

**Opening Statement of the Honorable Ed Royce (R-CA), Chairman
House Foreign Affairs Committee
Hearing on “Haiti: Is U.S. Aid Effective?”
October 9, 2013**

(as prepared for delivery)

This hearing will come to order. Today we meet to assess our aid to Haiti.

In January of 2010, a massive earthquake struck Haiti, doing major physical, social and economic damage to the poorest country in the Western Hemisphere. This was a devastating blow to a nation already struggling from centuries of violent repression, endemic corruption, and extreme poverty.

The international community, led by the United States, rapidly organized an unprecedented humanitarian response. International donors pledged over \$13 billion to support immediate relief and recovery. Private charities provided \$3 billion. That year, Congress approved an over \$1 billion appropriation for Haiti, of which \$651 million was provided to the Agency for International Development to support post-earthquake reconstruction.

Now, over three years later, the results aren't impressive. Of the two million Haitians impacted by the earthquake, an estimated 320,000 remain in squalid displacement camps. Efforts to provide permanent housing have been undermined by weak property rights. Unemployment is high. Corruption is rampant. The business climate is poor.

Under the leadership of Chairman Emeritus Ros-Lehtinen, the Government Accountability Office was tasked with studying USAID's efforts. In particular, this Committee was concerned about shelter projects and the development of the Caracol Industrial Park in the northern part of the country.

As we will hear today, the GAO unfortunately has found that these programs have been slowly implemented, more costly than planned, and of questionably lasting impact. While much has been promised, little has been effectively delivered.

Following this discouraging report, the Ranking Member and I sent a bipartisan delegation of Committee staff to Haiti to review GAO's findings. They were left asking some basic questions:

- Why does USAID still lack an engineer for the proposed port in the Caracol Industrial Park?

- Why did the U.S. set expectations for massive permanent housing projects in a country where the overwhelming majority of people do not have secure property rights?

- And why aren't intended beneficiaries occupying the few housing units that have actually been built?

Haiti has suffered too many natural disasters. But it is weak institutions and endemic corruption that perpetuate its poverty. The World Bank has found that the chances of reducing poverty under these conditions “approaches zero.” The absence of a transparent, legally enforceable system of property rights – which would allow Haitians to secure and invest capital or open and expand a business – is debilitating. Without these basics, no level of assistance would put Haiti on the right economic path.

The Haitian government’s failure to hold long-delayed elections is also troubling. Fully one-third of the Senate remains vacant, making a quorum difficult. Even worse, without elections, the President may end up governing by decree.

I believe the Haitian people deserve better. I know American taxpayers deserve better. If aid is to continue, we need a viable partner in development and democracy.

Our ranking member Elliot Engel was instrumental bringing this hearing together. I will now turn to him for his opening remarks.