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**From:** Mills, Cheryl D <MillsCD@state.gov>  
**Sent:** Monday, March 22, 2010 7:34 AM  
**To:** H  
**Subject:** FW: Haiti recovery blueprint includes foreign donors

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**From:** Nora Toiv [mailto:nora.toiv ]  
**Sent:** Monday, March 22, 2010 7:29 AM  
**To:** Mills, Cheryl D  
**Subject:** Haiti recovery blueprint includes foreign donors

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## Haiti recovery blueprint includes foreign donors

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Call it the \$100 million club.

That's the amount each donor nation will have to ante up for a say in Haiti's early recovery under a plan Haitian President René Prével plans to present at an international donors conference in New York at month's end.

While Haitian and foreign disaster experts were tallying the cost to rebuild after the Jan. 12, 7.0-magnitude earthquake -- \$11.5 billion -- Prével and his advisors have been quietly negotiating the blueprint of the development plan that will shape Haiti's reconstruction over the next decade.

"It moves it in the right direction," Mark Schneider, senior vice president of the Washington D.C.-based International Crisis Group, said of the plan, which he has seen. "I've said, the first phase of reconstruction is a decade. The real test is a generation and hopefully with partnerships both inside and outside of Haiti, it will continue for that time period."

The plan includes creation of an Interim Haitian Recovery Commission that will -- for the first time -- seek to guide how and where aid is spent by giving both Haitians and foreigners a vote in reconstruction priorities and projects over the next 18 months. Haiti's president will retain veto power and there's a starring role for former U.S. President Bill Clinton if he wants it.

The blueprint is certain to come under plenty of scrutiny in Haiti, a country plagued and in-fighting among donors. Over the years, billions of dollars in aid -- often delivered after hurricanes or political coups -- has failed to produce any signs of lasting progress in a country that remains the poorest in the Western Hemisphere.

Clinton, who is to visit Haiti Monday along with former President George W. Bush, will be asked to help lead Haiti's reconstruction planning over the short-term as co-chair -- along with the Haitian prime minister - of the commission, several sources confirmed to The Miami Herald.

Clinton, who is already in charge of the international relief effort for the United Nations, has not said whether he'll accept the job as Haiti's reconstruction czar but he has championed the strategy, saying the goal is to provide to Haitians the success that has long eluded them. He and Bush are visiting Haiti, where more than 200,000 people were killed in the quake, in their roles as co-chairs of the Clinton Bush Haiti Fund. The private U.S. fundraising effort, initiated by President Obama, has raised more than \$36 million.

The commission's goal will be to plan and coordinate reconstruction priorities and projects over the next 18 months with recommendations from a 20-member board made up of Haitians and foreign donors. Eventually, the commission would morph into the Haiti Development Authority (HDA), a central planning agency tasked with approving all reconstruction projects in Haiti regardless of which country or aid agency is funding it.

The authority's executive director, like that of the commission, likely would be a well-respected Haitian.

"Haitians must have the chance to lead the rebuilding of Haiti," said U.S. Secretary of State Hillary Clinton's chief of staff Cheryl Mills, a key person in talks. "Development authorities have helped other countries that have large donor communities to accomplish their visions -- we want no less for Haiti and its citizens."

The original plan, first reported by The Herald last month, was modeled on the successful reconstruction authority created in Indonesia after the 2004 tsunami and presented by Mills to Préval and top Haitian officials last month. Other countries and multilateral institutions also presented plans to the Haitian government.

The U.S. plan has since undergone several revisions at Préval's urging.

Among them: offering a voting seat on the commission's board to each donor pledging \$100 million or more over the next two years and donors who provide \$200 million in debt cancellation. As a result, Venezuela is among the likely donors to help review and approve projects. Initially 16 members, the board was expanded to give a say-so to Haiti's private sector and labor unions and the 15-nation sub-regional Caribbean Community (CARICOM). The plan also establishes a Multi-donor Trust Fund, administered by the World Bank, to possibly pool donors' dollars for reconstruction projects.

For decades, Haiti has been plagued by a lack of planning and coordination among donor nations and aid groups as they battled among each other in the poverty-stricken country.

Using the Indonesian model employed in Indonesia after the Asian tsunami, plan supporters say the reconstruction commission offers Haiti the best chance to lead its own redevelopment and to change the way donors do business, ending an era where aid groups spend budgets larger than Haitian ministries without any accountability to the Haitian people. But that can only be achieved in Haiti, say supporters, if donors and their projects are coordinated, and in line with Haiti's vision and post-disaster reconstruction needs, which will be presented at the March 31 New York conference and remains a work in progress while the government seeks input from various Haitian groups, including the Diaspora. Also Haiti's parliament must vote on the creation of the Interim Haitian Recovery Commission.

Still, the idea of putting Haiti's reconstruction into the hands of one central authority -- or having some donors channel their money into a trust fund -- is not without detractors. Some argue that the authority could render government ministries obsolete because projects would now bypass them, while others point out that

a similar World Bank fund in the Sudan has been troubled by rules leaving schools and healthcare facilities undone as hundreds of millions of dollars remain unspent.

Meanwhile, Haitian government officials worry that donors may not want to change the way they do business with Haiti, rendering the reconstruction a failure before it gets started.

“The creation of the [trust fund] or the [Haiti Development Authority] are improvements to changing the paradigm if and only if everybody plays the game -- putting most of their money in the fund -- and access to the funds is more flexible than the usual process of disbursing from the international donors,” Haitian Prime Minister Jean-Max Bellerive told The Herald.

In the past, donors have pledged hundreds of millions of dollars to assist Haiti but have fallen short in disbursing those dollars -- or at times spent the money on projects without consulting the Haitian government about whether the projects were needed.

Last week, as representatives of the Haitian government and others met to prepare for the New York conference, Bellerive warned that “New York could be a failure if we don't reach an agreement on the structure for the coordination and the organization of the trust fund...(and) don't manage to establish together the priorities for immediate investments,” to begin reconstructing the country.

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