country to cast their votes, demonstrating a desire for a better future. After a contested vote counting period, the front runner in the Presidential election, René Preval, was declared the winner, with a wide margin of victory over his closest contender.

Such a large victory gave Preval a strong mandate and legitimacy to reform and rebuild Haiti's institutions and fractured society; yet with the same massive, underlying problems still plaguing Haiti, the challenges remain vast. Now is the time for the United States to demonstrate tangibly that it stands with the Haitian people in their quest for democracy and stability, and I have worked steadfastly this year to ensure that Haiti gets the support that it needs and deserves.

Just to recap, since elections signaled the beginning of a transition, not an end, immediately after Preval's election, together with Chairman Burton and other Subcommittee colleagues, I sought Fiscal Year 2006 supplemental assistance for Haiti. Through our bipartisan efforts this year, the Congress provided an additional

\$22.5 million for Haiti, and I have been proud to support colleagues on both sides of the aisle, on this Subcommittee and off, who seek resources, policies, and programs to help Haiti.

Friends, Haiti deserves the kind of bipartisan, unwavering congressional support that we demonstrated this past year, and it is important that we sustain our commitment. At this time of broad agreement, let us continue to do all we can to help Haiti rebuild its social fabric, end the violence and gang brutality, develop its economy, and educate and care for its people.

I congratulate the Haitian people on their successful elections earlier this year. I had hoped to attend the inauguration of President René Preval to extend the best wishes of the United States Congress but was unable. As Ms. Lee and I have discussed many times, it was difficult to do it on Mother's Day.

So I am, therefore, pleased to announce that I will be leading a codel to Haiti, as well as the Dominican Republic and, hopefully, Jamaica, between December 8th and 13th, and I warmly invite both my Democratic and Republican colleagues to join me.

But, working together, much more needs to be done for Haiti. The Haitian education system is failing the young people of Haiti. Like all other countries, Haiti's future rests with its youth. The world needs to find a way to help the Haitian educational system.

There is an environmental crisis in Haiti: Deforestation. According to the Associated Press, more than 90 percent of Haitian trees have been cut down for fuel, heating, and other purposes, destabilizing the soil and hillsides around the country. I would like to know what is being done to deal with this problem.

Security remains a continuing serious problem. From gangs to inadequate numbers of fully vetted and trained police, Haitians are dealing with the dangerous consequences on a daily basis. I know the international community in the United States is trying to reconstitute the Haitian police. I would like to know today if our efforts are succeeding, if we have the resources we need to address the challenge, and if there is anything we can do to move faster.

I have heard so many times that Haitian political leaders and parties often talk past one another. Haiti needs leaders who will recognize the enormity of the crisis which has befallen the country. Common ground must be reached to repair the social breach in Haiti's social fabric. It is my understanding that President Preval has been reaching out across the Haitian political spectrum to build new bridges. If this continues to be the case, he has my full support, and the U.S. should do whatever we can to facilitate his outreach. I look forward to our witnesses' comments on the work of the Preval Government.

We must all seize the moment to help Haiti address its numerous, pressing needs. Thus, today, I am interested in hearing what the Administration is doing to work with the citizens of Haiti, their newly elected government, and the international community to help Haiti advance on its path of freedom and prosperity. Among my many questions, I am curious to learn about the Administration's efforts to help Haiti move beyond the chaos and despair of the past, including by protecting human rights, combatting poverty, and attracting investment.

As someone who proudly represents one of the largest Haitian communities in the United States, I am always 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 toward peace, prosperity, security, and stability.

After all, the Haitian people in government have the ultimate responsibility for ensuring their future. We have a duty to assist in every aspect of Haiti's political, economic, and social state-building tasks. Moreover, given Haiti's proximity to our borders, we have an additional interest in doing so.

So I thank you again, Mr. Chairman, for holding today's Haiti hearing, and I look forward to the testimony.

Mr. BURTON. Thank you very much, Mr. Engel. You have been a good friend, and congratulations from the Republican side as well. We wish you well over there. When are you getting married? When is the date? December 3rd. Well, Merry Christmas.

Let us see. Do any of our other colleagues have any opening statements they would like to make? Mr. Meeks? Anybody? Mr. Delahunt, the "Silver Fox"? Anyone? Mr. Meeks?

Mr. MEEKS. Thank you, Mr. Chairman. I want to thank both you and the Ranking Member, Mr. Engel, for having this hearing. As we are about to go on break, there is no more important issue which we could deal with in the Western Hemisphere than dealing with Haiti. I want to thank our two witnesses, who, I know, have been focused on this area, and with whom we have been working closely together and would like to continue working with and await your testimony on moving forward in Haiti.

I acknowledge in the audience a good friend of mine, who has been, from the time that I have known him, working and caring about Haiti and fighting and making sacrifices, his own personal sacrifices, and that is Ron Daniels, who is here, a strong supporter of Haiti for a long time who recognizes the fact that Haiti was the first free black republic in the world, at least in the Western Hemisphere, and recently celebrated its 200 years of independence just 2 years ago.

The international community has been doing a number of things, and sometimes it has been with the best of intentions, but everything has not worked. Haiti needs so much that, number one, it cannot be just for the short term; it has to be for the long term. We have got to think of new ways of getting things done.

I am a big proponent of the bill that my colleague, Maxine Waters, passed to make sure that, in fact, Haiti received a cancellation of its debt. I am for that, and we need to make sure that the cancellation of Haiti's debt occurs so they could do certain important things.

But I want to take another step, and I think it is important because I had a hearing in my district, a meeting with a number of individuals, about remittances, and remittances is a real form of income for many of the Haitians in Haiti, but yet it does not count as income.

Now, why is this important? In my estimation, it is important because when we try to really economically redevelop a country, you

have to do that also from within, and so as people want to become entrepreneurs and open up businesses, they need to have credit.

Well, they cannot have any credit if there is no income, but if, in fact, the remittances count as income, then individuals who might ordinarily have not been eligible for credit, are eligible to get the kind of credit that is necessary so that they can open their businesses and do certain things from within to begin to help themselves. It is about what we call in many of the states “developing wealth,” and this is a mechanism that we need to utilize in order to develop that wealth.

I was in hopes that this week we would have passed the HOPE bill. It looked like it was going to hit the Floor this week, but it did not. But we need the HOPE bill.

I know that there is a number of individuals in my district who are Haitians who have descended from Haiti and would love to come back to Haiti to utilize their expertise to help with the Haiti Economic Infrastructure Reconstruction Act. I have heard this act is controversial, but I think that is absolutely key and important also because it would give individuals an opportunity to educate Haitians further how to run a fair judiciary, creating institutions, police department; how to rebuild and pave and maintain roads to provide access to rural and urban areas and for health clinics.

This is really beginning to connect the whole country together, and that is what it needs. This country is divided up. So it needs expertise, not only from the international community in general but from many individuals who have come to America or other places, Canada, et cetera, who are willing to go back and give that expertise to make a difference.

I think that we need to do that and everything that we can to strengthen the Preval Government. I think that that would make a difference, and it has got to be a commitment that is not for 1 year, not for 5 years, not for 10 years, but we are talking about 20–25 years, so we are talking about a real marriage—no dating here—a marriage that is really embedded. No divorces can be allowed. This is a lifetime marriage we have to make. I yield back, Mr. Chair.

Mr. BURTON. It seems like marriage is a major topic of discussion today in one form or another.

Mr. MEEKS. Love is in the air.

Mr. BURTON. Love is in the air. Mr. Delahunt?

Mr. DELAHUNT. Thank you, Mr. Chairman. I will restate, in my own words, what everyone else has already said.

First, congratulations, Mr. Chairman. You have been an extraordinarily fair and patient Chair of the Western Hemisphere Subcommittee.

Mr. BURTON. Thank you.

Mr. DELAHUNT. It has been enjoyable and, I think, productive working for you, and that same kudos is extended to the Ranking Member, Eliot Engel.

You know, I spent an awful lot of time in Haiti in my first 4 or 5 years. I really had no hope, even with the elections coming. I only have a little now, but I have some, and there have been some changes, not just changes in Haiti but changes here in Washington, where we, meaning Democrats and Republicans, are not at odds,

where there is no particular sponsorship of any faction, and that is as a result of your leadership.

We have come together, and we have unequivocally stated that we will support the Preval Government and keep at a distance those who would factionalize Haiti, and I am speaking about Haitians. I think that has been an extraordinary legacy on your part.

I would also want to commend the Administration. Both of you, Mr. Shannon, Mr. Duddy, and my good friend, Mr. Franco, have done also yeoman service. We have a long, long way to go. I think there are two key words that I heard that might have been from the Ranking Member, and it was echoed by Greg Meeks, about sustained and substantial commitment. It is not just a year or 5 years; it is maybe more than 10. But I think we have a moral imperative to make that sustained and substantial commitment because, as you know quite well, the Haitian people are a beautiful people. They deserve so much more.

I also want to congratulate the United Nations and the Department of State working with the United Nations. That force is absolutely essential to maintain security so that the other initiatives that hopefully will create a society and not a failed state will prevail and will be successful.

So, again, I am not euphoric, but I have some hope. I will work at it, and we pledge our cooperation. Thank you.

Mr. BURTON. Thank you, Mr. Delahunt. You know, both you and Mr. Meeks and I have worked together on some other issues, and I will tell you that I really believe that the Caribbean, the entire Caribbean, but especially Haiti, has issues that need to be resolved or, at least, helped a great deal in the years to come. So no matter if we are all on the same Subcommittee after this political year or not, I will work with you to try to help solve some of these problems. Mr. Meek?

Mr. MEEK. Thank you, Mr. Chairman. I want to thank you and the Ranking Member for having this hearing, and I want to thank you for welcoming me to this hearing today.

I can tell you that, hearing the opening comments of my colleagues and also speaking with some of the Members of the Ways and Means Committee and speaking with some of our senators in a bipartisan way, whether it be Senator Dewyne of Ohio or Senator Kennedy, who comes from the same state as Mr. Delahunt, or Senator Nelson in Florida or Senator Martinez in Florida or individuals that are in the White House that deal with the issues of the Western Hemisphere and Haiti or, as I spoke with Secretary Rice today earlier this morning regarding the issue of the HERO bill being basically, as Congressman Meeks said earlier, we thought the bill was going to drop this week; we just did not know it was going to drop through the floor.

We have been told now that this economic bill is a desperate need right now, to help Haiti's economy and to help people get back to work because of the kind of thuggery that we are seeing now, especially in Port-au-Prince and in Ganoese and Cap Haitian. The guys and the gals that are running illegal activity through the southern claw of Haiti are winning right now, and we are allowing them to win.

Being a Member of the Armed Services Committee, I can tell you, I have traveled across the world to talk to the Netherlands about going to Afghanistan to assist in the effort against terrorism there. I do not see the same availability of travel or assistance or forward lean of seeing happening for Haiti. Like many of us up here, we represent a number of Haitian-Americans that are very concerned about their loved ones in Haiti.

I would hope, today, some of the testimony that we hear would help us help some individuals understand, within the halls of Congress, that we need a greater push, to not just talk about it but actually do it. I have watched HERO and HOPE, those two bills, die two sessions in a row of individuals that are saying, ready, set, go.

I watched CAFTA get a rose garden press conference, and folks running around here from Government Affairs, from the State Department and other agencies, knocking on doors, getting people to vote for the DR CAFTA when I know full well, by voting for DR CAFTA, it was going to suck jobs out of Haiti, hundreds and thousands of jobs.

Mr. Chairman, as I close, it happens every day in the City of Watermen. Haitians go across the Dominican Republic to work for companies that are there that have subsidies to be there, and they ran back over, and they have to pay a poll tax every time they pass by.

So I think it is important that we look at these issues. Secretary Rice told me this morning that we need to help call other countries to get them to pay what they said they would pay as it relates to Haiti's Government through the UN. I asked to follow up with her and her staff, and I will make the phone calls and write the letters.

Mr. Chairman, I am glad to be here and looking forward to the testimony. Thank you for allowing me to speak.

Mr. BURTON. Thank you, Mr. Meek.

Mr. Fortenberry, I am sorry. I missed you a while ago. It is not because you are not young and good looking and nice; I screwed up. Mr. Fortenberry.

Mr. FORTENBERRY. Very well said. I appreciate the opportunity to be here. Thank you so much for letting me sit in on your Subcommittee, even though I am not a Member.

I did want to add one thing briefly. I am a Member of the House Democracy Assistance Commission, and it is a bipartisan effort to assist countries around the world who are in the midst of reform or who have previously had parliamentary structures of government, principles of self-determination, if you will, and who are either reviving those or forming them for the first time.

Haiti is one of the 11 countries that we have chosen to try to give technical assistance to. As you all know, the concept of democratization and the concept of civil institutions takes a lot of infrastructure, and so I am very pleased that the Commission, the bipartisan Commission, has chosen Haiti because of all the reasons that have been given here.

There is a complex history there. It is a scandal in many ways to us that this country that is so proximate to us has been subjected to so much complex history, all the while mired in abject poverty and the suffering that comes about because of that. I do

not have any Haitian people, per se, in my district, yet, at the same time, I have always had a heartfelt concern about his particular country, and I want to commend you and the rest of the Subcommittee for bringing, in an ongoing fashion, attention to the needs there.

But I did simply want to add that, on the other side of the Congress, just a few minutes ago, we concluded our meeting and our assessment of our ability to provide some technical assistance to Haiti, and we are proceeding in that direction.

Thank you so much, Mr. Chairman, for letting me sit on the panel today.

Mr. BURTON. Thank you, Mr. Fortenberry.

Let me just say to all of my colleagues on the Subcommittee that it is nice that you all made these statements today because the people that are going to be helping make the decisions are sitting here in front of us, and I think it is important that they are getting a bipartisan message that we think Haiti should be a priority.

You know, Haiti is at the crossroads right now, and I will tell you, after having been Chairman of this Committee for a long time before and now, the problems in South America and the Caribbean are going to expand dramatically if we do not really pay more attention to them. I understand the problems on the other side of the world are very important, and I support the President and the Administration on what we are doing, but I will tell you, we ignore Central and South America and the Caribbean at our own peril.

I am telling you that right now. I cannot say that more forcefully. We really need to pay attention to what is going on in Central America, South America, and the Caribbean because if we do not, the void is going to be filled by people that we do not want to fill it. I can see it coming. I know all of my colleagues feel the same way. We have been down there, and I know you guys did as well, but that message has to get through loud and clear to the leadership in the Administration.

With that, Mr. Duddy and Mr. Franco, if you would stand so I can swear you in.

[Witnesses sworn.]

Mr. BURTON. Mr. Duddy, I guess we will start with you. Mr. Franco has been here so often, you know, we will just let you take off first this time.

TESTIMONY OF MR. PATRICK D. DUDDY, DEPUTY ASSISTANT SECRETARY, BUREAU OF WESTERN HEMISPHERE AFFAIRS, UNITED STATES DEPARTMENT OF STATE

Mr. DUDDY. Thank you very much, Mr. Chairman. Mr. Chairman, Assistant Secretary Shannon regrets that he could not be here himself to do this hearing and sends his best regards. I would also note that I have a long and more detailed statement, which I would like to submit to the Committee for the record.

Mr. BURTON. Without objection.

Mr. DUDDY. Mr. Chairman, Members of the Subcommittee, thank you for this opportunity to discuss moving forward in Haiti. The United States and our international partners have made major strides over the last 2 years to help the Haitian people create a

more stable, prosperous, and democratic nation. However, as you have all emphasized, much work remains ahead.

The United States will continue its intense engagement with the Haitian Government and with our partners in the region and around the world to help Haiti break its cycle of poverty, violence, and political impasse. U.S. assistance continues to strengthen governance and the rule of law, improve security, foster economic growth, and address humanitarian needs. We have taken innovative approaches to Haiti's problems, targeting conflictive communities, such as Port-au-Prince's Cité Soleil neighborhood, with over \$13 million in assistance over the last 2 years.

The Department of State is increasing staffing at our Embassy under the Secretary's Diplomatic Repositioning Initiative, creating four new positions that will utilize the full range of United States Government programs to improve Haitian governance and promote stability in Haiti's most conflict-ridden areas. The President requested \$198 million in his Fiscal Year 2007 budget submission. This follows assistance of over \$600 million between the years 2004 and 2006.

The United States has leveraged that assistance with funds from our international partners that brings total aid pledged to Haiti between 2004 and June 2007 to approximately \$2 billion. Through vigorous diplomatic efforts, we successfully encouraged streamlined disbursements from the European Union and World Bank, and that has helped assistance reach the people of Haiti more quickly.

The United States continues to coordinate closely with other nations in the Western Hemisphere, the European Union, and beyond. Under Secretary of State Burns led a meeting of key troop contributors and donors last week, and that meeting focused on their efforts on supporting the Haitian Government's priorities in security, democracy, and development. In late November, key donors will meet again in Madrid with the Haitian Government.

The United States will help to complete Haiti's democratic transition by providing \$4 million to assist with municipal, local, and the remaining parliamentary elections scheduled for December 3rd. These elections will give the Haitian people truly responsive, local governance for the first time in 5 years.

United States assistance focuses on improving the administration of justice, developing the Haitian National Police, known as the "HNP", reducing the high rate of pretrial detention; and improving conditions in Haiti's overcrowded prisons. The U.S. values the ongoing efforts of HNP Director General Mario Andresol to professionalize and grow the HNP.

The Director General himself volunteered for vetting under UN auspices on September 26 to set an example for the integrity of the institution.

Mr. Chairman, the release of high-profile detainees, like former Prime Minister Yvon Neptune, represents progress on the human rights front, yet much remains to be done there, too. The United States will work with the Government of Haiti to strengthen judicial independence, build an equitable justice system, and promote human rights.

Security, however, remains Haiti's most significant challenge. Beginning in September, the HMP and MINUSTAH have stepped

up their efforts to confront and disarm criminal gangs by increasing patrols and checkpoints in critical areas. The United States will continue to help the Government of Haiti bring its vision of an improved security environment to fruition; that is, a country freed from the scourge of criminal gangs through robust police development and close coordination with the United Nations and other donors.

President Preval and a majority of the Haitian people strongly support MINUSTAH's presence in Haiti. The Haitian Government has asked that the peacekeeping mission remain in the country until the HNP can provide security on its own. As security improves, and the HNP grows in its abilities, MINUSTAH will transition to more UN police and fewer troops. That will be a long process, however, with MINUSTAH likely needed in Haiti for at least the remainder of the Preval administration.

Mr. Chairman, MINUSTAH's composition evidences strong regional support for this mission. Twelve of our Western Hemisphere neighbors contribute troops or police. Special Representative Edmond Mulet of Guatemala provides excellent leadership, and a Brazilian general commands MINUSTAH's military forces. The U.S. contributes police but not military units.

The fifth anniversary of the Inter-American Democratic Charter witnesses growing interest in, and capacity for, regional cooperation. The Western Hemisphere countries have assumed significant responsibility in supporting Haiti's return to stable democracy.

With strong United States support, Haiti's reintegration into CARICOM will allow Haiti to benefit from the support of its closest neighbors. The United States and CARICOM have begun joint efforts to provide technical training to Haitian parliamentarians and support trade capacity building within the Haitian Government.

Haiti's future also depends upon the long-term commitment and robust support of the international community. In this effort, the State Department's Office of the Coordinator for Reconstruction and Stabilization has been engaged on several fronts, from leading strategic and contingency planning, to providing sectoral expertise, to sharpening international cooperation with the Haiti Core Group at the UN.

An August 2005 contingency-planning exercise on election and security issues, for instance, galvanized key international partners to help overcome obstacles to the successful election earlier this year.

Even with this strong international commitment, Haiti's needs remain formidable. Haiti is the least-developed country in the Western Hemisphere and one of the poorest in the world. Economic disparity is acute, but we have begun to see a number of positive developments. In 2005, the economy grew by 1.5 percent. GDP growth is projected to reach 2.5 percent this year. Also, inflation continues to decline. The United States welcomes the Haitian Government's efforts to increase revenues, successfully closing its Fiscal Year 2006 budget deficit.

President Preval's efforts to reach across historic divides and to consult with political rivals, the business community, and others constitutes one of the most constructive developments on the Haitian political landscape in decades, and the United States encour-

ages the Government of Haiti to advance national reconciliation efforts country-wide.

The United States and the international community still face major challenges in our efforts to bring lasting stability and meaningful economic development to Haiti.

First, MINUSTAH has to make a transition. Initially, its purpose was to maintain order and create an environment in which elections could take place. MINUSTAH succeeded in this task. Now MINUSTAH's purpose must be to create a security environment that facilitates Haiti's development.

Second, international donors, especially the multilateral development banks, cannot treat Haiti in a business-as-usual way. We need to look for ways to accelerate disbursements and achieve short-term impact.

Finally, we have to look for creative ways to attract private investment and create jobs in Haiti. Building a peaceful, democratic, and prosperous Haiti will require years of intense effort. Sustained United States engagement and robust assistance will provide a realistic and achievable opportunity for Haiti to become a permanent member of the community of democratic nations. Thank you, Mr. Chairman.

[The prepared statement of Mr. Duddy follows:]

PREPARED STATEMENT OF MR. PATRICK D. DUDDY, DEPUTY ASSISTANT SECRETARY,
BUREAU OF WESTERN HEMISPHERE AFFAIRS, UNITED STATES DEPARTMENT OF STATE

Mr. Chairman, members of the Subcommittee, the United States and Haiti are neighbors and friends, the two oldest republics in the hemisphere. Our important links to Haiti have been forged by history and geography and tempered by the cordial bonds of family and friendship.

Mr. Chairman, the United States is not alone in its perception of Haiti's regional importance. Our friends and partners in the Western Hemisphere, in the Europe Union and beyond coordinate closely with the United States in an interdependent, international effort to secure a stable, democratic future for Haiti. The United Nations Stabilization Mission in Haiti (MINUSTAH) military forces are under the command of a Brazilian general. Twelve of our Western Hemisphere neighbors contribute troops or police to MINUSTAH, an outstanding example of growing regional interest in, and capacity for, mutually beneficial cooperation.

The United States also remains Haiti's largest bilateral assistance donor, allocating over \$600 million between 2004 and 2006. The President requested \$198 million in assistance for Haiti in his Fiscal Year 2007 budget submission. Haiti is one of two countries in the Western Hemisphere receiving funding under the President's Emergency Plan for AIDS Relief (PEPFAR). The U.S. financial contribution to MINUSTAH amounted to \$120 million in FY 2006. While neither leading nor contributing military units to the United Nations mission, the U.S. remains the driving force in Haiti's transition to democracy.

Ninety-one direct-hire Americans work in Embassy Port-au-Prince, spread throughout eight facilities and representing nine U.S. Government agencies. Under the leadership of U.S. Ambassador Janet Sanderson, they are a highly talented and dedicated team, who work under difficult circumstances to support U.S. interests in Haiti.

Mr. Chairman, on February 7, with the support of the U.S. and their other friends, Haitians went to the polls and voted for presidential and parliamentary candidates in what independent observers noted was a free, fair and inclusive election. The United States provided approximately \$30 million for transparent administration of the national elections, as well for support for political parties, voter education, civil society and local media.

The United States welcomed the reestablishment of constitutional government in Haiti as a major step forward towards long-term stability and the rule of law. The efforts of the Haitian Provisional Electoral Commission (CEP) and its Director General, Jacques Bernard, in these successful national elections deserve recognition. The United States also welcomes the CEP's strong leadership as Haiti prepares for

its next round of elections. This is a clear indication of Haiti's increased capacity to manage its restored democracy.

As a result of this substantial progress, Haiti, with the cooperation of its friends in the international community, has a promising opportunity to secure a brighter future for its people.

Mr. Chairman, the United States works closely with President Préval and the government of Prime Minister Alexis to assist in consolidating Haiti's democracy. The Government of Haiti is making headway on the many obstacles to stability and development.

Haiti must bring its democratic transition to a close by completing the cycle of elections. The United States expects the Government of Haiti to hold remaining elections as soon as practicable, certainly no later than this winter. Holding municipal and local elections is the next critical step to bring the benefits of democracy to the people in the places where they live. These elections will also establish key parts of the judiciary and the Permanent Electoral Council.

The United States has provided an additional \$4 million to assist with administration of this last set of elections. The United States will do all it can to preserve the gains of these elections by supporting the establishment of a permanent CEP to manage future elections once this last balloting cycle ends. The U.S. welcomes past efforts of the Organization of American States's Special Mission to Haiti to register voters and its continued activities aimed at establishing a modernized civil registry.

Mr. Chairman, I am pleased to note that there has been progress on human rights in Haiti, especially in the area of high-profile detentions. In January of this year, long-time detainee Father Gerard Jean-Juste was released from detention to seek medical attention in the United States. In July, former Haitian Prime Minister Yvon Neptune was also released from over two years in prison. In addition, on August 15, a judge released from pre-trial detention Lavalas party supporters Annette "So-Ann" Auguste, George Honoré, Paul Raymond, and Yvon "ZapZap" Antoine. Yet, despite the progress Haiti is making, much remains to be done.

Respect and protection of human rights in Haiti remains a serious challenge. The United States is addressing a lack of capacity and issues of integrity within the law enforcement and judicial sectors by focusing on improving the administration of justice in Haiti, developing the Haitian National Police, reducing the high-rate of pre-trial detention, and working with international donor's to improve the deplorable conditions of Haiti's over crowded prisons.

The United States has provided advisors to key government ministries. To improve the justice system, the U.S. has trained 800 judges, prosecutors, and clerks. The U.S. also works with local organizations to promote civic education and the growth of civil society.

Mr. Chairman, security remains the most significant challenge to Haiti's development and stability. The rampant criminality and kidnappings that currently plague Port-au-Prince inhibit economic growth and are a disincentive to investment. This current security climate threatens the stability of the country, and limits the ability of the Haitian government and the international community to direct assistance to Haiti's most desperate areas, such as Port au Prince's sprawling Cite Soleil slum.

I am pleased to report that, in recent weeks, the Haitian National Police and MINUSTAH's international military and police units, under the direction of the Haitian government, have stepped up their efforts to confront and disarm criminal gangs, increasing patrols and check points in critical areas. The United States fully supports the efforts of President Préval and Prime Minister Alexis to address Haiti's gang problem aggressively and decisively.

Haiti's development and future prosperity can only be achieved in a stable and secure environment. In order to help establish that environment, since 2004 the United States has committed over \$39 million in essential equipment and training assistance to the Haitian National Police, including support of human rights vetting, training and equipment for new recruits, upgrades to eight model police stations throughout Haiti, humanitarian and security improvements to several detention facilities, and technical assistance to promote ethics and accountability within the organization. The U.S. urges other countries to join us in this effort. U.S. funding also supports a 50-officer contribution to MINUSTAH's UN police mission. To date, over 1,500 new recruits have graduated from the restarted police academy, and almost 1,000 existing HNP officers have received refresher law enforcement and human rights training. In addition, the U.S. has provided training and equipment to the counter drug unit of the Haitian National Police and renovated Haitian Coast Guard bases at Killick and Cap Haitien.

The United States applauds the efforts of HNP Director General Mario Andresol to improve the quality of performance of the HNP. Since his arrival in August 2005,

he has actively fought to weed out corruption within the organization and even arrested members of the HNP, included several high-level individuals, allegedly involved in arbitrary murders of civilians. The U.S. welcomes the new government's decision to retain Andresol as Director General of the HNP. The government's support for increased professionalism in the HNP bodes well for the continued reform of this key public security force.

In addition to our police assistance programs, Under Secretary of State Joseph recently approved the modification of our arms embargo to allow licensing for the commercial sale of weapons and other restricted items to the Haitian government. This decision was made after careful consideration and recognizes Haiti's return to elected democracy and the new government's efforts to promote security and stability throughout the country. This will also facilitate MINUSTAH's ability to perform its security functions and support the legitimate law enforcement needs of the HNP.

Mr. Chairman, on the 5th anniversary of the Inter-American Democratic charter, Western Hemisphere countries are taking significant responsibility in supporting Haiti's return to stable democracy.

This is particularly evident in MINUSTAH where special representative Edmond Mulet of Guatemala is demonstrating excellent leadership, as did his Chilean predecessor Juan Gabriel Valdes. Brazil and Canada are providing strong leadership to MINUSTAH's troops and police contingents. Western hemispheric countries make up almost 50% of the almost 9,000 MINUSTAH troops and civilian police.

On August 15, the United Nations Security Council renewed MINUSTAH's mandate for six months, with the intention of future renewals. MINUSTAH's mandate underscores the mission's responsibility to coordinate with the government in countering crime and violence, particularly in urban areas. MINUSTAH has the tools necessary to support the Haitian government's efforts to tackle crime and gang activity, and to restore order to Cite Soleil and other gang-controlled areas.

The Government of Haiti is coordinating in a program of disarmament, demobilization and reintegration for gang members and has appointed a commission to oversee the program. The government seeks to encourage 1,000 rank and file gang members to put down their weapons using employment and assistance incentives, and to bring to justice those gang-members with outstanding warrants.

Mr. Chairman, the U.S. and our international partners have demonstrated a strong commitment to Haiti's short- and long-term development. Working in partnership with the Haitian government, the U.S. has a two-pronged strategy to transform Haiti into a more stable, prosperous and democratic nation. This strategy includes both high-impact programs that provide immediate, tangible benefits for Haiti's most vulnerable segments of society, coupled with long-term support and technical assistance for security, institution building, democratization, social services, and economic development. Many of these objectives will require a long-term commitment by the international community as well as the Haitian government. There are no easy fixes. Continued external assistance, with the U.S. as a lead donor, is critical to achieve real and sustainable development.

In July of this year, the U.S. and its international partners met in Port-au-Prince to discuss development strategy with the Haitian government. The U.S. pledged \$210 million out of a total international pledge of \$750 million for the period July 2006 through June 2007. The next International Conference on Haiti's Economic and Social Development will be held on November 30, 2006 in Madrid. The July pledging conference was significant in that, unlike recent pledging conferences, Haiti now has a democratically elected President and a constitutionally formed government. The donor coordination process has been formalized within Haiti's Interim Cooperation Framework, which has recently been extended to September 2007. The U.S., through USAID, has been playing a lead role in this process to ensure that assistance is used effectively and expeditiously.

The U.S. is committed to improving the lives of average Haitians. In fiscal years 2004 and 2005, the U.S. allocated over \$385 million for improving governance, security, the rule of law, economic recovery, and critical human needs. With the addition of over \$224 million estimated for FY 2006, total U.S. assistance to Haiti is expected to be approximately \$609 million for the three-year period. As noted, the President's budget request for FY 2007 includes over \$198 million for Haiti.

U.S. Government assistance is used to foster broad-based economic recovery in Haiti and address the critical humanitarian needs. A few programmatic highlights:

- *Economic growth:* U.S. Government programs have distributed more than 200,000 loans to small and micro enterprises; provided \$24 million to support electricity generation; and created over 200,000 short-term jobs.
- *Urban Initiatives:* The U.S. Government-funded urban peace building initiative promotes peace in troubled neighborhoods by providing short-term job op-

portunities focused on infrastructure repair and implementing educational and health programs.

- *Health:* The U.S. Government provides healthcare services to 40% of the Haitian population nationwide. More than 2 million infants have been vaccinated. Approximately \$55 million has been approved for FY2006 under the President's Emergency Plan for AIDS Relief (PEPFAR), a \$5 million increase over 2005. Through PEPFAR, an estimated 4,300 individuals have begun anti-retroviral therapy.
- *Food Aid and Disaster Relief:* The food assistance program has distributed 34,000 metric tons of emergency food relief, equivalent to 850,000 food rations. Responding to the devastation of Tropical Storm Jeanne in 2004, a \$34 million program repaired homes, schools, and other public buildings.
- *Education:* U.S. Government-funded programs are improving education at 450 primary schools; 150,000 children and youth have benefited from education programs.

Mr. Chairman, even with this strong U.S. and international commitment, Haiti's needs remain enormous. Haiti will require long-term external support even with the implementation of governance reforms, security, and a stable and democratic government.

Haiti is the least-developed country in the Western Hemisphere and one of the poorest in the world. Economic disparity is acute: more than 80% of its 8.5 million inhabitants live below the poverty level while 1% of the population controls 50% of wealth. Social and economic indicators have worsened over the last 20 years, while population growth has been dramatic. The economy remains fragile and dependent on foreign assistance and remittances.

In spite of these enormous challenges, there are a number of positive developments. After almost 4 years of recession ending in 2004, the economy grew by 1.5% in 2005. GDP growth is projected to reach 2.5% in 2006, though a significant improvement in living standards would require a doubling of the growth rate. Since 2004, the financial situation has also stabilized, though it remains extremely fragile. Inflation has fallen from 42.7% at end-2003 to 15% by end September 2005, and is declining further. Persistent high oil prices put at risk the 10% inflation target for FY06. President Préval has continued the Interim Government of Haiti's largely sound fiscal policy.

With U.S. assistance, through the U.S. Department of Treasury, the Haitian government has begun to increase its traditionally low revenue collection rate, which has previously constrained its ability to provide social services and invest in physical and human capital. In particular, the U.S. welcomes the government's successful efforts to increase its revenue collection. As a result, the Government of Haiti appears to have closed a budget deficit that had been projected for fiscal year 2006.

The IMF recently announced that Haiti is eligible for debt relief under the enhanced HIPC (Highly Indebted Poor Countries) Initiative. Debt relief would free critically needed resources for other developmental and humanitarian priorities. The U.S. is Haiti's largest trade partner. In 2005, U.S./Haitian bilateral trade totaled over \$1.1 billion. And strong potential exist to expand our commercial relationship. Within the Caribbean region, Haiti was welcomed back as a full member of CARICOM in July.

One of Haiti's most urgent needs is large-scale job generation. In addition to funding short-term employment, U.S. activities are working to increase the productivity and incomes of small agricultural producers, and extending credit and financial services to artisans, small businesses, and micro entrepreneurs. Yet, Haiti will not be able to attract critically needed private investment to create jobs unless security is improved. Investors, as well as donors, need an environment that enables, not hinders, development. A strong and sustained commitment by the international community, with the U.S. in the lead, will provide Haiti with the necessary resources to enhance security and build institutions that are so essential for creating a commercial climate that can attract desperately needed investment and create income generating jobs.

Mr. Chairman, President Préval's efforts to reach across long-standing divides and to consult with political rivals, the business community and others, constitute one of the most constructive developments in the Haitian political landscape in decades. President Préval formed a politically inclusive cabinet. In addition, the new Haitian Parliament broadly reflects Haitian society. The U.S. expects this inclusive trend to continue in the upcoming municipal and local elections. This development also sows the seeds of a broader, long-awaited national reconciliation and the U.S. encourages the Government of Haiti to advance national reconciliation efforts country-wide. For a reconciliation process to reach all potential conflict generators in Haiti, there must

be a larger venue for the process than collegial dialogue in Parliament. The U.S. will support efforts to extend the processes of inclusive political discussion and national reconciliation discussions throughout Port-au-Prince and to other areas such as Gonaives and Cap Haitien.

Mr. Chairman, as Secretary Rice observed in November 2005, elections are only the first step in Haiti's recovery and transition to stable democracy. Building Haiti's future will require years of intense effort and sustained international commitment. The United States must lead this endeavor to build a peaceful, democratic, and prosperous Haiti, and the U.S. will continue to cooperate with our international partners in this effort. On September 22, Under Secretary Nicholas Burns hosted a meeting of representatives from key countries and international financial institutions engaged in Haiti. Their discussions once again underscored the strong international commitment to long-term support for Haiti. The United States will coordinate with the Government of Haiti and our international partners in this effort.

The United States will continue to make a positive difference in Haiti, even if the road ahead is long. While the United States has helped Haiti take a huge step forward by assisting the return to democratic and transparent governance, additional resources will be required to help transform Haiti into a more stable and prosperous nation to avoid a repetition of the familiar past cycles of intervention and neglect.

With improvements in justice and the rule of law and with establishment of a social climate attractive to investors and trade, our sustained engagement will provide a realistic and achievable opportunity for Haiti to become both a permanent member of the community of democratic nations and a stable economic partner for its Western Hemisphere neighbors.

Mr. BURTON. Thank you, Mr. Duddy.
Mr. Franco?

TESTIMONY OF THE HONORABLE ADOLFO A. FRANCO, ASSISTANT ADMINISTRATOR, BUREAU FOR LATIN AMERICA AND THE CARIBBEAN, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. FRANCO. Thank you very much, Mr. Chairman and Members of the Committee. It is always an honor and a privilege to come home to the House International Relations Committee. Mr. Chairman, I will be brief. I know you will appreciate a brief, concise statement, and I believe Secretary Duddy has given a very good, comprehensive overview of our entire United States government effort in Haiti, so I will not duplicate that.

I would like to say, though, Mr. Chairman, I want to congratulate you and the Committee for the title of this hearing: Haiti Moving Forward. We have really come a long way in the last 2 or 3 years to create that bipartisan spirit, which this Administration strongly supports.

As you noted, Mr. Chairman, in your opening statement, the United States is the largest donor in Haiti. We have provided over \$620 million from 2004 to 2006. Of that, which I want to stress in my testimony is the USAID role as part of the U.S. Government effort to aid in the reconstruction of that country, we have managed nearly \$440 million of these resources to do the following: Number one, to restore and sustain a climate of peace and security; secondly, to help revitalize the economy; thirdly, to provide essential social services; and, lastly, to improve the conditions for the democratic processes in that country, including the elections that were successfully held, as noted by Members of this Committee in 2006.

Mr. Chairman, in 2006, the United States contributed nearly \$200 million to help the newly elected Haitian Government, and we, at USAID, managed about \$156 million to do four things: Num-

ber one, to promote stability and security in Haiti. As noted by Secretary Duddy, the security situation in Haiti threatens the country's stability, and as you said, Mr. Chairman, gangs and violence undermine our development efforts. Our efforts are designed, though, to work in conjunction in areas where we are secure to address urban poverty, reduce political tension and violence, and we provide that assistance to civic groups and local authorities to provide opportunities for the youth services training and employment.

Secondly, democracy building. In terms of democracy building, Haiti's priority this year, in 2006, will be to ensure successful local elections. We are, through USAID, providing \$4 million to support elections this winter, which will help elect 17 members of Parliament, 140 mayors, and establish and provide the technical support needed to make local governments function.

Following these elections, USAID plans to strengthen the capacity of local governments to begin to deliver services and make democracy responsive to local citizens. In fact, USAID has already begun a program to support the new Haitian legislature. I hope that Ranking Member Engel will have an opportunity to see these programs when you are in Port-au-Prince in December, as well as our judicial reform program, which is specifically designed to address the unacceptable detainee situation in the judicial process in that country.

Finally, USAID will continue to provide assistance to victims of organized violence through training of Haitian NGOs, advocacy campaigns, and the documentation of human rights abuses and continuing to address these serious issues. We will continue to build partnerships with international and local organizations and local communities to also combat trafficking in people.

The third area is the economy and institution building. It should come as no surprise to the Members of this Committee that the Preval administration is wrestling with a very low per-capita income situation, high unemployment, an economy damaged by the instability of two decades of mismanagement, and an active 2004 hurricane season that ruined local economies, particularly in the Gonaives area.

However, since 2004, there have been improvements. United States assistance has helped the Ministry of Finance to establish transparent budgeting processes, meet IMF criteria for loan financing, and put in place a basic economic framework for the country. We will continue to provide advisers, including Haitian-Americans, that are actively recruited to help address government-reform issues, transparency, procurement integrity, and trade and investment policies.

To address the budget gap, USAID will provide \$7 million to cover the cost of social services this year and will help to improve the Haitian Government's capacity to respond to natural disasters.

Lastly, USAID, working with this Committee, will begin to provide scholarships to Haitian students to study in the United States and encourage partnerships with Haitian and United States institutions of higher learning.

The last area, Mr. Chairman, in conclusion, is the lack of economic opportunity, which, as you know, is a key driver of instability. Therefore, we will continue to assist local farmers and rural

areas to increase productivity and incomes by broadening services to small businesses and financial services that some of the Members have mentioned to provide credit, particularly through micro-enterprise activities.

We will also address the growing and continued degradation of Haiti's environmental resource base and continue to address this issue, and I would be happy to take questions on that, as I see my time is limited.

In conclusion, Mr. Chairman, Members of the Committee, the installation of the Preval administration marks the resumption of constitutional governance in Haiti. In Haiti today, there is a climate of hope. I completely share Mr. Delahunt's view. There is now a glimmer of hope, where sustained progress is within our grasp if we redouble our efforts.

Let me say something that President Bush has said. We are in Haiti for the long haul. We cannot underestimate the challenges involved in achieving stability and a permanent economic turnaround, and we share those very same concerns.

USAID and the United States Government will approach Haiti's development with a strategy that responds to its evolving political, social, and economic realities.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions that you and the other Members of the Subcommittee might have for me. Thank you.

[The prepared statement of Mr. Franco follows:]

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

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

The United States remains Haiti's largest assistance donor. In the last three years, from 2004–2006, the United States Government budget in Haiti was over \$600 million dollars. USAID managed nearly \$440 million of these resources to help the Haitian government restore and sustain a climate of peace and security, revitalize its tattered economy, provide essential social services and improve conditions for democratic processes to take place, including free and fair elections held in 2006. In 2006, a USG contribution of \$198.8 million will support the newly elected Government of Haiti. USAID is managing \$156.6 million of these resources.

The reestablishment of constitutional government in Haiti earlier this year marks a turning point for Haiti's development prospects. Since taking office, President Preval has made it clear that Haiti should be well governed and responsive to the needs of its people. Prime Minister Alexis, in a speech to Parliament, outlined development priorities for Haiti: first, strengthening governance and service delivery institutions at both national and local levels; second, establishing the conditions for economic growth and encouraging investment; and third, providing basic services to communities around the country. These priorities are USAID's priorities. Over the coming years we will help the democratically elected government address the country's challenges through both immediate, high impact programs for Haiti's most vulnerable citizens, and longer term programs that lay the foundation for a sustained turnaround in Haiti's fortunes.

Stability and Security

I would like to echo Assistant Secretary Shannon's concern that continued insecurity poses the most significant challenge to Haiti's development. The current security climate threatens the stability of the country, and Haiti requires stability to progress. That said, where security permits, USAID will expand stabilization programs to bring lasting change to the most volatile and desperate areas of Haiti.

Our strategy aims to reduce political tensions and violence in these areas by undertaking quick, visible projects that constructively engage local residents, espe-

cially youth. The focus is on empowering peaceful civic groups to work with local authorities to play a lead role in moving the community beyond conflict. The intention is to provide young Haitians with services, vocational training and employment opportunities. This will help alleviate the desperate and pervasive poverty of urban “hot spots” while at the same time demonstrating to young people that there are clear alternatives to violence and crime.

Since 2004 we have provided over 600 small grants in conflict prone, gang ridden areas of Port-au-Prince, Cap Haitien, St. Marc, Petit Goave, and Les Cayes, valued at over \$13.0 million. This included more than 330 grants for almost \$7.4 million in the Port au Prince slums of Cite Soleil, Bel Air, and Martissant. Activities have included roads and pedestrian walkways, canal cleaning, public lighting, market rehabilitation, and restoration of sports fields and community centers. More than 300,000 days of short term employment were created in these areas since 2004. These types of activities will continue.

Over the long term, Haiti’s urban slums can only be transformed through sustained economic opportunities and demonstration by the government that it is working to improve living conditions. USAID/Haiti’s flagship community stabilization program is the new Jobs, Opportunities, and re-Building Structures (JOBS) program. This program is designed to finance labor intensive public works in conflict-vulnerable urban and peri-urban areas of Haiti and to increase wage employment, skills, and opportunities for vulnerable populations in these areas. The JOBS program will actively engage citizen participation with local government officials in activity selection, implementation, and monitoring.

The JOBS program has generated intense interest within Haiti from local civic, government and private sector organizations; various line Ministries; and senior leadership within the Préval administration. The program will demonstrate and strengthen the Préval administration’s commitment to remove some of the causes of conflict while stimulating more employment.

Democracy Building

In terms of building democracy, we are at a turning point in Haiti’s history. Working to reinforce the institutions of a democracy will be critical over the next two to three years. USAID plans to target our resources to facilitate lasting improvements in key sectors of the government that will enhance government legitimacy and effectiveness.

Haiti’s first priority will be to complete the 2006 elections cycle. USAID supported the transition to an elected, constitutional government through assistance to the electoral process, political party strengthening, and media support. Haiti must still hold municipal and local elections and the second round Parliamentary elections. The United States expects the Government of Haiti to hold remaining elections early this winter. These elections will fill the remaining 17 seats in Parliament, elect the 140 mayors, and establish local government bodies. We have just provided \$4 million towards the costs of these elections.

The local elections process is vital for many reasons, including the indirect election of Municipal Assemblies, which choose local legal officials, judges, and members of the Permanent Electoral Council. This decentralizes executive authority, increasing transparency and independence of these institutions. Following the municipal and local elections, USAID plans to strengthen the capacity of local government institutions to deliver services with citizen input through a program of technical assistance and training. Representative local governments with the authorities and tools necessary to provide essential services will ensure responsiveness to citizens at the local level.

We have just begun a program of support to the new Haitian legislature. This multi-year effort will help Haiti’s new legislators to reach out to citizens and function effectively. USAID assistance will include training and advice on 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.

Another priority for U.S. assistance in this sector is judicial reform. USAID aims to help Haiti build a justice system that is effective, independent, and impartial. Since 2004, USAID has trained over 800 judges, prosecutors, and court clerks. A pre-trial detention program provided legal assistance to detainees, including 208 correctional cases discharged by a Port au Prince court and 700 priority cases identified for follow-up action. USAID will continue to help Haiti strengthen the capacity of courts, public defenders and prosecutors’ offices, and the newly created Judicial Council, and continue efforts to reduce pre-trial detention. Our program will also help to update laws and judicial procedures; improve case management; rehabilitate deteriorated courts and judicial facilities; expand legal services; and improve legal education.

Finally, USAID will continue to provide assistance to victims of organized violence through training of human rights organizations, advocacy campaigns, and the documentation of abuses. USAID 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 will continue for a cross-border program in partnership with the Dominican Republic, which focuses on improving the conditions of Haitian children victimized across the border.

The Economy and Institution-Building

Haiti is the poorest country in the Western Hemisphere. The per capita annual income is less than \$400 and 80% of the population lives in poverty. Unemployment and underemployment remain major problems; more than two thirds of the labor force do not have formal jobs.

The Praval administration is wrestling with an economy still affected by the political upheavals of the past two decades, with a much-reduced manufacturing sector, and little external investment. Compounding the economic downturn caused by the political crises, an active hurricane season in 2004 destroyed entire communities, leaving thousands homeless, the local economies in shambles, and the government with little resources to respond.

On a positive note, since 2004 there has been significant improvement in the macroeconomic situation. USAID-funded assistance helped the Ministry of Finance establish transparent budgets, meet IMF criteria for loan financing to meet budget shortfalls, and put in place a basic economic policy framework. These advances have enabled the Praval administration to begin on a positive economic footing.

These recent economic advances must be continued and economic reforms broadened to build the foundation for lasting economic growth. President Praval's economic team is committed to continuing the interim government's strong fiscal discipline, but still faces challenging budget gaps. And despite recent gains, many essential Haitian government institutions are weak and need external assistance capacity to perform essential functions.

The Praval administration has asked the USG for expertise to help Haiti implement reforms. We will call upon Haitian Americans to play a central role in providing expertise to the government. In addition to continuing our support in the area of economic governance and fiscal reform, USAID will provide advisors to work on reforms in such areas as management efficiency, transparency and anti-corruption, procurement integrity, port security, and trade and investment friendly policies. With USAID assistance, Haiti has just opened an Investment Facilitation Center. To help address the budget gap, this year, we are providing \$7 million to help cover the government's cost in meeting social priorities such as providing school textbooks. We, along with other donors, will continue to assist the national disaster preparedness unit build its capacity to respond to natural disasters.

To help Haiti address its economic and institutional development needs over the long term, we will provide scholarships for Haitian students to study in the U.S. and encourage partnerships between Haitian and U.S. institutions of higher learning.

Economic Opportunities and the Environment

Lack of economic opportunity is a key driver of instability in Haiti. Over the coming years, USAID will continue activities to promote economic growth in Haiti by assisting small agricultural producers to increase their productivity and incomes, and by broadening the availability of business and financial services to artisans, small businesses, microentrepreneurs, and the larger productive sector.

In recent years, USAID has helped small-scale farmers improve their productivity and increase their income, while protecting the environment. For example, with USAID assistance, mango growers identified a new market for organic mangos and shipped 6,000 lbs to US buyers. Coffee farmers shipped three 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 and another 1.5 million forest trees. USAID has helped to strengthen 18 micro-finance institution and 20 credit unions; their combined loan portfolio now exceeds 100,000 clients.

USAID will continue to develop strong and sustainable microfinance institutions to service Haitian microentrepreneurs by assisting these institutions to apply internationally accepted best practices in microfinance lending. We will also broaden technical assistance to both agricultural and non-agricultural sectors, such as handicraft production, where there is export potential.

This year we intend to initiate new environmental activities as part of a national strategy to reduce the ongoing degradation of Haiti's natural resource base, expand livelihood options, and reduce population vulnerability. We have just completed a

major assessment of Environmental Vulnerability in Haiti and are reviewing its findings and recommendations 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. This will be USAID's most important and significant intervention in the environment.

Health and Welfare of the Haitian People

Haiti's health indicators are the worst in the Western Hemisphere, with roughly 523 women dying in childbirth per year per every 100,000 live births. Sentinel surveillance data from 2003 indicate nationwide HIV prevalence among women attending antenatal clinics has declined over the past 10 years to roughly 3.4%, but this is still high. Under-five and infant mortality have also declined since the 1990s, but 80 of 1,000 children still do not live to their first birthday, largely as a result of vaccine-preventable diseases and other basic health and hygiene factors.

With an adult literacy rate of 52% and a primary school enrollment rate of 65%, education remains a key obstacle to economic and social advancement in Haiti. Less than 30% of the children who enter primary school will complete 6th grade. Nearly 90% of the 12,000 Haitian primary schools are run by the private sector, including schools managed by religious organizations.

The need to improve Haiti's dismal social indicators is paralleled by the imperative to help the new government provide visible, high value services to the poor. USAID and its implementing partners will help the government improve their management and oversight of health and education services both at national and at decentralized, departmental levels. We are actively supporting Haitian and Haitian-American NGOs working in the education and health sectors.

Through a USAID-funded network of health service providers, 40% of Haitians have access to a basic health care package that includes: child immunization; respiratory infection detection and treatment; immunizations for pregnant women; nutrition, food supplementation, and growth monitoring; natural and modern family planning methods; maternal health care; prevention and treatment of HIV/AIDS (including mother-to-child transmission prevention) and other sexually transmitted diseases; tuberculosis detection and treatment; reinforcement of policy norms and procedures; health information systems; and advocacy. We will continue to support this network over the next few years, and work to expand it to underserved urban slums.

USAID assists the Ministry of Health and non-governmental organizations to support persons affected by HIV/AIDS. Over 125,000 persons have been tested for HIV; 45,000 people are receiving basic care and support; and nearly 9,000 people are receiving anti-retroviral treatment. This program will continue.

USAID/Haiti education programs focus on improving the quality of primary education, promoting parental involvement in local schools, and strengthening the institutional capacities of Haitian non-governmental organizations active in the sector. U.S. Government-funded programs are improving education at 450 primary schools; 150,000 children and youth have benefited from education programs. Activities aim to improve local school-support organizations, reduce grade repetition, and enhance learning. USAID is helping the Ministry of Education to strengthen its capacity to regulate and license 11,000 non-public schools. We implement programs that offer children in the poorest neighborhoods help with tuition payments, provision of books, and other school fees. We will continue these types of programs. We are also planning a non-formal education program for out-of-school youth emphasizing literacy, numeracy, life skills, and workforce behavior and attitudes, and will emphasize education opportunities for young children in the urban slums.

USAID directs food assistance to the most vulnerable. USAID provides approximately 18,750 tons of food assistance to over 150,000 pregnant and lactating mothers; 100,000 children under the age of two; and 65,000 primary school children annually. This program will continue.

Conclusion

Mr. Chairman, Members of the Committee, the installation of the Préval administration marks the resumption of constitutional governance in Haiti. In Haiti today there is a climate of hope, where sustained progress is within our grasp. We cannot underestimate the challenges involved in achieving stability and a permanent economic turnaround. It will take time and patience, and sustained USG assistance.

USAID will approach Haiti's development with a strategy that responds to evolving political, social, and economic realities.

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

Mr. BURTON. I appreciate your opening statements, and I appreciate the statements of all of the Members of the Committee.

One of the things that concerns me is I know that we are putting money into Haiti. I know that we are trying to provide loans for small businesses and other entrepreneurs and agriculture, but without investment from the private sector and the training that goes with that, I do not see how there will be long-term economic stability.

You can get the Federal Government, our Government, to pour money in there for microenterprises, and that will help some people, but as far as major job creation, and there are a lot of people down there that need jobs since the poverty rate is horrible down there—they are going to need training, they are going to need a place to work, and they are going to need some job stability. I do not see any real encouragement for the private sector to make infrastructure and plant investment down there and training to create these jobs over the long haul.

The reason I have become so much concerned about it is because there are other forces in our hemisphere that are trying to take advantage of this poverty, even in Puerto Rico, which is one of our territorial possessions, to try to destabilize, make them into leftist regimes.

Mr. Chavez in Venezuela, in my opinion, and all of my colleagues do not share this, is pouring money into Nicaragua, he did it in Bolivia, he did it in Peru, he did it in Mexico, and he is doing it, we understand, in Puerto Rico, Haiti, and other places in the Caribbean, and that is going to have to be met. That challenge is going to have to be met, not just by our Government funds but by some maybe tax encouragements, tax incentives, to get the private sector to invest down there because they will invest where labor costs are low, but they will not invest where labor costs are low but there is nobody that can do the job. They have got to be trained. They have to know how to do the job.

So we need to have some kind of an encouragement for people who are going to go offshore anyhow to do it in our hemisphere and do it, in particular, in Haiti.

Along with that, can you give me some additional information on the donor countries that are providing investment or money down there to help out, and are they encouraging private investment in their private companies to go in there and try to help out and create jobs?

Mr. DUDDY. Thank you, Mr. Chairman. I will take a first whack at answering some parts of your question. Let me say, first of all, that another necessary precondition for improving economic environment is security, and certainly one of the key requirements for private investors is that there be an atmosphere conducive to making serious investments with some reasonable expectation of success. That is one of the reasons why we have looked so intently at the issue of improving the Haitian National Police, working with the international community, and encouraging MINUSTAH and

the HMP to work to disarm the most crime-ridden neighborhoods within, particularly, the City of Port-au-Prince.

Mr. BURTON. If I might interrupt, I agree with you. I think that that is a very laudable thing, but with the poverty rate in Haiti or anyplace else, you could put tremendous amounts of law enforcement in there, but unless those people have some hope with a job or some money coming in to put food on the table, they are going to continue in their old ways, no matter if they have to risk being shot by a huge police force.

So what I would like to know is, in addition to the money coming in and the security you are talking about to stabilize the crime problem, what is being done from other countries and the United States to really get the private sector to go in there and train and create jobs for these people?

Mr. FRANCO. The first thing, Mr. Chairman, that we are doing involves excellent coordination. You mentioned Canada and CETA and the EU. We have excellent coordination on the ground with the international community and up here as well. We have tried to engage, first, the Canadian and U.S. Haitian-American community very directly.

I did an event a couple of years ago with Mr. Meeks in his district. I attended and arranged six of these conferences throughout the United States and Canada. I mention this because they have a keen interest in investment and actually know the opportunities and the market linkages that are necessary to get things done.

I have to, though, echo what Secretary Duddy said about in terms of the private sector people telling me first it is the security situation. Secondarily are the right economic policies in place, and I am very pleased that this Preval administration has continued what I thought was, and think, were very sound economic policies. The government is creating that climate for investment, which is, first, security and then the right fiscal policies.

The fact is—it is not something to brag about, but for the first time in 4 years, we had 1.5 percent economic growth in Haiti this year, and we provided 200,000, not make jobs but real jobs, for people in Haiti.

So beyond the security situation, which is paramount, are creating those right policies in place to attract investment.

At the end of the day, and I can say this because I am the guy that is charged with dispensing the goodies sometimes, there are not enough foreign aid dollars to transform the society. The only way we can stimulate a country's economy is private sector investment, period. There is just not enough money, and that is not the way you create wealth.

So the notion that we have had, particularly working with the Canadians, since we are government advisers, and we have a public role, what are the policies that need to be in place in Haiti to attract investment? Someone mentioned legislation pending on Capitol Hill that might also contribute to these efforts, but what are the policies that we can attract investment beyond security?

We are making progress in that direction. As you know, earlier this year, which is also a good relief for the Haitian Government, they were now HIPC qualified in early September. So there are efforts afoot to make the climate there far more conducive.

Mr. BURTON. Okay. Mr. Engel?

Mr. ENGEL. Thank you, Mr. Chairman.

Mr. Duddy, I would like to ask you, and my staff, I apologize for having to run out for a few minutes—I had to speak on the House Floor—that always happens the minute you sit down, but my staff has briefed me as to what you said.

I want to ask you about the donors conference. The Chairman, quite rightly, in my opinion, was talking about economic development in Haiti, and until that happens, people are going to revert back to the old ways. What can you tell us about the July donors meeting? I know Secretary Shannon was there July 25th. What were the requests of the Haitian Government? What commitments did we make? Are donors following through on their pledges? Those types of questions. How does our financial commitment to Haiti compare to the other donors, including Canada? What needs are being funded, and what are the goals and expectations? I understand there was a November donors meeting of that as well.

I have mentioned several things, and I would like you to expand on that.

Mr. DUDDY. Let me give you a couple of bullets. Going into the Donors Conference in July, the target that the Haitian Government had come up with was a request for \$540 million. Eventually, \$750 million was pledged, of which we pledged \$210 million. We are the largest bilateral donor, but the Canadians and the European Union are also very, very substantial donors.

Numbers per year. Our FY 2007 request is for \$198 million, but our pledge at the July conference was for \$210 million, but it covers a period of a little bit more than a year. Nevertheless, clearly, it was the largest single pledge for that period of 14 months, and we are using that money to leverage further donations from others interested in what is going on in Haiti.

We have also been working diligently throughout the year to accelerate and facilitate disbursements, particularly from Europe, which has a somewhat different process for disbursements, and we think we have had some success there. As of, I think, some point this spring, prior to the July conference, there was a point at which somewhat over \$1 billion had been pledged and over \$900 million from 2004 to just before that conference, over \$900 million had, in fact, been disbursed. So as these things go, it was a very encouraging rate of disbursement.

Mr. ENGEL. Thank you. Let me ask you about another problem which we always hear about with Haiti, and that is the armed gangs roaming around, the security. Obviously, urgent action is needed to disarm and dismantle urban and rural armed gangs, and there is a program there to refocus, we hope, disarmament, demobilization, and reintegration called the “DDR program.” Could you please describe the current DDR program, how effective it has been, what challenges are you facing, and, again, what is the nature of the U.S. contribution and the international contribution?

Mr. DUDDY. I will have to check my notes for the exact numbers, but, in general, the DDR efforts were slow in getting off the ground. The clear preference of the Haitian Government is that the disarmament of the conflicted neighborhoods, such as Cité Soleil

and, to a somewhat lesser degree, Cité Militaire, and other areas, be done as specifically as possible.

Initially, it was a difficult process. At present, MINUSTAH, and particularly the Brazilian contingent working with the HMP, are working in those areas. They have established a new network of checkpoints along Route Nationale No. 1, and the Brazilians, since taking over responsibility for that sector, have increased foot patrols and their presence.

They have also worked with our own agencies and others in the international community to assure that as government presence into these problematical areas is extended, that presence is accompanied by immediate, high-impact, and short-fuse projects to develop work and to deliver either services or improvements in services which are measurable and will be immediately felt by the residents.

The clear effort is to make an association between life getting better and cooperation with the authorities.

[Further information follows:]

ADDITIONAL WRITTEN INFORMATION RECEIVED FROM MR. PATRICK D. DUDDY TO
QUESTION ASKED DURING THE HEARING BY THE HONORABLE ELIOT L. ENGEL

President Préval revived Haiti's disarmament and gang reintegration program in August of this year, creating a national committee headed by Presidential Advisor Alix Fils-Amie to oversee the process. Program participation is limited to rank and file gang members who turn in weapons in exchange for participation in vocational training and access to microfinance. Gang-leaders and those with outstanding warrants may not participate. MINUSTAH implements the program, registering and ballistics testing the weapons, conducting training and managing the orientation and training facility. The program focuses on the gang-stronghold area of Cite Soleil. MINUSTAH has established a continuing presence in this key area and the HNP is conducting regular patrols there for the first time in three years. To date, approximately 109 gang-members have entered the program and turned in approximately 50 weapons. The Government's DDR commission, with the support of MINUSTAH and the international community, is also exploring complementary community development and violence suppression programs targeting other residents of gang-controlled areas, particularly women and children.

The U.S. fully supports the efforts of the government of Haiti and MINUSTAH to reduce gang-violence and kidnapping and restore order to Cite Soleil. Between 2004 and 2006, we provided over \$40 million to train, equip, vet for human rights abuses, and transform the HNP into a responsible law enforcement organization. The United States also provides 50 officers to the UN police contingent, many of whom are Haitian- American and Creole-speaking. Canada also contributes significantly to the MINUSTAH's police contingent. Since 2004, the United States has allocated over \$600 million for Haiti, and the President requested \$198 million in funding for Haiti in his FY 2007 budget submission.

Haiti's other international partners pledged over \$540 million at the July 25 Donors' conference in Port-au-Prince, making a significant, long-term commitment to Haiti's future development and stability. The United States and other donors will meet again in Spain on November 29-30 to assess Haiti's progress.

Mr. ENGEL. Mr. Franco, did you want to add anything?

Mr. FRANCO. Yes. If I could add to that just a couple of things. I think we had a very significant development on September 5 with MINUSTAH and the Government of Haiti actually announcing the implementation of the DDR program, with a goal of reaching 1,000 members of gangs to lay down their arms for, just as Secretary Duddy said, an exchange of an economic, food, and employment assistance. This is a very significant development because, for a period of time, we needed to marry up MINUSTAH and the Government of Haiti on these efforts.

Also, the same week, the Government of Haiti announced the creation of the Presidential commission on this effort, which will be led by Felise Amin, to oversee the program. So we are at a startup phase on this, but it is, just as Secretary Duddy said, a very comprehensive package that ties in the security, the government, and the assistance programs with us.

Mr. ENGEL. Thank you. Thank you, Mr. Chairman.

Mr. BURTON. Ms. Ros-Lehtinen?

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman, and thank you to the panelists for their testimony.

The future of Haiti has always been a concern to me. Just over a year ago, I had the honor of accompanying Secretary Rice on a fact-finding mission to Haiti where our delegation was able to witness the conditions and the political atmosphere there. As you know, in our home districts of south Florida, many of us have Haitian constituents who take a very keen interest in the growth and the development of Haiti and how Haiti interacts with the rest of the international community.

It has made great strides in building the foundation for a brighter future, and it certainly took a large step forward with its elections in February, when 2 million Haitians voted democratically to elect its President, but, sadly, as all of us know, Haiti has been plagued for many years by poverty, political insecurity, and that is why all of us must be working together to ensure that this struggling nation receives a helping hand from the United States from the international community to begin once again its path to economic security and domestic stability.

But we know that it has been very difficult to get United States businesses fully involved in investing in Haiti due to corruption. We have got to do all we can to make sure that Haiti does not follow in the footsteps of countries like Venezuela and Cuba. How can we help Haiti promote a clean business practice so that we can get more U.S. businesses involved there? We have spent so much money in Haiti already. If corruption is not rooted out, the Haitian economy will continue in a downward spiral. The stability of the government will never be assured.

So security, noncorruption, transparency—all of these issues are key to the economic survival of Haiti, and in order to increase its market access, what can we do to help Haiti root out corruption and induce United States businesses to invest there?

Mr. FRANCO. If I can, Congresswoman, very, very generally on it, let me just state that we are extraordinarily encouraged by the Preval administration's efforts in terms of fiscal reform and its economic policies, and I think that those, number one, will be key.

One of the things that we often hear on any Haiti briefing when we are in Port-au-Prince from anyone in government and outside government is the problem of lack of human resources, and to that end, I want to tie in with your comments about the Haitian-American community. The diaspora in the United States and Canada and elsewhere can play a pivotal role in addressing those issues of corruption, of having the right economic policies, and encouragement.

Their commitment to reengage, to invest in their country is not only genuine but enthusiastic, particularly in the Miami area,

which you represent. So having those linkages and having their involvement and capacity of advisers, as even authorized by the bill that this Committee reported out last week, I think, will be very, very important.

I think there is also a growing realization that the only way that Haiti can move forward, because there are encouraging, albeit small, data about economic growth that I mentioned earlier—inflation is down in the country, and there has been economic activity—is by bringing in that foreign investment and keeping in national investments.

So we intend to stay the course, and, frankly, one of the things we did 2 or 3 years ago is we took stock of what went wrong in the 1990s, and that was this engagement of the international community, bringing us all on the same page—Europeans, Canadians, and Latin Americans—on these issues and seeking to provide, as we have done through a number of donor conferences, the necessary support, moral and otherwise and technical, to the Government of Haiti.

Ms. ROS-LEHTINEN. If I could ask a question related to the health issue, HIV/AIDS and other diseases in Haiti; how much cooperation and integration is there in the health services of Haiti that agencies are working together with other organizations, and what can we do, as partners of Haiti, because we want Haiti's citizens to be healthy?

They come to south Florida, and we want our tourists to come to Haiti and tourism to thrive, and the health situation is of paramount concern. How much cooperation is there between the government and different agencies, and what can we do to improve that delivery of services?

Mr. FRANCO. Well, this is one of, I think, our strongest success stories, this story and the story of the maternal health care and the food programs that we administer, but the HIV/AIDS program, let me say, first, Haiti is one of two countries in the hemisphere that are part of the PEPFAR, the President's emergency response to the HIV/AIDS crisis, the other one being Guyana.

It has been a very successful program with the Ministry of Health. It has been one of the programs that have been, more than anything else, designed to provide prevention, education, which is lacking in the country, attacking questions of stigma, discrimination. We have had former Secretary of State Powell visit the facilities that we provide care and testing in the country, so they have been extremely successful. We work very closely with the CDC and, again, with the ministry on reinforcing these issues.

So I can tell you that that is one area that we need to, as in any high-prevalence country, continue to monitor and redouble our efforts. I would not say the situation there is completely under control. I just returned yesterday from a Caribbean chief of missions conference on HIV/AIDS, meeting with Ambassador Sanderson on how much progress we have made in that field.

Mr. BURTON. Thank you, Ms. Ros-Lehtinen.

Mr. Delahunt?

Mr. DELAHUNT. You know, I am listening to the questions that were being posed by the Chairman relative to the economy and your response being you have to have security first, and this is the

conundrum, is that the reality of Haiti is that it needs so much, and simultaneously, and I would just make the observation and encourage the Administration to think large. This could be the last chance for Haiti, and I do not think that is hyperbole.

So with the next budget cycle, I think we have to find the money. We, obviously, have commitments all over the world that are substantial, and when we weigh them, there are billions of dollars going into the Middle East, and I am not saying anything about that, but this is our neighborhood. This is a group of people that have suffered for 200 years, and there ought to be a sense of urgency about funding the infrastructure needs.

Chairman Burton is absolutely right. We have got to go to the private sector to do those jobs, but, in addition to security, it is schools, it is all so much, and we have really got to get past thinking small and thinking very large when it comes to Haiti.

I was encouraged to hear that you were pleased with the budget process there. It seems to be transparent. Clearly, we need the checks and balance in the audit that is required. Either one of you can comment on that.

Mr. DUDDY. Sir, if I may, we certainly take your point and agree with you that Haiti's needs are extraordinary, and while I emphasize that specifically with respect to what we are hearing from the private sector as to what they need, security is a very big piece of that. But we are engaging very, very broadly. Forty percent of Haitians are receiving basic health care through programs that we support.

We have invested \$25 million in trying to bring up the electrical grid, which is absolutely fundamental to rebuilding some of the key economic areas. Clearly, we are also trying to leverage the generosity of the United States in working with allies around the hemisphere.

Mr. DELAHUNT. I applaud those initiatives. Would more funding help, if the funding was accelerated up front, or is there an absorption issue?

Mr. DUDDY. There is an absorption issue. The key thing, I think, which is something you addressed as well, is we need to understand that we have got to stay there and get the job done, that this is not a short-term commitment.

Mr. DELAHUNT. How would you characterize the role of the United Nations there? Is there any chance of squeezing maybe another thousand or 1,500 peacekeepers out?

Mr. DUDDY. I am not sure, but I think what we are expecting in the proximate future is a need to see the UN mission evolve more in the direction of the police. In fact, when the mission was extended most recently, the ceiling for troops was lowered slightly in order that the ceiling for police could be raised.

Mr. DELAHUNT. And what is the gossip in Haiti relative to the former President Aristide? Are there concerns? Is there talk about him returning? Presumably, if he did return, that could be problematic. But at this point in time, do you have any information that you can share with us?

Mr. FRANCO. You know, I think, and we go back a long time, I think you have got this hearing right, moving forward.

Mr. ENGEL [presiding]. Okay. The Chairman has just left for a minute. Mr. Meek, I know you wanted to participate.

Mr. MEEK. Thank you very much, and I want to thank our witnesses for sharing what is happening on the ground in Port-au-Prince.

Mr. Secretary, I know you are familiar with what we were talking about earlier, Haiti and the Hemispheric Opportunity through Partnership Encouragement Act. What is the State Department doing to breathe life into the HOPE bill at this moment because you were talking about economics, and Mr. Franco talked about going throughout the United States and having these workshops?

But we have something right here, in the U.S. Congress, in the House, the Chairman Thomas bill that is not moving. I have been told that it will be maybe addressed in the lame duck session. We have folks over in the Senate that are saying, well, if that bill is going to move, we would like to put some things on it.

I am just really concerned, and I do commend the State Department, and I will be in Haiti in the fourth quarter after the elections. I have already talked to the Ambassador. She is saying that she wanted me to come back. I am looking forward to coming back. I have been in the Ambassador's residence. We have had these big meetings with folks on behalf of State Department, I must add.

I traveled down, too, with Secretary Rice when she went down. I visited the USAID warehouse. I have talked to those employees. I have met with the Embassy, those that are still left, if we are still under evacuation orders or what have you. They have gone through about, I think, three Ambassadors since I have been in Congress.

To see this HOPE bill here, I do not want to be the guy that throws water on the fire, but I am trying to put some kerosene on it right now. Maybe I just represent too many Haitians that make me feel the way that I feel. We can have this hearing, talking about moving forward, and we are moving forward. Like Mr. Delahunt said, this U.S. commitment has to be beyond our wildest imaginations because we now have the UN on the ground, and we have the UN on the ground to make sure that we are able to follow through.

My main question is, what is the State Department doing to move this legislation here in Congress?

Mr. DUDDY. Mr. Congressman, I do not believe that we have taken a position, as I think you may be aware, on the specific legislation. We are certainly trying to make the best possible use of the resources that we have received to help that country put its economy and its institutions in a position to participate more effectively in the region's economy, but I do not believe that we have taken a position on the specific legislation.

Mr. MEEK. That is very interesting. You have been to the warehouse district there in Port-au-Prince?

Mr. DUDDY. I have been to Haiti, yes, many times.

Mr. MEEK. Okay. You have, hopefully, gone into the textile sector.

Mr. DUDDY. Not recently to the warehouse district, but this time and in the mid-90s as well.

Mr. MEEK. Okay. Well, it used to be a very vibrant area. Now it is almost closed. There are no incentives. I know you want to say something, but I am going to say this. There are no incentives for anyone to be in Haiti at this moment. When we passed DR CAFTA, that was a bullet in the head of Haiti economically. I am going to tell you that right now.

We can go around, and we can paint all kinds of pictures here, but I am just going to say, really, I am speechless to hear that the State Department does not have a position on the HOPE bill. Now, it was me, Kendrick Meek, the first guy down in Haiti when Aristide flew off in his white plane, and you had this prime minister from Boca Raton that was appointed, basically. Then you had the head of the Supreme Court, by the Haitian Constitution, become President of the United States [sic] was on the ground.

A lot of my constituents were upset, saying, why are you embracing these folks? Why are you doing this, that, and the other? A lot of folks were upset, but I said, We must have elections ASAP.

Now, as far as I am concerned, I have no problems with the State Department as it relates to working with the UN and pushing this toward the elections and democracy, but for you to come here today and say that the State Department does not have a position on the HOPE bill, but, better yet, talk about economic success in Haiti, to put people to work and allow them to be able to pay for their children that go to school—97-plus percent of the kids in Haiti go to private school. A lot of the folks that you mentioned in Cité Soleil, the \$13 million, or what have you, investment there; those kids need it. That is where the main thuggery is going on.

The warehouse district that I am talking about, as it relates to textiles, to be able to bring companies back into that area; those individuals in that neighborhood would go to work in those areas, and for the State Department not to have a position, I wish Secretary Rice would have told me that this morning because maybe our meeting would have been a little longer. She said it is unfortunate that the bill is not moving.

But I watched, Madam Chairwoman, I watched Presidents, White House officials, State Department legislative affairs directors—I am not talking about associates and interns—walk the principals around of the countries that were going to be benefactors of DR CAFTA, rose garden press conference. But you ask folks, Do you support HOPE? Oh, yes, we support it. But the State Department does not have a position? I mean, I am just trying to figure out.

You know, I am just going to tell you right now. You can say what you have to say, but I do not see the kind of effort—I am going to yield in a minute—I do not see the kind of effort, Madam Chairwoman, at all. This bill was shared with us, and Mr. Rangel and Mr. Thompson have been talking about this, Chairman Thompson, have been talking about this thing. Mr. Rangel said, What do you mean, it is not going to be on the agenda for this week for us?

We are hearing 66 suspension bills, Madam Chair, on the Floor for naming a post office, designating of buildings, and I am pretty sure these are great Americans, and we need to do it, but for us to have this hearing and not have the paramount issue before us

that can assist the very people that we are trying to help—I guess the reason why I am passionate about it is all of us understand the contributions of Haiti. We would not salute one flag right now if it was not for Haitians coming here and helping us for our independence.

So this thing runs real deep with a lot of folk, but I just want to make sure that we understand that this is not just a regular piece of legislation that has been scraped to the side. This has a lot to do, not only with our relations and the efforts that we have ongoing. We may be the biggest person sitting at the table when it comes down to bringing about the solution in Haiti, but we have to. We owe Haiti that. We do, and like Mr. Delahunt said, this may be our last chance to really be able to do something because the UN is a part of it.

So I would ask if you would send a message back, Mr. Secretary, to those that make the decisions on the position on where the State Department is going to be on this bill. Someone needs to call Chairman Thomas or the speaker or someone and say that this will be important to our efforts in Haiti because it will help put Haitians to work in Port-au-Prince, mainly where you have a lot of this thuggery going on, and it will incentivize companies to do business.

We have already sent the message to the private sector, and I appreciate your lenience here, but I am just going to say this: We have already sent the message to the private sector, oh, yes, we are for the HOPE bill, and now to hear that the State Department does not have a position on it is really something that I think is newsworthy, okay, and that by you saying that, coming to this hearing, the closing day of the session, something had to tell you or whisper in your ear that this bill has been put off the agenda.

This is the Thompson compromise bill. This is not everything we need, but it is something. So when I hear from the President of Haiti, “Kendrick, what is going on in Congress?” I do not want to say, “Well, Mr. President, I hate to report, but I do not know what the State Department is telling you, but they are not here.” I am telling you from a person, a Democrat under a Republican Administration, that went to Haiti, the first Member of Congress on the ground to publicly meet with the new appointed prime minister, talked to the Secretary, flew over with her, worked with the Administration on it because I believe in progress. too.

We just need a better effort from the State Department. That is what I am saying. That is basically what I am saying here.

So, Mr. Chairman, I want to thank you for coming to me. I will yield. If you all have anything you want to add to it, please.

Mr. FRANCO. You know, Mr. Meek, I probably should not, but I guess I will.

Mr. MEEK. Go ahead.

Mr. FRANCO. Nobody knows Haiti better than you do. On your honeymoon, you went to Haiti. You have been involved in it from the beginning. Your heart, your commitment is there. Your constituents—we have met on it a number of times. Let me just say this, though. Neither Secretary Duddy or myself are ducking any questions on this.

We are the guys that are, I guess, charged to come up here to tell you what we are implementing and what we are doing. When

you keep referring to the State Department position, the State Department position, it is the Administration position. There is an Administration up here.

In my old days up here, it was called the "SAP," as you know, Statement of Administration Policy. The Administration, just as Secretary Duddy has said, does not have a position on this bill. You chatted with the Secretary today. These are people above our pay grade that make these decisions.

We will do this, though, noted. Your concerns are noted. We can certainly take the message back, but I do not want to leave the impression here that somehow the State Department is out there ducking an issue or things of that kind. It is an Administration policy that is reviewed and then is sent up and communicated through the normal channels, as you know, to the Congress.

Lastly, and I have been around here for a while, we are not the people who decide what goes up on suspension or how things get on the calendar of the House or things are decided. There is certainly a role of the Administration, but that is something for the House leadership to decide as well.

But let me just say, to conclude, I have been in the warehouse district. I took a trip down there with the governor of Florida, and I can tell you that there is a little more activity than there has been in the past because the right economic policies and the right incentives are being created. Whether we need to do more and work on this is a subject, I think, for further discussion with higher-level policy-makers.

Mr. MEEK. I respect your response to that.

Mr. Chairman, while you were out, it was shared with me that the State Department, because I was wondering—I did not see anyone knocking on doors around here when the HOPE bill was taken off the calendar for this week and saying that it is important, especially with Chairman Thomas, Ways and Means, and Mr. Rangel and others, to say that this is important to the forward progress in Haiti economically.

Mr. BURTON [presiding]. Well, I am going to talk to Mr. Thomas about it, and I will also tell you, I think we are going to have a special session, and we will see if we cannot resurrect that before the end of the year. I will try.

Mr. MEEK. I hope so, Mr. Chairman. With your help, I think that we will be moving in the right direction.

Mr. BURTON. I wish the State Department would put their two cents' worth in on that, and, besides that, I know that there is nobody above your pay grade. I mean, you said somebody above your pay grade. I thought you guys were the most important people in this town.

Mr. MEEK. They used to tell me up here, but I know better.

Mr. BURTON. Okay. Well, maybe there is somebody more important around here than us, but, you know, I watch the House and the Senate, and I see these guys walking. Except for me, they walk around with their heads in the clouds, and I do not think there is anybody more important than the 535 of us. What do you think? Does anybody think that is humorous?

Anyhow, Ms. Jackson Lee.

Ms. JACKSON LEE. Mr. Chairman, you have been so kind to indulge me and allow me, and I apologize. I am a guest of this Committee, and I was at another meeting, and I thank you so very much. Let me associate myself with the remarks of both the Chairman and the Ranking Member and thank them for their leadership, as well as the distinguished gentleman from Florida, on this HOPE initiative.

I happen to think that the State Department has a very high pay grade, and I know that if they speak, many will answer. This is crucial.

Let me congratulate the President of Haiti in his absence—I know his leadership is here, or some—because I think great strides have been made. But I would just simply comment on just this brief thought, Mr. Duddy, if you would, and let me just, of my own accord, applaud the State Department and Secretary Rice for a breath of fresh air.

I sat in this room about a year or so ago to experience the most horrific presentation by a representative of the State Department that I had ever seen, a person who shouted, a person who was rude, a person who was uncaring, and a person who certainly contributed to, I believe, the misfortune of Haiti's problems in terms of the glue that we needed. So let me just say that it looks like we are moving forward.

I think Haiti is moving forward, but there are great issues of poverty, there are great issues of lack of potable water, and several others. I know there is a stability question, but what are we doing to be able to ensure that the people out of Port-au-Prince know that there is a strong government, a government that can provide security? What are we doing to help be the bridge for some of these areas where people are probably still wondering whether their government has transitioned?

We really need to be a large part of it, and I would like to hear your answer on the HOPE bill as to whether or not the State Department will engage in trying to pull it out of the ashes. I yield to Mr. Duddy. Thank you.

Mr. DUDDY. Thank you very much. Let me start with the last point first. The U.S. does support private sector development, and we understand that that is going to be key to long-term, broad-based progress there, and we will take Congressman Meek's point back with us. I note that we support development of the private sector, and we are working in that direction. We understand your point on the specific legislation, and we will carry that message.

Congresswoman Jackson Lee, we are engaged in a wide range of areas. We are providing very substantial health services. Nearly 40 percent of Haitians are receiving health care through programs, as I mentioned earlier, that we are either administering directly or supporting. We have provided over 200,000 loans to small enterprises and created some 200,000 short-term jobs.

We know that for virtually all Haitians, not just security but also improved judicial management are priorities. We have provided over the last 2 years nearly \$40 million in training and equipment for the Haitian National Police.

We have provided some \$16 million to those working on judicial reform, and we are working collectively to leverage the assistance

the U.S. has provided to draw in and consolidate the commitment of a wide range of international partners. Just prior to your arrival, I noted that, in July, another \$750 million was pledged, of which we pledged \$210 million, but that was still a very substantial contribution from the rest of the world.

Ms. JACKSON LEE. How much money?

Mr. DUDDY. At the July conference, it was \$750 million pledged, of which we pledged \$210 million, for a period that will range from basically June to September, so for about a 15-month period. In the 2007 budget, we have asked for \$198 million.

This, as I noted earlier, actually exceeds the amount targeted by the Haitian Government for that July conference, and we will be going to Madrid to work with our partners to see how disbursements are going and to check our gauges in terms of the results that the programs we are working on are bringing.

Ms. JACKSON LEE. Do we have an ongoing, positive relationship with President Preval now?

Mr. DUDDY. Oh, yes, absolutely.

Ms. JACKSON LEE. And you feel comfortable, the State Department feels comfortable, the Administration now is in a diplomatic, equal relationship with the Government of Haiti.

Mr. DUDDY. I think we have a terrific relationship with the Government of Haiti. We are engaging them regularly at all levels.

Ms. JACKSON LEE. USAID, potable water, the people that are away from Port-au-Prince.

Mr. FRANCO. Well, I think that Secretary Duddy had a very good presentation on many of the programs that we are supporting. I would say, statistically, just to give you the magnitude, Congresswoman, of what we are doing, on a daily basis, 630,000 Haitians receive either health or a combination of health, maternal, and feeding programs from the United States. We would like to get that to zero, but that is the safety net we have provided, meaning zero through opportunity.

Also, you asked about the impact. Garbage, which is a measure of a government functioning, garbage pickup and so forth has been financed through the United States Government, through us, as are the school uniforms and school. The functioning of a society, Port-au-Prince and the larger cities, is very important. In the rural areas, what we are focusing in on mostly is the mango production, the coffee, the small-scale farmer, that we want to reinforce that it is largely a rural society, to make those things profitable, to address the infrastructure problems we have talked about.

So these are very important. We are talking about the engine of the private sector really being strengthened with our assistance and being sustainable.

Lastly, just what you said about the Preval Government; we enjoy an excellent relationship at every level, just as Secretary Duddy mentioned. That means the health ministry, the ministry of justice, the finance ministry; we work with all of the ministers. We want to make sure this government succeeds.

Ms. JACKSON LEE. I thank the Chairman. Thank you very much for what I think is now a lifeline to Haiti. Thank you.

Mr. BURTON. Ms. Lee, we are going to go to the next panel, if it is okay, because we are going to have votes, I think, between 4

o'clock and 4:30, and I would like to bring him in, but I hope you will stick around for questions.

Thank you very much, Mr. Duddy and Mr. Franco.

Mr. FRANCO. Thank you, Mr. Chairman.

Mr. DUDDY. Thank you.

Mr. BURTON. It was good seeing both of you.

Mr. FRANCO. Good to see you, sir.

Mr. BURTON. I hope you will be very vocal and take our message back. It is very important. I just got back from Managua, Nicaragua. I have been to Venezuela, Colombia, Costa Rica, and I can tell you, all over the area—Guatemala, Honduras—you have been down there, too—I am telling you right now, we really need to pay more attention to this hemisphere. If we do not, in about 4 or 5 years, we are going to wish we did.

I am a Republican. I am a supporter of the President. My colleagues may not agree with me on this, but I support what we are doing in the Middle East, the war against terror in Iraq, and all of that, but we need to do more in this whole hemisphere, including Haiti. It is extremely important. From one who has been doing this for a long time up here on the Hill, I am telling you.

With that, do you have one more question, Mr. Engel?

Mr. ENGEL. Yes. Before I do the question, first of all, I do agree with what you said, Mr. Chairman, and before I ask a quick question, I just want to ask unanimous consent. Ms. Lee, Barbara Lee, had to leave, and she has her statement and some questions and a chart, and I just wanted unanimous consent to insert this into the record.

Mr. BURTON. Sure, and you will answer questions for the record.

Mr. ENGEL. Thank you. In my opening statement, I mentioned deforestation, and I am wondering if either one of you can comment on that. Are NGOs and private forest products companies helping with Haiti, and what can be done to halt the serious deforestation in Haiti?

Mr. FRANCO. Well, it is an understatement to say it is a monumental issue. It is extraordinarily important for us for a number of reasons, and chiefly among them is to revitalize the rural sector and the economy. We brought over 3,000 hectares under natural resource management in Fiscal Year 2005. We have also been working on providing high-yielding fruit trees so people can see the benefit, and we have grafted over 42,000 mango and citrus fruits that have been planted. So particularly on the mango, Congressman, on the citrus, because people see the value of it and know it. It is a major exporter of it.

So we are looking at vertiver grass, which we have used in Indonesia and in other areas where people actually cut the forest because there is a need for it. This grass is something that has been proven to be very, very good for the environment, and people are less prone to chop it down or to use it; it is a grass.

So it is a huge issue. We have commissioned, working with some of your Democratic colleagues, actually, in the Senate, with Senator Leahy's office, a comprehensive assessment of what it would take, in terms of a large investment, to address all of the issues comprehensively.

Mr. ENGEL. Thank you.

Mr. BURTON. Thank you, both, very much. I am sure we will see you back here again, especially you, Mr. Franco. You are kind of like wallpaper here. You are here all the time. Thank you very much. Good seeing you again.

Mr. FRANCO. Good to see you.

Mr. BURTON. The next panel is Mr. Mark Schneider. He is the senior vice president of the International Crisis Group, a nonprofit, international, conflict-prevention organization, and director of its Washington office. Mr. Schneider was director of the Peace Corps from 1999 to 2001, and from 1993 to 1999, he headed the U.S. Agency for International Development in Latin America and the Caribbean. A very important guy.

Would you stand up and let me swear you in, Mr. Schneider?

[Witness sworn.]

Mr. BURTON. Okay, Mr. Schneider. Do you have an opening statement? I think we have probably got about a half an hour before we have to run over and cast a bunch of votes, so we would love to hear you.

TESTIMONY OF THE HONORABLE MARK L. SCHNEIDER, SENIOR VICE PRESIDENT AND SPECIAL ADVISER ON LATIN AMERICA, INTERNATIONAL CRISIS GROUP

Mr. SCHNEIDER. First of all, Mr. Chairman, I want to thank you and the Committee Members for holding this hearing, for being engaged and staying engaged on Haiti.

This is an absolutely crucial moment, as you said. The window of opportunity in Haiti to help that country avoid becoming a permanent failed state will stay open only so long as there is a continuing international commitment to help those in Haiti who are trying to have a different future. So I thank you very much for holding this hearing, and I thank the Committee Members for their efforts in getting the supplemental funding for that and for the work that you are doing in trying to get the HOPE legislation passed.

I think I want to add one point to the discussion that just took place on HOPE, which is that because of the passage of CAFTA and AGOA that Haiti is in a very unequal situation with respect to trade unless HOPE is passed. Right now, the number of jobs already in the textile industry in Haiti has been cut very sharply, and it will be cut much further unless HOPE is passed.

I would just say that I have been in Haiti about 40 times since 1978, about four times in the last 18 months. I came back a couple of weeks ago from my last trip. Essentially, this is one of the few moments when it is possible to make a difference. It is possible to give the kind of support to a new government, to President Preval's administration, that it needs, and I think that we have an opportunity now which we really cannot afford to lose.

Let me just mention one statistic that, to me, says how poor Haiti is and its level of need. It has the highest child mortality rate in the hemisphere. One out of every four children dies before the age of five. That is simply incomprehensible in the Western Hemisphere. It is worse than most of sub-Saharan Africa.

Now, the Crisis Group has been in Haiti for some 2 years. We have put out eight reports on many of the issues related to the cri-

sis. The last report was promised just before President Preval's inauguration, and it singled out the issues that he would face in his first 100 days: Security, police reform, economic renewal, human needs, political cohesion, and judicial reform. They will still be there after the first 1,000 days. Those issues are going to be with Haiti, and we need to stay on top of them.

With respect to security, if the foundation of a functioning state is a monopoly on the use of force, and force is only employed to uphold the law, then Haiti is not yet a functioning state. There are too many guns in the hands of too many gangs, and too many criminals using the cover of the Haitian National Police to carry out kidnappings, drug trafficking, and assaults.

President Preval, I think, recognized that his security challenge is twofold. First, to manage the demobilization and disarming of the gangs in the slums of Cité Soleil, Cité Militaire, Martissant in Port-au-Prince, and in the other cities like Gonaives, and to rid the HNP of the corruption and criminals embedded there. I think the ex-FAD'H are really, at this point, more nuisance than nemesis in terms of threats to the security of the state.

My slight tilt to optimism results from the following. I met with a lot of people there. First, President Preval is personally engaged in pressing MINUSTAH and the HNP to encircle the gangs and to essentially push them into an area in which they have one of two choices: Disarm and demobilize or, as he said, die. In other words, they simply cannot be permitted to continue to control the urban areas of Port-au-Prince.

Second, he has given the green light to what I think is a very good security team: The police commissioner, Mario Andresol; the state secretary for security, Luc-Eucher, and his personal adviser, Bob Manuel, who used to be the state secretary in the first term and essentially was forced out.

He has given them the green light to clean out the police, and working with MINUSTAH, they have got, I think, a pretty good plan to vet existing police to get rid of the ones who need to be gotten rid of, to establish norms for promotion, as opposed to political reasons, to get people promoted, and to establish a training schedule and a financing schedule to rebuild the Haitian National Police. It must move from where it is today somewhere, because they do not know, between five and 7,000 police to 14,000 police by 2011, who are vetted, trained, equipped, and have the kind of command and control that a police force needs.

Here again, the message that you have given and that, I think, has been heard, for that to happen, the international community and the United States have to be engaged and remain engaged the entire time. At the end of my testimony, I talked about the need for a 10-year commitment, sort of a partnership between the United States and Haiti, something similar to what we did to get rid of the nuclear waste in Russia, that would essentially authorize a cooperation program in critical areas over a 10-year period. To be frank, that should be at the level of about \$200 million a year. Just so that you see the difference, currently, the peacekeeping cost for 1 year in Haiti is \$500 million, so it is not that outrageous at all.

Now, I think that the new government has done much in the area of security where the interim government did not act, and reforming the police is one critical area.

The other is that when you look at where the revenues come for the gangs and for some of the organized crime, they obviously get their revenues through drug trafficking, the transiting that takes place, and much of it goes through the ports and through the border crossings. One of the crucial areas of security where I was told that they want help, they plan to move, is on getting control of the ports and establishing more effective customs mechanisms to control what comes in and what goes out and ensure that the revenues that the state should get go to the state.

To give you an idea of the magnitudes, the estimates range from about a low of \$100 million being lost from customs and other duties to a high of \$240 million a year. We are not talking about insignificant resources, and, particularly, if you think that some of those revenues are going to the gangs, this is obviously a crucial area.

I think that MINUSTAH and the Preval Government have reached an accord on both of these areas, the gangs and the police, and they need to be supported. They are in the process, but they have not yet developed a similar strategy for the ports and customs, and they need help in doing that.

The World Bank, the IDB, and, I believe, the U.S. could do more.

Let me just emphasize that while I have spoken about the police a lot, judicial reform is also crucial. In this area of rule of law, reforming only the police is like one hand clapping. We have got an experience over the past 10 years that if you move forward on police reform, but nothing is done on judicial reform, police reform fails because they arrest somebody, he goes through the justice system, and he gets freed, and frustration builds.

At the moment, some 90 percent of the current prisoners in jail have yet to be charged, have yet to be tried, and have been in jail for a long time. There simply needs to be an effective judicial reform program put into place. The Inter-American Commission on Human Rights has put together some very good recommendations in that regard.

Finally, on politics and governance, there was a brief mention of the elections that have yet to be held, but what was not mentioned is that that includes 10 percent of Haiti's senate. Three out of 30 senators were not finally elected in the last elections, and 15 percent of the assembly, and all of the 140 mayors, and all of the local governments.

Now, those elections have to be held. The question is whether now—they just announced the 3rd of December, whether the logistics and technical requirements, getting all of the candidates listed and approved, getting the ballots printed, et cetera, can be done between now and December 3rd. I think it is very important that the OAS and MINUSTAH be very frank with everybody about whether this is doable.

Finally, I am going to mention two issues. One is public education. Forty percent of Haiti's school-age children are not in school, and of those in school, as you have heard, somewhere around 80 percent are in private schools. Haiti needs a strategy

that says, here is where we are now, and in 10 years, this is how we are going to get to a situation where every Haitian child that should be in school is in school, and they need help in doing that. They are beginning the process, but this is an area where I believe the United States and the other countries in this hemisphere, can play a significant role.

Latin America has taken the lead on the MINUSTAH peace-keeping forces. I think, in the area of education, there are several countries—Canada, Chile—that can help Haiti put together a good strategy. The World Bank and the IDB are involved. The U.S. should be as well. More resources are needed from everyone.

Finally, you heard about deforestation. Deforestation in Haiti begins with charcoal. The cooking fuel in Haiti is charcoal. The problem is that the only way they get it is by cutting down whatever tree they can find. Haiti needs to have subsidized a scheme that converts from charcoal-burning stoves to noncharcoal burning. There are biofuels that can be used. It has been done in Africa. It has been done in Jamaica. This really is the core of helping stop the environmental destruction.

I have made a series of specific recommendations in my statement, and I am just going to mention two. One is that the United States should do more with respect to its contribution to the United Nations police force. Currently, 1,950 UN police are authorized. The United States has contributed 45 American police. China has 130. We know that there are Haitian-American police in Miami, in Philadelphia, in New York, in Boston, many of whom would like to go. They need to be financed in order to increase the number of U.S. police in the UN police force. I should add, by the way, that at 1,900, the UN is some 300 shy of the total they need.

Mr. BURTON. Are you finished with your statement because I want to ask you a question?

Mr. SCHNEIDER. I just want to make one other point.

Mr. BURTON. Well, do not let me forget what you just said because I want to make a comment about that.

Mr. SCHNEIDER. Okay. The only other point that I wanted to make is that in drug trafficking, right now, there are five DEA slots in Haiti. Three are unfilled. There is a need for all of the U.S. Government agencies involved in counternarcotics to work more closely with the United Nations police on a common strategy to deal with that problem.

[The prepared statement of Mr. Schneider follows:]

PREPARED STATEMENT OF THE HONORABLE MARK L. SCHNEIDER, SENIOR VICE
PRESIDENT AND SPECIAL ADVISER ON LATIN AMERICA, INTERNATIONAL CRISIS GROUP

I am very pleased to be able to present testimony this afternoon on what needs to be done and what the international community can do to help keep open the window of opportunity in Haiti for security and development.

Now is the time for the international community and the U.S. to be forward-leaning, to provide all available resources to cooperate with the government led by President René Preval and the United Nations Mission in Haiti (MINUSTAH)—particularly on disarming the gangs and cleaning out corrupt police.

The government is virtually non-existent in much of Haiti. It is vital to extend the legitimate presence of the state in order to establish law and order, respect for human rights, basic public services and an economic framework for investment and job creation.

I returned from my most recent trip to Haiti two weeks ago, my fourth in the past 18 months, probably my 40th since my first visit in 1978. While the situation re-

mains grim, I am slightly more optimistic than I have been in quite some time. But it is a limited form of optimism that Haiti may be able to avoid permanent failed state status.

When one returns to Haiti, the reality is always so much more complex and fragmented and the demands and crises always much more urgent than when we see them from Washington. Haiti remains the poorest country in the Western Hemisphere with the highest child mortality rate in the region—one of every four children dies before reaching the age of five. It has close to the highest maternal and infant mortality rates and an estimated 40 per cent of the school-age children are unable to attend school. Perhaps 80 per cent of the population lives in poverty, and economic growth is stymied in part by on-going environmental destruction.

Fragile, still violent, still stagnant economically, Haiti faces the most serious structural deficits in the hemisphere in physical infrastructure, in state institutional capacity, in public revenues, in human development, in political cohesion and in environmental well-being.

The Crisis Group has been in Haiti for two years and we have produced eight reports on the crisis. Our last report came just a few days before the swearing in of President René Preval in May. We singled out the challenges he would face in his first 100 days: Security, policing, economic renewal and human needs, political cohesion and judicial reform. I suspect they will remain key issues in his first 1000 days.

Security: Our next report will be coming out in a few weeks and it will directly focus on the security challenge facing the Preval government, the steps being taken to confront that threat and suggest what more needs to be done.

If the foundation of a functioning state is a monopoly on the use of force, and force is only to be employed to uphold the law, then Haiti is not yet a functioning state. There are too many guns in the hands of too many gangs and too many criminals using the cover of the Haitian National Police (HNP) to carry out kidnappings, drug trafficking and assaults.

President Preval's highest visibility security challenge is two-fold: to manage the demobilization and disarming of the illegal gangs in the Cité Soleil, Cité Militaire and Martissant slums of Port-au-Prince and other cities such as Gonaives, and to rid the Haitian National Police of the corruption and criminals embedded there. The ex-FAd'H (ex-Armed Forces of Haiti) remain more nuisance than nemesis, mostly isolated in rural towns.

My slight tilt toward optimism, following discussions with President Preval and his security team, with the UNSRSG, the Brazilian general heading MINUSTAH and the acting head of UNPOL, the US Ambassador and USAID mission director and others inside and outside Haiti officialdom, was based on the following:

First, President Preval is personally engaged in pressing MINUSTAH and the HNP to encircle the gangs and ensure their acceptance of "voluntary demobilization and disarmament" or face the consequences.

Second, he also has given the green light to his police commissioner, his state secretary for public security and his chief advisor Bob Manuel—previously state secretary for public security and justice in his first term—to clean out the police. Working with MINUSTAH experts they have developed the plans to deal both with dismantling the gangs and with police reform. The plans may not be perfect but they are rational, appear feasible, and for once, they seem actually to have begun to be implemented. President Preval seems to be mustering the political will within his government to initiate them.

Third, there seems to be a willingness to move on strengthening customs controls, and rehabilitating and cleaning up ports and border crossings as a key element of the overall security approach.

They may only be small steps forward but in contrast with the recalcitrance of the interim government on many of these matters, they are milestones.

The interim government simply closed its eyes to the rising levels of kidnappings and violence during its tenure and did next to nothing to combat or confront its leaders. The levels of kidnappings rose to extraordinary levels—going over the 200 mark last December. From January until May, kidnapping dropped sharply. Then it began to rise again in June, and by August had topped 72 "official" kidnappings with the numbers of individuals reported kidnapped well over 100. The actual number of kidnappings was probably close to double the "official" tally as many families avoided the police as they sought the release of their relatives.

The magnitude of the security failure can be seen in reports of rapes, murders and kidnappings during the interim government period, including reliable studies by the Inter-American Commission on Human Rights and the work of the UN High Commissioner on Human Rights. President Preval has endorsed a comprehensive violence reduction program which is designed to produce benefits for the entire com-

munity with MINUSTAH's UNDP and the IOM—supported in part by USAID—helping to design the jobs and community action activities.

While the previous government made modest increases on some customs revenues, and was disposed to cooperate on port repairs, most observers still believe revenues may be less than half what they could be, which translates to \$100 not collected, and some estimates of lost revenues reach more than \$200 million. What is evident is that the official port authority simply does not control the docks.

Ganging up on the gangs:

The gang problem is manageable in terms of numbers with some 3–8 gangs in each of the major slum areas and perhaps 20–80 members in each of those gangs. Advances already have been achieved by the Latin American-led MINUSTAH military and police force to drive the gangs into smaller and smaller operating spaces.

One danger of course is that squeezing them from one end could result in some, as already has been the case, drifting outside the center city to nearby towns or other neighborhoods. A spate of murders and robberies in Petionville may well be a reflection of that trend. But even that consequence is better than their maintaining virtual life and death control over major urban areas of the capital. Although the majority of the country is relatively secure, the security situation in Port-au-Prince dictates the perception of security in the nation as a whole.

MINUSTAH also is carrying out the renewed mandate of the recent Security Council resolution 1702 to recognize the unique character to the demobilization and disarmament of Haiti's largely criminal gangs—but to insure they are dismantled. The test for the U.S. Administration is to find a way to support the process appropriately, even if it is not completely convinced of its content. The U.S. at least should expand its community infrastructure support with respect to electricity, potable water, health and schools in Cité Soleil and the other neighborhoods where the gangs are being pressed to demobilize. Otherwise the gangs will continue to occupy the void left by the absence of state security and state services.

One of the cautionary notes I would urge is that the USG lower its own public media exposure. The public advertisement of a readiness to buy back weapons with a phone number at the US embassy needlessly riled Haitian nationalistic sentiments. The same program announced by the Government of Haiti or the UN and funded by the US would have achieved the same results without the negative flack we now see.

Policing the police:

Now let me turn to the police. By June 2005, it was evident that the Haitian National Police were more of the problem than the solution.

Despite the evidence of corruption within the force, including aiding one gang or another in turf battles, and involvement in kidnapping, the interim government steadfastly blocked efforts to clean out the police. And MINUSTAH, seeking to avoid a confrontation with the interim government and delays in the electoral process, did not move as forcefully as many hoped.

The Security Council took an important step forward June of 2005 in directing the vetting of the existing force but the interim government did not cooperate and MINUSTAH was reluctant to override them. Now the new mandate adopted in 1702 is no longer in doubt and President Preval has specifically encouraged MINUSTAH to move forward.

Haiti needs to register its entire police, now somewhere between 5,000–7,000, and all of their weapons. It needs to vet for corruption, crime and human rights abuse and remove the 25 percent or more that current HNP chief Mario Andresol said are corrupt. Then it needs to implement the new plan to grow the force to some 12,000 trained and equipped by 2011.

Justice Reform:

We all know that the Haitian justice system is broken and that a major reform effort has to extend from vetting out corrupt judges to restructuring the prison system. Perhaps 90 per cent of the current prisoners have yet to be charged, yet to be tried, and have been in jail for long periods of time. The release of some high profile prisoners who appeared to have been jailed for political reasons was positive but does not remove the need for wholesale reform. The Preval government appears to accept that need. Having seen previous attempts fail, I would only urge the US government to support the new government/MINUSTAH reform program as part of a coordinated donor partnership. The Inter-American Commission on Human Rights also has made impressive recommendations in this area. But police reform without justice reform is like one hand clapping. As we learned a decade ago, without justice reform, police reform will fail.

Politics and Governance:

It would be nice to say that the political transition is complete in Haiti, but unfortunately that is not the case. Along with the remaining 10 per cent of the Senate and 15 per cent of the Assembly, there are some 140 towns that have to elect mayors and two deputies and 483 town delegates and some 570 rural districts have to elect both councils and administrators. Clearly urgent consideration needs to be given to an electoral plan to fill the remaining parliamentary seats and to choose the mayors. Unless there is a legal change, the local elections are needed to name judges and create a permanent electoral council. Now called for 3 December, there still are grave technical and logistics issues involving candidates, printing ballots, etc. All parties need to be sure that those issues can be resolved. A permanent and transparent electoral council still is lacking and a professional electoral administration still needs to be established.

I will end by simply noting two permanent issues of concern: public education and charcoal. Some 40 per cent of Haiti's school-age children are not in school. Of those in school nearly 80 per cent are in private schools, some good, many not. Haiti desperately needs a comprehensive education strategy over the next ten years to fill the gap, expanding the number of good public schools, raising the standards of private schools and helping them meet those norms. The World Bank and the IDB are ready to help. The U.S. should be as well. More resources need to be found to give all Haitian children the chance to learn.

Finally, charcoal. Charcoal is burned for cooking fuel. It is a source of income for those who sell it in the streets and shanty towns, a source of air pollution and the driving force behind Haiti's deforestation. Every tree in Haiti is at risk of being turned into charcoal. Only a comprehensive scheme to subsidize the conversion to non-charcoal burning stoves, ideally using a bio-fuel of some sort can check the downward spiral in Haiti's continuing depletion of its trees. That program also is needed to have any chance of protecting the higher value fruit trees that—if allowed to survive—could produce more significant agricultural revenues for Haitian farm families.

To summarize what needs to be done, we would urge the U.S. government, with as little fanfare as possible, to:

- Support the demobilization and disarmament efforts of the Preval administration and MINUSTAH—and emphasize rapid disbursing community infrastructure and jobs projects concurrently with the dismantling of the gangs. The two most popular projects perhaps would be expanding access to potable water and electricity.
- Cooperate fully with the Haitian and UN police reform action plan that finally appears ready to begin vetting current police and quickly obtain the \$20 m. “1207” money from DOD to help finance that effort;
- Double, at a minimum, the number of American police seconded to United Nations Police (UNPOL) within MINUSTAH—I find it embarrassing that only 45 U.S. police serve in a force authorized at 1951 officers when the Chinese government has sent 130. I believe at least that number of Haitian-American police who speak Creole could be made available. An extra effort by the U.S. also might encourage other countries to increase their police contribution since the UN police force remains about 300 below the authorized levels.
- Accelerate disbursement of USAID and State economic and social development grants—on education, rural development, and boosting small farmer income.
- Join with the Government of Haiti to combat drug trafficking and smuggling by ending the criminal influence in many Haitian ports, expanding US counter-narcotics funding and coast guard support, ending the squabbling among US counterdrug agencies and UNPOL, and filling all authorized slots within all USG agencies approved for Haiti. When I was there, I was told that 3 of the 5 DEA slots remained unfilled, in a country where drug transiting is a major problem for the U.S. and a major source of gang financing and turf warfare. If the U.S. had all of its authorized slots filled, it also would be more likely that the U.S. voice would carry more weight in demanding that the UN fill all of its slots—including such senior positions as the head of the UN police.
- Lead by example in the donor community by making good on pledges ahead of time, building on the successful fast disbursing projects of OTI and using or requesting waiver authority where needed to move resources rapidly. Rapid action could help bolster the ministries by funding young profes-

sionals—perhaps Haitian-Americans or Haitian-Canadians from the diaspora—to work in the ministries in policy planning and budgeting to help strengthen a very thin government administrative capacity.

- Insure that Haiti is treated at least equally to Central America under CAFTA and African developing nations under AGOA by adopting HOPE trade legislation and debt relief. I should note that Haiti's budget and macroeconomic strategy received the World Bank and IMF approval last week making Haiti eligible to enter HIPIC.
- Make sure that the remaining elections for 15 per cent of the Assembly and 10 per cent of the Senate are held as early as possible, along with the mayoral elections that need to be run. The CEP demand for a 3 December date was endorsed by President Preval two days ago. Logistics and technical questions still exist whether those elections, when combined with the more complicated community elections, can be held on such short notice. Unless there is a change in the law and/or Constitution, the local elections remain linked to judicial reform and a permanent electoral council and both are crucial to Haiti's governance.

I want to thank you Mr. Chairman for holding this hearing. I would hope it might end with a bi-partisan commitment to a ten-year U.S.-Haiti cooperation plan of \$200 million per year to support Haitian development. If that sounds like a lot of money, I would just note that the cost of one year's UN peacekeeping is \$500 million.

Mr. BURTON. Let me just ask you a couple of questions. You said, out of the 1,900 police down there, and they do not have a full complement of that right now—

Mr. SCHNEIDER. Right.

Mr. BURTON [continuing]. But of the 1,900 police—

Mr. SCHNEIDER. Sixteen hundred.

Mr. BURTON. What did you say, 1,600?

Mr. SCHNEIDER. There are 1,600 of the 1,900.

Mr. BURTON. So you are missing 300.

Mr. SCHNEIDER. That is right.

Mr. BURTON. And you said we are only providing what, 45?

Mr. SCHNEIDER. 45.

Mr. BURTON. If you could give those figures, along with a recommendation, to Mr. Engel and my staff—

Mr. SCHNEIDER. I will be happy to.

Mr. BURTON [continuing]. We will see if we can write a letter suggesting that Haitian-American policemen who might want to volunteer to go down there should be subsidized by the Federal Government so they can go down there and help out. Mr. Engel and I both agree that we do that.

The last thing you were talking about was—

Mr. SCHNEIDER. On the counter-drug side, one of the problems—

Mr. BURTON. Okay. There are three DEA agent slots open. We need to also send a letter to DEA asking why, since that is a major transit point for drugs coming out of Colombia and Venezuela and Peru out of the northern part of South America, that they need more help down there to try to stop that. So we will be glad to write a letter to both DEA and, I presume, the department we would write to would probably be State, and we will see if we can figure out some way to help with that.

Mr. SCHNEIDER. Great.

Mr. BURTON. I just have a couple of questions, and then I will let my colleague ask any.

You mentioned that, during the first 100 days, President Preval would face an awful lot of crises and things that needed to be done.

Can you point out what you think is the most important thing that has to be dealt with in those first 100 days, in your opinion?

Mr. SCHNEIDER. Establishing the plan and moving on the plan to vet existing police within the Haitian National Police and get rid of the ones that are involved in kidnapping, drugs, and crime. That is the single most—

Mr. BURTON. What percentage of the national police do you think are involved in this corrupt stuff?

Mr. SCHNEIDER. The head of the police, Mario Andresol, has publicly stated that he believes that 25 percent of the police force is corrupt.

Mr. BURTON. Well, in any event, is he taking the lead in trying to—

Mr. SCHNEIDER. He is. He is. They are moving on that, and that is where I think that we need to offer our support.

Mr. BURTON. He has probably got a target on his back.

Mr. SCHNEIDER. Exactly right. There is no question that his security is at risk as a result of his public statements.

Mr. BURTON. Well, I wish him the very best in rooting out the bad apples and making sure that does not happen again.

You point out in your testimony that there are only 45 police. We are already going to address that issue.

You were speaking also about making Haiti equal to other Central American countries under CAFTA. We want to work on that. We are going to be working on that. This HOPE issue is one, and I will also talk to Bill Thomas, who is the Chairman of the Ways and Means, and others about coming up with some kind of a trade agreement with Haiti that would encourage investment and create jobs down there.

I do agree with you that CAFTA DR was important and that we need to go ahead and try to find some way to help, in addition with the economic problems of Haiti.

Would you like to ask a few questions, Mr. Engel?

Mr. ENGEL. Thank you, Mr. Chairman.

Mr. Schneider, the Chairman has mentioned that he and I would do a letter to see if we can encourage some Haitian-Americans in law enforcement to go down there. Isn't the problem that if someone picks up and leaves for a couple of years and goes down to Haiti, there is a problem with benefits that they would lose and things like that. Isn't that really where the problem lies?

Mr. SCHNEIDER. That is one of the problems. The first problem is that the U.S. has essentially said, we have resources to cover this amount of police to be participating in the UN police force. That is one.

The second is the one you mentioned, which is that in some of the police forces, if they leave, they lose their year pension rights and promotion. In some instances, 10 years ago, those were waived, and that is the kind of action which perhaps could be taken by the individual police departments or local authorities.

Mr. ENGEL. Thank you. In its May report on Haiti, the International Crisis Group, in which you have been very prominent, urged the rapid implementation of high-profile interventions to benefit the inhabitants of Port-au-Prince's worst urban districts. I would assume that this recommendation was aimed at ensuring

that the population felt some immediate benefit from the Preval administration. Could you elaborate on some of the interventions that you and the report recommended?

Mr. SCHNEIDER. Yes. I think it is also crucial that those kinds of rapid-disbursing projects take place as the gangs are demobilized so that the communities see an immediate benefit. The kinds of activities that are possible, obviously, range from cleaning up the streets, bringing potable water into those communities, helping to rebuild schools in those communities, and that provides jobs for the local residents as well; helping to bring health care into those communities. Some of the clinics cannot open because of the security problem. Those kinds of actions could take place immediately.

Mr. ENGEL. Let me talk again about the International Crisis Group's report of May 2006, and I am quoting: "Urgent measures are needed to help repair a social fabric badly damaged in recent years by political polarization, deepening antipathies between the mass of the population and the elite, worsening poverty, and a generalized sense of hopelessness." That was a quote.

Has there been progress in repairing Haiti's social fabric. Has the Preval Government taken positive steps to lessen some of the antipathies you discussed in your report?

Mr. SCHNEIDER. I think, to some degree. He has clearly reached out to some members of the business class and business community. In developing his cabinet, he reached out to some other political parties, and in that effort, I think, engaged in wide-ranging consultations with the new members of Parliament, and I think that that moved in the direction of increasing social cohesion.

Mr. ENGEL. Some people have said that Haiti should have some form of truth and reconciliation commissions to investigate past human rights abuses. Do you agree, and what would be the benefits of having such a commission? What would be the major obstacles to having such a commission, and what would you recommend overall?

Mr. SCHNEIDER. I think, at some point, there is no question that that would be desirable. The issue truly is the timing.

My sense would be that immediately the most important thing is to move in terms of cleaning out the existing bad apples within the Haitian National Police, moving in the direction of demobilizing the gangs, and beginning to create a judicial system that functions. It is at that point, it seems to me, that you could begin to go back in the past and look at issues of human rights abuses of the past.

The key right now is let us try and create an institutional capacity to stop future human rights abuses.

Mr. ENGEL. I have a final question, and it ties in with what you said before and a question the Chairman asked as well, and that is the diaspora of Haiti in the United States.

It is a rich resource of human energy and talent, and this statistic: Remittances—that is the money that Haitians get paid here, and they send back to Haiti—we have had some hearings on general remittances in the Americas in this Subcommittee as well—remittances from Haitians living abroad exceeded \$1 billion and constituted 24 percent—that is a quarter, essentially—of Haiti's GDP. That is an astounding figure.

So let me ask you about the diaspora. In addition to promoting the economy, could the diaspora also assist the government by resolving Haiti's enduring social conflict? Again, we talked a little bit about this, but I want to give you an opportunity to expand. What sort of United States programs would help facilitate assistance by the Haitian diaspora here in the United States?

Let me make a couple of suggestions. I think that that is a very important area where more can be done. The legislation that has just been passed by the Committee, I understand, provides some funding for Haitian-Americans to go back and provide some kind of technical assistance. That seems to me a very useful avenue.

The USAID mission in Port-au-Prince has a specific request that they have made to the Government of Haiti to identify certain professional needs at the level of the ministries, and they will try and meet them. The issue, then, is how do you make the contact back to the communities here? There are a couple of associations that they plan to go to and say, "The Ministry of Transportation has a need for three or four planners," and they will go back to the diaspora and try and see if it is possible to get them and pay the difference in salary between what those individuals were making here and what they would have to make in Haiti. That is one.

The other is something actually that the current UN Secretary-General's representative in Haiti, Ambassador Mulet, did when he was Ambassador here from Guatemala. He organized, in a sense, the expatriates community by community so that instead of simply sending all of the remittances back to their individual families, he urged them to form a community association here that would partner with their community back home and that they would then provide a small portion, perhaps 10 percent, into a fund for a specific kind of infrastructure need in that community, a school or water supply, et cetera, and that became one way to, in a sense, channel remittances into development projects. I think it is the kind of program that might be replicated with respect to Haiti.

Mr. ENGEL. So you obviously agree, we all agree, that the Haitian diaspora here in the United States can and should play a major role in the rebuilding of Haiti.

Mr. SCHNEIDER. And in Canada.

Mr. ENGEL. In Canada as well. Thank you.

Thank you, Mr. Chairman.

Mr. BURTON. Well, Mr. Schneider, I want to thank you and the International Crisis Group colleagues of yours for doing such a great job and working so hard on this issue, and if you will give to my staff and Mr. Engel's staff the information we asked for, we will see if we can push a little bit to get some more DEA agents down there and also some more police.

Mr. SCHNEIDER. Thank you very much, Mr. Chairman.

Mr. BURTON. Thank you very much for being so patient and waiting on us, and with that, my colleague, we stand adjourned.

[Whereupon, at 4:15 p.m., the Subcommittee was adjourned.]

