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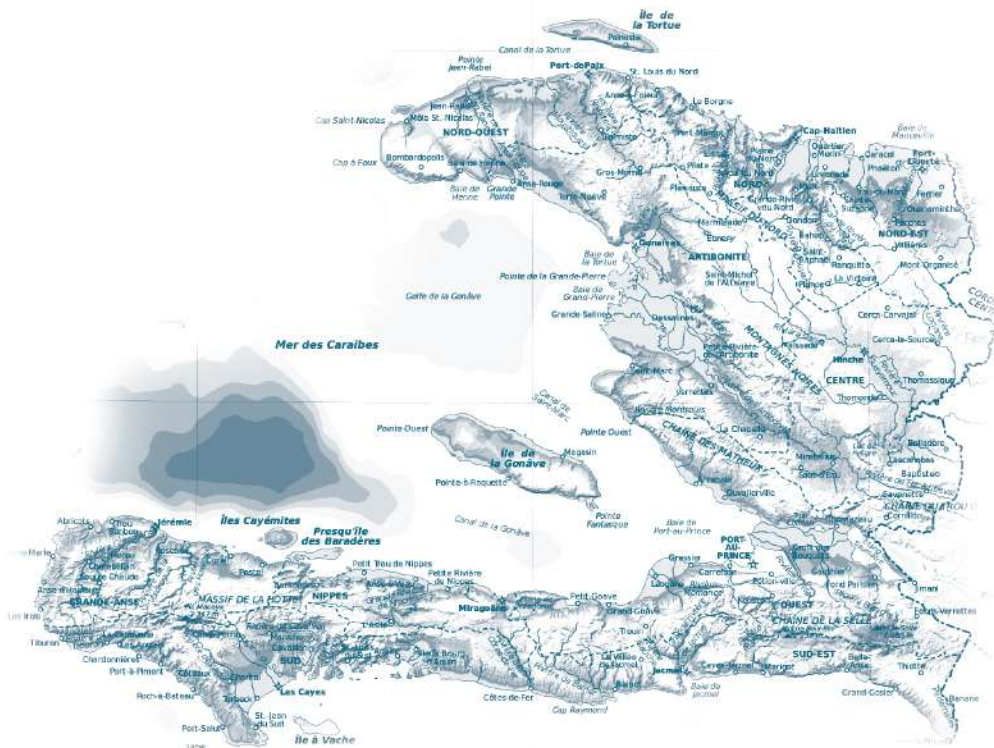
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Benefit-Cost Analysis

Implement Existing **Laws** on **Decentralization** in Haiti

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Un plan de développement alternatif

IMPLEMENT EXISTING LAWS ON DECENTRALIZATION IN HAITI

Haiti Priorise

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Working paper as of April 21, 2017.

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This work has been produced as a part of the Haiti Priorise project.

This project is undertaken with the financial support of the Government of Canada. The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.

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ABSTRACT

The theory of decentralization is based on the principle that in order to initiate local and participatory development, some power must be given to local authorities recognized by the constitution or the law. Decentralization must allow rural populations to ensure their development, more and better. The aim of this intervention is to study the costs and benefits of the application of all the precepts through laws, decrees and other vehicles defined within the framework of decentralization.

POLICY SUMMARY

Overview and Context

Thirty-six percent (36%) of the total population lives in the Western Department, and 92% of this Western population lives in the metropolitan area of Port-au-Prince.¹ Decentralization is a necessity in Haiti: activities are concentrated around a single city and there is a strong migration trend, reducing the capacity of other communes to attract the human resources needed to manage communes and collect revenues. Additionally, with this fully centralized population, the administrative machinery is cumbersome and the State cannot be effective and efficient within the national territory. As a result, deconcentration also becomes a necessity. For, in order to ensure the economic and social development of the country, the State must begin by putting in place the necessary guidelines for decentralization.

Overall, decentralization is a transfer of the authority and responsibilities of public offices from central government to subordinate or quasi-autonomous government bodies and/or to the private sector. In 2011, the World Bank defined decentralization as a system of administration in which decision-making power is exercised both by the State and by autonomous legal entities subject to the control, in principle of legality, of state authorities, which implies the transfer of the powers of the State to bodies or institutions other than itself and which, under its supervision, enjoy a degree of autonomy of management.

¹ Calculations based on population data from the Survey of Living Conditions of Households After the Earthquake IHSI, 2012

There are different types of decentralization: political, administrative, fiscal, decentralization of the market and territorial decentralization. There is an overlap in the meaning of these terms, but precise definitions matter less than a comprehensive approach to the question. These different types of decentralization can take various forms in different countries, within the same country or within a sector. The 1987 Constitution emphasizes three types of decentralization: administrative, political and fiscal. The latter two are also found in the Decree of February 1, 2006, defining the general framework for decentralization, and in all legislation enabling the sound management of communes.

Implementing laws on decentralization in Haiti involves first a study of the different types of decentralization defined through laws and an emphasis on political and fiscal decentralization. It is therefore appropriate to analyze the implementation of the bases laid down in the 1987 Constitution as well as the other precepts defined in any other law relating to the decentralization or functioning of Local Authority(s) (CT). Costs and benefits are added to this to allow the crucial elements of this decentralization to be put in place.

The aim of this research is to analyze the costs and benefits of the implementation of decentralization as prescribed in the legislation around this concept. That is to say, the costs and benefits are calculated for the following actions: the establishment of technical councils in town halls, the training of local elected officials and the provision of the necessary resources for the execution of municipal duties. This research is also based on information provided by the Ministry of the Interior and Local Authorities (MICT).

Implementation Factors

Decentralization is national in scope. It concerns the population of the ten (10) departments, the 140 communes. The costs and benefits defined in this intervention are global.

Direct costs identified within the framework of this intervention are:

training of local elected officials and territorial managers

the establishment of Technical Councils at town halls

setting in motion resources due to the town halls and assemblies

To these costs are added the costs of purchasing equipment for the operation of the town halls, ASECs and CASECs. These costs could not be calculated as part of this intervention because of the difficulty of finding information on the operation of each town hall and the material needs of ASECs and CASECs. But these costs seem negligible.

Implementing Body

The implementing body for this intervention should be the Ministry of the Interior and Local Authorities (MICT), in close collaboration with the Ministry of Planning and External Cooperation (MPCE).

Risks Associated with Intervention

There is always the risk of political instability arising from local elections or confusion associated with the duties of local elected officials if their responsibilities are not well defined. Therefore, within the framework of decentralization, the central State must retain control and supervision roles at its level. Another risk could be the weakness of administrative or technical capacity at the local level, despite the training component, which could lead to a decline in the efficiency and effectiveness of service provision.

Justification for Intervention

Our intervention consists of applying the laws on decentralization in Haiti. The laws on decentralization in Haiti define the different structures to be set up within the CTs in order to ensure the proper management of the latter. In a context of decentralization, the most important CTs are the commune and the communal section. The importance of the commune derives from the fact that it has administrative and financial autonomy. The town hall has a duty to put in place a management plan. It intervenes in the management of public space, in education, health, etc. All that relates to the welfare of the municipal population. And the communal section because it is the subdivision of the commune. The local elected officials of the communal sections (ASEC and CASEC) are close to the population and must be able to identify the needs of the population, identify the neediest and assemble the necessary information so that the town hall can draw up

its municipal development plan. Hence the need to train local elected officials and put in place the technical councils of the town halls.

Benefits

The direct benefit of this intervention comes from fiscal decentralization, which engenders satisfaction from the population, arising from the fact that the communes are better able to manage subsidies and transfers from the State, improving the provision of public services.

Uncalculated is the institutional fallout, a consequence of the financial autonomy of local authorities. The State will be more available on the national territory. Decentralization increases the powers of communes and allows them to be financially responsible. As a result, it can reduce the rate of migration to the capital and increase local human resources, stimulating private sector investment. On an agricultural level, it can lead to better management of local production/plantations. In sum, decentralization has a positive effect on many areas that can lead to development.

Table 1. Costs and Benefits in Gourdes

Discount rate	Benefits	Costs	Cost-benefit ratio
3%	111 793 724 079	10 946 138 738	10.21
5%	105 577 293 249	10 348 368 541	10.20
12%	87 605 139 069	8 617 069 572	10.17

GLOSSARY

ASEC: Assemblée de la Section Communale [Assembly of the Communal Section]

CASEC: Conseil d'Administration de la Section communale [Board of the Communal Section]

CT: Collectivités Territoriales [Local Authorities]

FGDCT: Fonds de Gestion et de Développement des Collectivités Territoriales [Fund for the Management and Development of Local Authorities]

MICT: Ministère de l'Intérieur et des Collectivités Territoriales [Ministry of the Interior and Local Authorities]

MPCE: Ministère de la Planification et de la Coopération Externe [Ministry of Planning and External Cooperation]

PIP: Public Investment Program

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INTRODUCTION

Thirty-six percent (36%) of the total population lives in the Western Department, and 92% of this Western population lives in the metropolitan area of Port-au-Prince.² Decentralization is a necessity in Haiti: activities are concentrated around a single city and there is a strong migration trend, reducing the capacity of other communes to attract the human resources needed to manage communes and collect revenues. Additionally, with this fully centralized population, the administrative machinery is cumbersome and the State cannot be effective and efficient within the national territory. And because of this, there is a concentration of public services in this geographical area: 46% of civil servants are in the capital and the surrounding area. There is a greater disparity between urban and rural areas: 86% provide services in urban areas, compared with 14% in rural areas.³

Overall, decentralization is a transfer of the authority and responsibilities of public offices from central government to subordinate or quasi-autonomous government bodies and/or to the private sector. The World Bank (2011) defines decentralization as a system of administration in which decision-making power is exercised both by the State and by autonomous legal entities subject to the control, in principle of legality, of state authorities, which implies the transfer of the powers of the State to bodies or institutions other than itself and which, under its supervision, enjoy a degree of autonomy of management.

There are different types of decentralization: political, administrative, fiscal, decentralization of the market and territorial decentralization. The 1987 Constitution emphasizes three types of decentralization, as well as legislation on decentralization and those relating to municipal authority.

Within the framework of our research work, we considered the political aspect through the transfer of power from the central State to the CTs; the fiscal aspect through the study of our benefits; the territorial through the delimitation of the CTs and the administrative with regards to

² Calculations based on population data from the Survey of Living Conditions of Households After the Earthquake IHSI, 2012

³ Government of Haiti, National Commission for Administrative Reform. "Problem of Decentralization and the Reality of Local Authorities", March 2002

the establishment of the Technical Councils at the level of the town hall and the training of local elected officials. The aim of this research is to analyze the costs and benefits of the implementation of decentralization as prescribed in the legislation surrounding this concept. This research is also based on information provided by the Ministry of the Interior and Local Authorities (MICT).

LITERATURE REVIEW

Decentralization

Decentralization is a mode of institutional organization that consists in having the deliberative elected bodies manage the affairs of a CT. By the principle of the legal entity, that is to say the recognition of a legal personality, powers of decision, justified by the existence of their own affairs, are recognized in those administrative entities other than the State and not situated in relation to it in a hierarchical relationship.⁴

According to the commission working on the question of decentralization of Columbia University and the World Bank, there are different types of decentralization.

Political Decentralization

Political decentralization aims to give citizens or their elected officials more decision-making powers. It is often linked to political pluralism and representative government, but it can support democratization by giving citizens or their elected officials more influence in the formulation and implementation of an administration's policy. Supporters of political decentralization rely on the assumption that decisions made with greater citizen participation are well founded and more responsive to the needs of diverse interests of society than those made solely by political authorities at the central level.

Administrative Decentralization

Administrative decentralization aims to change the distribution of responsibilities and financial resources at different levels of government to ensure the provision of public services. It is the transfer of responsibility for the planning, funding and management of certain functions of the

⁴ Deshommès (2004)

central government and the transfer of its bodies to units of administration at the site; subordinate units or levels of administration; public, semi-autonomous authorities; communes or regions.

The three main forms of administrative decentralization: deconcentration reallocates decision-making powers, financial responsibility and management between the different levels of the central government. The delegation of power transfers the decision-making and administration process to semi-autonomous organizations which ultimately are accountable to it. Devolution occurs when the central government transfers decision-making powers and authority in matters of finance and management to quasi-autonomous units of local government with municipal status.

Fiscal and Financial Decentralization

Fiscal decentralization is defined as the transfer to local governments of decision-making powers related to the mobilization of resources at the local level for the execution of the responsibilities devolved by the central government.⁵

Economic Decentralization or Decentralization of the Market

This includes a complete transfer of administrative functions from the public to the private sector, allowing the functions that are primarily or exclusively of the government to be exercised by the private sector, communities, cooperatives, private voluntary associations and other non-governmental organizations. It exists in the forms of privatization and deregulation.

Local Authorities and Decentralization in Haiti

Decentralization leads to good governance in three ways: (1) by improving the efficiency of resource allocation, (2) by promoting transparency and reducing opportunities for corruption, and (3) by improving cost recovery. Local governments, being closer to the citizens, are able to meet their needs. But there are preconditions, according to Azfar et al. (1999), that can influence the performance of local public authorities: responsibilities at all levels of government should be well defined with no overlapping of power and jurisdiction. Legislation detailing the structures and status of public institutions is necessary, especially at the local level. There is also need for a law specifying control and monitoring mechanisms. In support of organic laws, there needs to be

⁵ Boko, 2008

a regulatory framework and detailed institutional practices. And finally, local elections should be held regularly and not at the same time as the national elections.

In the Haitian constitution⁶, it is written that "decentralization must be accompanied by the deconcentration of public services with delegation of power and the decompartmentalization of industry to the benefit of the departments" (Art. 87.4). The different CTs are defined as the communal section, the commune, the arrondissement and the department. The national territory is subdivided into departments, which are divided into arrondissements, which are formed from the communes, from which the communal sections derive. The constitution grants legal entity status to the departments (Article 77); the communes are granted administrative and financial autonomy, which is one of the attributes of the legal entity.

Each CT Executive Council is assisted by a Deliberative Assembly (articles 63.1, 67 and 80) for the proper functioning of local governance. Indeed, the Board of the Communal Section (CASEC) is assisted in its task by an Assembly of the Communal Section. The Municipal Council is assisted by a technical council furnished by the central administration and reports to the Municipal Assembly, which itself reports to the Departmental Council (arts.71 and 73).

In 2006, there were several decrees on the administrative aspect of decentralization in Haiti:⁷ one set out the fundamental principles for the management of jobs in the territorial civil service and its public institutions, institutionalizing the territorial civil service in the same way as the central civil service. Employment at the territorial level on a permanent basis is organized through territorial officials. The High Council of the Territorial Civil Service (CSFPT), as well as the National Institute of Territorial Administration (INAT) and the Regional Management Centers of Territorial Civil Service (CGR/FPT). The other set the general framework for the decentralization, organization and operation of local Haitian authorities. It clarifies the principles of decentralization and specifies the obligation to deconcentrate the services of the State. It reiterates the autonomy of local and regional authorities.

⁶Constitution of 1987, Title V, Chapter I: Local Authorities and Decentralization

⁷ Paul and Charleston (2015)

Fiscal Decentralization in Haiti

A fiscal decentralization policy is conceived within a legal framework that clearly defines the responsibilities attributed at the local level as well as decentralized sources of revenue. Fiscal decentralization must be accompanied by institutional reforms and the update of the laws. The basic principles of fiscal decentralization include: the adequacy of resources and responsibilities, equity, transparency, accountability, motivation and approval. In this context, it is incumbent on the government to make adequate resources available to local administrations to fulfill the increased responsibilities assigned to them, as well as the equitable distribution of centralized resources allocated to local communities.⁸

For local administrations and private organizations to exercise decentralized administrative functions effectively, they must have adequate levels of revenue. They must also have the power to make decisions about expenses. For local authorities, the decentralization of finances may involve: (a) self-financing or cost recovery by charging users for the services provided; (b) co-financing or co-production arrangements whereby users participate in the provision of services and infrastructure through financial or labor inputs; (c) increased local revenues through taxes on property or sales or indirect taxes; (d) intergovernmental transfers that send a portion of the general revenue from taxes collected by central government to local administrations for general or specific needs; (e) authorizations for borrowing by municipalities and mobilization of resources from the national or local government (by means of bonds).⁹

In Haiti, the commune has both political and technical functions. The constitution gave the commune administrative and financial autonomy. For this purpose, the Municipal Council, as an executive body elected by universal suffrage, is responsible for administering its resources for the exclusive benefit of the Municipality and reports to the Municipal Assembly, which itself reports to the Departmental Council (Art .73) and is responsible for managing the private property of the state situated within the boundaries of its commune. They cannot be the subject of any transaction without prior notice to the Municipal Assembly (Art.74).

⁸ Boko (2008)

⁹ Decentralization Thematic Team, Columbia University and World Bank

As far as the technical competencies of the commune are concerned, it must manage quarry operations; apply standards and regulations on land and habitat use, the orientation and control of local physical development, and the granting of permits for the location of activities, housing, construction and interventions in the built environment; set up and maintain networks of services and public facilities (sanitation, waste management, drainage, drinking water, market, cemeteries, playgrounds, cultural centers, roads, public squares, etc.); provide social services aimed at meeting the needs of specific or marginal client groups (orphanages, childcare centers, mental institutions, social housing, cafeterias, etc.), among others things.¹⁰

In the current state of the legislation, the commune is the only CT to benefit from its own resources in the form of fees and local taxes and imports. The law also provided for revenues consisting of transfers and subsidies from the State, donations in cash or in kind and yields from duly authorized loans.¹¹

In speaking of appropriate resources, most often they are limited to communal taxes and subsidies from the state. However, the Haitian government also has an obligation "to provide adequate financial resources to the CTs, to establish training programs in administrative management and management of productive and social projects, and to provide the CTs with financial and organizational instruments allowing them to fully enjoy their autonomy."¹² It is with this in mind that the Fund for the Management and Development of Local Authorities (FGDCT) was established in 1996; currently managed by the MICT.

Article 3 of the Law of August 20, 1996 states that the Fund is supplied by the salaries of all civil servants and all private employees earning more than 5,000 gourdes; an increase in customs duties with the exception of petroleum products, pharmaceutical products, foodstuffs, agricultural inputs and paper, license plates and stickers, and airline tickets; a percentage of the selling price of cigarette packages, insurance premiums, lottery winnings and all other equivalent games and bets, and income tax. Although there is a lot of opacity surrounding FGDCT spending,

¹⁰ Deshommes (2004)

¹¹ Deshommes (2004)

¹² Deshommes (2004)

allocations are paid to the Communes, the main agents of development, being closer to the population and privileged in financial terms.

Fiscal Decentralization and Citizen Satisfaction

Again, it is necessary to distinguish between fiscal and political decentralization. That is to say, there are measures that deconcentrate the delivery of public services and also accord the power to collect taxes and generate revenues to local governments. In contrast, there is the political aspect, which simply increases the opportunities for citizens to participate in decision-making. As regards the satisfaction felt by the citizens towards their elected officials, several studies have demonstrated that this is directly linked to fiscal decentralization.

The correlation between fiscal decentralization and citizen satisfaction has been studied in different parts of the world. In China¹³, a study was carried out using repeated, cross-sectional data (China's General Social Survey) on Chinese urban households to test the hypothesis: Does fiscal decentralization increase individual well-being? The data used were collected at three times, in 2003, 2005 and 2006, and covered most of the provinces of China. The conclusion: significant decentralization of revenues increases life satisfaction, after controlling for a rich set of individual characteristics and several important macroeconomic factors.

Another study in Chile¹⁴ indicates that fiscal decentralization towards municipalities positively affects individual life satisfaction. In this study, the hypothesis rests on Hayek (1945) that decentralization takes advantage of the (potentially) more precise knowledge of local authorities on their own constituency, encourages stronger accountability towards people and that fiscal decentralization in general should improve people's quality of life, as it is likely to improve the quality of local public goods and/or reduce their cost to residents.

The researchers confirm most of the previous findings regarding sources of life satisfaction. This is the case for personal income, employment status, religion and sex, among others factors.

¹³ Gao et al. (2014)

¹⁴ Letelier and Lozano (2016)

Nevertheless, the reported results confirm that the environmental characteristics of the jurisdiction in which people contribute significantly explain the personal well-being of people.

Among the variables at the municipal level that deserve to be mentioned, the impact of poverty and the share of the urban population seem to be important explanatory variables. Interestingly, urbanization affects life satisfaction positively. The set of variables used to control accountability does not have the expected effect. Most likely, this happens because of the fairly limited capacity and almost zero visibility that the local representatives have in Chile. Participatory budgets are also negligible in explaining life satisfaction.

A decade after the fall of the Berlin Wall, the Europeans of Central and Eastern Europe were considered poorer and more destitute than the Western Europeans. Today, they remain as destitute as they were 10 years after the fall of the Wall in spite of the economic growth in the zone: between 1999 and 2008, the gross domestic product (GDP) of these countries¹⁵ increased by 400% on average. On the other hand, individual levels of happiness remained stagnant, rising by less than 15% in most countries.

Rodriguez-Pose and Maslauskaite (2012) studied this question of the impact of decentralization on the well-being of citizens. The results indicate that higher levels of political decentralization are associated with a higher degree of life satisfaction. For all specifications, the coefficient is positive and significant.

Other previous empirical studies show a positive relationship between decentralization and life satisfaction. Examples include: Frey and Stutzer 2000 and 2002, Bjornskov et al. 2008, Hessami 2010, Voigt and Blume 2009, Diaz-Serrano and Rodríguez-Pose 2011, Sujarwoto and Tampubolon 2015 and Saez and Letelier 2016.

CALCULATION OF COSTS AND BENEFITS

To resume, the intervention analyzed over five years is the implementation of the institutional projections prescribed by law in order to achieve complete decentralization and improve the

¹⁵ The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia

capacities of communes to serve the population. In the context of Haiti, this involves setting up technical councils in town halls, training local elected officials and territorial managers, and transfers to support their functioning.

The process of decentralization varies from country to country, but the important aspects to take into account for successful implementation are: conducive environment; institutional capacity to lead and implement reforms; management capacity; legal and institutional frameworks and accountability mechanisms. And despite the differences in context and implementation, there are common challenges, including the need to attract and retain qualified local officials.¹⁶

Costs

The costs of this intervention aim to put in place the decentralization markers. They consist of: the training of local elected officials and territorial managers, the setting up of technical councils for town halls and allocations for town halls, assemblies and boards for rents and office systems.

Training of Local Elected Officials and Territorial managers

Fiscal decentralization does not imply the abandonment of local communities by the central government. In contrast, the application of a fiscal decentralization policy requires, in the short term, support measures in the fields of training and capacity building, and subsidies.¹⁷

Local elected officials are the administrators of the CTs and must participate in the implementation of a management plan, develop investment projects and manage the populations of their respective CTs. As a result, the training of local elected officials becomes an important point in the framework of decentralization, especially in Haiti, in a country where a local official is not necessarily trained. On the other hand, local elected officials, more precisely the mayors, are supported in their tasks by a Technical Council which contains many territorial managers. These territorial managers already have knowledge of land use planning, project management and other things, but their tasks in the commune require additional training.

¹⁶ Nikolov (2006)

¹⁷ Boko (2008)

With a view to establishing the basis for decentralization, MICT submitted a project document to the MPCE as part of its PIP. The project "Strengthening Local Elected Officials" is designed to equip the mayors, CASECS, ASECs and their staff with the necessary tools to enable them to make judicious choices in their management. Talking about the deconcentration/decentralization process means preparing local authorities to appropriate the instruments required for development, democracy and social cohesion in a rapidly changing society. For MICT, the implementation of this project is an appropriate response to one of the fundamental concerns of local authorities: the lack of competencies. Specifically, it aims to strengthen the competency of local elected officials and their administrations to:

Enable local authorities to have better control over the environment and to efficiently make the necessary choices

Contribute to better harmonization of local services for citizens' needs, taking into account the particularities and priorities of each environment

Lead to a better use of the human, material and financial resources

Enable each level of management to be more accountable to the citizen

Lay the foundations for social cohesion

Give a more effective and adapted response to the ongoing change

The methodological approach consists in setting up a series of training sessions on financial management, conflict management, leadership, deconcentration/decentralization issues, ownership of local development initiatives, as well as support in the domain of consolidating assets and supporting the process of consultation and mobilization of human and financial resources.

For the implementation of this project, three training modules will be designed by a category of actors. They are mayors, CASECs and municipal administrative staff (secretaries-general, financial officers, administrative managers, technical managers, revenue collectors).

Training is scheduled over a three-year period, totaling 18.7 million gourdes. The contents of the training courses are presented in the appendices of this document.

Establishment of Technical Councils in Town Halls

It should be emphasized that the Technical Councils are not in effect. Yet, these councils are an essential support for the town halls, especially in the management of the FGDCT. The legal framework requires that the municipal council be assisted by a technical council provided by the central administration. However, the powers of the communes are important in the context of decentralization, since the town hall represents the State at the commune level. The technical aspect must, therefore, be taken into consideration.

It is envisaged by MICT that these technical councils will be composed of a secretary general, an engineer, territorial managers, and road staff. The total cost amounts to 1.1 billion gourdes and consists mainly of wages. Salaries are based on the current salary scale of the Ministry of Economy and Finance (MEF), but a 5% mark-up has been applied for technical councils in the provinces in order to attract the required skills.

The Director General/Secretary General is at the head of the Technical Council. The municipal engineer manages the implementation and realization of municipal infrastructure projects. The territorial managers ensure the management of the collective equipment and services in the different domains related to the competencies of town halls (management of public spaces, management of solid waste and cleanliness, water and sanitation, market, slaughterhouses, fairs, funeral operations and cemeteries, etc.). And the road staff is responsible for clearing roads and visiting the field to report new construction and businesses.

Town Hall Allowances and Rents

These are the annual expected costs for CT allocations and rents in the annual budget (on a fiscal year basis), totaling 6.4 billion gourdes.

Benefits

Our calculation of benefits is based on the relationships described between fiscal decentralization and citizen satisfaction. The theories explained earlier show that fiscal decentralization increases

citizen satisfaction. As a result, fiscal decentralization is a benefit to the population, and we have tried to quantify this benefit by using different studies related to fiscal decentralization and citizen satisfaction.

To this end, we began by estimating the percentage of total expenditure made by the communes. This calculation was based on commune revenue for three consecutive years 2011-2012, 2012-2013 and 2013-2014, since we assume that communes spend all that they collect. The average increase in revenue (and by inference expenditure) over these three years is 2.99%.

The study by Bjornskov et al. (2008) postulates, after studying 66 countries, that the correlation between fiscal decentralization and citizen satisfaction is positive, with a coefficient of .004 for each 1% increase in expenditure. So for 2.99% as an average expenditure increase, we will see a satisfaction level of 0.012.

To calculate this index, the Stevenson and Wolfers (2013) studies were used. For each 1 point in satisfaction, we see 4% increase in personal income. Therefore, $4\% \times .012 = 4.78\%$. Then, this percentage was multiplied by the projections of the GDP for the next five years.

Summary Table

Discount rate	Benefits	Costs	Cost-benefit ratio
3%	111 793 724 079	10 946 138 738	10.21
5%	105 577 293 249	10 348 368 541	10.20
12%	87 605 139 069	8 617 069 572	10.17

CONCLUSION

Decentralization, within the framework of our work, is a transfer of power from the central state to local authorities, also known as territorial authorities. The 1987 constitution defines the different territorial authorities and gives the prerogative to the communes as administrative and financial authority. Other legislation expands the powers of the communes as Territorial Authorities. As a result, communes are the CTs best placed in a framework of decentralization. Enforcement of decentralization laws amounts to:

putting in place the codes of the constitution through the setting up of Technical Councils and various assemblies

training local elected officials in order for them to better take charge of the tasks assigned to them.

The objective of this research is to analyze the costs and benefits of the implementation of decentralization as prescribed in the legislation. In other words, the costs and benefits are calculated for the following actions: setting up technical councils at town halls, training local elected officials and providing the necessary resources for the execution of municipal duties. This research was based on information provided by the Department of the Interior and Local Authorities (MICT). The cost-benefit ratio for decentralization is 10.2, at a discount rate of 5%. The more resources are spent at the local level, the better the management and competencies of local executives and the more Haitians are encouraged about their own potential and their future.

It should be emphasized that the political context is not always favorable. Local elections do not always take place. This can slow down the process of decentralization. Moreover, studies have shown a negative correlation between certain macroeconomic indices (for example, GDP, inflation and unemployment), political instability and insecurity, and the perceived welfare of the individual. **As long as these structural problems are not addressed, the capacity of municipalities to act in favor of their constituents will be further limited.**

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Appendix 1. Content of Mayor Training

Table 2. Mayor Training

Training modules for mayors and the staff of the municipal administration	
Module Themes	Content Elements
The Decentralized Unitary State of Haiti (EUD)	<ul style="list-style-type: none"> Definition of concepts related to decentralization Organization and functioning of the Haitian Decentralized Unitary State Place and role of CTCs in the Decentralized Unitary State The benefits and obstacles related to decentralization in Haiti Reforms necessary for the establishment of the Decentralized Unitary State
Local Municipal Authority (CTC)	<ul style="list-style-type: none"> Knowledge and mastery of municipal territory Vocation Competencies Role of bodies Leadership of elected officials: capacities Roles of elected CTC officials in environmental protection Difference between Municipal Authority and Town Hall Difference between Town Hall (building) and Municipal Hall CTC bodies and their roles Organization and functioning of the Municipal Hall
Relations of the Local Municipal Authority (RCTC)	<ul style="list-style-type: none"> Departmental Council and Departmental Assembly Relations between the Municipal Council and the Departmental Council Relations with: CASECS and the deconcentrated structures of the State Projects NGOs Organized Civil Society and the Diaspora Governance
Municipal Budget (BC)	<ul style="list-style-type: none"> Relationship between the commune and the communal section Definition of concepts related to the formulation and approval of the municipal budget Local taxation Various types of resources Components of the municipal budget Development of the municipal budget and its relationship to the national budget Management of the budget Budgetary control

Municipal budget and local development initiatives coordination	<p>Definition of concepts</p> <p>The municipal development plan</p> <p>Local development and its dynamics</p> <p>Identification and prioritization of the needs of communal sections</p> <p>Coordination of development actions with the municipal budget</p> <p>Coordination and planning of development projects</p> <p>Management with deconcentrated structures, NGOs, etc.</p> <p>Relationship between decentralization, regional planning and local development</p>
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Appendix 2. Content of CASEC Training

Table 3. CASEC Training

Module Themes	Content Elements
The Decentralized Unitary State of Haiti (EUD)	<p>Definition of concepts related to decentralization</p> <p>Organization and functioning of the Decentralized Unitary State</p> <p>Reforms necessary for the establishment of the Decentralized Unitary State</p> <p>Advantages, problems and obstacles related to decentralization in Haiti</p> <p>Place and role of CTs in the Decentralized Unitary State</p>
Communal Section Authority	<p>Vocation</p> <p>Competencies</p> <p>Difference between Communal Section and Rural Section CTs</p> <p>Different ways of seeing the Communal Section CT</p> <p>Components of the Communal Section CT</p> <p>Roles of the bodies of the Communal Section CT</p> <p>Leadership of elected officials: capacities</p> <p>Action of elected officials of the Communal Section CT in the protection of the environment</p> <p>Organization and functioning of CASEC</p> <p>Role of organized civil society in the development of the Communal Section CT</p>
The priority needs and action plans of the Local Authority of the Communal Section	<p>Steps to define a problem</p> <p>Unsatisfied Fundamental Needs (DSRP/BFI)</p> <p>Millennium Goals (MDG)</p> <p>Priority needs of Communal Section CT</p> <p>Planning, decision-making, mobilization and resource management</p> <p>Development of an action plan for the implementation of development activities</p>
Relations of the Local Authority Communal Section	<p>Establishment of AM</p> <p>AM and CM roles</p> <p>Relationship between CASEC and the CM</p> <p>Taking into account the priority needs of the communal sections in creation of the municipal development plan and the municipal budget</p> <p>Central power grants to the Communal Section CT</p>

Appendix 3. Specialized courses for Mayors, municipal administration staff and CASECs

Table 4. Specialized courses for local elected officials and territorial managers

Specialized courses for Mayors, municipal administration staff and CASECs		
Title	Content	Objectives
Conflict management	<p>Mastering the nature of conflicts and tensions</p> <p>Knowing oneself and others better</p> <p>Identification of the different modes of interpersonal relations and use of the communication channel most adapted to ones interlocutor to defuse aggressiveness</p> <p>Conflict between partners and various structures, organizational conflict and diagnosis of dysfunction</p> <p>Conflict resulting from change and obstructions to be lifted</p> <p>Best approach for getting out of conflict</p>	<p>The objective of this training is to identify the mechanisms that generate conflict and those that allow them to be avoided and to come out of them win/win.</p>
Project/public policy management	<p>Guidelines</p> <p>Divisions</p> <p>Planning</p> <p>Tasks, resources and costs</p> <p>Structures of management</p> <p>Analysis of risks</p> <p>Monitoring</p> <p>Implementation</p>	<p>This project management course will provide one with the essential information needed to manage and direct a project.</p>
Conduct and management of public affairs	<p>Possible mechanisms of coordination between political leadership and management in public institutions</p> <p>Competency profiles required for the political driver and the public director in the modern state</p> <p>Tools available for decision-making</p>	
Strategic management of human resources	<p>How to evaluate the results of work groups</p> <p>How to identify the qualification needs of individuals and work groups</p> <p>How to promote equity, competitiveness and orientation to incentives in the administration</p>	<p>Incorporate human resources management strategies, methods, techniques and management tools applicable to an organization.</p>

Local development	<p>Local development actors: authorities, users, partnerships</p> <p>Development policies and strategies</p> <p>Legal and financial instruments of local development</p> <p>Project engineering (diagnosis, mobilization of actors, programming, piloting, monitoring and evaluation)</p> <p>Study of a local development plan</p> <p>Regional planning and enhancement of heritage</p> <p>Growth, local development and sustainable development</p> <p>Exchange of experiences and comparative presentations</p>	<p>Local development concerns the diverse initiatives put forward in a framework of partnering efforts, by individual and collective actors, wishing to improve the living conditions in their immediate environment.</p> <p>The objective of this seminar is to offer the listeners a global reflection on local development and examples of new territorial dynamics.</p>
State and local powers	<p>Public management in the context of decentralization and deconcentration: history and issues as a whole</p> <p>Division of competences and relations between the state and local powers</p> <p>Role of CTs</p> <p>Implementation of public policies: complementarity and coordination between the State and local authorities</p> <p>Financing of local public action</p> <p>Evaluation of public policies in the territories</p>	<p>The implementation of public policies in the territory implies legal, human and financial means adapted to their objectives. It also raises the question of the division of competences and the coordination of actions between the various actors responsible for their monitoring and evaluation.</p> <p>This seminar aims to enrich the knowledge of the elected officials on these aspects.</p>
Risk and disaster management	<p>Introduction to key concepts of crises and risk management</p> <p>Prevention of risks, threats and crises</p> <p>Missions of the State and administrative organization for crisis management</p> <p>coordination of the different actors at both the national and international levels</p> <p>Strategic management and direction of crises</p> <p>Crisis communication</p> <p>Post-crisis treatment, evaluation and feedback</p>	<p>Epidemics, heatwaves, floods, attacks, hostage-taking, oil spills, storms and fires are potential crises faced in particular by a state.</p> <p>Assuming that citizens have a right to safety, the state must be capable of managing the risks inherent in modern societies. It must be able to react with maximum efficiency, in order to diminish the consequences of a disaster and thereby offer the widest protection possible to the populations. This seminar should provide participants with tools to protect the population, to contain a crisis and, finally, to overcome it.</p>

Haiti faces some of the most acute social and economic development challenges in the world. Despite an influx of aid in the aftermath of the 2010 earthquake, growth and progress continue to be minimal, at best. With so many actors and the wide breadth of challenges from food security and clean water access to health, education, environmental degradation, and infrastructure, what should the top priorities be for policy makers, international donors, NGOs and businesses? With limited resources and time, it is crucial that focus is informed by what will do the most good for each gourde spent. The *Haiti Priorise* project will work with stakeholders across the country to find, analyze, rank and disseminate the best solutions for the country. We engage Haitians from all parts of society, through readers of newspapers, along with NGOs, decision makers, sector experts and businesses to propose the best solutions. We have commissioned some of the best economists from Haiti and the world to calculate the social, environmental and economic costs and benefits of these proposals. This research will help set priorities for the country through a nationwide conversation about what the smart - and not-so-smart - solutions are for Haiti's future.



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Copenhagen Consensus Center is a think tank that investigates and publishes the best policies and investment opportunities based on social good (measured in dollars, but also incorporating e.g. welfare, health and environmental protection) for every dollar spent. The Copenhagen Consensus was conceived to address a fundamental, but overlooked topic in international development: In a world with limited budgets and attention spans, we need to find effective ways to do the most good for the most people. The Copenhagen Consensus works with 300+ of the world's top economists including 7 Nobel Laureates to prioritize solutions to the world's biggest problems, on the basis of data and cost-benefit analysis.