

# PROJECT STATUS REPORT (PSR)

01/01/2022 - 06/30/2022

## PROJECT SUMMARY

Operation number

HA-T1295

Suboperation number

ATN/ME-18981-HA

Project Name

The Haiti Impact Facility (HIF)

Team Leader

Smeldy Ramirez Rufino

Executing Agency

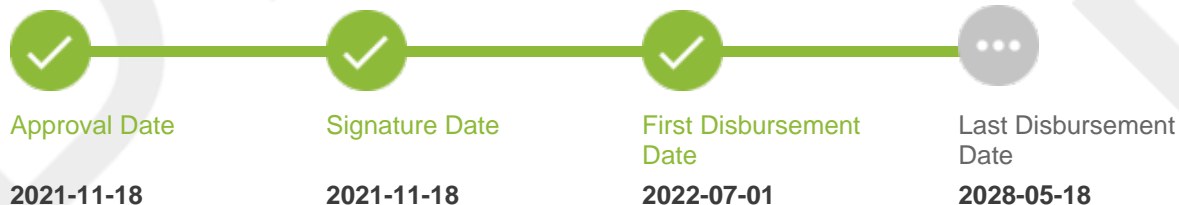
Inter-American Development Bank

Purpose

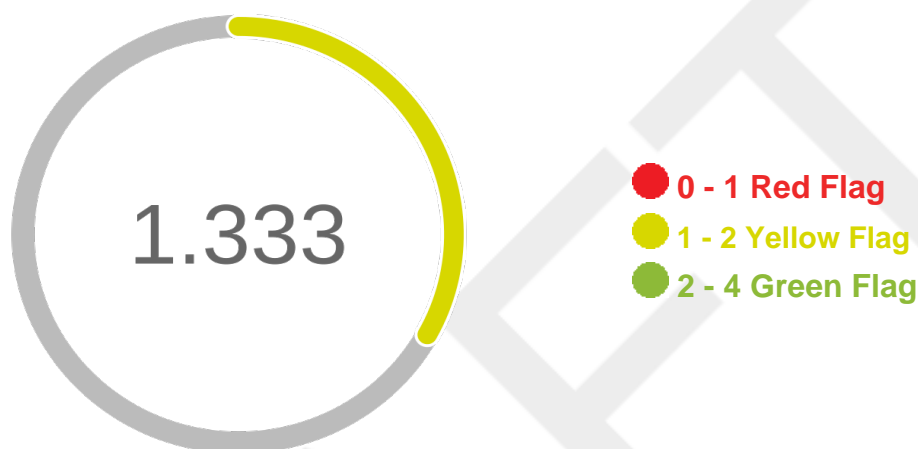
The HIF will broaden the capacities of the IDB and Haitian ecosystems to launch pay-for-success financing instruments cost-effectively and at scale.



## Project cycle



## PSR SCORE



# LEARNINGS

## 1. Risk and Lessons

### 1.1. Risk

1.1.1. What do you think is the biggest risk that threatens the achievement of the project objectives?

External Risks – this project is exposed to a variety of external risks that can have a medium to high impact on project implementation. 1. Socio-political and macro-economic risks are highest due to the high volatility of the in-country context and the fact that the world is still living in a pandemic reality. These risks will continue to be monitored throughout the program to ensure timely adjustments. Significant flexibility has been incorporated to facilitate pay-for-success financing in politically fragile ecosystems. Key provisions include sectorial flexibility and dynamic and negotiated pricing. HIF may also target key sectors impacted by COVID. In addition, 2020 has provided important learnings on “Pandemic-proofing” pay-for-success contracts in Colombia and elsewhere. 2. Another high external risk is that the legal frameworks inhibit Government long-term engagement with results-based contracting. To mitigate that risk, the HIF will commission in the first year a legal assessment and roadmap for the Haitian Government, designed in conjunction with legal specialists in PfS contracting and specialists in Haitian law. 3. A medium risk relevant to mention is the readiness of the ecosystem--as local partners and service providers lack the capacity for pay-for-success financing. Technical assistance will be provided in this area via a program technical partner. 4. Financial sustainability risk – The IDB or the Haitian Government may lack funding for financing and scaling projects developed by HIF. Changes in donor and Government funding priorities will be mitigated by regular donor consultation and ongoing fund-raising to diversify funding pool. Haiti's Donor Community keeps close contact and coordination among its members. ORP can also play an important role in fund-raising efforts. 5. Funding risk – Investment resources may not be available for pre-financing pay-for-success projects. Pre-financing for PfS is a key element to its success, as it was showcased during IDB Lab's experience in Colombia where Fundación Corona played a critical role as an investor in the SIB in Colombia. To mitigate this risk, the HIF will collaborate with investor networks and pay-for-success groups. 6. Operational risk – IDB may have difficulty sourcing adequate pipeline executing agencies for new PfS project designs. The HIF will utilize networks from IBWG and other key market stakeholders to broaden the reach for pipeline proposals. 7. Execution risk – Pay-for-Success projects do not achieve expected results, or contention arises in measurement and confirmation of results. The HIF will seek to ensure that viable designs are funded, where risks are subject to information sharing.

### 1.2. Greatest Achievement or Failure

1.2.1. What has been the greatest achievement or failure in the last semester that affected the implementation of the project?

HIF's greatest achievement within this last semester has been: 1. Hiring of the Haiti Impact Facility (HIF) project coordinator. 2. Successful launch of procurement process to sign two external contracts for the HIF Outreach & Partnership Consultancy and HIF Technical Partnership Consultancy. 3. Develop, and submit SIPA Capstone proposal for the Haiti Impact Facility project. HIF selected to participate in SIPA Capstone, 2-3 graduate students will be assigned to support the facility by early 2023.

### 1.3. Findings and Lessons

1.3.1. What are the most useful findings and lessons from this project that when taken into consideration could improve the execution and results of existing projects and the design of similar projects in the future? A finding describes an action, circumstance or decision that was critical in determining the positive or negative evolution of the project (for example, switching from the development of a blockchain platform to a web-based shared database reduced the cost

and time devoted to implementing the traceability capabilities required by the project). A lesson is a concrete, actionable proposal based on a finding that, in similar circumstances, would facilitate problem solving, risk mitigation, and the achievement of results (for example, Develop guidelines and criteria to identify candidates that could benefit from the implementation of a blockchain platform, and assess during the design if the selected project satisfies the criteria before committing to develop one).

Lessons that could improve the execution of the HIF Project thus far: There have been some delays in the project execution timeline throughout the summer months due to unforeseen system issues with the internal IDB systems suite such as convergence, salesforce, etc which have delayed the BEO process. Regular maintenance checks on the IDB systems suite should be conducted to facilitate smoother access and delivery.

## **2. Scalability and replicability**

### **2.1. Scalability Plan**

2.1.1. Now that the Project is in the execution phase, have you developed any concrete plan or action that will allow it to reach a greater number of users/clients/beneficiaries (or broader environmental or resilience to climate change and natural disasters impacts) in the future?

The sustainability of the HIF is a function of how the pay-for-results program methodology seeks to better utilize IDB resources, donor resources, and government resources. The HIF will provide a mechanism and platform for these groups to tie more resources to impact, as well as support evidence-based innovations that allow for better spending and mainstreaming lessons learned into public policy. Notwithstanding significant donor commitment to aid per year, social indicators suggest that Haiti can innovate in new ways to optimize the use of development assistance - i.e., tying spending of existing funds to improved indicators as well as providing proof of success for mobilizing additional funding. Outcomes funding is a relatively new topic in Latin America and the Caribbean, as well as in other less developed countries. IDB Lab's mission is to test new ideas to reach better results, like Pay for Success. Therefore, given the lack of knowledge regarding this innovative financing mechanism and the difficulties facing government spending around the world given Covid and other challenges, IDB will incubate the Facility within the Haiti Country Office with a view to installing capabilities and knowledge and a key long-term strategy for the Facility to: (i) transfer administrative and contracting learning, best practices, and skill building of Pay-for-Success aspects to the GoH around thematic clusters, (ii) establish a practice that enables IDB to tie a larger part of a portfolio to results, (iii) provide evidence of a highly fragmented donors' landscape in Haiti to be able to pool resources around impacts that matter most, and

### **2.2. Costs and Partners to Scale**

2.2.1. Now that the project is in the execution phase, do you know how much it costs to offer your product / service per user / client / beneficiary? Is this a factor that could affect reaching a greater number of users / clients / beneficiaries in the future? Has any public or private institution requested this information from you, looking for scaling or replicating the model / product / service?

The project has a total estimated cost of US\$17,500,000, of which US\$2,000,000 (11%) will be provided by the MIF, and US\$15,500,000 (89%) counterpart funding will be targeted through the fund-raising and resource mobilization efforts during Phase 1. Potential financing sources include the IDB public funds in consultation with the Haitian government, the European Investment Bank and Swiss Agency for Cooperation and Development. The team will also engage other parties from Haiti's large Donors' network and diaspora. A cost per contract has not yet been established. The project will have more data on the product's cost structure after the pilot phase.

### **2.3. Facilitating or Hindering Factors**

Others, Which?

This is not applicable to the project yet.

### **2.4. Scalability Scope**

2.4.1. How feasible it is that the organization could reach a number of users/clients/beneficiaries 5, 10 or 100 times the number originally planned in the project design, five years after the project ends?

[It could reach between 5 times and 10 times the number of users/clients/beneficiaries originally planned in the project design five years after its closure]

2.4.2. How likely is the organization to reach that number five years after the project ends?

[Probable (more than 50% but less than 90% chance)]

## 2.5. IDB Group business relation

2.5.1. Has a business relation been created with another part of the IDB Group different from IDB Lab?

This project was designed closely with the Haiti Country Office Representative. Strong ties are kept with the sectors of WSA, SPH, EDU, RND and LMK to ensure a successful implementation.

## 2.6. Replicability Partners

2.6.1. Are you aware of any other entity at a national or international level that has copied / replicated completely or partially the business model of the project? Did you collaborate in the process with that entity?

The project is too early in its implementation to have proof of replicability. The Social Impact Bonds project in Colombia has offered valuable insights on structuring, business model, frameworks and ready to use concept and processes for the Haiti Impact Facility.

## 2.7. Replicability Scope

2.7.1. Number of users / clients / beneficiaries reached by entities that have fully or partially replicated / copied the business model / products / services implemented with the support of the project?

[None yet]

## 2.8. Sustainability

2.8.1. How do you think the project will continue once the IDB Lab financing ends? Examples: it has identified external financing sources to continue operating, it has reached the breakeven point through the sale of services and products, it has obtained the support of public institutions or the private sector, it will adjust the business model to remain viable (via franchises, etc.)

1. The sustainability of the HIF is a function of how the pay-for-results program methodology seeks better use of IDB resources, donor resources and government resources. The HIF should provide a mechanism and platform for these groups to tie more resources to impact, as well as support evidence-based innovations that allow for better spending and mainstreaming lessons learned into public policy. Notwithstanding significant donor commitment in aid per year, social indicators suggest that Haiti can innovate in new ways to optimize the use of development assistance - i.e., tying spending of existing funds to improved indicators as well as providing proof of success for mobilizing additional funding. 2. Outcomes funding is a relatively new topic in Latin America and the Caribbean, as well as in other less developed countries. IDB Lab's mission is to test new ideas to reach better results, like Pay for Success. Therefore, given the lack of knowledge regarding this innovative financing mechanism and the difficulties facing government spending around the world given Covid and other challenges, IDB will incubate the Facility within the Haiti Country Office with a view to install capabilities and knowledge and a key long-term strategy for the Facility to: (i) transfer administrative and contracting learning, best practices and skill building of Pay-for-Success aspects to the GoH around thematic clusters, (ii) establish a practice that enables IDB to tie a larger part of portfolio to results, (iii) provide evidence to a highly fragmented donors' landscape in Haiti to be able to pool resources around impacts that matter most, and (iv) provide new opportunities for mobilizing private finance and non-traditional funding into Haiti around impact. 3. Beyond Haiti, the project will demonstrate key learnings to potentially be used in other countries in LAC. Other PfS projects have demonstrated that the evidence provided by PfS projects, as to improved results and



more efficient and effective use of funds, is a strong motivator for a government to incorporate PfS in social programs and policies. Now termed “mainstreaming” and is one of the usual paths for scale in governments.

### **3. Implementation**

#### **3.1. Facilitating or Hindering Factors**

3.1.1. What specific aspects have (positively or negatively) affected the implementation of the project the most?

[External shocks that affect the economy in general (natural disasters), Coordination with third parties, Contracting consultants / suppliers]

3.1.2. Explain in detail how these factors that you identified have made the implementation of the project easier or more difficult

1. External shocks that affect the Haitian Economy, in general, have affected the implementation of the HIF project because these external shocks are the context in which this facility is being implemented. Socio-political and macroeconomic risks are high due to the high volatility of the in-country context. Be it: Growing insecurity, vulnerability to natural disasters, corruption, unstable infrastructure, etc. These external shocks will be monitored throughout the program to ensure timed adjustments. Significant flexibility has been incorporated to facilitate pay-for-success financing in politically fragile ecosystems. 2. Coordination with Third parties also affects the implementation of the HIF Project. From coordinating internally with IDB staff to salvage system issues, to coordinating with third party contractor, consultants and firms to finalize tasks within phase 1. While coordination with third parties has gone fairly smoothly thus far, there have been some slight delays to our summer timeline. 3. Contracting consultants & supplier has also affected the implementation of the HIF project. Throughout the course of this semester, HIF has contracted 2 PEC consultants. A project coordinator and a program consultant. These consultants have supported the launch of the BEO process and additional contracting of 2 other contracting firms.

#### **3.2. Novel Technologies Factors**

3.2.1. If the project makes use of novel technologies or methodologies, what factors have facilitated or hindered the implementation of the technological solution initially proposed by the project?

[Access to subject matter experts by executing agency/client, Availability of suppliers / consultants]

### **4. Development Outcomes (Quantitative)**

4.0 Has your project contributed to any of the following indicators in the last 12 months (last year)?

[4.6. Not contribute]

### **5. Development Outcomes (Qualitative)**

#### **5.1. Target population identified in the design**

Is the target population that was identified in the design being reached by the project? Select the target population actually reached by the project that was originally identified in the project design.

[None]

#### **5.2. Population served NOT identified in the project design**

5.2.1. Select if there are Groups that were NOT originally identified in the project design but are being reached in the execution phase?

[None]

#### **5.3. Facilitating or Hindering Factors**

5.3.1. Factors that have affected (facilitated or hindered) reaching these groups, or the resilience/environmental impacts, in the numbers/dimensions that the project had originally planned.

[Other]

## Others

The project hasn't yet served population identified - as the HIF project is now kicking off.

5.3.2. Explain in detail how these factors that you have identified have affected the ability of the project to reach the groups (achieve resilience/environmental impacts) in the numbers/dimensions originally expected

N/A

## INDICATORS






 Overachieved
  Achieved
  Pending
  In process
  Overdue

### C1: Technical services to lay the groundwork

**Weight:** 25%

**Qualification:** Satisfactory

0%




Indicators	Planned	Achieved	Status
I1 Number of research products and technical briefs produced	5 ( 2027-11-18)		
I4 Legal road map for Haitian Government completed	1 ( 2027-11-18)		
I5 Resources mobilized for PfS (from Donors community & local Government)	15000000 ( 2027-11-18)		
I2 Number of stakeholders trained	20 ( 2027-11-18)		
I3 Scaling strategy for transferring project to the Government	1 ( 2027-11-18)		

### C2: Operational Support for Pay-for-Success Approaches f

**Weight:** 25%

**Qualification:** Satisfactory

0%


Indicators	Planned	Achieved	Status
I3 Streamlined processes established	2 ( 2027-11-18)		
I2 Number of new IDB-initiated concepts launched	4 ( 2027-11-18)		
I1 Number of outcome contracts designed and under management	9 ( 2027-11-18)		

### C3: 3, 4 & 5 Pay-for-Success Demonstration Projects

**Weight:** 25%

**Qualification:** Satisfactory

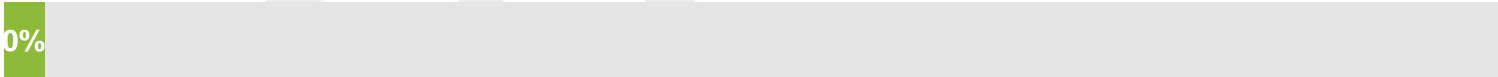
0%

Indicators	Planned	Achieved	Status
I9 Of which, are considered vulnerable people Number of projects or organizations receiving	100 ( 2027-11-18)		

I5	technical support	10 ( 2027-11-18)	
I1	Number of pay-for-success (PfS) projects launched	10 ( 2027-11-18)	
I2	Of which, number of PfS contracts using DIBs	2 ( 2027-11-18)	
I3	Of which, number of PfS projects supporting climate change mitigation and/or adaptation	3 ( 2027-11-18)	
I4	Of which, number of PfS projects supporting gender equality and diversity	2 ( 2027-11-18)	
I6	Number of organizations involved in pay-for-success ecosystem	20 ( 2027-11-18)	
I7	Number of key development areas targeted	4 ( 2027-11-18)	
I8	Number of direct beneficiaries (individuals) from sub projects	5000 ( 2027-11-18)	

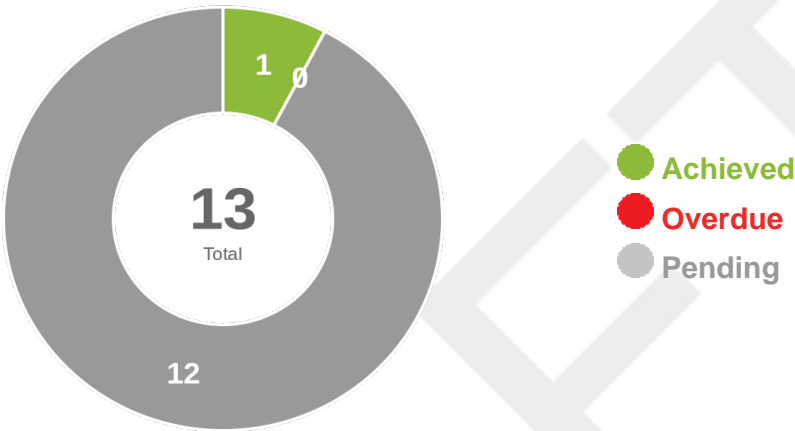
C4: Knowledge and dissemination

Weight: 25%                      Qualification: Satisfactory



Indicators	Planned	Achieved	Status
I2 Number of learning shared with partners carrying out case studies on the model in Haiti or scoping studies in new markets	2 ( 2027-11-18)		
I5 Final workshop	1 ( 2027-11-18)		
I1 Learning evaluations processed and integrated into fund portfolio	10 ( 2027-11-18)		
I3 Number of international events to share learnings	5 ( 2027-11-18)		
I4 A final project evaluation	1 ( 2027-11-18)		

MILESTONES



Milestones	Achieved Value	Due Date	Achieved Date	Status
*Number of procurement processes for coordinator and consultancies	3	2022-12-31		
*Resources mobilized for PfS	2000000	2023-06-30		

*Legal road map for Haitian Government	1	2023-12-31		...
*Number of stakeholders trained	9	2024-12-31		...
*Number of outcome contracts designed and under management	2	2024-06-30		...
*More resources mobilized for PfS	8000000	2025-06-30		...
*Number of direct beneficiaries (individuals) from sub projects	4000	2028-06-30		...
*More outcome contracts designed and under management	5	2025-12-31		...
*Resources mobilized for PfS (from Donors community & local Government)	15000000	2026-12-31		...
*Number of key development areas targeted	2	2026-06-30		...
*Additional outcome contracts designed and under management	7	2027-06-30		...
*Number of key development areas targeted	3	2027-12-31		...
*Condiciones Previas / Prior Conditions	1	2022-05-18	2022-06-07	✓