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HAITI

SNAPSHOT

Revenue Collection Provides Opportunity

The project increased tax revenue by more than 480 percent in Carrefour.



Photo Courtesy of GRIDE

Municipal staff process tax payments on software locally developed for the Haitian context.

"For these results to be sustainable, the population must benefit in the form of local public services."

- Jude Edouard, Mayor of Carrefour



Photo by Noel Bauer, USAID

Citizens comment during a town hall meeting to discuss municipal development priorities.

The Haitian Government is determined to improve the quality and scope of public services, but it faces a critical problem — lack of revenue. At 9 percent, Haiti's rate of tax receipts as a share of gross domestic product (GDP) is one of the lowest in the world. However, a recent USAID-piloted tax mobilization program in the city of Saint Marc has proven that it is possible to raise local revenues to pay for quality local services.

Building on that success, USAID expanded its work to the densely populated urban municipality of Carrefour in 2011. Working with the Groupe de Recherche et d'Interventions en Developpement et en Education (GRIDE), a Haitian nonprofit organization of public policy experts, USAID sparked a significant jump in Carrefour's municipal revenue — taxes collected increased by 481 percent, from \$309,000 in 2011 to \$1.8 million in 2012. With the increased revenue, the municipality plans to construct four footbridges and two schools, pave a kilometer of road downtown, build two community cisterns, dredge canals, and replace broken sewer grates—all prioritized through a municipality-wide participatory planning process.

"USAID's tax mobilization support put the municipality on the road to financial autonomy, allowing it to define new priorities for sustainable development based on participatory democratic practices," said former Carrefour Mayor Yvon Jerome.

"Today, thanks to this tax mobilization, the administration can better serve the population."

The success in Carrefour is also the result of a USAID pilot project with Haiti's Ministry of Economy and Finance to develop custom software to improve local tax collection and budget management. Through a contract with a local information technology firm, Solutions S.A., USAID is helping to make municipal fiscal and budget data available across a government-wide network, allowing oversight and auditing bodies ready access to pertinent information.

Other municipalities are eager to replicate the success of Carrefour. USAID is currently talking with the Haitian government and other partners to expand the software to additional municipalities and eventually, nationwide.