

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

HAITI

EXPANSION OF SAFETY NETS FOR VULNERABLE POPULATIONS AFFECTED BY THE SOCIO-ECONOMIC CONSEQUENCES OF CORONAVIRUS

(HA-J0001)

GRANT PROPOSAL

This document was prepared by the project team consisting of Alexandre Bagolle, Project Team Leader; Marie Evane Tamagnan, Alternate Team Leader; Nicola Magri, Sheyla Silveira, and Neili Bermudez (SCL/SPH); Mariana Alfonso (CSD/CCS); Suzanne Duryea (SCL/GDI); Marise Etienne Salnave and Marie Marcelle Orisme Roc Passard (VPC/FMP); Aurélie Gilles, Laura Giles Alvarez, Boaz Anglade (CID/CID); Jean Smith Dormeus (CID/CHA); Javier Jimenez Mosquera (LEG/SGO); Soraya Senosier (VPS/ESG); and Sebastian Gallegos Vallejos (SPD/SDV).

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OEL#2	Timeframe and Operational Aspects for the Implementation of Components 1 and 2
OEL#3	Cash Transfers and Resilience to Climate Change
OEL#4	Guidelines for resilience activities
OEL#5	References
OEL#6	Safeguard Policy Filter and Safeguard Screening Form

ABBREVIATIONS	
AVSI	<i>Association Volontaires pour le Service International</i>
BND	<i>Bureau de Nutrition et de Développement</i>
COVID-19	Coronavirus disease 2019, the disease caused by the 2019 novel coronavirus
CNSA	<i>Coordination Nationale de Sécurité Alimentaire</i>
FAES	<i>Fonds d'Assistance Économique et Sociale</i>
FMP	IDB Operations Financial Management and Procurement Services Office
GoH	Government of Haiti
IDB	Inter-American Development Bank
IPC	Integrated Food Security Phase Classification
LAC	Latin America and the Caribbean
LEG	IDB Legal Department
MEF	<i>Ministère de l'Économie et des Finances</i>
MENFP	<i>Ministère de l'Éducation Nationale et de la Formation Professionnelle</i>
PNPPS	<i>Politique Nationale de Protection et Promotion Sociales</i>
PREPOC	<i>Plan de Relance Économique Post-Covid-19</i>
WB	World Bank
WFP	World Food Programme
WHO	World Health Organization

PROJECT SUMMARY
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Financial Terms and Conditions				
Beneficiary:				
Republic of Haiti			Amortization period:	N.A.
Executing agency:			Disbursement period:	2 years
Social and Economic Assistance Fund (FAES)			Grace period:	N.A.
Source	Amount (US\$)	%	Interest rate:	N.A.
IDB (Grant Facility for Haiti):	70.000.000	100	Credit fee:	N.A.
			Inspection and supervision fee:	N.A.
			Weighted average life:	N.A.
Total:	70.000.000	100	Currency of approval:	U.S. dollars
Project at a Glance				
<p>Project objective/description: The general objective of this project is to contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by COVID-19. The specific objective is to support minimum income levels for those affected by the coronavirus in the immediate period and during the recovery, through school feeding and cash transfers.</p>				
<p>Special contractual conditions precedent to the first disbursement of the financing: The Beneficiary through FAES, shall provide evidence to the satisfaction of the Bank of the draft contracts to be signed with the specialized operators. (¶3.6). <i>Bureau de Nutrition et de Développement</i> (BND), World Food Program (WFP), <i>Association Volontaires pour le Service International</i> (AVSI) and <i>Les Centres Gheskio</i> are the 4 specialized operators mentioned in the special contractual conditions precedent to the first disbursement (¶3.3).</p> <p>Special contractual conditions prior to the execution of subcomponent 2.2: The Beneficiary through FAES, shall provide evidence to the satisfaction of the Bank of the development of a communication plan and guidelines that detail how the cash for work activities for the restoration, creation or maintenance of environmental community assets and payments will be distributed (¶3.7).</p> <p>Other fiduciary conditions are described in the Annex III, section II.</p>				
<p>Exceptions to Bank policy: The Project Team requests to the Board of Executive Directors to approve a specific waiver to the Bank's procurement policies (GN- 2349- 15 and GN-2350-15), with a similar scope to the special measures described in paragraph 4.2 a) and b) of document GN-2996 and paragraph 2 of Resolution DE- 28/20: (a) that goods originating from non-member countries of the Bank be eligible for procurement and suppliers, contractors, consultants and service providers from non-member countries of the Bank be allowed to participate in the procurement processes in Bank financed projects; and (b) that the procurement policies (including eligibility, auditing and prohibited practices procedures) of WFP as procurement agent and specialized agency may be used when contracted as such by the Beneficiary. This authorization would allow to carry out the procurement process by WFP in a more expedited manner (see ¶3.9).</p>				
Strategic Alignment				
Challenges: ^(a)		SI <input checked="" type="checkbox"/>	PI <input type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting themes: ^(b)		GE <input checked="" type="checkbox"/> and DI <input type="checkbox"/>	CC <input checked="" type="checkbox"/> and ES <input type="checkbox"/>	IC <input type="checkbox"/>

^(a) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(b) GE (Gender Equality) and DI and (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. PROJECT DESCRIPTION AND RESULTS MONITORING

A. Background, problem to be addressed, and rationale

- 1.1. **Background.** The first two cases of COVID-19 were confirmed by the Haitian Ministry of Health and Population (MSPP) on 19 March 2020. On the same day, a state of emergency was declared by Presidential Decree. Restrictive measures – such as the closing of factories and businesses for several weeks– were implemented through 21 June 2020. On April 30, 2021, the country reached 13,017 confirmed cases and 259 deaths from COVID-19. The Haitian population, with only 6% of the population aged 65 and over, was less affected by the health consequences of the coronavirus than other countries in the region. With 2.3 reported deaths per 100,000 inhabitants, Haiti has the lowest COVID-19-related death rate in the LAC region.¹ However, the crisis' socioeconomic effects are deep and long-lasting and will particularly affect the most vulnerable.
- 1.2. **Macroeconomic and social vulnerability pre-pandemic.** With a per-capita Gross Domestic Product (GDP) of USD 2,905 in 2019 (constant, 2017 PPP), Haiti is a low-income country with prevailing poverty and low social-outcome indicators.² Almost 60% of the population live below the national poverty line³ and 24.5% live on less than USD 1.90 per day (2011 PPP), compared to 4.7% in LAC.⁴ Moreover, serious socioeconomic challenges – including inadequate access to quality education, health and social protection services – are reflected in Haiti's low 2020 United Nations Human Development Index ranking (170th out of 189 countries).
- 1.3. **Pre-COVID-19, Haiti's socioeconomic stance was weakening.** The year 2019 was marked by escalating social unrest, protests, and a two-month country shutdown (the *Peyi-Lòk*), which halted economic activity and led to both the suspension of school classes and shortages of fuel, water, food, and medicines. Real GDP growth contracted 1.7% in fiscal year (FY) 2019 (compared to a 1.7% real growth in FY2018) and the non-financial public sector (NPFS) deficit widened from 1.7% of GDP in FY2018 to 2.2% of GDP in FY2019.
- 1.4. **The COVID-19 crisis further aggravated Haiti's socioeconomic trajectory.** Since the onset of the COVID-19 pandemic in 2020, mobility-restriction measures to curb the spread, coupled with preexisting challenges, further aggravated Haiti's macroeconomic and fiscal stance. This will have lingering effects in the coming years. The economy further contracted by 3.7% in FY2020 and the government recorded a 2.3% GDP fiscal deficit. The inflation rate peaked in 2020: 22.9% in FY2020 compared to 17.3% in FY2019. Although the economy is expected to start recovering slowly in FY2021 and grow by 1%, this recovery is uncertain. Estimations show that poverty⁵ increased to 25.1% in 2020 and is further projected to rise to 25.6%.⁶ The government's fiscal balance is also expected to further widen to -3% of

¹ SCL/SPH estimates based on Johns Hopkins Coronavirus Resource Center data.

² The average for the LAC region was USD 16,376 in 2019 (constant, 2017 PPP).
<https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.KD>

³ The national poverty line is 2.41 USD/day.

⁴ The data corresponds to 2012, when the last household survey was conducted in Haiti.
<https://data.worldbank.org/indicator/SI.POV.DDAY>

⁵ Poverty rate at the international poverty line (US\$1.90 per day, 2011 PPP)

⁶ World Bank (2021)

GDP, generating higher demand for external financing to support the response to the crisis.

- 1.5. **Problem to be addressed.** The COVID-19 crisis has had a direct impact on households' capacity to generate income and on their purchasing power, thus curbing their consumption and increasing their food insecurity. Households reporting having no job increased from 14% before the pandemic to 21.2% during the pandemic. 69% of households reported lower income, which together with higher inflation, eroded their purchasing power and their ability to access food.⁷ According to the latest Integrated Food Security Phase Classification (IPC),⁸ 42% of the population (equivalent to 3,988,968 people) is in a situation of acute food insecurity. This represents an increase of 7 percentage points compared to the period prior to the start of the pandemic.
- 1.6. Estimates for the period March–June 2021 predict a worsening of the situation, with 46% of the population (more than 4.3 million people) experiencing food insecurity. Considering that more than 6 in 10 households have adopted short-term coping strategies⁹ to respond to their immediate needs during the pandemic, the COVID-19 crisis has also affected the medium-term resilience¹⁰ capacity of vulnerable households.
- 1.7. **Government response to the COVID-19 crisis.** To tackle the worsening scenario of increased food insecurity and mitigate the impact of the COVID-19 crisis, the GoH took a series of social and economic measures, including transfers to the most vulnerable population segments. The GoH also approved a national strategy – PREPOC 2020–2023¹¹ – to respond to the pandemic-exacerbated social challenges. Support for human development, social inclusion, and food security are key components of this plan, for which 26% of its budget has been assigned.
- 1.8. During 2020, at the national level, at least 1.9 million individuals (equivalent to 384,725 households) received cash or in-kind transfers and approximately 500,000 children received school feeding support,¹² as a result of a joint effort between the GoH, several multilateral agencies, and the humanitarian sector. As part of this global response to the crisis, the GoH, through the Social and Economic Assistance Fund (FAES) and with Bank support, is implementing a large-scale school feeding and cash-transfers program financed by grant 5068/GR-HA for USD 60 million. This intervention is providing school meals to 100,000 primary school-aged children in the most vulnerable areas of the country and cash and in-kind transfers to 124,000 vulnerable households in the areas most exposed to food insecurity. School meal distributions began in October 2020 and will end in July 2021. Distributions of cash and in-kind transfers to vulnerable households began in November 2020 and are expected to continue through August 2021. FAES is also implementing a cash-for-work intervention focused on 28,000 vulnerable youth financed through grant 4657/GR-HA for an amount of USD 40 million. Specialized agencies and NGOs were contracted for the implementation of these programs, under the supervision of

⁷ OCHA (2021).

⁸ The IPC is a common global scale for classifying the severity and magnitude of food insecurity and malnutrition into five phases: 1/Minimal, 2/Stressed, 3/Crisis, 4/Emergency and 5/Famine.

⁹ Coping strategies are regular behavioral responses to food insecurity, such as selling assets (houses, land, livestock, etc.) that people use to manage household food shortage, CNSA (2020).

¹⁰ Household resilience is the capacity to absorb, respond, or adapt to a shock (Hallegatte et al 2018)

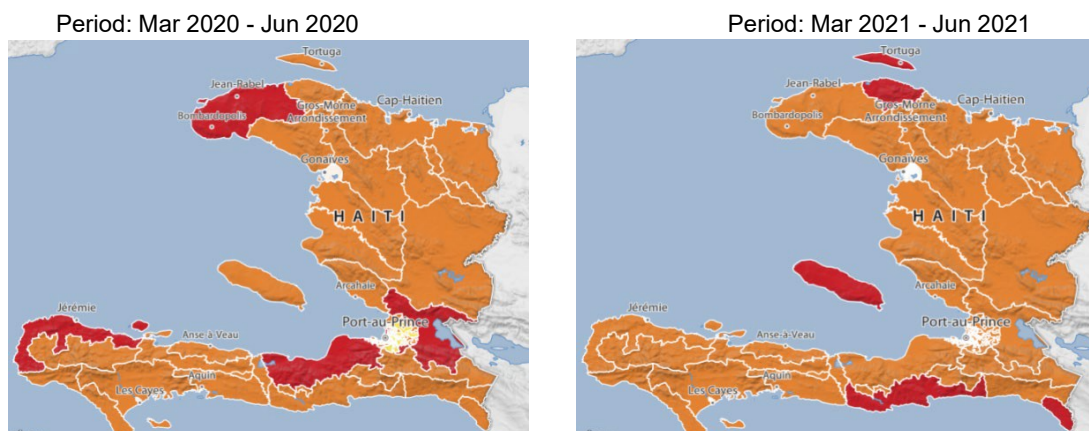
¹¹ French acronym for Plan de Relance Économique Post-Covid-19 2020-2023.

¹² Cash Working Group (2021).

FAES. Considering that targeting and delivery mechanisms in FAES still need to be strengthened, partnering with these humanitarian and specialized agencies has been a key success factor for these interventions and enabled a rapid and large-scale response to the COVID-19 crisis.

- 1.9. **Progress and challenges.** The situation improved in some beneficiary areas receiving cash transfers and food assistance during 2020. In particular, the areas of the Grande Anse, the North West (the areas of Jean Rabel and Bombardopolis in particular) and part of the West went from an IPC-4 level to IPC-3, reflecting an improvement in the food security situation (see Figure 1). In vulnerable areas of Port-au-Prince, transfer interventions have also improved food security in beneficiary households. Among households targeted by these interventions, the percentage of people with access to at least two meals per day rose from 62.6% to 79.8%, and the Food Consumption Score also rose from 66.8% to 88.9%.¹³ In terms of school feeding interventions, survey data show a 98% satisfaction rate from school directors, teachers, and parents of beneficiary children.¹⁴
- 1.10. However, due to the enduring impact of the pandemic on the downturn economic cycle, the situation remains extremely fragile in several departments of the country. In particular, in the North, North West (in particular the island of La Tortue), West (in particular the island of La Gonâve), Artibonite and South East departments, more than 50% of households face a situation of food insecurity (see Figure 1). The metropolitan area of Port-au-Prince (specifically, disadvantaged neighborhoods such as Martissant and Cité Soleil) is still characterized by a situation of serious economic and social vulnerability exacerbated by rampant insecurity. In Cité Soleil, 50% of the population faces a dire situation of acute food insecurity, according to the IPC. In Martissant, 72% of the population has a Food Consumption Score estimated as poor or limited.

Figure 1. Geographic incidence of food insecurity according to IPC



Source : [IPC Country Analysis](#) Red zones are at the highest level of food insecurity (IPC 4) according to the IPC indicator.

¹³ AVSI (2021).

¹⁴ FAES call-center survey data.

- 1.11. **At-risk populations.** Three specific population segments have been particularly exposed to food insecurity during this protracted crisis. First, primary school-aged children living in areas with a high level of food insecurity are even further exposed. An estimated 12% of children were at risk in 2019 for malnutrition.¹⁵ In 2020, 6% of children under five suffered from acute malnutrition (compared to 4.1% in 2012), while 23% suffered from chronic malnutrition in the same year.¹⁶ Before the COVID-19 pandemic, an estimated 2 million school-aged children were already enrolled in primary school in the six departments where the IDB's education projects operate.¹⁷ Of this total, only about 400,000 were receiving meal assistance at school from a donor- or government-funded program for the 2020–2021 school year.
- 1.12. Second, households in neighborhoods where food insecurity has increased as a result of the COVID-19 crisis are particularly exposed (see ¶1.10). In March 2021, an estimated 537,870 households in these departments required immediate food assistance to meet their basic needs and smooth the crisis' consumption effect in the short term. In the North West and South East departments, food insecurity has worsened due to the effects of climate change, such as drought and land degradation. In North West, more than 143,000 people have been exposed to food insecurity as a result of recurrent episodes of drought, and more than 77% of the South East department has been exposed to drought and land degradation. In these areas, recurrent climate shocks are key drivers of chronic food insecurity.¹⁸
- 1.13. Finally, among vulnerable populations, women are particularly exposed to food insecurity and face specific problems of gender-based violence (GBV). During the pandemic, prevalence of food insecurity was higher in households headed by women (40.9%) than in those headed by a man (38.5%).¹⁹ Women are also more exposed to the risks of insecurity and GBV, especially in vulnerable areas of Port-au-Prince.²⁰ According to the Demographic and Health Survey for Haiti (2016–2017), 23.5% of women have suffered physical or sexual violence. During the current crisis, 84% of women feel unsafe in their families or communities, and 22% fear violence, sexual abuse, or domestic violence.²¹
- 1.14. **Rationale and strategy.** In this context, the proposed strategy will seek to continue the progress made under operation 5068/GR-HA (see ¶1.9) and will aim to support minimum levels of income and consumption for vulnerable households affected by the COVID-19 crisis. The strategy includes two types of interventions: (i) a school feeding program focused on primary-school-aged children and (ii) a cash transfer intervention focused on vulnerable households. Both interventions will target the country's most food insecure areas. These interventions are detailed below (see [OEL#2](#) for more information on their operational aspects and timeframe).
- 1.15. First, in line with the National School Feeding Strategy, the operation will support the government by financing expansion of an existing school feeding program. The intervention will benefit 115,000 primary-school-aged children living in areas with a high level of food insecurity for 127 school days (from September 2021 to June

¹⁵ CNSA (2019).

¹⁶ MSPP (2020).

¹⁷ The *Nord, Nord-Est, Nord-Ouest, Artibonite, Ouest* and *Centre*.

¹⁸ See [OEL#3](#) for more detailed information.

¹⁹ CNSA (2020).

²⁰ OCHA (2021).

²¹ OCHA (2021).

2022).²² The intervention will target the departments of West, Center, Artibonite, North, North East and North West; these departments have the highest level of child food insecurity in the country.²³ In these six departments, 14.2% of children face a situation of acute or moderate malnutrition or are at risk for acute or moderate malnutrition, compared to 8% of children in the country's four other departments. The school feeding intervention will extend existing school feeding services (from 5068/GR-HA) for an additional school year in the targeted departments. Given that 5068/GR-HA will close in June 2021 (end of the 2020–2021 school year), the proposed intervention strategy extends school feeding from September 2021 to June 2022 in the 320 schools currently covered through June 2021 by 5068/GR-HA.²⁴ The school feeding program will be implemented through the *Bureau of Nutrition and Development* (BND), which successfully implemented the same 5068/GR-HA-financed intervention.

- 1.16. Second, the strategy includes implementation of cash-transfer mechanisms to reinforce food security in vulnerable households. Cash transfers will start in September 2021 to ensure a proper transition with 5068/GR-HA. The intervention will benefit a total of 71,000 households (approximately 355,000 people). To ensure rapid large-scale implementation of the cash-transfer mechanisms, the strategy will be based on the engagement of specialized agencies and non-governmental actors with the necessary operational capacity.
- 1.17. In the departments of the North, North West (in particular the island of La Tortue), West (in particular the island of La Gonâve), Artibonite, South East and the vulnerable neighborhoods of Port-au-Prince, unconditional cash transfers will be implemented to increase food security in vulnerable households. These areas face the highest levels of food insecurity in the country²⁵ and need immediate assistance in order for their most vulnerable households to meet basic needs. The transfers will cover the food needs of beneficiary households over a four-month period. Beneficiary households will be selected from System of the Ministry of Social Affairs and Labor (SIMAST)²⁶ lists when available, and otherwise through a community identification process.²⁷ The intervention will be implemented through the World Food Program (WFP) and through the *Association Volontaires pour le Service International* (AVSI) in vulnerable areas of Port-au-Prince. These two operators have successfully implemented the same intervention financed by 5068/GR-HA.
- 1.18. In the North West and South East departments, in areas particularly exposed to drought and soil degradation, cash transfers will be conditioned on participation in small works performed for the creation, restoration and maintenance of community

²² Average number of school days is 127. Grant 5068/GR-HA covers 100,000 beneficiaries; the project will expand coverage of school feeding services to a total of 115,000 beneficiaries, of which 15,000 are new beneficiaries not currently receiving any school meal services in the six targeted departments.

²³ CNSA (2020).

²⁴ Following project completion, some of the public schools supported by the project will be absorbed into the HA-L1102 and will continue receiving school feeding services.

²⁵ Departments not covered by this intervention will continue to benefit from the support of other development actors in order to continue strengthening household food security (see ¶ 1.25). In case the situation changes before the start of the operation, final geographic targeting will be done using the most updated IPC data.

²⁶ Created in 2013, the Information SIMAST compiles information on the socio-economic vulnerability of households, classifying them according to four degrees of vulnerability using the National Deprivation and Vulnerability Index (INPV).

²⁷ Such as the frequency listing or use of an ad hoc targeting survey in coordination with the beneficiary community.

environmental assets²⁸. These cash transfers will primarily address the increased food insecurity caused by the pandemic. Moreover, through the development of community environmental assets, the transfers will also aim to strengthen the resilience of these communities to recurrent climate shocks that are an important driver of chronic food insecurity in these areas.²⁹ Beneficiary households will be selected through a community identification process³⁰ and payments will be made based on the number of days a household member works toward the creation or maintenance of community environmental assets.³¹ This intervention will be implemented through the World Food Program (WFP), which has already successfully implemented similar interventions in 24 developing countries, including five countries in the region (Honduras, El Salvador, Colombia, Ecuador, and Bolivia).

- 1.19. In areas of Port-au-Prince exposed to food insecurity, vulnerable women survivors of GBV will receive cash transfers and access to specialized social, psychosocial, medical, nutritional and reinsertion services, including referral to legal services when needed. Transfers will meet the food needs of beneficiary women and their households for a four-month period. Complementary services will be delivered by centers specialized in provision of comprehensive health services with proven track records and results in the targeted communities. Beneficiary women will be selected through a community identification process based on clear selection criteria.³² This intervention will be implemented through *Les Centres Gheskio*, an independent NGO recognized by the GoH for public utility services, which already has an operational network of comprehensive health centers and has been present for more than 35 years in the areas of intervention.
- 1.20. Finally, the intervention strategy includes activities to strengthen key components of the national social protection system, such as the SIMAST (the main targeting mechanism for social programs) and expansion of beneficiary registering, monitoring, and payment system in FAES. According to the National Policy for Promotion and Social Protection (PNPPS; approved in April 2020), it is necessary to evaluate and strengthen these mechanisms to reinforce the capacity of the social protection system to implement large-scale interventions and respond to future shocks.
- 1.21. **Evidence, bank experience and lessons learned.** School feeding has proven to be an effective mechanism to respond to the food insecurity situation faced by children in vulnerable areas. Evidence demonstrates that, with the estimated value of school meals equivalent to about 10% of a households' income, school feeding programs can support a reduction of poverty by freeing that income for households

²⁸ These small works are specifically designed to be intensive in the use of low skilled labor force. At least 70% of the small works budget will be allocated to the remuneration of beneficiaries through cash transfers, and no more than 30% to the purchase of tools and materials. Small works include creation or maintenance of micro-basins, small bench terraces, trenches, and other small structures for water retention, cleaning, and maintenance of irrigation canals. They also include participation in training for the sustainable use of lands.

²⁹ See [OEL#3](#) for additional details on the type of assets.

³⁰ Such as the frequency listing or the use of an ad hoc targeting survey in coordination with the target community.

³¹ When needed, transfers recipients will be provided with tools and materials to perform the works for the creation, restoration, and maintenance of assets.

³² Eligible beneficiaries will be women living in slums in the downtown area of Port-au-Prince in any of these situations: (i) single mothers head of family; (ii) unemployed; (iii) adolescent mothers or young girls with no access to schooling; (iv) survivors of GBV (domestic or sexual violence); and (v) commercial sex workers survivors of violence / stigmatization.

to use on other goods and services.³³ Global evidence suggests that school feeding supports access to schools. In 2020 the 2863/HA-GR found qualitative evidence suggesting that schools receive school feeding services experienced fewer dropouts during the *Peyi-Lok* and COVID-19 school year than schools who did not have school feeding services. Regionally, 15 of the 26 LAC countries implement school feeding programs. Success factors include providing feeding to all children in a school rather than selected students; including local produce when possible; training cooks on nutrition and meal preparation; providing the proper kitchen resources for successful preparation; and proper monitoring of the program. Component 1 will take into account these key success factors and will finance activities that ensure a holistic approach to school meals and an innovative monitoring program designed to cross-verify stakeholder satisfaction with the program.

- 1.22. In terms of cash transfers, evidence indicates that unconditional cash transfers are effective strategies to support minimum levels of income and consumption among the most vulnerable households to cope with the effects of shocks and emergencies.³⁴ Lessons learned based on 26 sovereign guaranteed operations from the IDB's portfolio³⁵ show that use of geographic targeting is considered good practice in areas with high incidence of poverty and a homogeneous socio-economic structure and that it is essential to reinforce the targeting, monitoring and payment mechanisms existing in the country. For this reason, this operation adopts a geographic-targeting mechanism based on IPC statistics. Component 2 will include activities to strengthen SIMAST and FAES's beneficiary registry, monitoring and payment systems. Lessons learned from 5068/GR-HA indicate that working with specialized operators is a successful mechanism for implementation of large-scale transfer interventions. In addition, the 5068/GR-HA experience revealed the need to adapt the size of the transfer to the evolution of the basic food basket cost and that digital technologies should be used to process transfers more efficiently. Thus, the operation's execution mechanism is based on contracting specialized operators and the amount of the transfers will be adjusted to reflect the evolution of the food basket cost. Wherever possible, Component 2 will use mobile payment mechanisms.
- 1.23. The emerging evidence on transfers conditional on execution of small works for the creation, restoration and maintenance of environmental assets suggests that transfers enable households to meet their immediate needs and support improved food consumption in the short term. Evidence also shows these programs can strengthen livelihoods of vulnerable households in the medium term through the development of community assets.³⁶ The literature identifies three main success factors in the execution of these programs: (i) ensure adequate participation of the communities in prioritizing assets; (ii) concentrate small works in well-defined areas and combine the types of assets to reinforce their effect instead of dispersing activities in isolated projects; and (iii) create or reinforce structures for asset management to ensure their sustainability. To incorporate these success factors, the activities of subcomponent 2.2 will focus on specific areas of the North West and South East departments, will ensure a community process for assets prioritization and will support installation of asset management and control committees. Finally, the results of randomized evaluations show that targeting women for transfers

³³ WFP (2020).

³⁴ Watson, C. et al. (2017).

³⁵ Ibarrarán, P et al. (2017).

³⁶ Hidrobo et al (2018).

increases the level and quality of household food expenditures³⁷ and improves the level of women's empowerment.³⁸ A recent review found that transfers are effective in reducing GBV by improving economic security and emotional well-being; reducing domestic conflict; and improving women's empowerment.³⁹ Evidence shows that comprehensive support is needed for women survivors of GBV in Haiti.⁴⁰ Component 2 includes specific activities that focus aid on vulnerable women and complement transfers with medical, psychosocial, nutritional, and reinsertion services.

- 1.24. **Coordination with IDB funded complementary interventions.** The program is part of the Bank's multisector response to support the country in the context of increased fragility caused by the COVID-19 crisis. In the health sector, upon request from the Ministry of Finance (MEF), the Bank reformulated USD 27million,⁴¹ which is being executed by the Pan American Health Organization (PAHO), Partners in Health (PIH) and the United Nations Office for Project Services (UNOPS), under the coordination and planning of the MSPP. Through this reformulation, the three actors have been supporting the government with provision of COVID-19 clinical treatment, continuity of basic health care services, acquisition of personal protective equipment and other materials, training for health personnel, and support for COVID-19 detection and quarantine. The reformulation also supported procurement of masks for the general population.
- 1.25. **Coordination with other multilaterals and/or donor agencies.** By request of the Ministry of Education (MENFP), the proposed operation will maintain the traditional World Bank and IDB coordination already established in the country for the school feeding program. In line with the 2016 National School Feeding Policy, World Bank (WB) and IDB funding support robust and identical school feeding programs. While the World Bank funds the intervention in Nippes, South, South-East, and Grand Anse areas, the IDB funds the West, Artibonite, North, North-East, North-West, and the Center departments, thereby ensuring a fully coordinated national response. Moreover, considering that government funding is limited, school feeding interventions rely on support from donors and actors such as the IDB, WB, Caribbean Development Bank (CDB), WFP, and USAID/USDA. These actors will continue to ensure adequate targeting, avoid duplication of beneficiaries and reach as many students as possible during the 2021-2022 school year. Regarding the cash transfers intervention, while IDB funds the intervention in the North, North-West (in particular the island of La Tortue), the West (in particular the island of La Gonâve in Artibonite province), the South-East and the vulnerable neighborhoods of Port-au-Prince, the other areas of the country will receive support from other actors. The Grande Anse will benefit from a recently approved WB grant. CARE and World Vision International are supporting the Center province while Nippes is being supported by FAO and the South by ACTED and AVSI, among others. In addition, the Bank participates in the Cash Transfer Working Group and the Social Protection

³⁷ Attanasio, O. et al. (2020).

³⁸ Almås, I. et al. (2018).

³⁹ Buller et al. (2018).

⁴⁰ Deschamps, et al. (2019).

⁴¹ USD 15 from 4618/HR-HA-2 Transport and Departmental Connectivity and USD 12 from 3383/GR-HA Sustainable Coastal Tourism Program.

⁴⁰ P174111, Adaptive Social Protection for Increased Resilience Project, approved in March 2021.

Sector Table, platforms that involve the main donors and implementing actors, to encourage complementarity and prevent duplications in the areas of intervention.⁴²

- 1.26. **Strategic alignment.** The program is consistent with the Second Update to the Institutional Strategy (document AB-3190-2) and aligned with the challenges of: (i) Social Inclusion and Equality, through support for maintaining minimum levels of income and welfare for the populations most vulnerable to COVID-19. The program is also aligned with the cross-cutting areas of Gender Equality and Diversity, since it includes specific activities to respond to the needs of vulnerable women exposed to food insecurity and GBV in the Port-au-Prince area (see ¶1.19), and with the cross-cutting area of Climate Change, as it will provide transfers to increase food security and restore or create environmental assets to respond to climate shocks that are important drivers of chronic food insecurity. The program will contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12) through the indicators “beneficiaries of anti-poverty programs”, “students benefited by education projects” and “beneficiaries of enhanced disaster and climate change resilience”.
- 1.27. The program is aligned with the Strategy on Social Policy for Equity and Productivity (document GN-2588-4) in the areas of enhancing equity and supporting vulnerable populations and with the Social Protection and Poverty Sector Framework Document (document GN-2784-7). It is also aligned with the Sector Framework Document for Skills Development (GN-3012-3) by ensuring access to high quality and relevant learning opportunities throughout life, and the Climate Change Sector Framework Document (GN-2835-8), by targeting communities and households that are highly vulnerable to climate change and by providing transfers for the restoration and creation of environmental assets that increase climate resilience. This program is consistent with the Proposal for the IDB Group’s Governance Response to the COVID-19 Pandemic Outbreak (GN-2996).
- 1.28. **Contribution to climate change adaptation.** The program contributes towards climate change adaptation and resilience, by smoothing the consumption of vulnerable households through cash transfers and thereby limiting the adoption of negative coping strategies and by incorporating a sub-component that has the objective to reinforce food security while building resilience to climate shocks. Therefore, the program builds both absorptive and adaptive climate resilience.⁴³ It is estimated that 65.22% of this operation’s resources will be invested in climate change adaptation and resilience activities, according to the [joint methodology developed by Multilateral Development Banks](#), contributing to the IDB’s institutional goal of 30% of climate financing over total approvals in 2021. [OEL#3](#) gives further details on the justification regarding contribution to climate change adaptation.

B. Objectives, components, and cost

- 1.29. **Objectives.** The general objective of this project is to contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by

⁴² The Cash Transfer Working Group constantly monitor transfers operations in the country to ensure complementarity. The detail of current operations is available at: <https://fscluster.org/haiti/document/presence-operationnelle-des-partenaires-1>

⁴³ Absorptive capacity refers to the ability of social protection systems to, for example, smooth consumption and protect incomes and sources of income. Adaptive capacity refers to the ability of social protection systems to allow for livelihoods diversification, promoting income opportunities, and protecting from asset-degrading strategies, among others (WFP, 2019).

COVID-19. The specific objective is to support minimum income levels for those affected by the coronavirus in the immediate period and during the recovery, through school feeding and cash transfers.

- 1.30. **Component 1. Protection of the vulnerable population through the existing school feeding program. (US\$16,5 million).** This component will finance school meals for 115,000 beneficiaries for 127 school days from September 2021 to June 2022. The component will provide all beneficiaries in selected public and non-public schools with a morning snack and hot lunch, for approximately 1,200 kilocalories per child per day.⁴⁴ The intervention will use nutrition-sensitive planning and will provide daily servings of fresh fruits and vegetables as well as protein to make meals as nutritious as possible. The *Bureau de Nutrition et de Développement* (BND) will be in charge of the implementation of this component during the school year and execution of 12 months is expected from August 2021.
- 1.31. This component will finance the hiring of BND that will be responsible for the following activities: (i) distributing food to schools for the snacks and for preparing the lunch meals;⁴⁵ (ii) explaining to the school stakeholders the modalities of the feeding program, building awareness about COVID-19, and teaching health and hygiene practices; (iii) training cooks on preparing balanced school meals while ensuring that they respect COVID-19 health and hygiene best practices; (iv) providing 2 doses of de-parasitic medication to all program beneficiaries;⁴⁶ (v) offering Vitamin A to program beneficiaries;⁴⁷ (vi) distributing improved cookstoves, propane stoves and tanks to schools where needed;⁴⁸ (vii) purchasing and delivering cooking and eating utensils to schools where needed; and (viii) implementing a take-home ration modality in the case schools need to close sporadically. The component will also finance the administration fees charged by BND.
- 1.32. The selection of schools participating in the school feeding program will be based on the following inclusion criteria: (i) food insecurity level of the areas (see ¶1.15); (ii) the schools must be located in one of the six departments targeted by the intervention (see ¶1.15); and (iii) all schools having previously benefitted from IDB financed school feeding interventions under the 5068/GR-HA. Both public and non-public schools will be eligible. School meals will be distributed on a monthly basis through the network of selected schools. Daily meals will be distributed to beneficiaries during the school day. If schools close periodically, school meals will be distributed as take-home rations that children's parents can prepare at home.⁴⁹

⁴⁴ 1,200 kilocalories represent 60% of the energy needs for primary school children. MSPP & Aba Grangou (2012).

⁴⁵ Snack and hot meal are estimated at US\$1.039 per beneficiary per day.

⁴⁶ De-parasitic medications in school feeding programs have proven to reduce the rate of parasitic infections in children in Haiti (MSPP, 2006).

⁴⁷ Vitamin A deficiency affects about 190 million preschool-age children, mostly from Africa and South-East Asia. In infants and children, vitamin A is essential to support rapid growth and to help combat infections. MSPP & UNICEF (2006).

⁴⁸ Not all schools in Haiti meet the norms of having cooking capacity and in this economic crisis, the costs of energy can be quite high for a school to absorb. The program will consider the needs of schools and distribute stoves and gas as needed.

⁴⁹ The proposed school feeding program will take special health and security measures considering COVID- 19 and will align with MSPP and WHO recommendations. The program will include the delivery of soap for hand washing, potable water kits, and masks which will be used by all service provider delivery personnel and school kitchen staff when serving meals.

- 1.33. **Component 2. Protection of the vulnerable population through transfers to improve food security. (US\$52,5 million).** This component will target 71,000 vulnerable households (equivalent to 355,000 people) to improve their food security. This component will finance 3 types of transfers: (i) unconditional cash transfers, (ii) cash transfers conditional on participation in small works performed for the creation, restoration, and maintenance of community environmental assets; and (iii) cash transfers and complementary services for vulnerable women especially exposed to GBV. Each type of transfers is detailed in the following three subcomponents. An overall execution period of 18 months is expected from September 2021.
- 1.34. **Subcomponent 2.1.** This subcomponent will finance the delivery of cash transfers to increase food security of 54,000 vulnerable households.⁵⁰ Selected households will receive four transfers of an amount equivalent to 70% of the basic food basket each.⁵¹ Geographic areas of intervention and targeting mechanisms are described in ¶1.17. AVSI and WFP will be contracted for the implementation of this subcomponent.
- 1.35. This subcomponent will finance: (i) the targeting, identification, and selection of beneficiaries; (ii) the delivery of cash transfers through mobile payment mechanisms, vouchers, cash at the counter or cash in envelopes⁵²; (iii) the monitoring and reporting of progress; (iv) the design and implementation of communication campaigns; (v) the evaluation and expansion of SIMAST; (vi) the expansion of registering, monitoring and payment system in FAES; and (vii) administration fees charged by AVSI and WFP.
- 1.36. **Subcomponent 2.2.** For the specific areas of the North West and South East departments exposed to climate shocks, this subcomponent will finance the delivery of cash transfers conditional on participation in small works performed for the creation, restoration, and maintenance of community environmental assets for 12,000 vulnerable households. Selected households will receive four transfers during four months. The amount of the transfers will be aligned with the national monthly minimum wage.⁵³ Geographic areas of intervention and targeting mechanisms are described in ¶1.18. WFP will be contracted for the implementation of this subcomponent.
- 1.37. This subcomponent will finance: (i) the targeting, identification, and selection of beneficiaries; (ii) the selection and prioritization through community decision-making processes of environmental community assets requiring restoration, creation or maintenance (such as micro-basins, small bench terraces, trenches, and other small structures for water retention); (iii) technical support for the restoration, creation, or maintenance of these assets; (iv) the purchase of materials and supplies; (v) technical support for the installation of assets management structures; (vi) the delivery of cash transfers through cash at the counter or cash in envelopes; (vii) the monitoring and evaluation of the intervention; and (viii) administration fees charged by WFP.

⁵⁰ For the households located in areas with the highest exposure to climate shocks and food insecurity, these transfers will also create climate resilience in the medium run by helping them avoid negative coping strategies.

⁵¹ As of April 2021, 70% of the basic food basket corresponds to US\$100/month approximately.

⁵² [OEL#2](#) details under what circumstances each transfer modality will be used.

⁵³ National minimum wage corresponds to US\$5.4/day (US\$ 108 / month)

- 1.38. **Subcomponent 2.3.** This subcomponent will finance the delivery of cash transfers and complementary services to respond to the specific needs of 5,000 vulnerable women especially exposed to GBV and living in Port-au-Prince metropolitan areas exposed to food insecurity. Beneficiaries will receive four transfers of an amount equivalent to 70% of the basic food basket each. Selection criteria and targeting mechanisms are described in ¶1.19. *Les Centres Gheskio* will be contracted for the implementation of this subcomponent.
- 1.39. This subcomponent will finance: (i) the targeting, identification, and selection of beneficiaries (ii) the delivery of cash transfers through mobile payment mechanisms or cash in envelope⁵⁴; (iii) the delivery of healthcare services⁵⁵; (iv) the delivery of complementary social, psychosocial, medical, nutritional, reinsertion services and referral to legal services when needed; (v) the design and implementation of communication campaigns; (vi) the monitoring and evaluation of the intervention; and (vii) administration fees charged *Les Centres Gheskio*.
- 1.40. **Program administration (US\$1 million). Administration, evaluation, and auditing costs.** This item will finance: (i) the cost of project coordination, technical supervision, accounting, procurement; financial management and administration; (ii) the hiring of a call center to monitor the execution and performance of the interventions; (iii) external evaluations; (iv) financial audits; and (v) operating costs.
- 1.41. **Beneficiaries.** The actions proposed in this operation will target individuals affected by the socio-economic consequences of the COVID-19 multifactorial crisis. Specifically, the number of expected beneficiaries is approximately 115,000 primary school children and 71,000 vulnerable households (equivalent to 355,000 people).

C. Key results indicators

- 1.42. **Expected outcomes.** The main expected outcomes are to provide food support to primary school aged children through an existing school feeding program and cash transfers to vulnerable households in geographic areas exposed to food insecurity, including those households exposed to climate shocks and women exposed to GBV in vulnerable areas of Port-au-Prince.
- 1.43. **Economic viability.** The economic rationale for the proposed actions is based on the economic effects of policies that protect consumption and income levels, and that reduce food insecurity. The potential benefits include the economic multiplier of transfers, consumption smoothing, and the benefits of enhancing nutrition levels. Based on the foregoing, a benefits-costs analysis was conducted, which rendered a Net Present Value (NPV) of US\$12.7 million in the base case scenario,⁵⁶ suggesting that the program is economically beneficial (See [EOL#1](#)).

⁵⁴ Support to open electronic wallets will be provided. In cases where electronic payments are not feasible, the cash in envelope modality will be implemented.

⁵⁵ The health package delivered by Gheskio aims to prevent, diagnose, and treat endemic diseases and includes: HIV counseling and testing, tuberculosis and syphilis screening, HIV prevention and monitoring, testing for pregnant women with prenatal and postnatal care, HIV care for adults and children, immunization, family planning, prevention and care of sexually transmitted infections, care for rape survivors, care for infectious diseases and emerging health challenges such as COVID-19.

⁵⁶ The baseline scenario assumes a program effectiveness of 50%, a discount rate of 3.5% in the case of Component 1, and of 5% in the case of Component 2, following the recommendations from Mc Intosh et al. 2010 and Drummond et al. (2015); a fiscal multiplier effectiveness of 80%; operative costs of US\$11 million (baseline), and a Marginal Propensity to Import of 0.57.

The results are robust to the sensitivity analysis, which make different assumptions regarding the program effectiveness, the discount rate, the multiplier effect, and costs. The results can be considered a lower bound, as they do not take into account the potential reductions in COVID-19 related mortality and morbidity that could arise due to the facilitation of social isolation measures.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 This operation will be financed by the IDB Grant Facility for an amount of US\$70 million. The disbursement period will be 24 months. US\$ 5 million are expected to be disbursed in 2021 and US\$65 million in 2022.

Table 1: Estimated program costs (US\$ thousands)

Components	IDB	%
Component I. Protection of the vulnerable population through the existing school feeding program.	16,500	23.57
Component II. Protection of the vulnerable population through transfers to improve food security.	52,500	75.00
Subcomponent 2.1.	35,250	50.36
Subcomponent 2.2.	14,000	20
Subcomponent 2.3.	3,250	4.64
Administration or other contingencies	1,000	1.43
Total	70,000	100

Table 2: Disbursement Projections (US\$ thousands)

	Year 1	Year 2	Total
IDB	5,000	65,000	70,000
%	7.14%	92.86%	100%

B. Environmental and social safeguards risks

- 2.2 Given that the program will not include large infrastructure, but small works such as management and restoration of environmental and community assets geared to climate change adaptation selected by the community, this operation has been classified as Category "C" under the Environmental and Safeguard Compliance Policy (OP-703). Due to the nature of the works and Haiti's vulnerability to natural disasters the project has been classified as moderate for disaster risk management policy (OP-704). Works selected for the program will require no technical expertise. Creation of new infrastructure will be excluded from program activities. Socioenvironmental impacts during the implementation phase will be minimal. The operation will generate significant positive social impacts through the distribution of food to school children and cash transfer activities related to climate change resilience in marginal neighborhoods. The assignment of cash transfer activities in marginal neighborhoods may lead to possible social negative impacts. The management of all social and environmental activities will be done through the WFP. As such the executing agency and the WFP will work with the affected community in the development of a communication plan and guidelines that detail how the resilience activities and payments will be distributed. The WFP guideline will be

utilized for the management of climate change adaptation activities. To mitigate risks related to the spreading of COVID-19 the executing agency will follow WHO guidelines.

C. Fiduciary risks

- 2.3 Despite noted improvements in financial reporting and procurement capacities due to ameliorations to their financial management and procurements systems, the Bank considers FAES overall risk to remain medium due to possible delays in the justification of funds due to increased workload and to the execution of activities in urban and rural areas which could affect the timely submission of supporting documents, the replenishment of project accounts and timely payment of beneficiaries. To mitigate these risks, project team will be strengthened by the recruitment of a consultant responsible for data analysis and management in order to reinforce the monitoring and supervision capacity of FAES. In addition, as for 5068/GR-HA, the logistics and operational activities related to the school feeding and the cash transfer programs, specialized operators will be hired for the implementation of said activities to ensure the delivery of services to selected beneficiaries and preparation of technical report.

D. Other key risks and issues

- 2.4 Based on the level of contagion recorded by the country, the risk of COVID-19 contagion during the registration of beneficiaries and distributions is assessed as low. To keep this risk at a low level, the following measures will be implemented in both components: use of personal protective equipment by staff engaged in project activities, provision of hand washing stations to beneficiaries and implementation of physical distancing measures during activities.
- 2.5 The risk of social unrest and security deterioration is high, especially during the electoral year, and this can severely limit the possibility to access certain areas and implement project activities in both components. To mitigate these risks, the operators hired to implement the activities are highly specialized and have experience adapting their work to a volatile environment. In the specific case of school meals, these risks can result in more school closures during the 2021-2022 school year. Should this risk materialize, the operator will pivot its implementation to the distribution of take-home rations that children's parents can prepare at home. Take-home rations are dry portions that cover an entire month of feeding, reducing how often children and their families need to pick them up. Beneficiaries will have multiple opportunities to retrieve them. In addition, for Component 2, close coordination with local authorities and Departmental Police Offices will be implemented in order to assess existing risks before any beneficiary payment activity.
- 2.6 For Component 2, there is a medium level risk of non-compliance with targeting criteria and inclusion / exclusion errors during transfer activities. To mitigate this risk, community-level grievance management mechanisms will be established. Whenever possible, data from SIMAST will be used and in the case of the use of community targeting, close support for targeting committees will be provided by WFP and its implementing partners. To ensure the identification of households and environmental assets and the timely implementation of the resilience activities,

FAES will work with an operator with extensive experience in this type of intervention.

- 2.7 Finally, there is a medium level risk of inflation and disruption of the supply chain and local markets, with negative consequences on the availability of basic commodities for beneficiaries of cash transfers. To mitigate this risk, market and price monitoring will be carried out. If necessary, the transfer amount will be adjusted to ensure sufficient access to basic commodities. In the event of serious and prolonged disturbances in local markets, food distributions may be considered.
- 2.8 **Sustainability.** This operation supports the efforts of Haiti to respond to the pandemic in the short term and mitigate the socioeconomic impacts on the most vulnerable groups. It should be noted that a large-scale intervention is still not sustainable without the support of external financing. In this sense, the proposed cash transfers strategy seeks to articulate with previous interventions financed by the Bank (4657/GR-HA and 5068/GR-HA in particular) by expanding food assistance in areas that continue to be exposed to food insecurity, and by deepening the efforts to develop sustainable identification and payment mechanisms. It also articulates with interventions financed and executed by other development agencies (see ¶1.25) to provide continuity and sustainability to existing transfer mechanisms. In addition, as part of Component 2 this operation will finance the evaluation and expansion of SIMAST and the expansion of registering, monitoring and payment system in FAES, which are key elements of the national social protection system and fundamental tools to increase the country's capacity to respond to future shocks. The implementation and evaluation of innovative interventions aimed at improving household resilience and responding to the needs of vulnerable women will inform the implementation of future interventions aligned with the country's priorities established in the PNPPS. To ensure the sustainability of assets for resilience to climate change, control and management structures will be put in place to ensure the technical quality and sustainable management of the assets.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and executing agency.** The beneficiary is the Republic of Haiti. The Executing Agency will be FAES, which was created by decree in 1990⁵⁷ as an autonomous organization under the Ministry of Finance with the mission to fund socio-economic measures and programs to support the most vulnerable population. FAES has a tradition of executing social protection programs. Furthermore, it is already responsible of the execution of the 4657/GR-HA and 5068/GR-HA grants which include institutional strengthening activities that have successfully allowed FAES to expand its procurement, administrative and fiduciary management through the incorporation of specialized personnel and the deployment of management software. Under both 4657/GR-HA and 5068/GR-HA FAES has experience hiring operators responsible for project implementation, including specifically the BND, WFP and AVSI, and it is the same modality that will be used for this intervention.
- 3.2 **Execution and administration.** The project team in FAES responsible for the 5068/GR-HA will be assigned to this operation and will be responsible for carrying

⁵⁷ The Decree was published on "Le Moniteur" n. 49 of Monday June 3, 1990.

- out all the operational, administrative and fiduciary obligations for all components necessary for the successful project implementation as well as the communication with the Bank. The project team will be strengthened by the recruitment of a consultant responsible for data analysis and management in order to reinforce the monitoring and supervision capacity of FAES.
- 3.3 FAES will contract specialized operators in charge of all the activities related to the implementation of the school feeding program and the cash transfers program. For Component 1, the non-governmental organization, *Bureau de Nutrition et de Développement* (BND), will be contracted. For Component 2, three specialized operators will be contracted by FAES: (i) *Association Volontaires pour le Service International* (AVSI) to cover Martissant and Cité Soleil areas in Port-au-Prince and (ii) WFP; and (iii) *Les Centres Gheskio* for specific interventions targeting vulnerable women in the metropolitan area of Port-au-Prince. BND, WFP, AVSI and *Les Centres Gheskio* are the 4 specialized operators mentioned in the special contractual conditions precedent to the first disbursement (see ¶3.6).
- 3.4 For the school feeding program and for the cash distributions in Port-au-Prince area, a call center and hotline will be established through the hiring of the CompHaiti to monitor program implementation to ensure successful delivery of the meals and transfers and stakeholder satisfaction.
- 3.5 **Interagency coordination.** Regarding Component 1, FAES will maintain the 5068/GR-HA coordination in place with the MENFP which is the mandated regulating body for school feeding. In particular, the MENFP will provide their final approval on the list of schools selected for the program. Regarding Component 2, FAES and operators will coordinate with *Ministère des Affaires Sociales et du Travail* (MAST) through data exchange protocols to access SIMAST information on vulnerable populations.
- 3.6 **Special contractual conditions precedent to the first disbursement: The Beneficiary through FAES, shall provide evidence to the satisfaction of the Bank of the draft contracts to be signed with the specialized operators.** This condition is necessary to ensure that FAES rapidly finalizes the negotiation of the contracts and implementation can start as planned; once received and reviewed, the Bank will provide its non-objection to the draft contracts.
- 3.7 **Special contractual conditions prior to the execution of subcomponent 2.2.: The Beneficiary through FAES, shall provide evidence to the satisfaction of the Bank of the development of a communication plan and guidelines that detail how the cash for work activities for the restoration, creation or maintenance of environmental community assets and payments will be distributed.** This condition is necessary to respond to the environmental and social safeguard risks (see ¶2.2).
- 3.8 **Procurement.** Procurement financed in whole or in part with proceeds from the Bank financing will be undertaken in accordance with the Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-15), or those in effect at the time of project execution. The Procurement Plan ([REL#2](#)) includes details of the planned procurement processes.
- 3.9 **Exception to Bank policy.** The Project Team requests to the Board of Executive Directors to approve a specific waiver to the Bank's procurement policies

(GN- 2349- 15 and GN-2350-15), with a similar scope to the special measures described in paragraph 4.2 a) and b) of document GN-2996 and paragraph 2 of Resolution DE- 28/20: (a) that goods originating from non-member countries of the Bank be eligible for procurement and suppliers, contractors, consultants and service providers from non-member countries of the Bank be allowed to participate in the procurement processes in Bank financed projects; and (b) that the procurement policies (including eligibility, auditing and prohibited practices procedures) of WFP as procurement agent and specialized agency may be used when contracted as such by the Beneficiary. This authorization would allow to carry out the procurement process by WFP in a more expedited manner (See Annex III for more details).

- 3.10 **Single Source Selection.** The project will single source the following contracts: BND, WFP, AVSI, Les Centres Gheskio and CompHaiti, all of which have been selected in accordance with the Policies for Goods, works and non-consulting services Financed by the IDB (GN- 2349-15), paragraph 3.7 (e). See [REL#2](#) for more details.
- 3.11 BND has been selected because it has unique and exceptional expertise in implementing school feeding programs on a large scale throughout the country, as well as its established relations with the MENFP and other school feeding actors such as the WFP. Externally conducted monitoring on the quality of school feeding, based on stakeholders' responses, as well as external technical audits confirm that BND provides above satisfactory service. Furthermore, BND has won multiple national competitive procurement processes for school feeding in Haiti. The BND was contracted most recently under grants 2863/GR-HA and 5068/GR-HA and is committed to providing school feeding to the schools following an approach aimed at guaranteeing sustainable development in the areas served by the Project. In order to benefit from this same approach, from this highly satisfactory performance and from this expertise the Project deems it appropriate to contract BND. The rationale for this method of selection is based on the general interests of the client and the project and is based on the fact that opening a new competitive selection process would not have a competitive or financial advantage.
- 3.12 WFP has been selected because it has a unique and exceptional experience deploying large scale cash distributions throughout the country. WFP counts with the capacity to (i) target, select and register beneficiaries; (ii) leverage existing partnerships with financial institutions and mobile payments providers to reach beneficiaries on large scale; (iii) rapidly mobilize a network of partners to ensure distribution in remote areas; and (iv) implement innovative interventions for climate change resilience. WFP has been hired under the grant 5068/GR-HA for the implementation of the cash and in-kind transfers intervention and is achieving above satisfactory results.
- 3.13 AVSI has been selected because it has a unique and exceptional experience to implement social programs involving food distribution, in the most challenging areas of Haiti. AVSI has successfully implemented a variety of large-scale social project and social assistance projects funded by European Civil Protection and Humanitarian Aid Operations (ECHO), WFP, and UNICEF. Thanks to two decades of operation in Haiti, and their experience working with the most vulnerable including in the most challenging areas of Port-au-Prince, AVSI is the operator which is best equipped to deploy distributions in Cité Soleil and Martissant. AVSI has been hired under the grant 5068/GR-HA for the implementation of the cash

and in-kind transfers intervention in Martissant and Cité Soleil of Port-au-Prince and is achieving above satisfactory results.

- 3.14 *Les Centres Gheskio* have been selected because they have a unique and exceptional experience in implementing social programs that involve cash transfer distributions and the delivery of complementary social services for women in the most vulnerable areas of Haiti. They have successfully implemented a variety of large-scale healthcare and social projects funded by USAID, CDC, UNDP, and UNICEF, among others and count with the capacity to (i) target, select and register women beneficiaries in especially vulnerable areas of Port-au-Prince; (ii) deliver digital payments; (iii) deliver healthcare services and complementary social, psychosocial, medical, nutritional, and reinsertion services.
- 3.15 CompHaiti has been selected because it has unique and exceptional experience conducting monitoring of social programs, at a competitive price; furthermore, it has the infrastructure to deploy large scale monitoring as needed under the operation. Under 2863/GR-HA and 5068/GR-HA, CompHaiti has provided outstanding service for the monitoring of the school feeding program and transfers interventions.
- 3.16 **Disbursements:** Disbursements will be made through the advance of funds modality based on liquidity needs for periods of up to six months pursuant to provisions established in the Financial Management Guidelines for IDB-financed Projects (document OP-273-12) or the guidelines in effect at the time of program execution and the Fiduciary Agreements and Requirements (Annex III). For each new advance, due to the nature of the operation and given that activities will be executed in urban and rural areas throughout the Country, FAES will need to justify 60% of cumulated advance received. The justification of advances of funds will be submitted by FAES to the Bank on a quarterly basis, within 45 days after the end of each fiscal quarter.
- 3.17 **Audit.** Throughout the disbursement period, FAES will submit to the Bank the project's semi-annual audited financial statements within 90 days after the close of each semester including a reasonable assurance report for Component 2. The audit will be conducted by a Bank-eligible independent audit firm. The audit's scope and related considerations will be governed by the Financial Management Guidelines (document OP-273-12) and the Guide for Financial Reports and Management of External Audit. Audit costs will be financed with project resources. For audit and financial reporting purposes, the Haitian fiscal year will be used.

B. Summary of arrangements for monitoring results

- 3.18 **Monitoring.** FAES will be responsible for implementing the monitoring and evaluation plan. The main monitoring tools for this program will be the results matrix, the procurement plan and the multiyear and annual execution plans prepared by FAES. The main sources of information for monitoring the impact, outcome, and output indicators will be administrative records from transfer programs, and other complementary sources such as reports from operators, reports from the call center and data from the IPC database. The main reporting tool will be the progress monitoring report, which will use the program's annual and semiannual reports as its main sources of information.

- 3.19 **Evaluation.** Given the nature of this operation, program evaluation will evaluate the program's contribution to the specific program objective through the following results indicators: (i) Beneficiary students at the existing school feeding program that receive school meals as part of the strategy to counter the impacts of COVID-19, (ii) Households that receive special transfers as part of the strategy to counter the impacts of COVID-19. For additional information on indicators see Annex II. To assess the program's contribution to the ultimate objectives of ensuring a minimum quality of life for people vulnerable to the crisis caused by COVID-19, a final results evaluation will be performed. This evaluation must be submitted within a maximum period of 90 days after the last disbursement of the operation. It will consist of a "before and after" analysis using information from available time series on results indicators, a review of the theory of change supported by relevant evidence of the effectiveness of similar interventions in comparable contexts and complementary qualitative evidence. In addition specific evaluations of the innovative interventions aimed at improving household resilience to climate change and responding to the needs of vulnerable women will be financed by this intervention and are presented in [REL#1](#).

Development Effectiveness Matrix		
Summary		HA-J0001
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Gender Equality and Diversity -Climate Change	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Students benefited by education projects (#) -Beneficiaries of targeted anti-poverty programs (#) -Beneficiaries of enhanced disaster and climate change resilience (#)	
2. Country Development Objectives		
Country Strategy Results Matrix		
Country Program Results Matrix	GN-2996	This program is consistent with the Proposal for the IDB Group's Governance Response to the COVID-19 Pandemic Outbreak
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		10.0
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		4.0
4. Ex ante Economic Analysis		10.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		2.5
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium Low
Environmental & social risk classification		C
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)		
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project		

Evaluability Assessment Note: This project aims to support vulnerable households in Haiti, in the midst of the crisis caused by COVID-19. The general objective is to ensure minimum levels of welfare, with the specific objective of providing income for those affected by the coronavirus in the immediate period and during the recovery.

The project includes two components. The major component will deliver cash transfers to disadvantaged households exposed to food insecurity and high vulnerability to climate shocks and natural disasters. There is also a subcomponent benefiting women especially exposed to gender-based violence. The other component is directed to finance school meals, which has been shown to be an important support for vulnerable households.

The project's diagnosis consists in a detailed explanation of the challenges faced by the country, risk factors and policies being implemented to address these issues. The vertical logic of the program is consistent with the general and specific objectives, and the DEM has indicators and corresponding measurements that are both adequate and conservative regarding outcomes and impacts.

The proposed evaluation plan is based in a simple before and after difference, with no attribution, but based on evidence and similar experiences implemented in other countries. In addition, the document indicates that, subject to feasibility, the cash transfers component could be evaluated using a randomized assignment setup.

Overall, this project is important because it is dedicated to ameliorating the negative consequences of the pandemic, and combines cash transfers with multiple relevant dimensions, that have been less studied, e.g., school meals and food insecurity, vulnerability to climate shocks and natural disasters, and gender-based violence.

INDICATIVE RESULTS MATRIX

PROJECT OBJECTIVE:	The general objective of this project is to contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by COVID-19. The specific objective is to support minimum income levels for those affected by the coronavirus in the immediate period and during the recovery, through school feeding and cash transfers.
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EXPECTED IMPACT

Indicators	Unit of measure	Baseline	Baseline year	Final target	Means of verification	Comments
General development objective: To contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by COVID-19						
Households with an IPC of above 4 in selected areas of intervention for the program	Percentage	5.6	2021	≤ 5.6	Integrated Food Security Phase Classification (IPC)	<p>Numerator Total population classified as being in IPC4 or IPC5 in the area of intervention.</p> <p>Denominator: total surveyed population in the areas of intervention</p> <p>The IPC is a common global scale for classifying the severity and magnitude of food insecurity and malnutrition into five phases: 1/Minimal, 2/Stressed, 3/Crisis, 4/Emergency and 5/Famine.¹</p> <p>Considering that these two groups are exposed to other factors that will continue to affect their livelihoods that the project cannot control, the final target could be either maintaining the baseline value or improve it.</p>

¹ See: <http://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1152816/?iso3=HTI>

EXPECTED OUTCOMES

Indicator	Unit of measure	Baseline	Baseline year	2021	2022	2023	Final target	Means of verification	Comments
Specific development objective: Support minimum income levels for those affected by the coronavirus in the immediate period and during the recovery									
Beneficiary students at the existing school feeding program that receive school meals as part of the strategy to counter the impacts of COVID-19	Percentage	0	2019	6	6	N/A	6	Semester Reports, FAES	<p>Yearly targets are non-cumulative.</p> <p>School feeding is implemented from September 2021 to June 2022</p> <p>Denominator: the 1,800,000 primary school children enrolled in public and non-public fundamental schools in the target departments of Artibonite, Ouest, Nord, Nord-Ouest and Nord Est (Education Sector Analysis 2019) not having received school meal services via IDB, World Bank or WFP financed programs in the 2019 – 2020 school year.</p> <p>Numerator: Beneficiaries that received special school meals through HA-J0001</p>

Indicator	Unit of measure	Baseline	Baseline year	2021	2022	2023	Final target	Means of verification	Comments
Households that receive special transfers as part of the strategy to counter the impacts of COVID-19	Percentage	6	2021	6	11	14	14	Semester Reports, FAES	<p>Denominator: 3,988,968 people equivalent to 797,793 households facing acute level of food insecurity (IPC 3 and IPC 4) according to IPC (2020)².</p> <p>Numerator: households receiving cash transfers as part of HA-J0001 component 2 and cash transfers financed by 5068/GR-HA</p> <p>Baseline corresponds to households receiving transfers financed by 5068/GR-HA.</p> <p>83% of these households will receive transfers directly linked to enhancing climate resilience (avoiding adoption of coping strategies, due to location in high food insecurity areas and high climate exposure areas, or being beneficiaries of the cash for resilience and environmental assets program).</p>

² See: http://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC%20Haiti%20AcuteFoodSec%202020Aug2021June%20English%20Summary.pdf

OUTPUTS

Output	Unit of measure	Baseline	Baseline year	2021	2022	2023	Final target	Means of verification	Comments
Component 1: Protection of the vulnerable population through the existing school feeding program									
Beneficiary students receiving school meals	Number of students	0	2021	115,000	115,000	NA	115,000	Semester Reports, FAES	<p>Yearly targets are non-cumulative.</p> <p>School feeding is implemented from September 2021 to June 2022</p> <p>One beneficiary is someone who has received at least one school meal.</p> <p>Exiting program: HA-L1145</p>
Component 2: Protection of the vulnerable population through transfers to improve food security									
Households that receive special transfers for increased food security	Number of households	0	2021	7,000	37,000	10,000	54,000	Semester Reports, FAES	<p>One beneficiary is someone who has received at least one transfer.</p> <p>For years 2021 and 2022: 54,000 vulnerable households living in IPC3 and IPC4 areas not covered by existing transfer programs, including 7,000 households in the Cité-Soleil and Martissant areas of Port-au-Prince plus 47,000 households in vulnerable areas outside of Port au Prince with high exposure to climate risks.</p> <p>Pro Gender, at least 50% of beneficiaries will be women.</p>

Output	Unit of measure	Baseline	Baseline year	2021	2022	2023	Final target	Means of verification	Comments
Households that receive special transfers conditional on participation in small works performed for the creation, restoration, and maintenance of community environmental assets	Number of households	0	2021	3,000	6,000	3,000	12,000	Semester Reports, FAES	12,000 Vulnerable households living in IPC3 and IPC4 areas particularly exposed to environmental risks and natural disasters.
Women that receive special transfers and human capital development support	Number of women	0	2021	1,000	3,000	1,000	5,000	Semester Reports, FAES	5,000 Vulnerable women living in IPC3 and IPC4 areas of the slums downtown area of Port-au-Prince (including Cite Eternel, Cite Dieu, Ti Cite. Cite Plua, Cite Soleil) not covered by existing transfer programs.
New households registered in the SIMAST system	Number of households	0	2021	0	30,000	5,000	35,000	Semester Reports, FAES	SIMAST is the main national roster of social protection programs beneficiaries. All new households to be registered in the SIMAST are located in areas with high exposure to climate risks.

Country: Haiti

Division: SCL/SPH **Operation No.:** HA-J0001

Year: 2021

Fiduciary Agreements and Requirements

Executing Agency (EA): Social and Economic Assistance Fund (FAES)

Operation Name: Expansion of Safety Nets for Vulnerable Populations affected by the Socio-Economic Consequences of Coronavirus

I. Fiduciary Context of Executing Agency

1. Use of country system in the operation (Any system or subsystem that is subsequently approved may be applicable to the operation, in accordance with the terms of the Bank's validation).

<input type="checkbox"/> Budget	<input type="checkbox"/> Reports	<input type="checkbox"/> Information System	<input type="checkbox"/> National Competitive Bidding (NCB)
<input type="checkbox"/> Treasury	<input type="checkbox"/> Internal audit	<input type="checkbox"/> Shopping	<input type="checkbox"/> Others
<input type="checkbox"/> Accounting	<input type="checkbox"/> External Control	<input type="checkbox"/> Individual Consultants	<input type="checkbox"/> Others

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Particularities of the fiduciary execution	FAES will be responsible for carrying out all the operational, administrative, and fiduciary obligations and will be responsible for the hiring and supervision of specialized operators, including BND, WFP, AVSI and Centres Gheskio, for the implementation of activities of all components under the same modality used for the execution of project 5068/GR-HA.
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3. Fiduciary Capacity

Fiduciary Capacity of the EA	Despite noted improvements in financial reporting and procurement capacities due to ameliorations to their financial management and procurements systems, the Bank considers FAES overall risk to remain medium due to possible delays in the justification of funds due to increased workload and to the execution of activities in urban and rural areas which could affect the timely submission of supporting documents, the replenishment of project accounts and timely payment of beneficiaries.
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4. Fiduciary risks and risk response

Area (Financial Management / Procurement)	Risk	Risk level	Risk response
Financial Management	Possible delays in the justification of funds affecting the submission of supporting documents,	Medium	Project team will be strengthened by the recruitment of two consultants for the coordination, supervision and the review of deliverables relating to activities financed

	the replenishment of project accounts and timely payments to beneficiaries.		under composante I and II. In addition, as for 5068/GR-HA, the logistics and operational activities related to the school feeding the food aid and cash transfer programs, specialized operators will be hired for the implementation of said activities to ensure the delivery of services to selected beneficiaries and the preparation of technical reports.
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5. Policies and Guides applicable to operation:

GN-2349-15, GN-2350-15, GN-2811, and [OP-273-12]

6. Exceptions to Policies and Rules:

For the proposed project, the Project Team has considered that WFP be selected for the large-scale cash and food transfer to vulnerable populations across the country (component 2), because it has a unique and exceptional experience deploying large scale cash distributions throughout the country. WFP counts with the capacity to (i) target, select and register beneficiaries; (ii) leverage existing partnerships with financial institutions and mobile payments providers to reach beneficiaries on large scale; (iii) rapidly mobilize a network of partners to ensure distribution in remote areas; and (iv) implement innovative interventions for climate change resilience. WFP has been hired under the grant 5068/GR-HA for the implementation of the cash and in-kind transfers intervention in areas outside of Port-au-Prince and is achieving above satisfactory results.

In order for the project to contract WFP, the Project Team requests to the Board of Executive Directors to approve a specific waiver to the Bank's procurement policies (GN-2349-15 and GN-2350-15), with a similar scope to the special measures described in paragraph 4.2 a) and b) of document GN-2996 Proposal for the IDB Group's Governance Response to the COVID-19 Pandemic Outbreak ("COVID- 19 Governance Framework"):

(a) That goods originating from non-member countries of the Bank be eligible for procurement and suppliers, contractors, consultants and service providers from non-member countries of the Bank be allowed to participate in the procurement processes in Bank financed projects (paragraph 1.6 of document GN-2349-9, paragraph 1.8 of document GN-2349-15, paragraph 1.11 of document GN-2350- 9 and paragraph 1.13 of document GN-2350-15);

(b) That the procurement policies (including eligibility, auditing and prohibited practices procedures) of procurement agents and specialized agencies may be used when contracted as such by the Borrower (paragraphs 3.9 and 3.10 of document GN-2349-9, paragraphs 3.10 and 3.11 of document GN- 2349- 15, paragraphs 3.15 and 3.17 of document GN-2350-9 and paragraphs 3.16 and 3.18 of document GN-2350-15). This authorization would allow to carry out the procurement process by these entities in a more expedited manner.

The Board of Executive Directors resolved the above-mentioned Special Measures for operations for COVID-19 preparedness and response on April 7, 2020 through Resolution DE-28/20. On March 10, 2021, through Resolution DE-18/21, the Board has considered it pertinent to extend the use of Special Measures only for immediate response operations for public health included in the COVID-19 Governance Framework.

II. Aspects to be considered in the Special Conditions of the Grant Agreement

Hiring of Technical Staff. The following personnel will be hired: two consultants for the coordination, supervision and the review of deliverables to facilitate the timely execution of activities, the submission of deliverables and the timely replenishment of project accounts and payments of beneficiaries.
Exchange rate: The effective exchange rate on the date of conversion of the currency of the disbursement to the local currency of the Borrower will be used to convert expenses in made in local currency as indicated in the subsection (b) (i) Article 3.10 of the General Standards. The Central Bank of Haiti exchange rate published will be used as the reference rate.
Audit and financial reporting: Throughout the grant disbursement period, the executing agency will submit to the Bank the project's semi-annual audited financial statements within 90 days after the close of each semester including a reasonable assurance report for component II. The audit will be conducted by a Bank-eligible independent audit firm. The audit's scope and related considerations will be governed by the Financial Management Guidelines (document OP-273-12) and the Guide for Financial Reports and Management of External Audit. Audit costs will be financed with project resources. For audit and financial reporting purposes, the Haitian fiscal year will be used
Designated Accounts and authorized signatures: FAES will open two designated accounts (one in US dollars and one in Haitian gourdes) at the Central Bank, Banque de la République d'Haïti (BRH), under the name of the Project exclusively for management of project funds and send authorized signatures to the IDB via the Ministry of Finance (MEF).

III. Agreements and Requirements for Procurement Execution

<input checked="" type="checkbox"/>	Direct Contracting and Single Source Selection	<p>The following direct contracting are authorized:</p> <ol style="list-style-type: none"> 1. Food distribution service for meals within a network of primary schools - School Canteen (Bureau de Nutrition et Développement -BND -US\$16.5 million). 2. Large-scale cash and food transfer to vulnerable populations across the country (World Food Program - US\$45 million). 3. Food distribution service, through coupons, in certain areas of Port au Prince (AVSI - US\$4,250 million). 4. Cash distribution and complementary services to vulnerable women in Port au Prince (Les Centres Gheskio - US\$ 3,250 Million). 5. Monitoring and survey on food distribution activities to schools and other areas of the country through phone calls (Comp-Haiti - US\$100,000)
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<input checked="" type="checkbox"/>	Recurrent Expenses	Operational Expenses will be financed: Includes the cost of salaries of FAES personnel and other recurrent costs required for supporting program administration in its implementation
<input checked="" type="checkbox"/>	Procurement supervision	Ex ante or ex post as agreed in the project procurement plan.
<input checked="" type="checkbox"/>	Records and Archives	FAES will be responsible for establishing the necessary controls for safeguarding and integrity of the project documents including original files of acquisitions, contracting, payments including supporting documents and accounting records incurred and prepared during execution of the Project for a period of three years following the last disbursement date of the project. The Bank may, at any time, verify the standards of organization, control and security of the files.

Main Acquisitions

Description of the procurement	Selection Method	Estimated Date	Estimated Amount US\$
<u>Non-consulting services</u>			
Food distribution service for meals within a network of primary schools - School Canteen (Bureau de Nutrition et Développement- BND)	SSS	9/15/2021	16, 500,000
Large-scale cash transfer and creation, restoration, or maintenance of community assets to vulnerable populations across the country WFP	SSS	9/15/2021	45,000,000
Cash transfers distribution service, through coupons, in certain areas of Port au Prince -AVSI	SSS	9/15/2021	4,250,000
Cash distribution and complementary services to vulnerable women in Port au Prince Les Centres Gheskio	SSS	9/15/2021	3,250,000
<u>Consulting Firms</u>			
Financial audit of the program	LCS	6/1/2022	150,000
Consulting services to conduct an evaluation of the cash distribution program	CQS	6/1/2022	100,000
<u>Individuals</u>			
Consultant for program coordination, in support to FAES	QCNI	6/15/2021	63,360

To access, [Procurement Plan](#)

Procedures	Justification of Use
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Other information relevant to the operation (BI)

IV. Agreements and Requirements for Financial Management

☒	Programming and Budget	FAES will prepare a Pluriannual Execution Plan (PEP) which will include the overall financial plan of the project. Annually, FAES will prepare a comprehensive financial plan, which will include budgets and cash flow needs, based on activities identified in the Annual Operating Plan (AOP) and Procurement Plan (PP). The execution of the project's financial plan will be evaluated every six months and reported in the semi-annual Project Monitoring Report. The financial plan will respect budget lines defined in the grant agreement (categories of investment).
☒	Treasury and Disbursement Management	<p>Program funds will be deposited in project designated US dollar account opened at the Central Bank by IDB and transferred to project designated local currency account as needed by FAES for the payment of expenses made in local currency.</p> <p>Disbursement methods. The Bank will disburse resources under the Advance of Funds modality established in Guide OP-273-12. For advance of funds, FAES will submit to the Bank a detailed Financial Plan indicating cash flow needed for periods of up to six months. The supervision of disbursements will be ex-post, however the Bank may review a percentage of supporting documentation prior to the processing of the justification of advances of funds which will be submitted by FAES to the Bank on a quarterly basis, within 45 days after the end of each fiscal quarter. For each new advance, due to the nature of the operation and given that activities will be executed in urban and rural areas throughout the Country, FAES will need to justify 60% of cumulated advance received. FAES will also be responsible for the funding of the Specialized Operators accounts for the execution of activities and payment of beneficiaries.</p> <p>For payment to BND for the execution of component I related to school feeding activities, payment will be made based on invoices calculated for the number of actual meals provided. For payments to WFP, AVSI and Centre Gheskio for the execution of component II related to cash subsidies and in-kind transfer (food vouchers or food kits) to vulnerable households and women exposed to gender based violence, payment will be made according to: (i) established mechanism and the payment terms defined in the contracts signed with FAES and submission of quarterly technical and financial reports including the listing of beneficiary paid and the number of food vouchers or food kits delivered. Depending on the specific areas of intervention, cash transfer mechanisms can be electronic transfers using mobile payments or cash-in envelope. Targeting of the households will be done through the SIMAST where SIMAST lists are available, or through a community-based approach (frequency listing methodology) when SIMAST lists are not available.</p>
☒	Accounting, information systems and reporting	FAES will use TOMPRO software system for the financial administration of the project which will generate financial reports according to the chart of accounts and investment components approved for the project. Modified cash basis will be used for accounting purposes and the International Financial Reporting Standards will be followed when applicable, in accordance with the established national criteria. Financial reports will be presented in US dollars.
☒	External control: external financial	The external audit of the Project will be carried out by an independent auditing firm (IAF) eligible to audit operations financed by the Bank,

	audit and project reports	selected and contracted in accordance with the terms of reference (TOR) and model contract previously agreed with the Bank.
<input checked="" type="checkbox"/>	Project Financial Supervision	Financial supervision will be conducted quarterly on an EX-Post basis and will consider on-site supervision visits and “desk” reviews, as well as the analysis and follow-up of the results and recommendations of the audits of the financial reports, the review of justification of advance of funds and the reconciliation of project accounts.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-_/21

Haiti. Nonreimbursable Financing_____/GR-HA to the Republic of Haiti
Expansion of Safety Nets for Vulnerable Populations Affected
by the Socio-Economic Consequences of Coronavirus

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the IDB Grant Facility (hereinafter referred to as the "Account"), to enter into such contract or contracts as may be necessary with the Republic of Haiti, as beneficiary, for the purpose of granting it a nonreimbursable financing to cooperate in the execution of the project "Expansion of Safety Nets for Vulnerable Populations Affected by the Socio-Economic Consequences of Coronavirus". Such nonreimbursable financing will be for an amount of up to US\$70,000,000, which form part of the Account, and will be subject to the Terms and Financial Conditions and the Special Contractual Conditions in the Project Summary of the Grant Proposal.

(Adopted on _____ 2021)