

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

HAITI

**SUPPORT TO RECONSTRUCTION OF EDUCATION
INFRASTRUCTURE**

(HA-L1040)

GRANT PROPOSAL

The project team consisting of prepared this document: Sophie Makonnen (EDU/CHA), Project Team Leader; Carlos Gargiulo and Claudia Cox (SCL/EDU); Rosina De Souza (LEG/SGO); Ximena Herbas (VPS/ESG); and Ariel Rodriguez Perez and Marise Etienne Salnave (CCB/CHA).

CONTENT

PROJECT SUMMARY	1
I. DESCRIPTION AND RESULTS MONITORING.....	2
A. Background, problem addressed, justification.....	2
B. Objective, components and cost	5
1. Component 1. Improvement of public education supply	6
2. Component 2: Support to quality facilities.....	7
3. Component 3. FAES institutional development.....	8
C. Key results indicators	9
II. FINANCING STRUCTURE AND MAIN RISKS	10
A. Financing instruments.....	10
B. Enviromental and social safeguard risks	11
C. Fiduciary risk	11
D. Other key issues and risks.....	12
III. IMPLEMENTATION AND MANAGEMENT PLAN	12
A. Summary implementation arrangements	12
B. Summary of arrangements for monitoring results	14
C. Significant design activities post approval	14

RESOLUTION PROJECT

ANNEXES	
ANNEX I:	Summary Development Effectiveness Matrix (DEM)
ANNEX II:	Results Framework
ANNEX III:	Summary Procurement Table

ELECTRONIC LINKS	
REQUIRED	
1.	Annual Operational Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1895152
2.	Monitoring & Evaluation Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1894079
3.	Complete Procurement Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1893795
4.	ESMR (Environmental and Social Management Report) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1914410
5.	Safeguard and Screening Form and Classification of Projects http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1961153
OPTIONAL	
1.	Institutional Capacity and Implementation Arrangements http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1915325

ABBREVIATIONS

AOP	Annual Operating Plans
CDB	Caribbean Development Bank
CIDA	Canadian International Development Agency
COF/CHA	Country Office in Haiti
DGS	<i>Direction du Génie Scolaire</i>
DSNCRP	<i>Document de Stratégie Nationale pour la Croissance et la Réduction de la Pauvreté</i>
SCL/EDU	Education Division
EFA	Education For All
EOP	End Of the Program
EU	European Union
EXENP	<i>Extension de L'Enseignement Normal et Primaire</i>
FAES	<i>Fond d'Assistance Économique et Social</i>
GDP	Gross Domestic Product
GOH	Government of Haiti
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
KFW	German Development Bank
LDP	Local Development Program
MEF	Ministry of Economy and Finance
MENFP	<i>Ministère de L'éducation Nationale et de la Formation Professionnelle</i>
MoU	Memorandum of Understanding
MPCE	Ministry of Planning and External Cooperation
NCB	National Competitive Bidding
OPEC	Organization of the Petroleum Exporting Countries
PC	Price Comparison
PDNA	Post Disaster Needs Assessment
PEB	<i>Projet Éducation de Base</i>
SNA/EPT	<i>Stratégie Nationale D'Action pour L'éducation Pour Tous</i>
SSP	Specialized Service Providers
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	The United Nations Children's Fund
USAID	United State Agency for International Development
WB	World Bank

PROJECT SUMMARY
HAITI
SUPPORT TO RESCONSTRUCTION OF EDUCATION INFRASTRUCTURE
(HA-L1040)

Financial Terms and Conditions				
Grant Recipient: Republic of Haiti Executing Agency: Social Assistance and Economic Fund (<i>Fond d'Assistance Économique et Social – FAES</i>)			Amortization period:	N/A
			Grace period:	N/A
			Disbursement period:	28 months
Source	Amount US\$	%	Interest rate:	N/A
IDB Grant Facility:	20,500,000	100%	Supervision and inspection fee:	N/A
Local	-	-	Credit fee:	N/A
Other/Cofinancing	-	-	Currency:	USD
Total	20,500,000	100%		
Project at a Glance				
<p>Project objective/description: The Program's objective is to restore and improve education supply. This will be achieved by improving access to and coverage of quality infrastructure and providing a safe and enabling environment for teaching and learning in existing public schools. The Program has three components: Component 1 will improve public education supply through infrastructural improvement of public schools. Because existing school buildings seldom comply with safety standards and operate in precarious conditions, replacing or extending a given facility will allow the public sector to accommodate more students in a given community. Component 2 will support quality facilities by providing each targeted school with a set of quality inputs, including furniture (desk, benches, blackboards, storage cupboard, etc.) clean water systems, and training in hygiene and building maintenance. Finally Component 3 will support the institutional development of FAES to keep on supporting the on-going process of FAES' institutional capacity building and de-concentration. This will improve and further develop their absorption capacity and efficiency.</p> <p>Special contractual clauses: The grant agreement will contain the following special contractual conditions prior to first disbursement: (i) the approval by the Bank of FAES' operation manual to include the new Program; (ii) the creation of an environmental unit that will be responsible for risk analysis (see par. 1.28) and recruitment of at least one environmental specialist for which the Bank has approved the terms of reference; (iii) the validation and signature of a Memorandum of Understanding (MoU) between <i>Ministère de l'éducation Nationale et de la Formation Professionnelle</i> (MENFP) and FAES; and (iv) a model of MoU with municipalities.</p> <p>Exceptions to Bank policies: None.</p> <p>Project qualifies for: SEQ[X] PTI [X] Sector [X] Geographic [] Headcount []</p>				

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, justification

- 1.1 After a difficult transition process between 2004-2006, Haiti began to show clear signs of improvement. That process, however, remained fragile and did not translate into a substantial improvement in social conditions. This situation was exacerbated in 2008 by a series of external shocks which hit Haiti. Sharply rising costs for food staples and fuel provoked riots in April 2008, which in turn led to a change in government. Five months later, as the new government was in the process of consolidation, Haiti was hit by four major storms in three weeks (Tropical storm Fay, August 15th; hurricanes Gustav, August 26th; Hanna, September 2nd; and Ike, September 7th), causing flooding and destruction of infrastructure throughout the country. The Post Disaster Needs Assessment (PDNA), led by the Ministry of Planning and External Cooperation (MPCE), the United Nations, the European Commission, the World Bank (WB) and the Inter-American Development Bank (IDB), estimate the total effect of the string of four hurricanes at US\$897 million, or 14.6 percent of Gross Domestic Product (GDP), thus making it the fourth greatest natural catastrophe to occur in Haiti since the beginning of the 20th century in terms of damages. The effects of social unrest compounded by devastating storms is a reminder of the country's extreme vulnerability to frequent hydro-meteorological hazards and the precariousness of living conditions of the Haitian population.
- 1.2 Damages and losses from the four hurricanes have had a negative impact on an already fragile school plant in which a large number of its schools were already in a state of disrepair due to poor maintenance and neglect. Many facilities are built without governmental oversight. *Ministère de L'éducation Nationale et de la Formation Professionnelle* (MENFP) reports that 964 schools (46% public and 54% private) have been partially damaged or destroyed. Of these 122 need to be completely rebuilt and 842 need repairs; more than 200,000 children are affected. Furthermore, in November 2008, two schools collapsed in the Port-au-Prince vicinity killing nearly 100 students and injuring more than 150. These terrible events are a clear reminder of the fragile state of Haiti's education infrastructure and the risk it poses to the safety of students and teachers.
- 1.3 In response to the critical situation a state of emergency law was passed on September 9, 2008. This allowed for accelerated procurement procedures for contracting firms to undertake emergency recovery activities, including repairs to schools. The Government of Haiti (GOH) has made more than US\$7 million available through the Social and Economic Assistance Fund (*Fond d'Assistance Économique et Social* – FAES) for these purposes.
- 1.4 Donors have also been supporting the recovery process following the hurricanes through different interventions. The United Nations Children's Fund (UNICEF) supplied emergency relief by providing tents for destroyed schools, and the

Canadian International Development Agency (CIDA) increased its support to the tuition waiver program. The WB has prepared a US\$5 million project to support emergency school reconstruction which will target 15 to 20 schools. The Spanish and French development agencies (*Coopération Espagnol and Agence Française de Développement*) will complement these efforts through budgetary support for approximately 6 million Euros, and the United States Agency for International Development (USAID) will repair 120 schools through its different programs.

- 1.5 Restoring access to schooling by rebuilding and repairing schools remains a priority. The school plant is in poor shape. Beyond the hurricane-induced destruction, infrastructure in a significant number of schools poses a threat to the safety of students and teachers. Preliminary analysis of data on state of schools from the last school census (2007/2008)¹, collected before the hurricanes, indicates that of the 1,241 schools under MENFP 250 were in a state of complete disrepair, 470 needed some sort of repair and 30% of the ministry school plant did not have sufficient space to offer all primary school grades.
- 1.6 FAES has a strong track record in execution of small-scale social infrastructure and agricultural projects and in coordinating services between different line ministries, even under challenging political and security conditions. FAES is a government institution created in 1990² by presidential decree and is an institutional dependency of the Ministry of Economy and Finance (*Ministère de l'Économie et des Finances* – MEF). Since 1995, the Bank has funded four operations with FAES: FAES I, FAES II, Local Development Program (LDP), and one component of Basic Education Project, for a total amount of US\$112.4 million (see Table I-1).³

Table I-1
Bank's operation with FAES

Operation	Start date	End date	US\$ million
FAES I – Loan 854/SF-HA	2/16/1995	8/31/1999	12.4
FAES II – Loan 983/SF-HA ⁴	12/19/1996	7/15/2005	27.0
LDP – Loan 1491/SF-HA	12/10/2003	6/30/2009	65.0
Basic Education Project – Loan 1016/SF-HA and 750 P ⁵	01/11/2001	4/30/2009	8.0
Total			112.4

- 1.7 FAES has implemented various investment programs financed by the Bank and other international agencies such as the German Development Bank (KfW) and International Fund for Agricultural Development (IFAD). All sources of funding included, FAES expenditure have grown from US\$2.3 million in 2004 to US\$27.3

¹ Census is not yet available and data are still being analyzed.

² FAES was created in 1990 but shortly after the democratically elected government was ousted and the institution had to suspend all activities. They resumed their activities in 1995.

³ [Institutional Capacity and Implementation Arrangements](#).

⁴ This operation was affected by the suspension of disbursement between September 2001 and July 2003. It is to be noted that 90% of the loan had already been disbursed by 2001.

⁵ The school infrastructure component of the US\$19.4 million loan was US\$3 million in addition to a parallel financing from OPEC (Organization of the Petroleum Exporting Countries) – Loan 750P for an amount of US\$5 million dedicated solely to school infrastructure.

million per year in 2008. The presence of this institution has ensured a stable and reliable delivery system for reaching the poor.

Table I-2
FAES disbursement per Haitian fiscal year and funding source US\$

Program	2004	2005	2006	2007	2008	2004-2008
983/SF-HA	721,255	560,424				1,281,679
PAIP/FIDA	463,693	643,820	967,021	2,141,667	2,486,212	6,702,413
1491/SF-HA	71,425	7,097,796	11,555,537	15,678,285	18,853,569	53,256,612
1016/SF-HA & 750P		1,038,832	1,209,333	818,023	338,292	3,404,480
KFW			5,735	117,525	867,847	991,107
Republic of Haiti	1,036,942	3,814,588	1,601,503	2,918,562	4,334,247	13,705,842
PATRAI/FIDA				208,665	435,165	643,830
TOTAL	2,293,315	13,155,460	15,339,129	21,882,727	27,315,332	79,985,963

- 1.8 Since its creation, FAES has invested US\$40.5 million in repairing or building 547 national schools of which 331 were financed by the Bank. This amount represents one third of the total resources executed by FAES, of which 65% were spent between 2004 and 2009. Previously, the Bank provided support to building and repair of 65 schools through the *Extension de L'Enseignement Normal et Primaire* (EXENP I - Loan 774/SF-HA).
- 1.9 Throughout the years, FAES has perfected school building by applying regional and international standards for civil works. Since Haiti is located in a tropical cyclone-prone area, sturdiness of infrastructure is necessary for ensuring resistance to tropical storms, hurricanes and associated hazards like flooding and mud slides. None of the schools financed through FAES have suffered any significant damage from the hurricanes of August and September 2008.
- 1.10 The continuous presence of the social fund also provides the state with the capacity of executing its own programs (investment and emergency). As recently as September 2008, FAES was used by GOH for part of the emergency reconstruction program responding to damages sustained by the last hurricane season. The operation costs of FAES covered by Bank programs and other funding from international organizations thus provide the GOH with a capacity for execution that it otherwise would not have access to.
- 1.11 Beyond school infrastructure, these are a number of complementary efforts from international donors in education. The European Union (EU) has a basic education project focused on an education quality improvement project (2008-2011). The WB, Caribbean Development Bank (CDB), and CIDA are supporting an Education For All (EFA) project. CIDA is also preparing two operations in Basic Education and Vocational Training. USAID initiated a project in basic education working with school clusters. The French Cooperation is preparing an intervention aimed at teaching personnel. Finally, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and UNICEF have been providing technical assistance to the preparation of the EFA national strategy.
- 1.12 The Bank has supported the education sector in Haiti for the past 25 years with three main education programs amounting to US\$49 million: EXENP I (Loan

774/SF-HA - US\$11.9 million), disbursed from 1986-1996; *Extension de L'Enseignement Primaire II* - EXENP II (Loan 959/SF-HA - US\$17.6 million), disbursed from 1995-2001; and *Projet Éducation de Base* – PEB (Loan 1016/SF-HA - US\$19.4 million), disbursed from 2001-2009. The main focus was to improve the quality of basic education through in-service and pre-service teacher training, provision of school books and scholarships to improve retention of poor children. The Bank is also the main supporter of vocational training sector through the *Programme de Formation Professionnelle* supported by US\$22 million (Loan 1627/SF-HA) and €5.5 million in co-financing from the EU (ATN/CF-10059-HA); parallel financing from the CDB for US\$5 million is expected in the short-term. In 2010, the Bank will prepare a new education project (HA-L1033) that to complement ongoing investments and continue to improve the quality of education in Haiti.

- 1.13 GOH developed in 2007 two central documents emphasizing the need to focus on education access: (i) the Poverty Reduction Strategy Paper (*Document de Stratégie Nationale pour la Croissance et la Réduction de la Pauvreté* - DSNCRP); and (ii) the Education for All Strategy (*Stratégie Nationale D'Action pour L'éducation Pour Tous* -SNA/EPT). Additionally, in September 2008, the Prime Minister, in her General Policy Statement, indicated that education was one of the main priorities of GOH.
- 1.14 The Bank's country strategy for Haiti prioritizes economic and social recovery. It is consistent with the DSNCRP and has three objectives: (i) strengthening the underlying foundation for economic growth; (ii) improving access to and coverage of basic services including education; and (iii) strengthening governance and building the institutional capacity of GOH. The proposed operation will improve access and coverage of education services by providing quality and safe primary education facilities.
- 1.15 Research has shown not only that minimum basic quality of school buildings matters significantly for student achievement, but also that the provision of quality facilities has an even stronger effect on student learning in disadvantaged settings.⁶ Given the state of the country's school, investments in school infrastructure are part of the equation to improve education in Haiti.

B. Objective, components and cost

- 1.16 **The Program's objective is to restore and improve education supply.** This will be achieved by improving access to and coverage of quality infrastructure and providing a safe and enabling environment for teaching and learning in existing public schools.
- 1.17 **Program components.** The Program has three components: (i) improvement of public education supply; (ii) support to quality facilities; and (iii) institutional

⁶ Determinants of Primary Education Outcomes in Developing Countries, World Bank, 2004.

development for FAES. The Program will be implemented over a 28 month period. Each component is described below.

1. Component 1. Improvement of public education supply
(US\$13,275,000)

- 1.18 The main purpose of this component is to improve access to and coverage of education services by providing quality and safe primary education facilities.
- 1.19 **This component supports the infrastructural improvement of public schools, thereby increasing the supply of public education.** Because existing school buildings seldom comply with safety standards and operate in precarious conditions, replacing or extending a given facility will allow the public sector to accommodate more students in a given community. This will ease the financial burden of families who will not have to turn to private schools to educate their children, and provide access to families who previously had none. By creating an environment conducive for learning, the Program also will contribute to improve quality of education.
- 1.20 The Program will target at least 50 public schools. Total cost of full replacement of a school is approximately US\$250,000. This cost is based on current market prices for building material and labor and reflects competitive procurement processes under previous FAES operations.⁷ Not all schools will be fully replaced. This component will: (i) repair or replace existing public schools that are dilapidated or nonexistent in terms of infrastructure; or (ii) repair or improve key structural elements necessary to ensure the proper functioning of the school (e.g., security fences or housing for teachers to ensure regular presence of teacher in remote areas). All school facilities will have:
- a. Enough classroom space to respect the one to fifty teacher-student-ratio established by the MENFP and has at least one room per grade of the first two cycles of *l'École Fondamentale* (first six grades of Haitian schooling system corresponding to primary school).
 - b. Minimal office space for principals and teaching staff will allow for better management of school and storage for school materials.
 - c. A kitchen so that the school can be eligible for school feeding activities and offer meals prepared in hygienic conditions.
 - d. Refectory will be used dually for educational needs or school feeding.
 - e. Water and sanitation facilities that are key elements to introduce hygiene in schools.

⁷ Nevertheless, the Bank will review the unit cost with an independent consultant/engineer before beginning of the Program (see par. 3.11).

- f. Appropriate furniture affecting positively the learning/teaching process in the classroom.⁸
 - g. Solar lampposts that will allow lighting in playground and be conducive for sport and recreational activities as studying.
 - h. Training in maintenance and hygiene.
- 1.21 **Targeting.** Selection of eligible schools will be done in close collaboration with the ministry, especially with its civil engineering unit (*Direction du Génie Scolaire - DGS*). Eligible schools will be already existing national and communal schools in rural or urban settings. Other selection tools will be: (i) the last schools census (done before hurricanes of 2008) that describes the state of schools; and (ii) schools listed by MENFP as having substantial damages because of the hurricanes. Further details on targeting are presented in detail in the implementation section. Regarding communal schools, selection criteria will include level of destruction or lack of facility, lack of safety, enrollment rate, absence of public schools in the catchment area and minimum of five years in existence. At least 25% of FAES-administered resources will be allocated to these schools. A diagnostic of communal schools⁹ (see par. 3.12) will permit any necessary adjustment to the selection criteria. FAES' operation manual, approved by the Bank for the LDP loan, will be modified to include the targeting process for the present operation.
- 1.22 The Program will build on FAES' experience with past operations to promote and disseminate best practices regarding school building to influence and shape policy regarding school construction. FAES will establish regular communication forums to share, promote, and disseminate lessons learned and best practices with MENFP and other actors of the education sector.

2. Component 2. Support to quality facilities (US\$3,137,500)

- 1.23 In order to assure full use and benefit of investments in infrastructure, targeted schools will receive a set of quality inputs, including furniture (desk, benches, blackboards, storage cupboard, etc.) clean water systems, and training in hygiene and building maintenance.
- 1.24 Regarding issues of hygiene, clean water and maintenance, the Program will build on FAES' experience with community involvement to ensure participation and local ownership of projects. Interventions structured around clean water and good hygiene will be designed to include: (i) provisions for sustainable and affordable safe drinking water systems in schools; (ii) the mobilization of school children around drinking safe water, hygiene practices and proper use of sanitation

⁸ FAES will explore the possibility of providing desk and chairs instead of benches, which are not as conducive to learning because of lack of space for students. FAES will also consider alternative materials to wood when possible. Quality and resistance (fireproof, wear resistance, hardness) as protection of the environment will be the driving factors in procurement of school furniture.

⁹ Communal schools are institutions under the responsibility of the Municipality (La Commune).

facilities; and (iii) teacher training on these subjects to ensure their sustainability. Consistent with Bank procedures, FAES will contract one or more Specialized Service Providers (SSP) to implement these activities. FAES will work with MENFP to ensure timely implementation and the incorporation of these activities into curricula.

- 1.25 **Maintenance.** The Program will address school maintenance using different strategies. The first one will be based on schools and their respective community's participation in school maintenance, a necessary condition for success. The present operation will provide maintenance training to school directors and school management committees. Emphasis will be placed on the prevention aspect of maintenance. All schools under the present operation will participate in the maintenance training program. Schools having participated in previous programs with FAES, especially the LDP operation, will also be targeted for this training. The second strategy will be based on the provision of financial resources for maintenance to targeted municipalities and the departmental level of the MENFP. A maintenance fund for schools having participated in previous FAES programs will be established with Program resources. All school selected to be repaired or built (school building replacement) under this Program will only be eligible for Program funds after FAES has signed a Memorandum of Understanding (MoU) establishing the necessity of providing funds and support to maintenance of benefiting schools with MENFP and participating municipalities. In addition, to warrant sustainability of maintenance funds, FAES will negotiate with the Finance Ministry a GOH earmarking public funds for school maintenance through FAES' annual budget for fiscal year 2009-2010 (Haitian fiscal year). As a rule of thumb, other countries have found that an annual government contribution of one percent of the facilities cost is enough for a proper preventive maintenance plan.

3. Component 3. FAES institutional development (US\$1,098,947)

- 1.26 The Program will continue to support the institutional development and de-concentration of FAES as a means of improving its absorption capacity and efficiency. FAES, throughout the years acquired experience and developed its capacity to contract and deliver quality sub-projects. This capacity has to be further devolved to the regional offices. This will enhance their absorption and managerial capacities and thus render them more efficient in program delivery.
- 1.27 The Program will finance a number of activities to support and strengthen FAES, including: (i) staffing and the equipment necessary to meet the challenges of Program execution; (ii) its de-concentration plan; and (iii) its monitoring and evaluation system. Institutional development will also include training for technical and regional personnel with direct responsibilities for the implementation of activities related to this operation. Training needs will be identified following a short needs assessment at the beginning of implementation.

- 1.28 Degradation of the environmental situation has made clear that risk analysis has to be part of the project cycle as a mandatory step before accepting a project or a site. FAES has already initiated the process of setting up an environmental unit that would play such a role, and additional resources will be allocated to ensure its full implementation and the development of associated tools. These tools will be used for the entire institution and not be only limited to this Program.
- 1.29 **Cost.** The total cost of the Program is US\$20.5 million which will be financed by the Bank. A summary breakdown of the Program costs by component is presented in Table I-3.

Table I-3
Cost summary table US\$

	Investment categories	IDB	%
1	Component 1. Improvement of education supply	13,275,000	65.0%
2	Component 2. Support to quality facilities	3,137,500	15.0%
3	Component 3. Institutional development	1,098,947	5.5%
4	Administration	2,463,558	12.0%
5	Evaluation, audit	300,000	1.5%
6	Contingencies	224,995	1.0%
	Total	<u>20,500,000</u>	<u>100.0%</u>

- 1.30 As indicated in par. 1.10, the operation costs covered by Bank's programs also provides the GOH with capacity to execute programs funded by government resources.
- 1.31 Under administration costs the Program takes into account salaries for technical, management and clerical staff working in FAES (70% of administration costs), as well as all recurrent cost that allow for execution of activities such as transportation and local trips (10%), office space (4%) and utilities (8%).

C. Key results indicators

- 1.32 FAES will maintain a permanent monitoring system to evaluate the progress of all project activities. As part of this system, FAES will collect and retain updated information on performance indicators and annual implementation plans. Program monitoring will be based on the Annual Operating Plans (AOP) and the Results Framework.
- 1.33 The main output of the Program will be to restore and increase the supply of public education. Key results indicators are presented in Table I-4:

Table I-4
Indicators

Indicators	Date/source
1. 100% of the schools rebuilt or repaired by the End Of the Program (EOP) are those severely affected by the hurricanes in 2008 or those offering an unsafe environment for students and teachers.	Quarterly meetings, FAES semi-annual reports and EOP evaluation report.
2. Increase in at least 7% school enrollment for girls and boys between 6 and 12 year-old in schools benefiting of the Program. (The base value will be determined at selection of the schools. The comparison value will be taken when the renewed facility becomes operational).	Third semi-annual report and EOP evaluation report.
3. At least 25% of FAES administered resources under Component 1 allocated to communal schools.	Quarterly meetings, FAES Semi-annual reports and EOP evaluation report.
4. 100% of FAES projects under this operation with environmental diagnosis, mitigation measures.	Quarterly meetings, FAES Semi-annual reports and EOP evaluation report.
5. All schools with projects with costs above US\$10,000 received training in maintenance and develop a maintenance plan.	Quarterly meetings, FAES Semi-annual reports EOP evaluation report.
6. All the schools benefited from the Program fully equipped with sufficient quantity of school furniture.	FAES semi-annual reports EOP evaluation report.
7. All schools repaired/remodeled with at least one regular teacher assigned per classroom.	EOP evaluation report.
8. A regional monitoring and evaluation system over the project cycle, including technical and economical viability created by the end of the first year of the Program.	Quarterly meetings, FAES second semi annual report and EOP evaluation report.
9. All the technical personnel in the regional offices trained in topics related with management, monitoring and evaluation at the regional level, by the EOP.	Quarterly meetings, training reports.

- 1.34 Key results indicators are included in Annex II in the Results Framework Matrix and have been agreed with FAES.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The operation is to be financed by an IDB Grant Facility of US\$20.5 million. Resources are expected to be disbursed as follows:

Table II-1
Tentative disbursements schedule (US\$ million)

Sources	Year 1	Year 2	Year 3
IDB	7.0	12.1	1.4

- 2.2 FAES will establish and maintain specific bank accounts for the grant. FAES will maintain the required financial and accounting records. The Bank will establish a revolving fund for up to 5% of the grant amounts, once the conditions precedent to first disbursement have been met.
- 2.3 Throughout the execution period, FAES will be responsible for contracting an external auditor and shall present two external audit reports of the Program and an audit report of FAES by an independent firm acceptable to the Bank as follows:

(i) an annual operational and financial audit report of the Program to be submitted within 120 days of the end of each calendar year; (ii) a semi-annual audit of the procurement and disbursement process of the Program to be submitted within 60 days of the end of the first semester of the calendar year; (iii) a final operational and financial audit report of the Program to be submitted within 120 days after the date of the last disbursement; and (iv) an annual audit of the FAES to be submitted within 120 days of the end of each Haitian fiscal year. The auditing firm will be selected and contracted in accordance with the procedures established in the external audit bidding documents (document AF-200). The cost of the audit will be financed with Program resources.

B. Environmental and social safeguard risks

- 2.4 The Program will have a net positive social and environmental impact as the communities involved in the Program will benefit from better schools with more spacious facilities and adequate furniture. Therefore, the Program will improve public school enrollment and provide a safe and enabling environment for the teaching/learning process. The Banks' safeguard screening form has classified the Program as "B". The proposed Environmental and Social Strategy of the operation involves the preparation of Environmental Analysis with focus on disaster risk vulnerability assessments. Certain sites may be exposed to natural hazards. In such cases FAES will either introduce mitigation measures to render the sites safe or if risks are too high and/or mitigation measures are more costly than replacing the school, FAES will not accept the site for the sub-project and request that MENFP or municipalities provide a new location. An [Environmental and Social Management Report](#) (ESMR) describes the recommended social and environmental protection activities to be included in the Program as well as monitoring and supervision activities of the social and environmental performance of the Program.

C. Fiduciary risk

- 2.5 The proposed operation is expected to have low fiduciary risk given the lengthy experience in execution of Bank financed projects FAES possess. As per Aide Memoire signed between the Bank and FAES on April 25, 2007, ex-post reviews have been used for procurement since May 1st, 2007. Ex-post reviews have also been used for disbursement since July 2007. FAES is the only executing unit in the Haiti portfolio that has qualified for ex-post reviews for both procurement and disbursement processes. Supervision visits from the fiduciary sector of the Bank and audit reports have been satisfactory and auditors have emitted clean opinions of financial statements. FAES has sufficient and efficient permanent personnel, familiar with all Banks' procurement, audit and fiduciary procedures to maintain ex-post reviews for the new operation. The team recommends maintaining ex-post reviews for finance and procurement.

D. Other key issues and risks

2.6 Other risks are presented in Table II-2.

Table II-2
Other risks

Risk	Mitigation measures
The 2002-2003 education census reports 8,350 teachers for primary education. In addition, MENFP reports that a number of teachers have been working without a contract and therefore without pay for the past two years.	The Program will only work in existing schools and will require full staff provision, therefore will not exacerbate the situation.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary implementation arrangements

- 3.1 FAES will be the executing agency and will work jointly with MENFP and municipalities' authorities to select the schools (see par.1.21).
- 3.2 FAES has a manual of operation that was written under the PDL operation (Loan 1491/SF-HA) and that has guided all FAES programs since 2003, regardless of the source of funds. This has supported FAES' institutional building process and allowed for harmonization of interventions. It will be reviewed to ensure that the new Program and all its activities are taken into account. If need be, the manual will be modified to include specifics related to the new operation.
- 3.3 On the basis of selected schools, FAES will be responsible for community mobilization, procurement, supervision of works and final delivery of facilities. They will follow their normal project cycle.¹⁰ FAES will sign a MoU establishing roles and responsibilities with MENFP and the respective municipalities.
- 3.4 Based on previous positive experiences (see par. 2.5) with FAES as the executing agency, the team proposes that ex-post reviews for procurement and disbursement requests be used to manage the proposed operation. In the case of procurement, this would be applicable for infrastructure equivalent or less than US\$350,000, for goods equivalent or less than US\$50,000, and consultants under US\$200,000. A random sample of such documentation, including archives and receipts, will be reviewed for no less than 10% of projects. If the Bank or the auditors finds discrepancies with the agreed upon procedures, a more extended sample will be examined and FAES will be notified about the amounts deducted from future requests if need be.
- 3.5 **Special conditions precedent to the first disbursement.** The grant agreement will contain the following special contractual conditions precedent to the first disbursement: (i) the approval by the Bank of FAES' operation manual that includes the new Program; (ii) the creation of an environmental unit that will be responsible for risk analysis (see par.1.28) and recruitment of at least one

¹⁰

See [Detailed Institutional Capacity and Implementation Arrangements](#).

environmental specialist for which the Bank has approved the terms of reference; (iii) the validation and signature of a MoU between MENFP and FAES; and (iv) a model of MoU with municipalities.

- 3.6 **As per OP-504 on “Recognition of Expenditures, Retroactive Financing, and Advance Contracting”**, the Bank will provide retroactive financing for up to US\$1 million for execution of activities of the Program starting from March 4, 2009 to date of approval provided that such expenses or commitments were incurred or assumed following procurement procedures that have complied with conditions substantially similar to those subsequently established in the grant contract.
- 3.7 **Procurement of works, goods and services.** Procurement of works, goods and services, and contracts for the services of consultants will be executed in accordance with Bank procurement policies and procedures (GN-2349-7 and GN-2350-7).
- 3.8 The average cost of civil works projects under the LDP program implemented by FAES was US\$180,000. Under the present operation, projects will mainly consist of rebuilding, repairing or securing schools with an average cost of US\$200,000.¹¹ The Project team recommends that the threshold for the Price Comparison (PC) method be raised to US\$350,000 for infrastructure, US\$50,000 for goods, and US\$200,000 for consulting. This recommendation is made based on experience in procuring for similar works (school and health centers infrastructure projects) since 2005 with FAES. The main reasons justifying this request follow. First, in contrast to the simplified criteria generally requested in a PC method, the added complexity of National Competitive Bidding (NCB) requirements regarding technical and especially financial capacities versus the simplified criteria generally requested in a PC method, do not allow smaller firms used to participating in PC competitions under previous operations to partake in the procurement process of the proposed operation. FAES typically undertakes simple civil works. Smaller firms are technically capable of doing these works, but often are not yet ready to participate in more complex procurement processes. The Bank’s standard procurement policies and set thresholds thus exclude contractors that have successfully built many of the facilities under the LDP program. Second, NCBs in past projects in the social sector in Haiti has shown that larger firms are not interested in what they consider small contracts and medium sized firms often are the ones that participate. These firms will quickly be overstretched since the Program will target over 50 schools scattered through out the country and in many cases in remote locations in a two year period. Medium sized firms will not have sufficient human and material resources and capital to cover appropriately all sites in such a time period given difficulties in transportation and communication in Haiti. Third, regrouping projects is not possible since sites cannot be defined in advance. Fourth, FAES ensures transparency and equity in its PC process by having a data base of firms from

¹¹ Difference is due to rise in cost of construction material.

which participants are selected to constitute the short list. A public notice published twice a year in a widely circulated national newspaper allows for the introduction of new firms and thus validates the database. In addition contractors and firms may register at any point in time to be part of the data base.

B. Summary of arrangements for monitoring results

- 3.9 Biannually, FAES will present to the Bank a progress report that will include information on the accomplishments and indicators included in the Result Framework indicators and the problems and issues faced during the reporting period. It will also include a section describing the Operational Manual application regarding environmental considerations.
- 3.10 Given the relatively short executing period of this Program, quarterly supervision reviews will be conducted by the Bank to track the execution, and to identify changes necessary in a timely manner. In addition, 15 months after the first disbursement or when 50% of the grant whichever occurs first has been disbursed a status report will be produced. This report will analyze the overall progress of the Program and identify potential adjustments to its various components and to program execution procedures. This exercise will be conducted by an external evaluator. Five months before the date of the last Program disbursement, a final evaluation will assess the qualitative and quantitative effects on project beneficiaries and verify the maintenance status of the works or services implemented.

C. Significant design activities post approval

- 3.11 **Cost of school building.** Cost of construction in Haiti is perceived as high. Although the Bank has reviewed unit cost used by FAES and has found them to be reasonable for the Haitian construction market, for the purpose of this grant the Bank, with the assistance of an independent consultant/engineer, will undertake a thorough independent review of cost of schools built by FAES. This will also allow establishing cost per square meter. The fact that school design and building are also conditioned by the proneness to natural hazards of the region which in turn may affect construction costs will be taken into consideration in this review.
- 3.12 **Communal schools** are under the responsibility of municipalities. Although MENFP has been traditionally the main focus for provision education services, the Communes have been providing education for several decades. They traditionally are known as “schools for the poor” and are found more often in poor urban settings than rural ones. Little is known on the functioning of these schools. A rapid diagnostic on communal schools thus will help determine the key issues and ensure proper targeting. The grant also provides for a wider study, if necessary.
- 3.13 An education census for 2007/2008 has been done. Data have been collected and entered. Analysis is still on-going and will not be ready before the end of 2009.

Yet data on state of schools are available and can be used to determine the greatest needs (see par.1.5). The Bank will contract a consultant/statistician to extract and analyze the needed data for the purpose of targeting.

CONFIDENTIAL

**SUPPORT TO RECONSTRUCTION OF EDUCATION INFRASTRUCTURE
(HA-L1040)**

**ANNEX II - RESULTS FRAMEWORK
MATRIX OF INDICATORS**

Project Objective:	The Program's objective is to improve education supply. This will be achieved by improving access as a result of building more spacious facilities; and providing furniture and learning materials in existing public school.
Indicator:	Increase in at least 7% school enrollment for girls and boys between 6 and 12 year-old in schools benefiting of the Program.
Note:	The achievement of these objectives will improve public school enrollment and provide a safe and enabling environment for the teaching/learning process.

Components	Base	Year 1	Year 2	Year 3	Comments
Component 1. Improvement of public education supply					
100% of the schools rebuilt or repaired by the end of the Program (EOP) are those severely affected by the hurricanes in 2008 or those offering an unsafe environment for students and teachers.	0%	40%	90%	100%	Percentage over the total # of schools.
At least 25% of FAES administered resources under this component will be allocated to communal (municipal) schools.	0%	10%	15%	25%	Beneficiary communal schools as a percentage of the total # of schools in the Program.
100% of FAES projects under this operation with environmental diagnosis, mitigation measures.	0%	100%	100%	100%	As per ESRM.
100% of the projects in this program with required environmental mitigation measures have incorporated them in their budgets and in the execution plan.	0%	100%	100%	100%	Projects budgets should have when possible a line item for environmental mitigation measures and the correspondent amount needed.
All schools repaired/remodeled should have at least one regular teacher per classroom.		100% of beneficiary schools	100% of beneficiary schools	100% of beneficiary schools	Commitment letter from the Ministry of Education.

Components	Base	Year 1	Year 2	Year 3	Comments
Component 2. Support to quality facilities					
All the schools benefited from the program will be fully equipped with adequate quantity of furniture.	Most of the schools have insufficient benches	100% of beneficiary schools have sufficient furniture	100% of beneficiary schools have sufficient furniture	100% of beneficiary schools have sufficient furniture	Furniture will allow for classrooms to accommodate comfortably a maximum of 50 students as per standards set by MOE.
All the schools benefited by the Program will have a drinking fountain with clean water	Most schools do not have water	100% of beneficiary schools have adequate water facilities and clean water	100% of beneficiary schools have adequate water facilities and clean water	100% of beneficiary schools have adequate water facilities and clean water	A school with a 300 student capacity will have a minimum of 10 faucets, a water tank and a cistern. A clean water system has been installed.
Training sessions on hygiene practices and proper use of sanitation facilities.	0%	100% of beneficiary schools are trained	100% of beneficiary schools are trained	100% of beneficiary schools are trained	School management committee, principals and teachers will be primarily targeted for receiving these trainings.
All the schools benefited by the Program will have adequate sanitary facilities.	Some schools with common latrines	Each school has adequate sanitary facilities	Each school has adequate sanitary facilities	Each school has adequate sanitary facilities	Adequate facilities being 6 stalls for boys and 6 for girls for a school with 300 student capacity.
All schools with projects with costs above US\$10,000 received training in maintenance and develop a maintenance plan.	0%	100% of beneficiary schools	100% of beneficiary schools	100% of beneficiary schools	Percentage over the total # of schools having received inputs in a given year. Target audience is principals and school management committee.
At least 30% of the training beneficiaries are women.	15%	30%	30%	30%	This requirement is for every community training.
The community uses the school after school hours for community's interest meetings.		Renewed schools host community meetings	Renewed schools host community meetings	Renewed schools host community meetings	

Components	Base	Year 1	Year 2	Year 3	Comments
Component 3. Institutional strengthening					
A Program Status Report should be implemented after 15 months of first disbursement, or when the program has disbursed 50% of its resources, what happens first.			Status Report evaluation performed		Performed by external evaluator 15 months after the first disbursement.
A regional monitoring and evaluation system over the project cycle, including technical and economical viability created by the end of the first year of the program.		100%			This will be a contribution of the Program to the de-concentration and improved M&E.
All the technical personnel in the regional offices trained in topics related with management, monitoring and evaluation at the regional level, by the end of the program.	0%	25%	75%	100%	All the technical; personnel at the regional offices will be trained in the M&E functions.

**SUPPORT TO RECONSTRUCTION OF SOCIAL INFRASTRUCTURE
(HA-L1040)**

ANNEX III - SUMMARY PROCUREMENT PLAN

PERIOD COMPRISED IN THIS PROCUREMENT PLAN: FROM JUNE 2009 TO DECEMBER 2010

Ref. No. ¹	Description of and category of procurement contract	Estimated cost in (US\$ thousand)	Procurement method ²	Review (ex-ante or ex-post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract	
1	GOODS									
	Electricity in select schools <i>Basic electricity for 30 schools</i>	225,000	PC	Ex-post if PC	100%			N/A	End of project	This cost includes labor cost for installation. Since cost of goods will represent a higher percentage then the installation cost it will be considered a good. This item consists of several purchases to be installed at different places and at different times. Same technologies (solar panels, generators) will be regrouped in single procurement when possible. The amount is base on a unit cost of US\$15,000 for 30 schools. Cost per school may be included in works contract, depending on technology used.

Ref. No. ¹	Description of and category of procurement contract	Estimated cost in (US\$ thousand)	Procurement method ²	Review (ex-ante or ex-post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract	
	Clean water systems Potable water system for all schools	125,000	PC	Ex-post if PC	100%			N/A	End of project	This procurement will also include labor cost. Since cost of goods will represent a higher percentage then the installation cost it will be considered a good. This item consists of several purchases to be installed at different places and at different times. Same technologies will be regrouped in single procurement when possible. Same type of systems will be regrouped in single procurement when possible. Cost per school may be included in works contract, depending on technology used. The amount is based on a unit cost of US\$5,000 per school and 25 schools will be target for the 1st year of implementation.
	School furniture	625,000	NCB	Ex-Ante	100%			N/A	End of project	Cost of furniture for 25 schools for the first year of implementation. Furniture for each school is estimated at US\$25,000. Procurement will be grouped by school location for delivery purposes. It is estimated that this activity will be procured in at least eight different procurements of which four will be done the first year.
	Software	10,000	PC	Ex-Post					1-Sep-09	

Ref. No. ¹	Description of and category of procurement contract	Estimated cost in (US\$ thousand)	Procurement method ²	Review (ex-ante or ex-post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract	
	Reproduction of material for hygiene in schools and maintenance	30,000	PC	Ex-post					Mar-10	
	Documentation for training in component 3	5,000	DC	Ex-post	100%			N/A	1-Sep-09	Will consist in several small procurement of less then US\$1,000.
	Vehicles	160,000	NCB	Ex-ante	100%			Jul-09	1-Sep-09	Four vehicles.
	Computers	15,000	PC	Ex-post	100%			N/A	1-Sep-09	
	Equipment for training rooms	40,000	PC	Ex-post	100%			N/A	1-Sep-09	Furniture for training room (this allow to save on cost of venue for bigger meetings and trainings).
2	WORKS									
	School infrastructure <i>Repair or building of schools</i>	2,500,000	PC or NCB	Ex-post if PC Ex-ante if NCB	100%		N/A	N/A	End of project	Schools have not been selected yet. Eligibility of schools will be determined following a targeting process taking into consideration, geographical location, physical state of schools, safeguard analysis. Some schools will be repaired others will be replaced. This encompasses some 10 schools for the first year of implementation averaging US\$250,000 each, to be awarded individually or regrouped by groups of two or three if in same geographical area over the first year of implementation.

Ref. No. ¹	Description of and category of procurement contract	Estimated cost in (US\$ thousand)	Procurement method ²	Review (ex-ante or ex-post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract	
	Works around schools <i>Civil works that will allow for better supply</i>	1,400,000	PC	Ex-post	100%			N/A	End of project	Works to secure the school or improve access will average US\$140,000 each to be awarded individually for approximately 10 sites for the first year of implementation.
	School Maintenance fund	225,000	PC	Ex-post	100%			N/A	End of project	Activities will consist in very small works of maintenance for schools. Works will be grouped together within a given geographical area.
4	CONSULTING SERVICES									
	Studies for preparation of school plans <i>School plans for each selected schools</i>	100,000	NICQ	Ex-post	100%			N/A	End of project	Each project will be prepared by an Engineer that will prepare plans and bill of quantities. These studies are evaluated at around 4% of cost of a school. Unit cost will be approximately US\$10,000 per school.
	Studies for supervision of works. <i>Supervision of civil engineering works</i>	625,000	NICQ	Ex-post	100%			N/A	End of project	As per industry practice, each project will have an engineer on site to ensure quality of services. Cost will vary between 8% and 12% depending of location of site. Unit cost will be approximately US\$25,000 per school.
	Development of material for hygiene in schools	20,000	NICQ	Ex-post	100%			N/A	Dec-09	Consultant(s) to develop material.
	Conception of material for hygiene in schools	15,000	NICQ	Ex-post	100%			N/A	Dec-09	Consultant(s) to develop material.
	Training for hygiene in school	40,000	QBS	Ex-post	100%			N/A	End of Project	

Ref. No. ¹	Description of and category of procurement contract	Estimated cost in (US\$ thousand)	Procurement method ²	Review (ex-ante or ex-post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract	
	Development of material for school maintenance	50,000	NICQ	Ex-post	100%			N/A	Dec-09	Consultant(s) to develop material.
	Conception of school maintenance material	50,000	NICQ	Ex-post	100%			N/A	Dec-09	Consultant(s) to develop material.
	Training for School Maintenance	160,000	NICQ	Ex-post	100%			N/A	End of project	
	Study on communal school	90,000	FBS	Ex-post	100%			N/A	Mar-10	Firm to conduct study.
	Implementation of SIGGP system	45,000		Ex-post	100%			N/A	Jun-10	Recruitment base on competitive base.
	SIGPP system (<i>Development of system</i>)	40,000.00	QBS	Ex-post	100%			N/A	Dec-09	Recruitment based on competitive base.
	Consultation institutional development (de-concentration and operating cost) of FAES	125,000	QBS	Ex-post	100%			N/A	Aug-10	This activity may broken up in two or three consultancies. Will then become most probably NICQ.
	Evaluation	120,000	FBS	Ex-post	100%			N/A	End of project	
	Consultant for development of global training plan	10,000	NICQ	Ex-post	100%			N/A	Dec-09	Recruitment of consultant.
	Consultant for Risk analysis unit	36,000	NICQ	Ex-post	100%			N/A	End of project	Recruitment of consultant.
	External Auditors	40,000	QCBS	Ex-post	100%			N/A	End of Project	

Ref. No. ¹	Description of and category of procurement contract	Estimated cost in (US\$ thousand)	Procurement method ²	Review (ex-ante or ex-post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract	
5	OPERATING EXPENSES									
	Program Personnel									
	General Director Unit	67,327	N/A		100%				End of project	FAES personnel is in place and already under contract under Bank funding their tasks will be a continuation of previous work that they were carrying out and for which they were selected competitively.
	Social Project Division	220,506	N/A		100%				End of project	
	Monitoring and Evaluation Division	111,800	N/A		100%				End of project	
	Communication Division	100,750	N/A		100%				End of project	
	Finance and Administrative Division	114,972	N/A		100%				End of project	
	Regional Office	248,560	N/A		100%				End of project	
	Office support	20,865	N/A		100%				End of project	

Goods and Works: **ICB:** International competitive bidding; **LIB:** limited international bidding; **NCB:** national competitive bidding; **PC:** price comparison; **DC:** direct contracting; **FA:** force account; **PSA:** Procurement through Specialized Agencies; **PA:** Procurement Agents; **IA:** Inspection Agents; **PLFI:** Procurement in Loans to Financial Intermediaries; **BOO/BOT/BOOT:** Build, Own, Operate/Build, Operate, Transfer/Build, Own, Operate, Transfer; **PBP:** Performance-Based Procurement; **PLGB:** Procurement under Loans Guaranteed by the Bank; **PCP:** Community participation procurement. **Consulting Firms:** **QCBS:** Quality- and Cost-Based Selection **QBS:** Quality-Based Selection **FBS:** Selection under a Fixed Budget; **LCS:** Least-Cost Selection; **CQS:** Selection based on the Consultants' Qualifications; **SSS:** Single-Source Selection. **Individual Consultants:** **NICQ:** National Individual Consultant selection based on Qualifications; **IICC:** International Individual Consultant selection based on Qualifications

In the case of new Policies it applies only for Goods and Works. In the case Old Procurement Policies it applies for Goods, Works and Consulting Services.

This column "Status" should be used for retroactive procurement and for procurement plan updates.