

ADDRESSING CORRUPTION RISK IN HAITIAN RECONSTRUCTION AFTER THE EARTHQUAKE OF JANUARY 12, 2010

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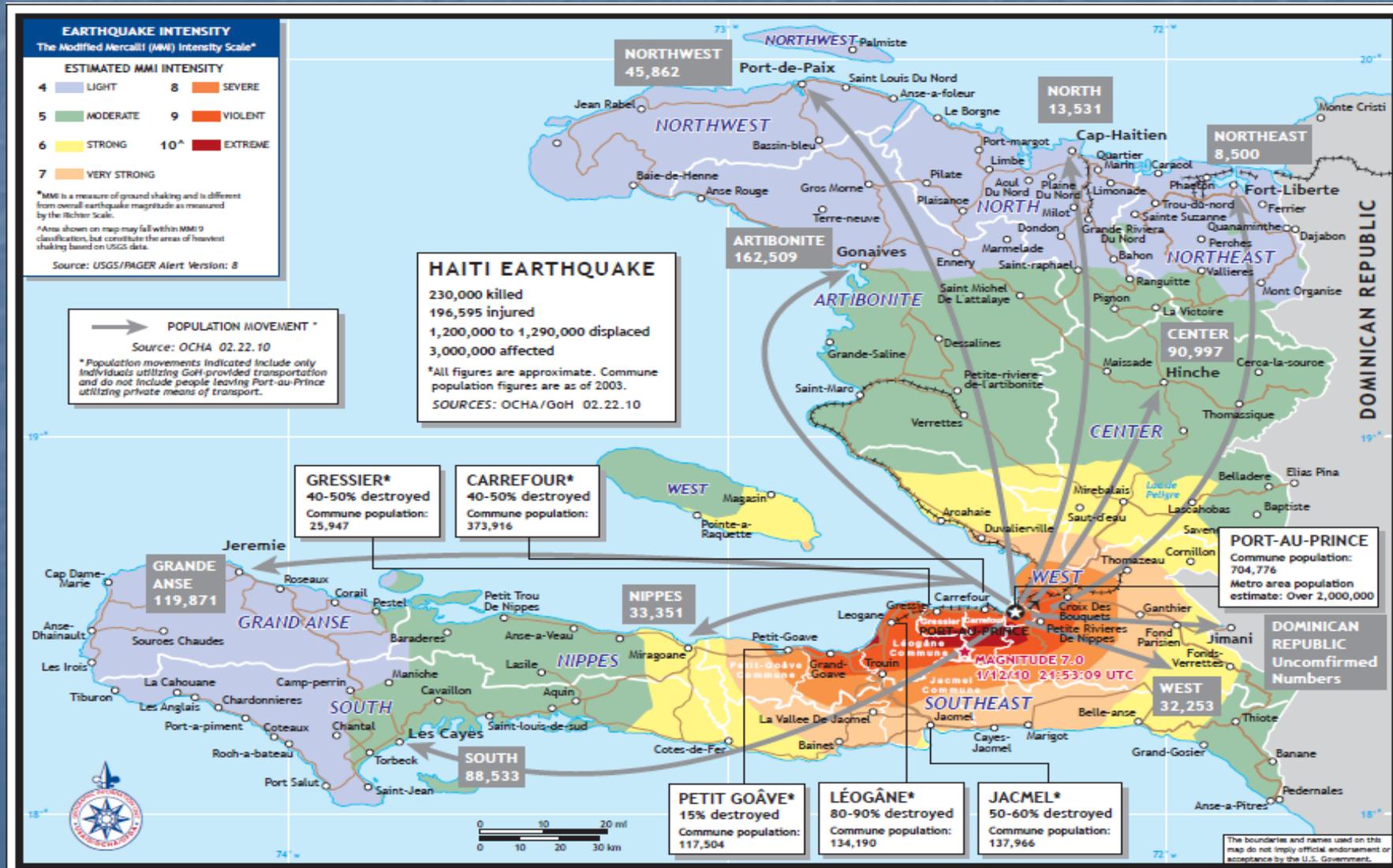
ABSTRACT

- After the destructive earthquake of January 12, that devastated, the capital of Haiti and its suburbs, national and international organizations have been mobilized to bring relief to the disaster's victims. All over the world, many private and organizational initiatives have launched call for support and donation to help the Haitian people. The international community responded generously and testified his solidarity by sending billions dollars in aid and other resources. During the first three months following the earthquake, about 2.8 billions US dollars and tons of items have been engaged in emergency response by the international community. Haitian government also disbursed \$163 million us dollar to provide reliefs to the victims. An emergency law has been taken to facilitate the procurement process and an Interim Haiti Recovery Commission (IHRC) has been created to coordinate the management of all international funds received and monitor the reconstruction process.
- However many observers are sceptic about how the humanitarian assistance and all the funds raised worldwide would be used knowing that even before the disaster, mechanisms for transparency and accountability were inefficient . Ninety percent (90%) of the emergency aid has been delivered directly through foreign governments and nongovernmental organizations (NGOs). Although many relief agencies operated on the ground, hundreds people used the media to denounce dishonest practices in the aid distribution and report cases of nepotism, distortion of emergency supplies and sexual harassment.

- It is widely recognized that emergency assistance and reconstruction process are particularly prone to corruption for certain reasons. In fact affected government have to give a quick response to meet urgent need of the victims by providing food, shelter, water, sanitation, medicine and care. Most of the times, decision for purchasing and delivering goods should be taken fastly in a context where people's life are in jeopardy, infrastructures collapsed and state institutions are weakened. In such situation, risk of corruption appears particularly because, there is a massive influx of fundings and good that can be bogged down in a lack of coordination. Moreover it is possible to shortcut the normal procurement process and award contract to suppliers on a direct negotiation basis. Having said that, the questions are how corruption take place and what can be done to mitigate the risk.

The poster presents an overview of the situation in Haiti after the earthquake and the risk of corruption in the reconstruction process.

Earthquake affected areas



Corruption risks examples

Activity	Risk	Examples	Sources
<p>Fundraising and allocation of funding</p>	<p>Setting up of bogus NGO, relief organization, and victims committee.</p> <p>Lack of transparency about the use of the money collected</p>	<p>About 400 NGOs were legally recognized before the earthquake. . In practice the number of NGO operating In Haiti varies between 3.000 to 10.000 according to various sources.</p> <p>In its investigation, The “Disaster Accountability Project” found that of the 197 organizations identified as soliciting money for their activities in Haiti following the earthquake only six have provided factual situation reports itemizing their activities. 128 organizations had no reports on their websites, but instead offered emotional appeals and “anecdotal” descriptions of activities.</p>	<p>http://www.mpce.gouv.ht/ong_reconnue.pdf</p> <p>http://www.scribd.com/doc/34223667/Report-On-Transparency-of-Relief-Organizations-Responding-to-the-2010-Haiti-Earthquake</p>

Corruption risks examples

Activity	Risk	Examples	Sources
<p>Procurement and logistics Risk</p>	<p>Derogation from normal procurement procedures</p> <p>Contract award on direct negotiation basis with a an undue preference for a supplier</p> <p>Collusion between tenders</p> <p>Supply of sub-standard, and below specification goods</p> <p>Embezzlement of stock, vehicles, parts, fuel.</p>	<p>The U.S. Agency for International Development has awarded a lucrative <u>no-bid contract</u> to the company GlobalOptions Group for a value of \$100.000 to execute 11 days of work in Haiti on emergency preparedness.</p> <p>A subsidiary of Calgary-based ATCO Ltd., which has three Conservative donors on its board of directors, <u>was awarded a \$12-million contract without a public bidding process.</u> to build temporary offices in Port-au-Prince for the Haitian government.</p>	<p>http://www.foxnews.com/politics/2010/02/16/usaaid-steers-bid-contract-politically-connected-firm-clinton-friend/ http://www.cbc.ca/money/story/2010/03/22/haiti-atco-subsiary.html</p>

Corruption risks examples

Activity	Risk	Examples	Sources
Targeting, registration and distribution risk	<p>Manipulation of the beneficiary list</p> <p>Extortion of the victims</p> <p>Appropriation of the assistance goods and supplies for private use by those involved in the distribution.</p>	<p>Fake food coupons are distributed to the victims in exchange of cash payment.</p> <p>Poor residents who aren't earthquake victims are moving into refugee camps for the free food and health care</p>	<p>http://www.nytimes.com/2010/02/09/world/.../09haiti.html</p> <p>http://www.cbsnews.com/stories/2010/04/21/eveningnews/main6419171.shtml</p>
Finance, administration and Human resource risk	<p>Waste, profligacy and mismanagement</p>	<p>Lease of two ships “The Ola Esmeralda” and the “Sea Voyager” to accommodate UN and MINUSTAH executive Staff at a daily cost of \$ 112.500</p>	<p>http://www.lenouvelliste.com/articleforprint.php?PubID=1&ArticleID=80630 (Le Nouvelliste 22 juin 2010)</p> <p>http://www.foxnews.com/world/2010/04/08/haiti-ruins-relief-workers-live-large-love-boat/</p>

Corruption risks examples

Activity	Risk	Examples	Sources
Shelter and healthcare	Unauthorized use or diversion of medical equipment and supplies Inadequate adherence to standard rules, Acceptance and use of out-of-date supplies or below specification material	6 months after the earthquake, only 5,657 of a planned 125,000 shelters have been built.	http://ijdh.org/wordpress/wp-content/uploads/2010/07/HAWG_Shelter_FINAL.pdf

Some measures to address corruption risks

- Advance preparation for emergency procurement. : “disaster preparedness”
- Development of standard procedures to administrate funds , purchase and supervise the delivery of supplies.
- Empowering beneficiaries to report corruption by setting an appropriate complaining systems including whistle-blowing policies
- Capturing and punishing some big corrupt actors- even those of the actual government- is important to make the population believe that the fight against corruption is not only a speech.
- Limiting discretion of public officials by encouraging staff rotation, separation of function, standardization of rules and procedures also internal and external procedures.
- Facilitation of an open dialogue with the NGOs about challenges posed by corruption
- Increasing monitoring and evaluation capacity and application of sanctions to companies or people caught practicing corruption.

CONCLUSION

- The issue of corruption is a key concern for all those who are involved in the reconstruction process in Haiti. It is the responsibility of the Haitian government, both the central and local administrations, to be in charge of the overall rebuilding efforts. It is also important that they send signal that the money collected will be managed efficiently. Haitian public officials have to face vast challenges that require thinking and taking action in different ways. Despite of the weakness of local institution supporting actions are proposed to rebuild trust in Haitian authorities, these include the following measures : respect of rules, limitation of the discretion power of public officials, setting up a system of performance evaluation and development of a partnership with NGOs.

