

## SUMMARY OF THE PROJECT IN DESIGN \* (\*)

### The Haiti Impact Fund

| PITCH ELIGIBILITY DATE                                     |              | COUNTRY(IES)                      |
|--|--------------|-----------------------------------|
| 08/05/2021   |              | Haiti                             |
| PARTNER(S)   |              |                                   |
| IDB Lab  |              |                                   |
| PRELIMINARY CLASSIFICATION ENVIRONMENTAL AND SOCIAL IMPACT |              |                                   |
| C (**)   |              |                                   |
| TOTAL BUDGET   | IDB Lab      | LOCAL COUNTERPART AND COFINANCING |
| US 22,000,000  | US 2,000,000 | US 20,000,000                     |
| DESCRIPTION  |              |                                   |

**The problem** A large NGO sector in Haiti is funded by the international community, including the Haitian diaspora, and supplements government efforts in nearly every sector. Despite a strong social commitment to development impact, few of these organizations can demonstrate measurable results at the level of beneficiaries or the capacity to scale impact. Across the globe, governments and donors are expanding their use of innovative financing instruments to improve delivery efficiency and optimize the use of scarce public resources.

**The solution** Emerging financing instruments that tie funding to the achievement of demonstrable impact play a growing role in development finance, and help mobilize new sources of funding, stimulate innovation and build new partnership models. The time has arrived for similar financing models in Haiti. The Haiti Impact Fund (HIF) will improve the efficiency and impact in the delivery of IDB development assistance and Haitian government-funded services, particularly for vulnerable populations. The HIF aims to provide the foundational architecture for testing multiple pay-for-success financing operations, and scale through a central commissioning platform that provides funding, operational support, technical services and integrated learnings for IDB and the Government of Haiti.

**The beneficiaries** Beneficiaries and target populations will be rigorously defined at the sub-project level. Priority will be given to poor and low-income populations, vulnerable communities, youth, women, and other traditionally excluded and vulnerable groups in potential topics such as primary education, maternal health, sanitation, employment and others, which will emerge from the on-going analysis of the local context and capacity.

**The partner** The proposed project is a unique collaboration between IDB Lab, IDB, and the Haitian government who leverage their respective funding, expertise, and networks to establish a sustainable, cost-effective, viable and scalable pay-for-success mechanism to improve social outcomes and generate data and evidence for Haiti. It is expected that a wider ecosystem of implementing partners, impact investors, service providers, and local foundations will also be partners.

**The IDB Lab's contribution** IDB Lab will contribute up to US\$ 2 million in non-reimbursable funding that will be used to provide operational support through the Center for Excellence that will be

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\*\*The IDB categorizes all projects into one of four E/S impact categories. Category A projects are those with the most significant and mostly permanent E/S impacts, category B those that cause mostly local and short-term impacts, and category C those with minimal or no negative impacts. A fourth category, B13, is a catch-all category not related to severity of impacts; it covers non-investment lending and flexible lending instruments for which ex-ante impact classification may not be feasible, such as Financial Intermediary operations or Policy Based Loans.

incubated inside the IDB as well as access to technical services to support transaction advisory, market building and learning activities. Financial Partners will allocate up to \$20 million in non-reimbursable grants to support 5 to 10 catalytic sub-projects to be implemented by non-state actors across multiple sectors where payments will be disbursed against the achievement of outcomes.

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