



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 28, 2012

S. 1023
Haiti Reforestation Act of 2011

*As ordered reported by the Senate Committee on Foreign Relations
on February 14, 2012*

SUMMARY

S. 1023 would authorize assistance to Haiti to reduce deforestation, increase efforts to restore forest cover, and improve management of natural resources. The bill would set specific targets for those efforts: promote the environmental recovery of 35 percent of Haiti's land area within five years, restore forest cover to at least 10 percent of Haiti within 30 years, and increase agroforestry (the simultaneous production of trees with crops or livestock) cover to more than 25 percent of Haiti within 10 years. CBO estimates that implementing S. 1023 would require appropriations of about \$780 million and have a discretionary cost of about \$460 million over the 2013-2017 period. (The remainder would be spent after 2017.)

Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

S. 1023 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1023 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
Environmental Recovery						
Estimated Authorization Level	136	138	140	142	145	701
Estimated Outlays	10	57	100	117	127	411
Grant Programs						
Estimated Authorization Level	15	15	15	16	16	77
Estimated Outlays	1	6	11	13	14	45
Total Changes						
Estimated Authorization Level	151	153	155	158	161	778
Estimated Outlays	11	63	111	130	141	456

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1023 will be enacted by the end of 2012, that the necessary amounts will be appropriated each year, and that outlays will follow historical spending patterns for existing programs.

Environmental Recovery

Title I would authorize assistance for the environmental recovery of Haiti. The U.S. Agency for International Development (USAID) has ongoing programs aimed at environmental recovery and restoration of tree cover in Haiti: the Watershed Initiative for National Natural Environmental Resources project (WINNER) and the Economic Development for a Sustainable Environment project (DEED; the acronym is based on its French title). WINNER is a five-year project while DEED is a three-year project. Both projects use market-based approaches to improve agricultural production and the management of natural resources. They have a combined budget of about \$145 million and cover about 9 percent of Haiti’s land area, with an average cost of about \$580 per hectare of land. (A hectare is roughly 2.47 acres.)

Based on information about the WINNER and DEED projects, CBO expects that USAID would build upon existing efforts by using those projects as templates to meet the bill’s goals; in particular, to achieve the goal of recovering 35 percent of Haiti’s land area—about 970,000 hectares—within five years. CBO assumes that each year over the 2013-2017 period, the Congress would appropriate the amounts necessary for USAID to initiate projects to achieve one-fifth of that goal (194,000 hectares). After increasing the average cost for the WINNER and DEED projects to account for the shorter time-frame

envisioned under the bill, CBO estimates that implementing title I would cost an average of \$700 per hectare in 2013, and require appropriations of \$136 million that year. On that basis, and adjusting for expected inflation, CBO estimates that implementing title I would cost \$411 million over the 2013-2017 period, assuming appropriation of the necessary amounts.

Grant Programs

Title II would authorize two grant programs to reverse deforestation and promote reforestation (establishing a forest on land that was previously forested) and afforestation (establishing a new forest on unforested land). CBO expects that those programs would be aimed at preserving existing natural forests, reforesting land, and developing sustainable economic activities in areas surrounding forests. Based on information from USAID, CBO estimates that implementing title II would require annual appropriations of about \$15 million a year and cost \$45 million over the 2013-2017 period, assuming appropriation of the necessary amounts.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1023 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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