

TC Document

I. Basic Information for TC

▪ Country/Region:	HAITI
▪ TC Name:	Strengthening Public Management for Improved Service Delivery in Haiti II
▪ TC Number:	HA-T1304
▪ Team Leader/Members:	Konate, Takady Mamadou (IFD/ICS) Team Leader; Naranjo Bautista, Sandra (IFD/ICS) Alternate Team Leader; Aguilar Blandon, Maria Alejandra (IFD/ICS); Jacquet, Bruno (CSD/RND); Jorge De Leon (IFD/ICS); Maria Jose Martinez Arroyo (IFD/ICS); Mosqueira Medina, Edgardo (IFD/ICS); Vila Saint-Etienne, Sara (LEG/SGO)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	HA-L1131.
▪ Date of TC Abstract authorization:	31 Aug 2022.
▪ Beneficiary:	Republic of Haiti
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 1 - Operational Capacity and Policy Dialogue for OC-concessional eligible countries(W1D)
▪ IDB Funding Requested:	US\$200,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	30 months
▪ Required start date:	November 15, 2022
▪ Types of consultants:	Individuals/Firms
▪ Prepared by Unit:	IFD/ICS-Innovation in Citizen Services Division
▪ Unit of Disbursement Responsibility:	CID/CHA-Country Office Haiti
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Gender equality; Institutional capacity and rule of law; Productivity and innovation

II. Description of the Associated Loan/Guarantee

2.1 The TC support is related to the loan Strengthening Public Management for Improved Service Deliver (4820/GR-HA) currently in reformulation¹. The general objective of the reformulated project is to improve public service delivery through more efficient administrative and financial processes and by enhancing the effectiveness, efficiency, and transparency of HR and salaries management. The specific objectives are the following: (i) a better control and efficiency of the wage bill by reducing fiscal pressure in the short and medium term; (ii) a reduction of inefficiencies due to the use and consolidation of digital technologies in administrative and financial processes; and (iii) a payroll audit

¹ The operation of US\$55 million was approved on July 2, 2019. The original objective of this project was to expand coverage of the services provided by the Ministry of Agriculture, Natural Resources, and Rural Development (MARNDR) and the Ministry of Public Works, Transportation, and Communications (MTPTC). The presentation to the Board is scheduled for November 17, 2022.

to allow for optimal management, improve performance and generate benefits for the administration of the entity.

III. Objectives and Justification of the TC

- 3.1 The objective of this technical cooperation (TC) is to contribute to the institutional strengthening of services of the Government of Haiti to improve public sector performance at the Ministry of Agriculture, Natural Resources and Rural Development² (MARNDR), the pilot ministry, and to be replicated by other public entities. For this purpose, the TC will support academic research to understand the performance and motivation factors of civil servants, including gender analysis, and to support wage bill management, including proposals for the implementation of a mandatory retirement program to improve productivity and efficiency in the public sector. The TC will also support the capacity-building strategy of the state, more specifically of civil servants in management and behavior improvements such as understanding conflicts of interest, ethics, effective communication, and building trust. The results from the research and other assessments will lead to the design of models the Government would use to expand and improve public service delivery, especially at the decentralized level as well as draft a training plan to enhance civil service performance.
- 3.2 **Context.** Haiti is a fragile state, with weak institutions, worsened by the political crisis since 2018 and the Covid-19 pandemic. Haiti's ranking in the Fragile States Index³ has gone back and forth over the past 10 years between "Alert" and "High Alert". In 2020, Haiti ranked #11 out of 178 countries in the index, the worst on the list within the Latin America and Caribbean region. While it is an improvement from 5th place in 2011, the Public Services Indicator has averaged 9.4 (10 is the worst value) in the last decade, demonstrating the inability of the State to provide essential services such as health, education, access to water, infrastructure, internet access, and connectivity, among others.
- 3.3 The quality of public services continues to be a widespread public discontent in Haiti. In 2019, a preliminary functional review at the Ministry of Agriculture, Natural Resources, and Rural Development (MARNDR) and Ministry of Public Works, Transportation, and Communications (MTPTC) demonstrated that approximately 25% of the workforce is eligible for retirement in those ministries versus 16% for the total workforce. In the 2018 Gallup Survey⁴, only 37% of respondents had confidence in the Haiti central government, a one (1) point positive change from the 2007 survey. The Government has been implementing several policy reforms aimed to improve key functions in transversal systems operation (public financial management, civil service, and wagebill management) and the performance of public entities particularly through the preparation of reform plans in the Agriculture, Infrastructure, and Education sectors).⁵ However, the implementation of these policies and plans has faced constraints. For instance, the implementation of civil service reforms to improve human capital quality is challenging due to a lack of data and analytics on the public workforce's number, composition, and cost. Tools to identify, dissect and address

² In French, *le Ministère de l'agriculture, des ressources naturelles et du développement rural*.

³ Data from Fund for Peace, <https://fragilestatesindex.org/analytics/>.

⁴ <https://news.gallup.com/poll/5392/trust-government.aspx>, <https://www.oecd-ilibrary.org/sites/75eb114c-en/index.html?itemId=/content/component/75eb114c-en#chapter-d1e17551>

⁵ Bank projects are supporting the agriculture sector development as well financing a large portfolio of capital expenditures through the MTPTC.

functions and services constraints are needed to enable the implementation of reforms. Furthermore, there is a need to build the capacity of personnel within civil service; however, a holistic approach is necessary to ensure that training needs are met and consistently given as processes and/or knowledge improved in targeted areas. Several methodologies provide solid evidence of tools aimed to improve government functions and services using problem-driven approaches.⁶

3.4 The TC activities are justified not only by the weaknesses of the public sector and the constraints to reform described in ¶3.2 and ¶3.3 but also because the selected areas of work present the following characteristics:

- a. Transversal public management systems: An effective and efficient Civil Service is essential to the successful execution of any government's policies and programs. Currently, Haiti's civil service is characterized by weak incentives, low capability, and weak establishment management. Specifically,: (i) inability to recruit, retain, and motivate civil servants due to low and compressed pay; (ii) lack of structured pay and grading and career advancement systems; (iii) unreliable data on employment numbers (civil servants and contracted employees) probably concealing "zombie employment"; (iv) the growing number of eligible retirees not willing to leave civil service; (v) complex and opaque remuneration "non"- system (allowances); and (vi) the underrepresentation of women in the civil service amounted to 32% of civil servants in 2016, of whom only 7% hold high-level positions ⁷.
- b. Delivery of sector services: The Agriculture sector accounts for 47% of total employment and 75% of employment in low-income households and has an important impact on food security, demographic pressure, and income inequality. The public service delivery from the MARNDR is limited. For instance, agriculture, in particular, is key for food security, export promotion, and employment (particularly in rural areas and amongst poorer households).⁸ Yet the sector suffers from low and declining productivity levels,⁹ which further contributes to high levels of malnutrition and a low export base. A prevalence of subsistence farming with unclear property rights, inadequate regulatory and institutional framework,¹⁰ low levels of public funding. This situation worsened during the pandemic and with the recent earthquake in the South. Addressing MARNDR development constraints

⁶ Harvard University Building State Capability (BSC) program with the Problem-Driven Iterative Adaptation (PDIA) methodology (<https://www.cgdev.org/publication/escaping-capability-traps-through-problem-driven-iterative-adaptation-pdia-working-paper>) and the World Bank with Rapid Assessments and Action Plans (RAAPs) (<https://openknowledge.worldbank.org/handle/10986/17573>) are two examples of these type of methodologies. Bank projects are supporting the agriculture sector development as well financing a large portfolio of capital expenditures through the MTPTC.

⁷ 2016 speech by the Director General of the Ministry of Women's conditions and rights (*Ministère à la Condition Féminine et aux Droits de la Femme*) at the [63rd session on the Elimination of Discrimination towards Women in Geneva](#). In line with the above, Article 17.1 of la Constitution de 1987 Amendée establishes a quota of at least 30% of women at all levels of national life, notably in the public service. For further information, please refer to Annex "Gender and Diversity Checklist."

⁸ CDC 2021.

⁹ Productivity is calculated through a growth decomposition framework using a Cobb-Douglas production function. In addition, production per worker fell from US\$1,986 in 2013 to US\$1,750 in 2019 (constant 2010 dollars).

¹⁰ The diagnoses and lessons learned attribute the current inefficiency of the MARNDR to cross-cutting weaknesses, such as: difficulties in establishing priorities through firm sector policies; weak planning, programming and budgeting capacities, which affect the relevance of the allocation of resources by the Treasury and donors; and lack of a culture based on results, accountability mechanisms and monitoring and evaluation capacities.

require improvements in its management capacities to implement its policies and services to farmers, all aspects prioritized in the Country Strategy 2012-2021.¹¹

- 3.5 **Strategic alignment.** This TC will contribute to the Corporate Results Framework (GN-2727-12). More specifically, this TC is consistent with the Second Update of the Institutional Strategy (UIS) (AB-3190-2) and aligned with the challenge of Productivity and Innovation since the TC will support the digitization and modernization of government processes, financing the support to implementing a biometric registry which will be integrated to the Integrated Financial Management System as well as sharing of information between the central and local government to ensure a reliable wage management system; and the cross-cutting issues of: (i) Institutional Capacity since the objective of this TC is to support the execution of a reform project implemented throughout the country and beyond the central government; and (ii) Gender Equality since this TC will promote women's participation and leadership in the public service through an in-depth analysis of Haiti's patronage network's impact on gender equality and capacity building for civil servants to increase awareness of gender gaps and promote gender equality in the public sector, which will include an analysis and action plan to address specific gender needs on training . The support of transversal systems and sector reforms selected in this TC are highlighted by the Country Development Challenges (CDC) for Haiti as key areas where the Bank should support reforms. This is reflected in the strategic priorities included in the IDB Country Strategy 2017-2021 for Haiti.¹² The TC outcomes will be used as model reforms to replicate in the public sector and are also supported and extended by operation 4820/GR-HA. The TC will fund activities to improve public service delivery and policy implementation by supporting the institutional capacity building of the MARNDR.
- 3.6 Additionally, it is aligned with the priority area of Effective, Efficient and Transparent Institutions of the Ordinary Capital Strategic Development Program (GN-2819-14) through one of its expected results which are: (i) strengthen institutional and policy quality as well as service delivery and policy implementation, to improve public sector management and promote private sector development, and (ii) leverage digital transformation to promote more effective, efficient, and transparent governments, better and more equal opportunities for citizens, and more productive and innovative firms. Furthermore, the TC is aligned with the Bank's Strategy with Haiti 2017 – 2021¹² (GN-2904), "Government's organizations modernized" by improving administrative processes and strengthening human resource management.
- 3.7 For the preparation of all the diagnoses and studies to be financed with this TC will consider the existing analysis and specific studies already conducted in MARNDR¹³ and thus avoiding duplications and increasing knowledge about these matters. Likewise, the implementation of the TC will be in coordination with other donors, especially the World Bank and the European Union, to avoid duplications.¹⁴

¹¹ Haiti CDC 2021.

¹² The Country Strategy is still in effect.

¹³ For example : OMRH/UNDP (Feb. 2013) "*Réforme Administrative et Décentralisation Oct.2012-Sep.2017. Programme-Cadere de Réforme de l'Etat* » ; Pousse, E y Bonnet J. (2013) "*Appui à la préparation du plan de réforme institutionnelle du MARNDR 2013-18* » and Pigrau Abraham, F. (Aug. 2015) "Diagnostic et Alignement des Solutions ». Ministère des Travaux Publics Transports et Communications (MTPTC).

¹⁴ For example, the donors' table on Modernization of the State led by OMRH and IDB; and the group of donors on Public Finance Reform led by the European Union.

IV. Description of activities/components and budget

- 4.1 This TC will be developed through the following components:
- 4.2 **Component 1: Strengthening transversal public management systems in the area of human resources management and wage Bill (US\$110,000).** This component will focus on (i) contracting a team of consultants to oversee the implementation of the survey, including data collection of the patronage network and productivity within public service. The team will provide analytical work to improve the productivity of civil service, including the impact of the patronage network on gender equality in the sector; (ii) contracting a specialized firm to implement the survey in the field. The firm will collect data at the MARNDR at the central and departmental level; (iii) process and analyze data for knowledge creation and dissemination. This includes drafting analytical work which will support the Bank and the Government's efforts to improve efficiency in the public service delivery, and (iv) provide recommendations for the effective implementation of a mandatory retirement program to attract a younger workforce in the public sector.¹⁵ The activities will include dissemination sessions to the Government and within the IDB to improve the program execution of 4820/GR-HA. This activity will start immediately as the pilot survey was conducted in early 2022 which provided preliminary information on the role of the patronage network on productivity in Haiti and supported the adjustments made to the survey instrument based on lessons learned. The data will support the MARNDR in implementing a holistic approach to implementing a retirement program and a recruitment program. The data collected at the MARNDR will also be utilized to improve service delivery starting at the pilot ministry.
- 4.3 **Component 2: Designing a methodology for the implementation of a biometric registry of civil servants (US\$ 40,000).** This component will focus on (i) the design of a biometric registry which will utilize existing registry system at the Office of National Identification (ONI). The consultant will work with the MEF and the ONI to assess existing systems in order to define processes and determine the necessary equipment needed to be procured for the successful implementation of the registry, evaluate limitations and opportunities for an agile implementation of the biometric registry for personnel composed of permanent and contractual staff and (ii) recommendations for the implementation of the biometric registry by drafting a deployment plan of the system. The consultant will support the MEF and ONI in launching a pilot registration and utilize lessons learned to finalize the deployment plan. This activity will start upon the approval of the TC to understand the existing infrastructure and processes of the biometric system at the ONI. The completion of the assessment will lead to the drafting of an action plan and will provide a mapping of existing processes and a streamlined proposal for the implementation of the civil servants biometric registry which is sustainable using available resources (human and financial resources and equipment) within the public entities and not needing additional financing from donors beyond the financial and technical assistance of the TC and from operation 4820/GR-HA. Under the leadership of a project manager, the pilot will be launched upon completion of the assessment to validate processes.
- 4.4 **Component 3. Capacity building strategy of civil servant in management and behavioral improvements (US\$50,000).** This component will focus on the drafting of a training strategy to enhance the skills of civil servants in management and behavioral

¹⁵ A voluntary retirement program is financed by 4820/GR-HA to support this activity while long-term solutions are proposed and implemented.

improvements such as understanding conflicts of interest, ethics, effective communication, building trust increasing awareness of gender gaps, and promoting gender equality in the public sector. The consultant will collaborate with the Human Resource Departments of the ministries to conduct need assessments, to establish training priorities in leadership and technical positions, focusing on the soft skills and learning-by-doing approach. This strategy will also include an analysis to identify specific gender needs, which will be addressed through a training action plan drafted in coordination with specialized agencies and leading women's organizations. The training plan will be presented to the Ministers and HDRs of the ministries for validation. In line with the training program of 4820/GR-HA which is scheduled for in year 3 of the TC, the activity will be launched in year two to provide the analytical work to support proposed trainings in the reformulated program,

- 4.5 **Indicative Budget.** The total funding of this TC is US\$200,000 financed by Ordinary Capital Strategic Development Program of the IDB. This is composed of US\$200,000 from the Window 1, from the Operational Capacity and Policy Dialogue for OC – concessional eligible countries (W1D). There will no local contribution. The budget details are provided in the following table:

Indicative Budget		
Component	Description	Total Funding (IDB)
Component 1	Strengthening transversal public management systems in the area of human resources management and wage Bill	110,000
Component 2	Designing a methodology for the implementation of a biometric registry of civil servants	40,000
Component 3	Capacity building strategy of civil servant in management and behavioral improvements	50,000
	Total	200,000

V. Executing agency and execution structure

- 5.1 In response to the request of the Government of Haiti (Annex I), the implementation of the TC will be carried out by the Bank through the Division of Innovation in Citizen Services (IFD/ICS), which has specialized knowledge in providing assistance in the topics of interest related to the object of this TC. The IDB Representation in Haiti (CID/CHA) will act as the Basic Responsibility Unit (UDR). The IFD/ICS team will coordinate with the CSD/RND Division, and contract the consultants, organize the activities, and supervise the developed products. As requested by the Government, coordination with the Haitian authorities will be carried out through technical and administrative coordination meetings and joint review of terms of reference and evaluations of technical reports. In addition, IDB staff will provide specialized technical and first-hand knowledge of the activities to be implemented. The Bank will also participate in the regular donor's group meeting on finance and administrative reforms and in regularly update them on the activities financed by the operation 4820/GR-HA and the TC.
- 5.2 At the request of the Government and in accordance with Annex 2 of OP-619-4, the TC will be executed by the Bank justified, on the one hand, by the Bank's experience in developing operational and technical instruments similar to those proposed for this type of cooperation, as well as by the TC's orientation towards supporting management in terms of execution and strengthening of strategic projects for Haiti. Moreover, the requesting entity does not have the technical expertise to oversee the

implementation of a survey of academic nature, and the challenges to attract experts in the field of biometric registry and in drafting a training program on management and behavioral improvements. Contracting through the Bank also allows greater independence in terms of the results obtained, given that some of the products include training and institutional strengthening actions, which could be more effective if raised externally.

5.3 The activities to be executed under this operation have been included in the Procurement Plan (Annex IV) and will be executed in accordance with the Bank's established procurement methods, namely: (a) selection and hiring of individual consultants, as set forth in AM-650 standards; (b) hiring of consulting firms for services of an intellectual nature according to GN-2765-4 and its associated operational guidelines (OP-1155-4); and (c) contracting of logistics services and other services other than consulting, in accordance with the GN-2303-28 policy. All knowledge products derived from this Technical Cooperation will be the Bank's intellectual property.

5.4 **Single Source Selection (SSS).** While most of the procurement processes will be competitive, the project will single-source contract the firm Sociodig as per dispositions of Procurement Policy GN-2765-4. The justification for this single source contracting is explained as follows:

(i) Sociodig (US\$50,000): Consulting services to administer surveys at the MARNDR at the central and departmental levels. The SSS is justified based on Policy GN-2765-4 paragraph 4.1, 3 (a) continuity of previous services, since the firm conducted the pilot of the survey and collected data from 200 civil servants, this work allowed to recalibrate and finalize the survey; and (b) small amount. The results of the survey will be useful to build a reference database for the RG-E1593 study. The firm will collect, organize, and evaluate the information required for the design and implementation of the group decision-making intervention and produce a diagnosis of the public information available which can be used to generate complementary measurement strategies for the key results of this project.

VI. Major issues

6.1 The main risk that could affect the implementation of the activities planned by this TC is related to the difficulties that arise due to the context of fragility and insecurity observed in Haiti since July 2018. To mitigate both risks, some activities will be carried out virtually. Additionally, the following risks are foreseeable with associated mitigation measures:

Risks	Mitigation
Some of the activities are delayed due to a lack of coordination between the main actors.	Bank executes the TC and takes contact with government agencies and donors. First, government agencies and individuals responsible for the coordination of activities required for the execution of the analysis are identified. Thus, regular meetings will be held with the MARNDR. Coordination mechanisms will be implemented in the operation 4820/GR-HA.
Change in leadership within the MEF.	Identify and work with new champions at the technical and managerial level to increase the institutionalization of the reforms within the public sector. project and facilitate the transition.
The ONI delays the use of the existing system	Coordination meeting with ONI and the signature of

Risks	Mitigation
for the implementation of the biometric registry	a partnership agreement between the MEF and ONI on the implementation of the biometric registry in civil service.

VII. Exceptions to Bank policy

- 7.1 No exceptions to the Bank's policies were identified.

VIII. Environmental and Social Strategy

- 8.1 This TC will not finance feasibility or pre-feasibility studies of investment projects or associated environmental and social studies; therefore, it does not have applicable requirements of the Bank's Environmental and Social Policy Framework (MPAS).

Required Annexes:

[Request from the Client - HA-T1304](#)

[Results Matrix - HA-T1304](#)

[Terms of Reference - HA-T1304](#)

[Procurement Plan - HA-T1304](#)