

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

HAITI

**PROGRAM TO STRENGTHEN SAFETY NETS FOR VULNERABLE
POPULATIONS**

(HA-J0005)

GRANT PROPOSAL

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ABBREVIATIONS	
AVSI	Association Volunteers for International Service ^a
CARDH	Center for Analysis and Research on Human Rights ^a
CDC	Center for Disease Control and Prevention
CECI	Center for International Studies and Cooperation
COVID-19	Coronavirus disease 2019, the disease caused by the 2019 novel coronavirus
CNSA	National Food Security Coordination ^a
CSSE	Center for Systems Science and Engineering
CTWG	Cash Transfers Working Group
DIE	Directorate of Immigration and Emigration ^a
DCCRC	Disaster and Climate Change Risk Classification
EA	Executing Agency
FAES	Social and Economic Assistance Fund ^a
FY	Fiscal Year
FEWSNET	Famine Early Warning System Network
GHESKIO	Group for the Study of Kaposi's Sarcoma and Opportunistic Infections ^a
GoH	Government of Haiti
IDB	Inter-American Development Bank
IDPs	Internally Displaced Persons
INPV	National Deprivation and Vulnerability Index
IOM	International Organization for Migration
IPC	Integrated Food Security Phase Classification
LAC	Latin-America and the Caribbean
MAEC	Ministry of Foreign Affairs and Cult ^a
MAST	Ministry of Social Affairs and Labor
MEF	Ministry of Economy and Finance ^a
MSF	Doctors Without Borders ^a
MSPP	Ministry of Public Health and Population ^a
ONM	National Office for Migration ^a
PADF	Pan-American Development Foundation
PIH	Partners in Health
PREPOC	Post-COVID-19 Economic Recovery Plan ^a
PRIPS	Southern Peninsula Integrated Recovery Plan ^a
PNPPS	National Policy for Social Protection and Promotion
SIMAST	Information System of the Ministry of Social Affairs and Labor
UN	United Nations
WFP	World Food Program

^a by its acronym in French

PROJECT SUMMARY
HAITI
PROGRAM TO STRENGTHEN SAFETY NETS FOR VULNERABLE POPULATIONS
(HA-J0005)

Financial Terms and Conditions						
Beneficiary						
Republic of Haiti			Amortization Period:	N.A.		
Executing Agency			Disbursement Period:	3 Years		
Social and Economic Assistance Fund (FAES)			Grace Period:	N.A.		
Source	Amount (US\$)	%	Interest rate:	N.A.		
IDB (Grant Facility for Haiti):	60,000,000	100	Credit Fee:	N.A.		
			Inspection and supervision fee:	N.A.		
			Weighted Average Life (WAL):	N.A.		
Total:	60,000,000	100	Currency of Approval:	U. S. dollars		
Project at a Glance						
<p>Project Objective/Description: The general objective of the Project is to contribute to reducing food insecurity and to increasing the medium- and long-term resilience among vulnerable populations in Haiti. The specific objectives are: (i) to provide temporary income to individuals living in food-insecure areas; (ii) to improve access to basic health and other social services for vulnerable households living in fragile neighborhoods; (iii) to assist Internally Displace People (IDPs), manage return migration, and assess migrants needs; and (iv) to strengthen the capacity to target and monitor safety net programs by improving information systems.</p>						
<p>Special Contractual Condition prior to the first disbursement of the financing: the Beneficiary through FAES, shall have presented evidence to the satisfaction of the Bank of the designation of key personnel for the execution of the program including a program coordinator, an accountant, and a procurement specialist (¶3.5). Also, see special contractual condition prior to first disbursement included in Annex III, Section II.</p>						
<p>Special Contractual condition prior to the first disbursement of Component 1: (i) prior to the first disbursement related to the unconditional transfers of Component 1, the Beneficiary, directly or through FAES, shall have presented evidence to the satisfaction of the Bank of the draft contract to be signed with the World Food Program (WFP); (ii) prior to the first disbursement related to the conditional transfers of Component 1, the Beneficiary, directly or through FAES, shall have presented evidence to the satisfaction of the Bank of the draft contracts to be signed with Association Volunteers for International Services (AVSI), CARE, Center for International Studies and Cooperation (CECI), Pan-American Development Foundation (PADF), and VIVARIO (¶3.6).</p>						
<p>Special Contractual condition prior to the first disbursement of Component 2: the Beneficiary, directly or through FAES, shall have presented evidence to the satisfaction of the Bank of the draft contracts to be signed with Group for the Study of Kaposi's Sarcoma and Opportunistic Infections (GHESKIO), and Partners in Health (PIH) (¶3.7).</p>						
<p>Special Contractual condition prior to the first disbursement of Component 3: the Beneficiary, directly or through FAES, shall have presented evidence to the satisfaction of the Bank of the draft contracts to be signed with the International Organization for Migration (IOM) (¶3.8).</p>						
<p>Special Execution Condition: Prior to the payments to the beneficiaries of the cash transfers included in Component 1 of the Program by the Specialized Operators, the Beneficiary, through FAES, shall have presented to the Bank's satisfaction, evidence that the Program Operations Manual (POM), previously agreed upon between the Bank and the Beneficiary, has been approved and has entered into effect (¶3.9).</p>						
<p>Exceptions to Bank Policies: None.</p>						
Strategic Alignment						
Challenges^(a):	SI	<input checked="" type="checkbox"/>	PI	<input type="checkbox"/>	EI	<input type="checkbox"/>
Cross-Cutting Issues^(b):	GE	<input checked="" type="checkbox"/>	DI	<input type="checkbox"/>	CC	<input checked="" type="checkbox"/>
					ES	<input type="checkbox"/>
					IC	<input checked="" type="checkbox"/>

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

^(b) GE (Gender Equality) and DI (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 addressed, and justification

- 1.1 **Haiti faces acute vulnerabilities.** Natural disasters, social and political instability, and the multiple economic and social consequences of COVID-19 have increased Haiti's vulnerabilities and fragility,¹ stifling the Haitian economy and its population's living standards. Most definitions of fragility refer to a combination of exposure to risk and insufficient coping capacity of the state to manage them. Fragile countries have limited capacity to mitigate and respond to social, economic, and political shocks, which results in worse quality of life and livelihoods for the population. For example, since 2018, Haiti has faced several lockdowns first due to fuel shortages, high prices and political protests. 2019 was marked by escalating unrest and a two-month country shutdown (the Peyi-Lòk), which halted economic activity and led to the suspension of school classes and shortages of fuel, water, food, and medicines. 2020 was marked by the March-June closures to contain the spread of COVID-19 which, according to Johns Hopkins University, resulted in 31,301 accumulated confirmed cases and 837 deaths as of June 25th, 2022, in the country. Since 2021, insecurity and gang presence have worsened, fueling crime and kidnappings² and causing internal displacement to safer areas.³ Furthermore, Haiti is the third most vulnerable country in the world to earthquakes and extreme weather⁴: on August 14th, 2021, a 7.2 earthquake affected the southern peninsula, followed two days later by tropical storm Grace, both resulting in 2,246 deaths and US\$1.6 billion in estimated damages.
- 1.2 **Macroeconomic context.** The compounded effect of these events and limited capacity of the state to mitigate their effects led to GDP contractions of 1.7%, 3.3% and 1.8% in Fiscal Year (FY) 2019, 2020, and 2021. FY2022's economic performance is expected to be marginally better – with 0.3% growth - but will be determined by the evolution of the sociopolitical context, international geopolitical tensions, and the implementation speed of the earthquake reconstruction program. The recent fuel subsidy reduction implemented by the Government of Haiti (GoH) to reduce fiscal deficit, together with higher international food and fuel prices, are compounding inflation - measured at 27.8% annually in May 2022. Inflation and the depreciation of the Haitian Gourde (HTG - reaching 113.6HTG/US\$ as of June

¹ Haiti's [Fragility States Index](#) deteriorated in recent years, ranking between 11th and 13th out of 179 countries since 2010.

² The Center for Analysis and Research on Human Rights (CARDH) registered 225 kidnappings during Q1 of 2022, a 58.5% increase compared to Q1 of 2021. The [UN reports](#) 540 kidnappings and 782 homicides in the January-to-May 2022 period, compared to 396 kidnappings and 628 homicides during the previous five months.

³ <https://reliefweb.int/report/haiti/systeme-dalerte-precoce-pour-les-deplacements-zone-metropolitaine-de-port-au-prince-9-15-juillet-2022>.

⁴ https://germanwatch.org/sites/default/files/Global%20Climate%20Risk%20Index%202021_1.pdf and <https://blogs.iadb.org/sostenibilidad/fr/que-peut-on-faire-pour-soutenir-la-preparation-et-la-reponse-aux-catastrophes-en-haiti/>.

26th, 2022, a 13.5% devaluation since January 2022)⁵ have been eroding the purchasing power of households.

- 1.3 **Increasing prices of basic food items.** According to market analysis conducted by the Famine Early Warning System Network (FEWSNET) and the National Food Security Coordination (CNSA), as of May 2022 prices of imported rice, oil, flour, and corn increased by 40%, 88%, 68%, 45% year-on-year, and by 11%, 19%, 25%, and 18%, respectively, since February 2022. Meanwhile, prices of locally produced corn and black beans increased by 59% and 27% respectively compared to last year, and by about 30% and 14% since February 2022. See [OEL#2](#).
- 1.4 **Problem to be addressed.** The intertwined crises have impacted households' income and purchasing power negatively, curbing their consumptions and access to basic services and resulting in increased food insecurity. As further challenge, public institutions have limited systematic and reliable data about the socioeconomic condition of potential beneficiary households, hampering effective design and improvement for social protection interventions.
- 1.5 Specifically, for the March-June 2022 period, CNSA estimated in the latest Integrated Food Security Phase Classification (IPC),⁶ that 4.5 million Haitians needed urgent food assistance (45% of the population). Climate change and maladaptive coping strategies⁷ are often drivers of chronic food insecurity. Households living in areas exposed to drought, land degradation or climate shocks face recurrent obstacles in satisfying basic food needs. Based on that IPC,⁸ the following areas are most vulnerable to food insecurity: (i) priority #1, areas classified as Emergency (IPC level 4): the southwest side of the South department, the lower Northwest department, the High Plateau, Cité Soleil as well as communes classified as priority #2 during the September 2021 analysis but severely affected by the floods of January 30th and 31st, 2022; (ii) priority #2, areas classified as Crisis (IPC level 3); in the West department : Anse à Galet and Pointe à Raquette; in the Artibonite department: Ennery, Gros-Morne, Marmelade and Saint-Michel; the Grande-Anse, particularly the areas that were impacted by the August 2021 earthquake; the Nippes department; the North and North-East departments, the South in particular Les Cayes, the South East and in particular Belle-Anse, Grand-Gosier, Thiotte; and Anse à Veau, an area normally classified as IPC 2 (food insecurity prevalence low) but affected by the floods of January 30th and 31st, 2022.

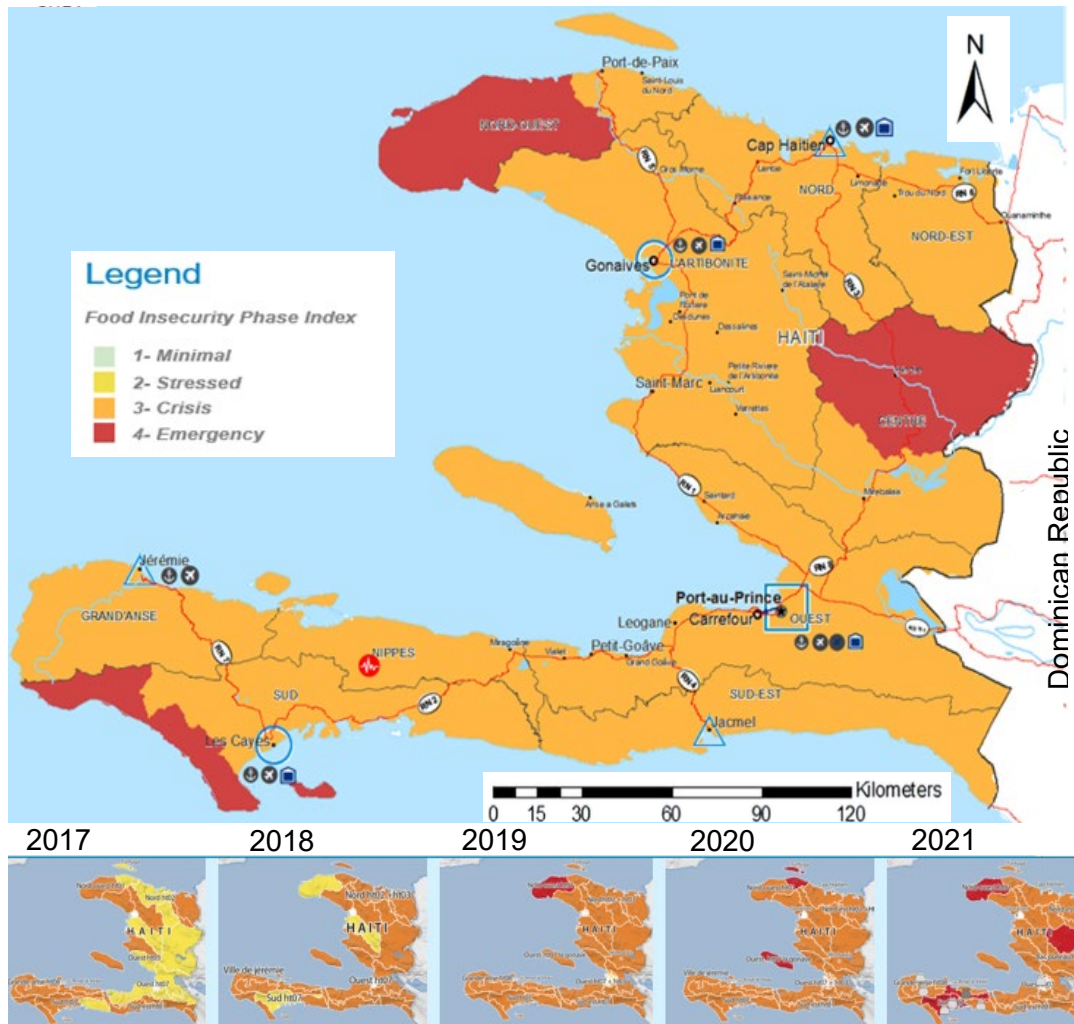
⁵ www.brh.ht.

⁶ The IPC, measured in Haiti by the CNSA, is a global scale for classifying the severity and magnitude of food insecurity and malnutrition along five levels: 1/Minimal, 2/Stressed, 3/Crisis, 4/Emergency, and 5/Famine. See <https://www.cnsahaiti.org/> and [OEL#3](#).

⁷ Defined as behavioral responses to food insecurity that people use to manage household food shortage but carry further negative impact, such as selling assets, or limiting access to basic services, CNSA (2020).

⁸ [March 2022 IPC Classification – Acute food insecurity in Haiti \(in French\)](#) and [OEL#3](#).

Fig. 1.1 – Geographical incidence of IPC classification, June 2022



Source: CNSA

- 1.6 Many vulnerable households are forced to prioritize the purchase of food, at the expense of access to basic health and social services.⁹ The supply of those services has also been constrained, as fewer actors are able to operate in insecure areas where publicly funded primary care facilities were already lacking.¹⁰ Although the impact of COVID-19 in Haiti was lower than expected its indirect consequences include a sharp decrease in the use and coverage of key services. As of June 2021, outpatient consultations were down by 34% compared to expected levels, and child immunizations for the first doses of the combined vaccine Penta had decreased by 21% from pre-pandemic levels.¹¹ The operation of regular health services had been increasingly dependent on non-governmental

⁹ Ruiz-Arranz et al., 2006.

¹⁰ According to the CNSA, food security has deteriorated in the West department, particularly in the gang-controlled areas of Cité Soleil, Martissant and La Saline. Doctors Without Borders (MSF) decided to [close its hospital in the area of Martissant](#) in August 2021 after 15 years of operations, followed by the decision on April 1st, 2022 to [also suspend all activities in Cité Soleil](#) quoting the lack of basic security for MSF personnel.

¹¹ [Indirect effects on maternal and child mortality from the COVID-19 pandemic: evidence from disruptions in healthcare utilization in 18 low and middle-income countries](#), Tashrik Ahmed, Timothy Robertson et al., The Lancet, September 2021.

and international partners since the 2010 earthquake, and the increased need for health personnel to respond to COVID-19 exacerbated budget gaps, as operating costs and unrest further hindered the regular operation of health facilities.¹² A recent analysis encountered that 50.4% of Haitians report not having access to health services when they need them and nearly half of women (47.8%) have no access to maternal care or family planning services.¹³ While localized assessments of access gaps are lacking, humanitarian actors have reported closures of medical centers, markets, and schools in the West department, which includes Port-au-Prince, specifically the communes and neighborhoods of Martissant, Croix des Bouquet, Gantier, and Fonds Verettes. Girls and women are particularly vulnerable to sexual and gender-based violence (SGBV).¹⁴ According to the Group for the Study of Kaposi's Sarcoma and Opportunistic Infections (GHESKIO),¹⁵ many women seeking their support in the Port-au-Prince area were forced to become sex workers to survive and meet the basic needs of their family, resulting at extremely high risk for human immunodeficiency virus (HIV), sexual assault, unintended pregnancy, or other related issues.¹⁶

- 1.7 Higher fragility has also increased the number of Internally Displaced Persons (IDP) seeking safer areas. IDPs have specific needs, starting from access to food and temporary shelters. Most eventually return to their neighborhoods or resettle to other areas. According to Doctors Without Borders (MSF), 19,000 people have been displaced in Port-au-Prince in recent months.¹⁷ The International Organization for Migration (IOM) reports that between July 9-15, 2022, alone 2,826 had to flee their neighborhoods due to conflicts between gangs. Moreover, stricter enforcement of controls in destination countries have resulted in more repatriations of Haitian migrants: 36,642 people were returned by air and sea between January 2021 and May 2022 - 17,013 in 2022,¹⁸ and IOM reports that an additional 63,989 Haitian migrants were repatriated from the Dominican Republic by land throughout 2021. Returnees included unaccompanied children and pregnant and nursing women who faced significant harm such as threats from smugglers and gangs, rape, or injuries.¹⁹ Return migrants are vulnerable in the more fragile context.²⁰ Upon return, they receive basic immediate assistance from organizations like the IOM or charities.²¹ The Ministry of the Interior and Territorial Communities (MICT), which oversees repatriations, has limited resources and lacks structured mechanisms to manage returns, assess returnees' immediate and longer-term needs and vulnerabilities and provide specific support.

¹² [Better Spending, Better Care](#), World Bank, June 2017; [Health Financing Profile, Haiti](#), The Policy Project, May 2016.

¹³ United Nations Entity for Gender Equality and the Empowerment of Women (UNWomen) and CARE, [Latin America and The Caribbean Rapid Gender Analysis for COVID-19](#), May 2020.

¹⁴ [The Humanitarian, February 7th, 2022.](#)

¹⁵ [GHESKIO is a Haitian NGO](#) founded in 1982 with the initial mandate of treating HIV patients; it now provides essential healthcare and support services, to 600,000 patients every year.

¹⁶ [Vocational Training for Vulnerable Women in Haiti](#), Cornell University Center for Global Health.

¹⁷ [MSF, Unbearable insecurity, April 2022, Reliefweb](#), May 2022, and the [OCHA report n.3](#) May 2022.

¹⁸ IOM [Migrant Return and Reception Assistance in Haiti](#), April 2022.

¹⁹ Based on voluntary registration records collected between October 2021 and February 2022, 20% of repatriated migrants-including more than 2,900 children- were born outside of Haiti. [OEL#8](#) (IOM, 2022).

²⁰ [The same IOM 2022 study](#) shows that migrants fund a migration journey by sea mostly borrowing from friends or family; meaning that returning migrants likely fall into the poorer segments of society.

²¹ IOM provides food and beverage, cash assistance (up to US\$120 per person), phone access to contact family and friends, hygiene kits, counseling services, first aid on-site at airports.

- 1.8 Social registries and safety nets management tools need to be strengthened to improve policy design and results monitoring. The main Social Registry of the Ministry of Social Affairs and Labor (MAST), called [SIMAST](#) collects households' data used allowing to calculate the National Deprivation and Vulnerability Index (INPV) for targeting. It covers 30% of the population and is expected to reach 35% by end of 2022; moreover, data must be updated periodically. In terms of management, FAES, under previous Bank-funded operations and in partnership with the firm DIMAGI, has adopted the open source Commcare solution and deployed it nationwide. Commcare is a social protection management tool to register beneficiaries, assign interventions to them (e.g., cash for work, cash transfers), track transfers and automatize reporting, among other functionalities, allowing verification and transparency.²² With half of the Haitian population in a situation of food insecurity, both the expansion of SIMAST (to phase-out ad-hoc targeting mechanisms), and its interoperability with Commcare are a priority. See [OEL#4](#). In the case of returnees and IDPs, more structured data needs to be collected to better assess their needs and understand the phenomena.
- 1.9 **Government response to increasing food insecurity, internal displacement and return migration.** The GoH has approved the post-Covid-19 Economic Recovery Plan (PREPOC) 2020-2023. Human development, social inclusion, and food security are key components of this plan with 26% of the budget allocation. According to the CNSA, 1.6 million people (320,000 households) received cash/in-kind transfers during 2021, because of governmental, international, and non-governmental actors' efforts. Additionally, following the August 2021 earthquake, the GoH approved the Southern Peninsula Integrated Recovery Plan (PRIPS)²³ and in early 2022 international partners pledged to provide US\$600 million (30% of the financing needs), and the GoH would contribute HTG2.5 billion (approximately US\$22 million) per year over four years. Social protection has also been highlighted in the FY2022 state budget, allocating HTG3 billion (0.2% of GDP) to fund social initiatives between April and September 2022. In total, the GoH allocated HTG42.4 billion (23.4% of total budget expenditure) to social sectors. The GoH has also mobilized partners like the IOM, which has been providing basic support upon return and has underlined the importance of assisting IDPs and returnees in international fora.²⁴
- 1.10 Through FAES and with Bank support, the GoH has deployed multiple social protection initiatives: (i) under "Safety Nets for Vulnerable People Affected by Coronavirus in Haiti" ([5068/GR-HA – as August 24th, 2022, 100% of the operation has been disbursed; the operation is now in its final phase of execution](#)),²⁵ FAES provided transfers to 694,000 people since 2020, successfully piloted assistance programs to 815 women exposed to SGBV and their households, and delivered school meals to 100,000 children; (ii) under "Expansion of Safety Nets for

²² The solution is the first of its kind in Haiti. Commcare is used by FAES and multiple operators allowing the GoH to track social protection deployment and access project data without depending on proprietary or implementing partners' ad hoc systems. New features (beneficiaries' biometric data, interoperability with operators of mobile transfers, e.g., Moncash, Lajancash) are gradually being added. See this [overview of the Commcare solution](#) and this [description of how Commcare has been supporting FAES](#).

²³ The post-disaster needs assessment amounted to US\$1.6 billion (9% of GDP).

²⁴ <https://www.haitilibre.com/article-34797-haiti-crise-migratoire-le-gouvernement-appelle-a-la-solidarite-avec-nos-compatriotes-en-difficulte.html>.

²⁵ Approved on July 8th, 2020, for US\$60 million.

Vulnerable Populations Affected by the Socio-Economic Consequences of Coronavirus” ([5288/GR-HA – as of August 24th, 2022, 47.14% of the operation has been disbursed and transfers are ongoing](#)),²⁶ FAES is providing unconditional cash transfers to 270,000 people, conditional transfers to 60,000 people, human capital development support to 5,000 women exposed to SGBV and their households, and school meals to 115,000 children. These operations have contributed, jointly, to the incorporation of 70,000 households (350,000 people) into SIMAST. To successfully deliver large-scale social protection, FAES contracted specialized agencies and Nongovernmental organizations (NGO) (¶1.16).²⁷ Additionally, FAES is continuing the execution of the “Temporary Social Safety Net and Skills for Youth Program” ([4657/GR-HA – as of August 24th, 2022, 40.45% of the operation has been disbursed and implementation is ongoing](#)),²⁸ which funds cash for work and skills development for youth. The operation will have supported 395 neighborhoods-improvement small work projects throughout Haiti by 2024, of which 105 already completed, provided temporary income to a total of 27,600 beneficiaries, and demand driven vocational training to 1,700 youngsters.

- 1.11 **Strategy of the proposed operation.** The proposed operation will seek to continue the progress made under operations [5068/GR-HA](#), [5288/GR-HA](#) and [4657/GR-HA](#), replicate the same successful modalities, and aim to reduce food insecurity among vulnerable populations, while also contributing to their medium- and long-term resilience. The strategy includes two main types of interventions: (i) unconditional or conditional cash transfers focused on resilience to climate shocks; and (ii) unconditional cash transfers and complementary services targeting residents of highly fragile areas, in particular women. Both interventions will target the country’s areas with the highest food insecurity, according to IPC classification (priority #1, priority #2 or other areas of concerns ¶1.5). Within the highest food insecure areas, those facing emergency levels and immediate critical needs will be assisted through unconditional transfers. Within selected areas, targeting of the most vulnerable will be based on criteria that include: size of the household, single-parent household, presence of people with disabilities (PwD) or older adults, children under five, among others. Considering Haiti’s deteriorating context, the program will adopt a fragility-sensitive approach, ensuring adaptive management and the engagement of specialized United Nations (UN) agencies and NGOs with country-specific expertise. The operators identified have demonstrated effectiveness and the capacity to rapidly execute new resources (see ¶3.3, ¶3.11 to ¶3.18). A mid-term evaluation will help identify implementation adjustments that might be needed.
- 1.12 Unconditional cash transfers will start in January 2023 and target 40,000 beneficiary households (200,000 individuals), additional to the beneficiaries of current cash transfers ([5288/GR-HA](#)). To ensure rapid implementation, the intervention will be executed through World Food Program (WFP), who will identify the specific intervention areas based on funding availability, applying the stated targeting criteria, and crossing information about other social protection programs and donor activities. Beneficiary households will

²⁶ Approved on June 23rd, 2021, for US\$70 million.

²⁷ See [OEL#5](#) for: (i) a geographical overview of the cash transfers implemented by the WFP under [5068/GR-HA](#); (ii) the ongoing cash transfer implementation under [5288/GR-HA](#); and (iii) Bank supported FAES contributions to the World Food Program (WFP).

²⁸ Approved on November 7th, 2018, for US\$40 million.

be selected through SIMAST ([OEL#4](#)) when data becomes available, or through a community identification process until then.²⁹ The transfers will cover the food needs of beneficiary households over a four-month period.³⁰ The implementation will continue to incorporate WFP established grievances management mechanism such as the hotline ([OEL#11](#)).

- 1.13 Considering that most of the country is exposed to climate shocks- a key driver of food insecurity-, FAES will also implement transfers conditional on the participation in small works aiming to create, restore, and maintain community assets to increase resilience to climate change, as well as to develop, restore, and maintain small and basic infrastructure.³¹ Beneficiary households will be selected through a community driven process and payments will be made based on the number of days a household member works in the small project. To ensure rapid implementation, the intervention will replicate the consolidated modalities of [4657/GR-HA](#) and will be implemented by the same specialized NGOs, applying the same on-site safety and security good practices ([OEL#10](#)), and the same grievances management mechanism ([OEL#11](#)). The NGOs are: (i) the Association of Volunteers for International Service (AVSI) – in Cité Soleil and Martissant, the South department and parts of the North and North East departments; (ii) Center for International Studies and Cooperation (CECI) – also for the North and North East departments; (iii) CARE – for the North-West and the Center departments; (iv) Pan-American Development Foundation (PADF) – for the Nippes departments and parts of the West department; and (v) VIVARIO – also for the West Department in particular the areas of Port-Au-Prince most affected by growing fragility. Final selection of communes will be based on (i) the IPC classification update expected in September 2022; (ii) level of climate shocks exposure; and (iii) updated consultations with other donors and partners. FAES will finalize the map of interventions with the implementing partners and inform the Bank prior to implementation kick-off. The conditional cash transfers will benefit a total of 12,000 households (60,000 individuals) through 170 small works projects throughout Haiti. The partner NGOs will facilitate the consultative process to identify the small works with the highest impact on community resilience, promoting an approach that reinforces positive spillovers ([OEL#7](#)). Disaster and Climate Change Risk Classification (DCCRC) of the intervention is Moderate and related to tropical storm, hurricane, and earthquake exposure. A disaster risk assessment aligned with the IDB methodology will be conducted to determine appropriate mitigation measures once the consultative process and small works prioritization have concluded and will establish the need for in-depth qualitative analysis depending on identified risks.³²

²⁹ Such as the frequency listing or use of an ad hoc targeting survey in coordination with the beneficiary community.

³⁰ As of April 2022, based on the minimum number of 2,100 kcal intake per day per person, the average monthly nominal cost of the food basket was 18,018 gourdes per month for a family of five people. Based on the market analysis, the CNSA and CTWG currently recommend using US\$100 as the reference monthly for the cash-transfer programs around the country. This recommended figure can vary depending on the food basket price. See: http://www.cnsahaiti.org/Web/Food_Basket/2022/Panier%20alimentaire%20mai%202022%20version%20finale.pdf.

³¹ Such projects include watershed management, soil restoration, greenhouses, reforestation, irrigation infrastructure. Small social and economic impact projects include rehabilitation and maintenance of public roads, construction/improvement of community spaces, construction and/or rehabilitation of water kiosks, installation of new solar streetlights ([OEL#7](#)).

³² [IDB methodology](#).

- 1.14 In food insecure areas that have seen a deterioration of access to basic health and social services, unconditional cash transfers will be accompanied by the provision of such services. FAES will contract GHESKIO and Partners in Health (PIH) to ensure rapid deployment, as these NGOs have been successfully providing, respectively, cash transfers and complementary services under [5068/GR-HA](#) and [5288/GR-HA](#), and implemented a large scale COVID-19 response, including health and social assistance under a separate Bank-funded operation with the Ministry of Health and Population (MSPP).³³ GHESKIO will target the most vulnerable beneficiaries of the West department who approach its healthcare centers and will implement an outreach campaign in the most fragile areas such as the *bidonvilles*; PIH will target the most vulnerable beneficiaries in the Center and the Artibonite departments - thanks to its Haitian operations network based in the University Hospital of Mirebalais. Depending on the evolution of the security context, PIH will also reach the most vulnerable through mobile clinics and partnerships with local healthcare centers in the North department and throughout the Southern peninsula of Haiti, replicating their successful modality to respond to the August 2021 earthquake. GHESKIO and PIH interventions will reach 110,000 beneficiaries thanks to the transfers provided to 22,000 individuals, 80% of which will be women.³⁴ Beneficiaries will be selected through a community identification process based on explicit selection criteria. Transfers will meet the food needs of beneficiary women and their households for a two-month period, complemented by in-kind transfers such as specialized social, psychosocial, medical, nutritional and reinsertion services, depending on a systematic needs-assessment of the beneficiary and her/his household ([OEL#12](#)).
- 1.15 The operation aims at building the GoH's capacity to address the increasing return migration and IDPs by strengthening the specialized public agencies that can analyze data about all migrants, their needs, manage returns according to adequate protocols, develop coherent social protection and reintegration responses, and rapidly deploy assistance, with an adaptive management approach. To ensure rapid implementation, the activities will be executed by the IOM which has been working closely with the MICT, the National Office for Migration (ONM) and the Ministry of Foreign Affairs and Cults (MAEC). The IOM will be responsible for strengthening the GoH's IDPs assistance platform, design and implement protocols to support returnees, gradually handing over responsibilities to the strengthened Haitian counterparts. [OEL#8](#) provides a technical overview of the intervention.
- 1.16 **Evidence, bank experience and lessons learned.** Cash transfers have been proven effective to support food security and consumption among the most vulnerable and cope with the effects of shocks and emergencies.³⁵ The analysis of twenty years of implementation of cash-transfer programs in the region³⁶ considers geographic targeting as good practice in areas with high poverty incidence and a homogeneous socio-economic structure. Hence targeting for this operation will be geographic based on IPC. Component 4 will include activities to

³³ [Amendment to Grant Agreements 3383/GR-HA and 4618/GR-HA](#), approved on July 14th, 2020, and implemented between November 2020 and April 2022.

³⁴ The cash transfers are in line with the CNSA recommendations on food security, The complementary services are adapted to the needs of the household, thus reaching the entire household.

³⁵ Watson, C. et al. (2017).

³⁶ Ibararán, P et al. (2017).

- strengthen SIMAST and FAES's Commcare monitoring, and payment systems, in line with the recommendations of IDB's Social Protection and Poverty sector framework document, which identifies these tools as fundamental for shock responsive social protection systems. Lessons learned from the Bank funded FAES portfolio, ([4657/GR-HA](#)) indicate that hiring specialized operators allows to effectively implement large-scale transfers in a context of increased fragility. Additionally, experience under grant [5288/GR-HA](#) revealed the need to adjust transfer amounts depending on the evolving cost of the food basket and that digital technologies, including wherever possible, mobile payment make cash-transfer processing more efficient. These three lessons are applied to Component 1 and 2.
- 1.17 A preliminary evaluation of [4657/GR-HA](#) based on in-dept interviews of stakeholders indicates that cash for work programs have positive spillovers beyond increased income and consumption for the beneficiaries. The consultative, community-driven identification of the small works fosters fewer grievances, higher community engagement, collaboration among participants, and mobile payments enhance financial inclusion of the beneficiaries while lowering interference from local gangs. Component 2 will therefore replicate both the participatory modalities and use of mobile transfers ([OEL#6](#)).
- 1.18 Emerging evidence on transfers conditional on small works related to environmental assets suggests that these transfers enable households to meet their immediate needs and improve food consumption in the short term,³⁷ and that they can strengthen livelihoods of vulnerable households in the medium term through community assets.³⁸ The literature identifies three main success factors: (i) community participation in prioritizing assets; (ii) concentration and combination of assets of different types in well-defined areas to reinforce synergies, avoiding dispersed, isolated projects; and (iii) structures for asset management, to ensure sustainability. Therefore, conditional cash-transfer activities will be circumscribed to specific areas of the targeted departments, and the partner NGOs will apply participatory processes to identify assets, with emphasis on environmental works, and support local asset management and control committees.
- 1.19 Finally, randomized evaluations show that targeting women for transfers increases the level and quality of household food expenditures³⁹ and empowers women.⁴⁰ Preliminary review of pilot activities under [5068/GR-HA](#) found that transfers are effective in reducing SGBV by improving economic security and emotional well-being; reducing domestic conflict; and improving women's empowerment.⁴¹ Evidence shows that comprehensive support is needed for women survivors of GBV in Haiti.⁴² For these reasons, Component 2 includes specific activities that focus on vulnerable women and complement transfers with medical, psychosocial, nutritional, and reinsertion services, addressing barriers on the supply side.⁴³

³⁷ [Policy Research Working Paper No.9474](#), World Bank, 2020.

³⁸ Hidrobo et al (2018).

³⁹ Attanasio, O. et al. (2020).

⁴⁰ Almås, I. et al. (2018).

⁴¹ Buller et al. (2018).

⁴² Deschamps, et al. (2019).

⁴³ <https://reliefweb.int/report/world/cash-or-kind-why-not-both-response-analysis-lessons-multimodal-programming>.

- 1.20 **Coordination with IDB funded complementary interventions.** The program is part of the Bank's portfolio to support social protection of the most vulnerable in Haiti. It builds on [4657/GR-HA](#) (a social protection and skills for youth program), incorporates the lessons learned of [5068/GR-HA](#), a social protection operation in response to COVID-19 in its final stage of execution, and constitutes a scaling up and adaption of the second COVID-19 response operation [5288/GR-HA](#) (under execution). It also attends emerging needs due to the worsening fragility, in terms of food insecurity, tackling vulnerability to climate shocks as its main driver, and the growing numbers of IDPs and return migrants. The program also incorporates, through the engagement of PIH, lessons learned from the reformulation of US\$27 million⁴⁴ (fully executed) and complements operation [5422/GR-HA](#) on food security for rural households, including farmers, fishers, seafood merchants and rural workers.
- 1.21 **Coordination with other multilateral and/or donor agencies.** The IDB is one of multiple donors that support social protection and cash transfers in Haiti. Other key partners include the United States Agency for International Development (USAID), Global Affairs Canada, the Swiss Cooperation, Korea International Cooperation Agency (KOICA), the World Bank and the Finnish International Development Agency. Donors regularly coordinate through the *table sectorielle*. Coordination of the conditional and unconditional transfers also relies on the consolidated Cash Transfer Working Group (CTWG)⁴⁵. The CTWG ensures standardization of the transfer values in line with the evolution of the food basket price, and donor coordination during the response to emergencies. WFP also ensures coordination among the donors that support its country strategy, delivering frequent reports to FAES and the Bank⁴⁶ that detail how transfers are distributed throughout the country ([OEL#5](#)).
- 1.22 **Strategic alignment.** The program is consistent with the Second Update to the Institutional Strategy (AB-3190-2), aligned with the development challenge of Social Inclusion and Equality through support for food security and welfare for the most vulnerable. The program is also aligned with the cross-cutting themes of: (i) Gender Equality by including specific activities to respond to the needs of vulnerable women in fragile areas; (ii) Climate Change by providing transfers to increase food security and restore or create environmental assets to respond to climate shocks as important drivers of chronic food insecurity; and (iii) Institutional Capacity and Rule of Law by strengthening national information systems to target the most vulnerable and by building institutional capacity to manage all migration. Additionally, the program will contribute to the Corporate Results Framework (CRF) 2020-2023 (document GN-2727-12) by increasing beneficiaries of health services (CRF indicator 2.2), by increasing the number of beneficiaries of targeted anti-poverty programs (CRF indicator 2.3), by supporting migrants and their host communities (CRF indicator 2.6), by increasing the beneficiaries of enhanced disaster and climate change resilience (CRF indicator 2.20), by increasing investments in resilient and low-carbon infrastructure (CRF indicator 2.23), and by

⁴⁴ Footnote 33.

⁴⁵ The CTWG includes representatives of multilateral organizations (e.g., IDB and the WB), other donors, the main NGOs and UN agencies operating in Haiti - including all FAES' operators.

⁴⁶ IDB funded GoH programs are the main source of WFP funding, along with USAID programs. See: [WFP – Haiti Resource Situation as of June 27, 2022](#).

strengthening the digital technology and managerial capacity of the executing agency (CRF indicator 2.26).

- 1.23 The program is aligned with the Haiti Country Strategy 2017-2021 (GN-2904) which is in effect, contributing to the objective of improving maternal and early childhood health by reducing maternal mortality and mortality of children under five. It is consistent with: the Sector Framework on Social Protection and Poverty (GN2784-7), through the provision of shock-responsive income alleviation programs; with the Sector Framework on Health (GN-2735-12) by providing healthcare services to the most vulnerable; with the Sector Framework on Food Security (GN-2825-8) by tackling food insecurity; with the Sector Framework on Gender and Diversity (GN-2800-8), and the Update of the Action Plan on Diversity (GN2531-19) by targeting the most vulnerable in particular women and people with disability; and the Climate Change Sector Framework Document (GN-2835-8), by targeting communities and households that are highly vulnerable to climate change and providing transfers for the restoration and creation of environmental assets that increase climate resilience. The program is included in the Annex III of the 2022 Operational Program Report (GN-3087). The operation is also consistent with the government's PREPOC 2020-2023, with PRIPS and with the government's National Policy for Social Protection and Promotion (PNPPS). Finally, it is consistent with the 2022 International Monetary Fund's Staff Monitored Program, by supporting FAES's institutional capacity and by improving the design and implementation of cash-transfer programs and social protection.
- 1.24 **Contribution to climate change adaptation.** The program contributes towards climate change adaptation and resilience, by tackling food insecurity of the most vulnerable through transfers and thereby limiting the adoption of negative coping strategies and by incorporating cash for work interventions that have the objective to reinforce food security while building resilience to climate shocks. Therefore, the program builds both absorptive and adaptive climate resilience.⁴⁷ It is estimated that 72.82% 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. See [OEL#9](#) for further details.

B. Objective, components, and cost

- 1.25 **Objectives.** The general objective of the Project is to contribute to reducing food insecurity and to increasing the medium- and long-term resilience among vulnerable populations in Haiti. The specific objectives are: (i) to provide temporary income to individuals living in food-insecure areas; (ii) to improve access to basic health and other social services for vulnerable households living in fragile neighborhoods; (iii) to assist IDPs, manage return migration, and assess migrants needs; and (iv) to strengthen the capacity to target and monitor safety net programs, by improving information systems.

⁴⁷ Absorptive capacity refers to the ability of social protection systems to smooth consumption and protect incomes and their sources while adaptive capacity is the ability to diversify livelihoods, promote income opportunities, and protect from asset-degrading strategies (WFP, 2019).

- 1.26 **Component 1. Temporary income in food insecure areas through unconditional cash transfers and conditional cash-transfer projects focused on climate resilience (US\$40 million).** To tackle the increasing food insecurity of areas with the highest levels of IPC classification and of areas highly exposed to climate shocks, FAES will hire WFP and five specialized NGOs – AVSI, CARE, CECI, PADF and VIVARIO. The component will finance unconditional cash transfers (§1.12) – managed by WFP, as well as cash for work programs (conditional cash transfers §1.13) – executed by specialized NGOs, focusing on the creation, restoration, and maintenance of community assets to increase climate resilience, as well as the development, restoration, and maintenance of small and basic infrastructure.⁴⁸ Beneficiaries of the unconditional cash-transfer programs will receive four monthly transfers adequate to cover at least 50% of the monthly value of the basic food basket for a household of five people, based on the recommendations of the CNSA. Beneficiaries of the cash for work program will receive transfers for a period of 3 to 6 months, depending on the magnitude of the project identified by the community and to which they are assigned.⁴⁹ The component will also finance: (i) the targeting, identification, and selection of the beneficiaries receiving the unconditional and conditional transfers by the respective operator; (ii) the community-based selection and prioritization of the community assets intervention under the cash for work program as well as the purchase of materials and supplies and the technical support for such works; (iii) the delivery of the cash transfers; (iv) the registration of all beneficiaries, the monitoring of the intervention and the verification of transfers through the Commcare-based system, gradually using new functionalities to be added to Commcare (see Component 4); and (v) the respective operator's administration fees.
- 1.27 **Component 2. Access to basic health and social support for residents of fragile areas (US\$13 million).** To tackle food insecurity and lack of access to basic health and social services in fragile neighborhoods,⁵⁰ FAES will engage GHESKIO and PIH to provide such services and complementary cash transfers. Beneficiaries will receive at least two cash transfers, based on the recommendations of the CNSA, adequate to cover at least 50% of the monthly value of the basic food basket for a household of five people, and in-kind transfers consisting of a set of basic health and social services tailored through a specific health risks and needs assessment.⁵¹ Funding will cover: (i) the targeting, identification, and selection of beneficiaries; (ii) the design and implementation of outreach and communication campaigns; (iii) needs, health and social risk assessment for the targeted households; (iv) the delivery of basic family interventions such as healthcare, social, psychosocial, nutritional services, basic vocational training in line with household assessment; (v) cash transfers through mobile payment mechanisms or cash in envelope (depending on feasibility for

⁴⁸ Table 2.1 below for a breakdown of funds allocation and [OEL#7](#) for details.

⁴⁹ The average total remuneration to each beneficiary of the cash for work programs is expected to be equivalent to the total value paid to the beneficiaries of the unconditional cash transfers.

⁵⁰ This component targets food insecure areas that have limited access to basic health and social services, specifically the West, Center and Artibonites *Départements*. Other areas may be assisted through mobile clinics and local partnerships. See §1.14.

⁵¹ The average total value of the cash transfers (two transfers) and in-kind transfers to each beneficiary is expected to be equivalent to the total value paid to beneficiaries of Component 1 through four transfers, to ensure equity, and subject to the same updating mechanisms.

each area); (vi) the registration of all beneficiaries, the monitoring of the intervention and the verification of transfers, through the Commcare-based system; and (vii) the operator's administration fee.

1.28 **Component 3. Social protection to IDPs and management of return migrants (US\$2.5 million).** To improve GoH capacity to assess internal displacement, assist IDPs, and manage return migration, FAES will hire IOM for: (i) the strengthening of the institutional capacity of the MICT and specialized public agencies to gather, analyze and exchange data on IDPs and migration flows, including migrants characteristics;⁵² (ii) the design and implementation of mechanisms to assist IDPs; (iii) the design and implementation of procedures and protocols to assist returnees; this includes the registration of return migrants into the Commcare-based platform and their households data, if feasible, into SIMAST; and (iv) the design of screening mechanisms to identify extremely vulnerable migrants (e.g., women victim of GBV, unaccompanied and separated children, potential victims of gangs and other forms of abuse and/or violence) and reinsertion programs⁵³ ([OEL#8](#)).

1.29 **Component 4. Improvement and expansion of social safety net management systems (US\$3 million).** To strengthen the capacity to target and monitor safety net programs by improving information systems, FAES will hire DIMAGI and WFP. This component will finance: (i) expanding coverage of the SIMAST, updating currently included data and establishing interoperability between SIMAST and the Commcare-based platform. In particular: (a) data collection for SIMAST through home visits to the areas targeted by Components 1 and 2; (b) updating of SIMAST data through home visits in the areas already covered; (c) development and deployment of interoperability functionalities between SIMAST and the Commcare-based platform; and (d) incorporating functionalities in Commcare such as business analytics, interoperability with more payment networks, and the registration of biometric data. The component will also cover (ii) technical assistance to strengthen monitoring and evaluation of all interventions using Commcare-based reports and the respective operator's administration fees where applicable.

1.30 **Program Administration (US\$1.5 million).** This item will finance: (i) the cost of project coordination, supervision, accounting, procurement; financial management and administration; (ii) external evaluations including a mid-term evaluation and a final evaluation; (iii) financial audits; and (iv) operating costs.

1.31 **Beneficiaries.** The actions proposed in this operation will target individuals affected by high levels of food insecurity, with approximately 74,000 vulnerable households as expected beneficiaries, equivalent to 375,000 people.

C. Key results indicators

1.32 **Expected outcomes.** The main expected outcomes are to smooth food consumption and demand for other basic needs for residents of fragile areas

⁵² Strengthening activities will include training about data collection, needs assessment modalities, the establishment of protocols, procedures, coordination meetings and platforms, and Commcare user training.

⁵³ For examples: needs-specific medical, social and psycho-social assistance, skills-based labor inclusion programs, skills-based entrepreneurial support programs, education/vocational training.

exposed to food insecurity and climate shocks and with limited access to services – and strengthen the institutional capacity to manage return and internal migration.

- 1.33 **Economic viability.** The economic rationale for the proposed actions is based on the economic effects of policies that protect consumption and income levels and reduce food insecurity. Potential benefits include the economic multiplier of transfers and consumption smoothing. Based on the foregoing, a benefits-costs analysis was conducted, rendering a Net Present Value (NPV) of US\$1.2 million in the base case scenario, suggesting that the program is economically beneficial ([EOL#1](#)). The results are robust to the sensitivity analysis, which considers different assumptions on program effectiveness and discount rate. The results can be considered a lower bound; they do not account for the effects of the creation of community assets and the direct complementary support to vulnerable households.

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\$60 million. The instrument of the Investment Grant is considered appropriate since it is an operation with a fully defined scope whose components cannot be divided without affecting its logic. The disbursement period will be 36 months, based on the lessons learned from similar interventions under [4657/GR-HA](#) and [5288/GR-HA](#). Yearly expected disbursements are shown in table 2.2 below.

Table 2.1 Summary of Program costs (in US\$)

Components	IDB	%
Component 1. Temporary income in food insecure areas through unconditional and conditional cash-transfer projects focused on climate resilience	40,000,000	66.67
• Unconditional cash transfers (operator: WFP)	25,000,000	
• Conditional cash transfers (operator: AVSI, CECI, CARE, PADF, VIVARIO) ⁵⁴	15,000,000	
Component 2. Access to basic health and social support for residents of fragile areas (Operators: GHESKIO and PIH)	13,000,000	21.67
• Transfers and complementary services in the West (GHESKIO)	5,000,000	
• Transfers and complementary services in other areas (PIH)	8,000,000	
Component 3. Social protection to IDPs and management of return migrants	2,500,000	4.16
Component 4. Improvement and expansion of social safety net management systems	3,000,000	5.00
• SIMAST expansion	2,700,000	
• SIMAST-Commcare interoperability	300,000	
Program Administration	1,500,000	2.5
Total	60,000,000	100

Table 2.2 Disbursement Projections (in US\$)

	Year 1	Year 2	Year 3	Total
IDB	25,000,000	25,000,000	10,000,000	60,000,000
%	41.67	41.67	16.66	100%

⁵⁴ Annex III for a detailed breakdown.

B. Environmental and social safeguard risks

- 2.2 Given that the program will not include large or complex infrastructure, but unconditional transfers and some conditional on the participation in small works such as restoration of environmental and community assets geared to climate change adaptation, the operation was classified as Category “C” as it is expected to cause minimal or no negative environmental or social impacts. Implementing operators of conditional transfers of Component 1 will present the list of specific small work selected through the consultative process with the communities. FAES will review it, ensuring that no activities that could be of Category “A” or “B” are included and seek the Bank’s no objection to approve the reviewed lists.⁵⁵ Once the list presented by each operator is approved by FAES and the Bank, each operator will present to FAES the health and safety measures corresponding to each project. Continuing the practice under [4657/GR-HA](#), FAES will conduct field inspections to ensure compliance with health and safety measures and will incorporate lessons learned such as continuous awareness building to ensure safety measure adoption. Due to the nature of the works and Haiti’s vulnerability to natural disasters the project is classified as moderate for disaster risk management policy. For Environmental and Social Performance Standards (ESPS) 1, 2 and 10, the Beneficiary will prepare an Environmental and Social Management System (ESMS) in accordance with the scope and nature of the expected minimum impacts and risks of the operation and considering the management system established under the local regulatory framework. To ensure that the operation remains in compliance with the IDB’s Environment and Social Policy Framework, FAES will collaborate with the operators of the conditional cash transfers to develop a clear communication and outreach plan, and detailed operational guidelines to implement the resilience activities and payments, adapting the current guidelines under [4657/GR-HA](#) and [5288/GR-HA](#).
- 2.3 The operation will generate significant positive social impacts through the activities related to climate change resilience in marginal neighborhoods.
- 2.4 FAES has strengthened its environmental and social management, its labor and working conditions in accordance with local legislation, and developed its capacity to identify, contract and supervise specialized operators that can implement social protection programs in particularly challenging areas of Haiti.

C. Fiduciary risk

- 2.5 FAES has provided timely justifications of expenses and clean audit reports, as the result of strengthening its procurement and financial units and improving procurement processes and financial management. Therefore, the Bank considers FAES overall risk to have decreased from medium to medium-low. Nevertheless, the approval of this operation will increase workload and the volatility of the country results in frequent strikes and office closures, which risks affecting the execution of activities delaying the replenishment of project accounts, affecting payments delivery and services to be beneficiaries. To mitigate these risks, the implementation of the operation relies on hiring specialized operators with exceptional qualifications, an established relation with FAES under the current

⁵⁵ [OEL#10](#).

IDB-funded FAES portfolio, and a proven track-record of timely, quality service and technical reports delivery. Additionally, and based on the most recent institutional assessment, FAES will recruit one procurement consultant, an accountant and two operations consultants to reinforce its procurement and financial management units and the management of Components 2 and 3, respectively. A second procurement consultant might be hired depending on business needs.

D. Other risks and key issues

- 2.6 The increase fragility of Haiti generates a high risk related to the social and economic environment which can be described as follows: if the social unrest and insecurity deteriorates, access to certain target areas could be limited which would result in implementation delays for Component 1 and 2 or the need to divert assistance to other areas. To mitigate this risk, FAES will adopt a fragility-sensitive approach, will rely on specialize operators with long-standing presence in Haiti and the demonstrated capacity to adapt their work to a volatile environment including in the most fragile areas. The second risk, classified as medium high, relates to the execution environment of the cash in envelope payment modality: if security deteriorates, the preparatory activities for the cash-in-envelope distributions might be delayed, which would result into grievances and complaints from the local beneficiaries. To mitigate this risk, FAES' implementing partners will coordinate the preparatory activities for the cash distributions ahead of time, will rely on the support of the Haitian National Police and Civil Protection, and, wherever possible, will use e-payment modalities. The third risk, classified as medium, also relates to the execution environment: if political instability worsens, a change of government leadership would affect FAES executive management, which could result into project execution delays. To mitigate this risk, FAES project team will be strengthened through training to ensure business continuity. A fourth risk, classified as medium-high, concerns the economic and financial environment: if inflation continues to increase, there could be disruptions into the food supply chain and products availability into the local markets, which would further limit the cash transfers recipients' access to basic food product. To mitigate this risk, FAES' specialized operators, through the CTWG mechanism, will monitor the food markets. If necessary, transfer amounts will be adjusted to ensure sufficient access to basic commodities and, in the event of serious and prolonged disturbances in local markets, food distributions may be considered, in which case the purchase of locally sourced products (including rice, beans/peas, oil, among others) will be prioritized. A fifth risk, classified as medium, referring to the executing environment is: if beneficiaries' selection is not implemented in a rigorous and objective way, non-eligible people would receive transfers resulting in diversion of resources to those not entitled. To mitigate this risk, the following measures are applied: WFP and selected NGOs apply targeting criteria pre-established by FAES and the Bank, in line with lessons learned from 5068/GR-HA and 5288/GR-HA; (ii) executing partners (WFP and NGOs) have established monitoring mechanisms; WFP has rigorous vetting and supervision processes for its partners and a zero tolerance policy for fraud ([OEL#13](#)); (iii) all beneficiaries are register into Commcare allowing FAES to monitor distributions; (iv) when possible, payments are made through mobile payments; (v) FAES implements supervision field visits; and (vi) information is exchanged on a regular basis with other donors, to identify potential situations of concerns.

- 2.7 **Sustainability.** This operation supports the efforts of Haiti to urgently respond to increasing food insecurity and fragility. A large-scale intervention is still not sustainable without the support of external financing. In this sense, the proposed strategy seeks to articulate with previous interventions financed by the Bank – [4657/GR-HA](#), [5068/GR-HA](#) and [5288/GR-HA](#) – by expanding assistance in areas exposed to food insecurity, and deepening the efforts to develop identification and payment mechanisms. It also articulates with interventions financed and executed by other development agencies (¶1.21) to provide continuity and sustainability to existing transfer mechanisms. In addition, Component 3 will finance the institutional strengthening of the GoH to assess, manage and design social protection interventions for IDPs and return migrants. Under Component 4 this operation will finance the expansion of SIMAST and its interoperability with Commcare, 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 the interventions aimed at tackling food insecurity and build household resilience will continue to inform the implementation of future interventions aligned with the GoH priorities.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Beneficiary and executing agency.** The beneficiary is the Republic of Haiti. The Executing Agency (EA) will be FAES, an autonomous, public agency under the Ministry of Finance⁵⁶ with the mission to fund socio-economic measures and programs to support the most vulnerable population. FAES has extensive experience executing social protection programs, including a growing portfolio of IDB-funded operations: (i) [4657/GR-HA](#); (ii) [5068/GR-HA](#) of which the execution is finalizing successfully; and (iii) [5288/GR-HA](#). The operations mentioned delivered institutional strengthening that has allowed FAES to improve its procurement, administrative and fiduciary management through the incorporation of specialized personnel and the deployment of management software. FAES has also consolidated its experience hiring and coordinating specialized partners.
- 3.2 **Execution and administration.** The project team in FAES in charge of implementing [5288/GR-HA, or part of it](#), will be assigned to this operation and be responsible for carrying out all the operational, administrative and fiduciary obligations necessary for the successful implementation of the whole project, including communication with the Bank. This project team will be strengthened with one additional procurement consultant, two operations consultants, one administrative/financial consultant, as described in ¶2.5. As special contractual clause of Execution, a Program Operating Manual (POM) will be drafted by FAES to detail roles, responsibilities, and implementation modalities including the selection of beneficiaries and small works of Component 1; the POM will be approved by the Bank and FAES prior to the payments to the beneficiaries of the cash transfers included in Component 1 by the specialized operators.

⁵⁶ "Le Moniteur" Decree No.49, June 3rd, 1990.

- 3.3 FAES will hire the following specialized operators. For Component 1: (i) the UN agency WFP will implement urgent transfer programs in the areas of the country with the highest levels of food insecurity, and the NGOs; (ii) AVSI; (iii) CECI, (iv) CARE; (v) PADF; and (vi) VIVARIO will scale up conditional transfer programs in their respective geographical areas. For Component 2, two NGOs will be hired to implement specific interventions targeting in particular vulnerable women: (i) GHESKIO in the metropolitan area of Port-au-Prince (West Department of Haiti); and (ii) PIH, outside the metropolitan area of Port-au-Prince. For Component 3, the UN agency IOM will be hired. For Component 4, the firm DIMAGI will be hired; the SIMAST expansion activities will be under the responsibility of WFP (¶3.10, ¶3.11).
- 3.4 **Interagency coordination.** Regarding Component 3, FAES will establish close coordination with the MICT, as a technical partner, through its Immigration and Emigration Directorate (DIE) and its National Office for Migration (ONM). A technical steering committee, comprising delegates of FAES, DIE, ONM, the Civil Protection Agency (DPC) and the national Housing and Public Building Construction Unit (UCLBP) will be established and meet monthly, with the support and participation of IOM. The Committee will review execution and, if needed, undertake adaptive and corrective actions. Regarding Component 4, FAES will maintain the close coordination with MAST established under operations [4657/GR-HA](#), [5068/GR-HA](#) and [5288/GR-HA](#), to optimize coverage expansion and updating of the SIMAST.
- 3.5 **Special Contractual Condition prior to the first disbursement of the financing. The Beneficiary through FAES, shall have presented evidence to the satisfaction of the Bank of the designation of key personnel for the execution of the program including a program coordinator, an accountant, and a procurement specialist.** This condition is needed to ensure the effective kick-off of the activities.
- 3.6 **Special Contractual condition prior to the first disbursement of Component 1: (i) prior to the first disbursement related to the unconditional transfers of Component 1, the Beneficiary, directly or through FAES, shall have presented evidence to the satisfaction of the Bank of the draft contract to be signed with the WFP; (ii) prior to the first disbursement related to the conditional transfers of Component 1, the Beneficiary, directly or through FAES, shall have presented evidence to the satisfaction of the Bank of the draft contracts to be signed with AVSI, CARE, CECI, PADF, and VIVARIO.** This contractual condition is necessary to ensure the timely kick-off of activities under the respective contracts.
- 3.7 **Special Contractual condition prior to the first disbursement of Component 2: the Beneficiary, directly or through FAES, shall have presented evidence to the satisfaction of the Bank of the draft contracts to be signed with GHESKIO, and PIH.** This contractual condition is necessary to ensure the timely kick-off of activities under the respective contracts.
- 3.8 **Special Contractual condition prior to the first disbursement of Component 3: the Beneficiary, directly or through FAES, shall have presented evidence to the satisfaction of the Bank of the draft contracts to**

be signed with the IOM. This contractual condition is necessary to ensure the timely kick-off of activities under the respective contract.

- 3.9 **Special Execution Condition: Prior to the payments to the beneficiaries of the cash transfers included in Component 1 of the Program by the Specialized Operators, the Beneficiary, through FAES, shall have presented to the Bank's satisfaction, evidence that the [POM](#), previously agreed upon between the Bank and the Beneficiary, has been approved and has entered into effect.** This condition is essential to guarantee that the rules of operation and adequate team will be in place to initiate and conduct project execution.
- 3.10 **Procurement.** Procurement financed in whole or in part with Bank resources will be undertaken in accordance with the Policies for the Procurement of Works and Goods Financed by the IDB (GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (GN-2350-15), or those in effect at the time of project execution. The Procurement Plan ([REL#3](#)) includes details of the planned procurement processes.
- 3.11 **Single Source Selection.** The project will single source the contracts with the following operators: for Component 1: WFP, AVSI, CECI, CARE, PADF and VIVARIO; for Component 2: Les Centres GHESKIO and PIH, for Component 3: IOM. For Component 4: WFP and DIMAGI. All these operators have been selected in accordance with the Policies for Goods, works and non-consulting services Financed by the IDB (GN- 2349-15), ¶3.7 (a) and (e) ([REL#3](#)).
- 3.12 The selection of WFP is justified by its unique and exceptional experience deploying large scale cash distributions throughout the country, ensuring efficient coverage determined and adjusted according to food insecurity and the availability of funding from the GoH and other donors. WFP has the capacity to (i) target, select and register beneficiaries; (ii) leverage partnerships with financial institutions and payments providers to reach beneficiaries on large scale; and (iii) rapidly mobilize a network of vetted partners to ensure distribution in remote areas ([OEL#13](#)). WFP executed US\$40.7 million contract for the implementation of transfers and for the SIMAST coverage expansion under [5068/GR-HA](#) and achieved above satisfactory results; WFP was also able to rapidly deploy transfers to respond to the August 2021 earthquake. Under [5288/GR-HA](#), WFP is implementing a US\$42 million contract for unconditional and conditional cash transfers and is supporting further SIMAST coverage expansion.
- 3.13 AVSI was selected based on its unique and exceptional experience to implement social programs involving cash and in-kind distributions and cash for work in the most fragile areas of Haiti. AVSI has implemented a variety of large-scale social assistance projects funded by multiple donors and FAES. Thanks to its reputation, its experience working with the most vulnerable in the most fragile areas of Port-au-Prince, and its long-standing presence through a base in the city of Les Cayes, AVSI is the operator best equipped to deploy distributions in Cité Soleil and Martissant and the southern peninsula. AVSI was hired under [5068/GR-HA](#) to ensure food distribution, vouchers in the areas of Cité Soleil and Martissant of Port-Au-Prince and achieved above satisfactory results. Following the May 2021 turmoil that affected the Martissant area of Port-Au-Prince, FAES amended its contract with AVSI – increasing it from US\$2 million to US\$3.45 million – to bring

benefitted households with vouchers from 30,000 up to 45,000. Under [5288/GR-HA](#), AVSI is currently implementing a US\$7.25 million contract for the expansion of cash and in-kind transfers in the same Port-au-Prince neighborhoods.

- 3.14 CARE, CECI, PADF and VIVA RIO are established NGOs with a long standing presence in Haiti and have been selected because they are implementing contracts of similar nature for an envelope totaling US\$26.3 million under [4657/GR-HA](#) - to provide temporary income to vulnerable youths through cash for work, providing temporary income to a total of 27,600 beneficiaries and resulting in 395 neighborhood improvements small work projects throughout Haiti to be completed by early 2023. They were selected competitively for those contracts and have demonstrated unique and exceptional experience implementing community driven cash for work projects, with an above satisfactory performance. No advantage could be obtained by further competition.
- 3.15 The selection of GHESKIO is justified by its unique and exceptional experience in implementing social programs in the most vulnerable areas of Haiti including cash transfers and complementary social services for women. It has successfully implemented a variety of large-scale healthcare and social projects funded by USAID, CDC, United Nations Development Programme (UNDP), and United Nations Children's Fund (UNICEF), among others and have the capacity to: (i) target, select and register women beneficiaries in especially vulnerable areas of Port-au-Prince; (ii) deliver digital payments; and (iii) deliver healthcare services and complementary social, psychosocial, medical, nutritional, and reinsertion services. Under [5068/GR-HA](#) GHESKIO successfully piloted the provision of cash transfers and complementary services to 815 vulnerable women exposed to SGBV in the most fragile areas of metropolitan Port-Au-Prince. Under [5288/GR-HA](#) GHESKIO is scaling up assistance to more than 5,000 women and their household. Its performance and capacity to operate in some of the most challenging areas of Haiti has been above satisfactory.
- 3.16 PIH has been selected because it recently implemented a contract of similar nature demonstrating its unique and exceptional experience implementing social programs involving transfers and complementary services, such as essential healthcare. PIH is a social justice organization that provides healthcare services internationally, operating in Haiti through its sister organization Zanmi Lasante for more than 30 years; it's Haiti's largest healthcare provider outside of the government and works closely with the MSPP and other stakeholders. Under the reformulation directed to the Public Health Response to COVID-19,⁵⁷ PIH provided health and complementary services to tackle the COVID-19 pandemic and ensure continuity of essential health services in the Artibonite and Central Departments, executing US\$11 of the program's US\$27 million. PIH performance was above satisfactory. Under this operation, PIH will provide cash transfers and basic health and complementary service to the most vulnerable, leveraging its established network of health facilities and community agents.
- 3.17 The selection of DIMAGI, a social enterprise, is justified because it is implementing a contract of similar nature under [4657/GR-HA](#), and [5288/GR-HA](#) and no advantage could be obtained by further competition. Specifically, DIMAGI has

⁵⁷ See footnote 46.

supported FAES in adapting and adopting Commcare (¶1.8), now the main social protection management tool used by FAES. DIMAGI has a deep knowledge of, and an established relation with FAES and its performance has been above satisfactory. Furthermore, DIMAGI has unique and exceptional experience delivering adaptations of the Commcare software for government and non-governmental programs as well ensuring the interoperability of Commcare with other systems. Under this operation DIMAGI will further adapt the Commcare solutions for the needs of the various components, allowing FAES to monitor execution of the operation in real time.

- 3.18 The IOM is part of the UN system, its mandate is to promote humane and orderly migration for the benefit of all. IOM has been selected because it has unique and exceptional experience supporting governments to build their capacity to manage migration and assist migrants. The IOM has been present in Haiti since 1994, working closely with the GoH to address Haiti's immediate and long-term migration related challenges by enhancing the capacities of national institutions to better manage their borders and regional migration dynamics. Under this operation IOM will provide technical assistance for the development and adoption of up to standards return migration management protocols, for the assistance of IDPs, will support stakeholders' engagement, and will provide basic operational equipment.
- 3.19 **Disbursements:** Disbursements will be made through the advance of funds modality based on liquidity needs for periods of up to six months pursuant to the Financial Management Guidelines for IDB-financed Projects (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 at least 60% of cumulated previously received advances. FAES will submit a quarterly justification of advances to the Bank within 45 days after the end of every fiscal quarter.
- 3.20 **Audit.** For audit and financial reporting purposes, FAES will use the Haitian fiscal year. Throughout the disbursement period, FAES will submit to the Bank (i) annual audited financial statements within 120 days after the close of each fiscal year including a reasonable assurance report for the activities of WFP; (ii) a Bank-eligible independent audit firm will conduct the audit the scope and related considerations of which will abide by the Financial Management Guidelines (OP-273-12) and the Guide for Financial Reports and Management of External Audit. Audit costs will be financed with project resources.

B. Summary of arrangements for monitoring results

- 3.21 **Monitoring.** FAES will be responsible for implementing the monitoring and evaluation plan. The results matrix, the procurement plan and the multiyear and annual execution plans prepared by FAES are the main monitoring tools for this program, using administrative records from transfer programs, and other complementary sources such as reports from operators, data from the IPC database, data on IDPs and return migrants from IOM, and the implementation data recorder by the operators into Commcare for monitoring the impact, outcome, and output indicators. The main reporting tool will be the progress monitoring

report, using the information provided by FAES in the program's annual and semiannual reports.

- 3.22 **Evaluation.** Given the nature of this operation, program evaluation will assess the program's contribution to the specific program objective through the following results indicators: (i) Percentage of food insecure households that receive unconditional or conditional transfers for increased food security in selected areas of intervention; (ii) Percentage of women recipients of unconditional cash transfers for increased food security in selected areas of intervention; (iii) Percentage of small work projects that are classified as resilience strengthening; (iv) Percentage of women recipients of transfers conditional on participation in small works performed for the creation, restoration, and maintenance of community environmental assets; (v) Percentage of individuals assisted by Gheskio and PIH that receive an integrated package of cash transfers and complementary services; (vi) Return migrants registered into the Commcare-based platform; and (vii) Percentage of population registered into SIMAST ([REL#2](#)). To assess implementation progress, a mid-term evaluation shall be submitted within 20 months from first disbursement. To assess the program's contribution to the ultimate objective of reducing food insecurity, a final results evaluation will be performed, and must be submitted within 90 days after the date of last disbursement. 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, two specific impact evaluations of interventions aimed at cash transfers and complementary services will be financed by this intervention and are presented in [REL#2](#).

Development Effectiveness Matrix		
Summary		HA-J0005
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 -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Beneficiaries receiving health services (#) -Beneficiaries of targeted anti-poverty programs (#) -Beneficiaries of initiatives that support migrants and their host communities (#) -Beneficiaries of enhanced disaster and climate change resilience (#) -Value of investments in resilient and/or low-carbon infrastructure (\$) -Agencies with strengthened digital technology and managerial capacity (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2904	Reduction in maternal mortality and mortality of children under five
Country Program Results Matrix	GN-3087	The intervention is included in the 2022 Operational Program.
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		9.6
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		3.6
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 High
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, equivalent to US\$60 million financed by the IDB Grant Facility for Haiti, is aimed at contributing to contribute to reducing food insecurity and to increasing the medium- and long-term resilience among vulnerable populations in Haiti, through unconditional cash transfers, cash for work programs focused on improving the climate resilience of community assets and basic infrastructure and basic health and social services complemented by cash transfers. The project will also finance activities to strengthen the GoH capacity to assess internal displacement, assist internally displaced persons, and manage return migration, as well as improvements and expansion of the social safety net management systems.

The specific objectives of the project are: (i) to provide temporary income to individuals living in food-insecure areas; (ii) to improve access to basic health and other social services for vulnerable households living in fragile neighborhoods; (iii) to assist Internally Displace People (IDPs), manage return migration, and assess migrants needs; and (iv) to strengthen the capacity to target and monitor safety net programs by improving information systems.

The diagnosis is adequate and well documented by international evidence, highlighting the specific current problems of Haiti. The main problem is the reduction in households' income, purchasing power, access to basic services and increased food insecurity that have resulted from the combination of the COVID pandemic, the increased insecurity and violence, the high vulnerability to natural disasters and high inflation (particularly in food products). In addition, public institutions have limited systematic and reliable data about the socioeconomic condition of potential beneficiary households, hampering effective design and improvement for social protection interventions.

The results matrix is consistent with the vertical logic of the operation and presents impact and result indicators that are reasonable, well specified, and adequate to measure the achievement of the specific objectives. The evaluation plan includes the realization of two impact evaluations to be conducted by the operators, although the details will be defined at the start-up plan. The cost-benefit analysis for the main components delivered an internal rate of return of 7.4% in the baseline case but falls below the 5% discount rate in the less optimistic scenario. The project has received a medium-high global risk rating, associated with potential delays if access problems that could arise if the social unrest and insecurity deteriorates. Appropriate and monitorable mitigation or escalation measures have been proposed.

Annex II. Results Matrix

Project Objective	The specific objectives are: (i) to provide temporary income to individuals living in food-insecure areas; (ii) to improve access to basic health and other social services for vulnerable households living in fragile neighborhoods; (iii) to assist Internally Displace People (IDPs), manage return migration, and assess migrants needs, and (iv) to strengthen the capacity to target and monitor safety net programs improving information systems.
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General Development Objective

Indicators	Unit of measurement	Baseline value	Baseline year	Expected year for achievement	Target	Means of verification	Comments
General development objective: To contribute to reducing food insecurity among vulnerable populations in Haiti and to increasing the medium- and long-term resilience among vulnerable populations in Haiti.							
Percentage of population in selected areas of intervention for the program with an Integrated Food Security Phase Classification (IPC) level 3 or above	%	45	2022	2025	<=45	IPC	Goal is to reduce or at least contain the base value of the indicator. See REL#2 .

Specific Development Objectives

Indicators	Unit of measurement	Baseline value	Baseline year	2023	2024	2025	End of Project	Means of verification	Comments
Specific development objective 1: to provide temporary income to individuals living in food-insecure areas.									
Percentage of food insecure households that receive unconditional or conditional transfers for increased food security in selected areas of intervention.	%	0	2022	10	14	18.5	18.5	Semester Reports, FAES	Numerator: households receiving transfers (# of beneficiary households). Denominator: food insecure households in areas of intervention.
Percentage of women among recipients of unconditional cash transfers for increased food security in selected areas of intervention.	%	0	2022	50	50	50	50		Numerator: women receiving transfers. Denominator: total number of transfer recipients.
Percentage of small work projects that are classified as resilience strengthening.	%	0	2022	40	40	40	40		Classification based on a “menu” of eligible interventions.
Percentage of women among recipients of transfers conditional on participation in small works related to community environmental assets.	%	0	2022	30	30	30	30		Numerator: women who receive transfers. Denominator: total number of transfer recipients.

Indicators	Unit of measurement	Baseline value	Baseline year	2023	2024	2025	End of Project	Means of verification	Comments
Specific development objective 2: to improve access to basic health and other social services for vulnerable households living in fragile neighborhoods.									
Percentage of individuals assisted by GHESKIO and Partners in Health (PIH) that receive an integrated package of cash transfers and complementary services.	%	0	2022	30	30	30	30	Semester Reports, FAES	Numerator: individuals receiving an integrated package (n. beneficiary households multiplied by 5). Denominator: individuals assisted by GHESKIO and PIH.
Specific development objective 3: to assist IDPs, manage return migration, and assess migrants needs.									
Return migrants registered into the Commcare-based platform.	%	0	2022	0	20	50	50	Semester Reports, FAES / OIM	Numerator: Returnees registered into Commcare Denominator: Returnees reported by the Organization for Migration (OIM) at official return points.
Specific development objective 4: to strengthen the capacity to target and monitor safety net programs, by improving information systems.									
Percentage of population registered into SIMAST.	%	35	2022	36	37	38	38	Semester Reports FAES / WFP	Ministry of Social Affair and Labor (MAST) and World Food Program (WFP) will provide this information to FAES.

Outputs

Indicators	Unit of measurement	Baseline value	Baseline year	2023	2024	2025	End of Project	Means of verification	Comments
Component 1. Temporary income in food insecure areas through unconditional cash transfers and conditional cash-transfer projects focused on climate resilience.									
Number of individuals that receive unconditional transfers for increased food security.	Individuals	0	2022	80,000	80,000	40,000	200,000	Semester Reports, FAES	Beneficiary household: household receiving at least one transfer (beneficiary households multiplied by 5). Gender dimension: Women participation will be tracked. For unconditional transfers, 50% focal recipients registered by WFP will be women. For conditional transfers, 30% of the beneficiary workers will be women. This indicator will be disaggregated by gender.
Number of individuals that receive transfers conditional on participation in small works related to community environmental assets.	Individuals	0	2022	24,000	24,000	12,000	60,000	Semester Reports, FAES	
Number of new small work projects implemented under the cash for work scheme.	Projects	0	2022	50	100	20	170		
Component 2. Access to basic health and social support for residents of fragile areas.									
Outreach campaigns to identify potential beneficiaries.	Campaigns	0	2022	2	2	1	5	Semester Reports, FAES	Indicator tracks # of outreach campaigns by GHESKIO and PIH. Approx. one campaign/year by each implementing partner.

Indicators	Unit of measurement	Baseline value	Baseline year	2023	2024	2025	End of Project	Means of verification	Comments
Number of Individuals that receive transfers and complementary social services.	Individuals	0	2022	44,000	44,000	22,000	110,000		Beneficiary household: if receiving at least one transfer (“beneficiary households” multiplied by 5 is “persons benefited”). Gender and diversity dimension: at least 40% of the assisted household will be mother headed. At least 10% of the assisted households have a person with disability.
Component 3. Social protection to IDPs and management of return migrants.									
Monthly reports on Internal Displacements and returns.	Report	0	2022	12	12	6	30	Semester Reports, FAES – data from IOM	
Commcare-based platform adapted and implemented.	Report	0	2022	0	1	1	1		Platform to register returnees.
Reception areas at official return points equipped with basic equipment.	Report	0	2022	1	1	1	3	Semester Reports, FAES – data from IOM	2 main airports and port of Cap-Haitien.
Operational guidelines and protocols to manage returns drafted.	Report	0	2022	0	0	1	1		Protocol will include screening mechanisms to identify extremely vulnerable returned migrants.
Component 4. Improvement and expansion of social safety net management systems.									
New households registered in the SIMAST system.	Families	0	2022	0	50,000	42,000	92,000	WFP/MAST reports based on SIMAST data	

Indicators	Unit of measurement	Baseline value	Baseline year	2023	2024	2025	End of Project	Means of verification	Comments
Interoperability between Commcare and SIMAST implemented.	Report	0	2022	0	0	1	1	FAES report (inputs from DIMAGI)	

Country: Haiti

Division: SPH

Operation No.: HA-J0005

Year: 06/30/2022

Fiduciary Agreements and Requirements

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

Operation Name: Program to Strengthen Safety Nets for Vulnerable Populations

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 checked="" type="checkbox"/> Executing Agency's own systems

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 WFP, AVSI, CECI, CARE, PADF, VIVARIO, Centres Gheskio, PIH, IOM and DIMAGI for the implementation of activities of all components under the same modality used for the execution of operations 5068/GR-HA and 5288/GR-HA.
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3. Fiduciary Capacity

Fiduciary Capacity of the EA	Consistent strengthening of FAES procurement and financial units and improvements in the quality of the procurement processes and financial management evidenced by the adequate managing of funds, the timely justifications of expenses and clean audit reports have been noted during the implementation of projects 4657/GR-HA, 5068/GR-HA and 5288/GR-HA. Bank considers FAES overall risk to have improved from medium to medium-low.
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4. Fiduciary risks and risk response

Risk Taxonomy	Risk	Risk level	Risk response
Internal processes	Due to increasing workload with the approval of this new operation and the volatility of the country's political and security context resulting in frequent strikes and office closures may delay the execution of project activities, the timely replenishment of project accounts affecting the	Medium-high	To mitigate these risks: (i) the project team will be strengthened by the recruitment of one procurement consultants, an accountant and two operations consultants to reinforce FAES procurement and financial management units as well as the management of Components 2 and 3, respectively; and (ii) the hiring of a specialized operators to provide

	delivery of payments and services to beneficiaries.		technical assistance and to ensure the delivery of services. A second procurement consultant can be hired based on business needs.
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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: N/A

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

<p>Special condition to first disbursement - Designated Accounts and authorized signatures: FAES SHALL 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 through the Ministry of Finance (MEF).</p>
<p>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.</p>
<p>Audit: Throughout the grant disbursement period, the executing agency will submit to the Bank audited financial statements as follows: (i) annual financial audit to be submitted within 120 days after the closure of each fiscal year and including reasonable assurance reports for the activities of WFP (ii) a final financial audit to be submitted within 120 days after the date of the last disbursement. Audit costs will be financed with project resources. For audit purposes, the Haitian fiscal year will be used which ranges from October 1st to September 30th.</p>

III. Agreements and Requirements for Procurement Execution

<input checked="" type="checkbox"/>	Bidding Documents	For procurement of Works, Goods and Services Different of Consulting executed in accordance with the Procurement Policies (GN-2349-15), subject to ICB, the Bank's Standard Bidding Documents (SBDs) will be used or those agreed between EA and the Bank. As for the selection and contracting of Consulting Services, they will be carried out in accordance with the Policies for the Selection and Contracting of Consultants (GN-2350-15) and the Standard Request for Proposals (SRP) issued by the Bank will be used or a RFP Document agreed between the EA and the Bank. The revision of the technical specifications, as well as the terms of reference during the preparation of the procurement processes is the responsibility of the sectorial specialist of the project. This technical review can be ex-ante and is independent of the procurement review method.
<input checked="" type="checkbox"/>	Direct Contracting and Single Source Selection	<p>The following direct contracting's and single source selections have been identified:</p> <ul style="list-style-type: none"> (i) Large-scale cash and, if needed, food transfer to vulnerable populations across the country and SIMAST coverage expansion (WFP - US\$27.7 million). (ii) Cash and in-kind transfers in fragile areas of the West, parts of the North and parts of the South, conditional to cash for work (AVSI - US\$ 6 million).

		<p>(iii) Nation-wide transfers conditional to cash-for-work (CARE, CEI, PADF and VIVARIO - US\$ 9 million)</p> <p>(iv) Cash transfers and complementary services to residents of fragile areas of the West (Les Centres Gheskio - US\$ 5 Million).</p> <p>(v) Cash transfers and complementary services to residents of fragile areas outside the West (Partners in Health (PIH) - US\$ 8 Million)</p> <p>(vi) Adaptation of the Commcare solution (Dimagi – US\$ 0.3 Million)</p> <p>(vii) Technical assistance to GoH for assisting IDPs and the management of returning migrants to Haiti (IOM - US\$ 2.5 Million)</p>
<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. Thresholds by Country: www.iadb.org/procurement

Main Acquisitions

Description of the procurement	Selection Method	New Procedures/Tools	Estimated Date	Estimated Amount US\$
Non-consulting services				
Large-scale cash and, if needed, food transfer to vulnerable populations across the country and SIMAST coverage expansion (WFP)	Direct Contracting		March 2023	27,700,000
Cash and in-kind transfers in fragile areas of the West, parts of the North and parts of the South, conditional to cash for work (AVSI)	Direct Contracting		March 2023	6,000,000
Nation-wide transfers conditional to cash-for-work (CARE, CEI, PADF and VIVARIO)	Direct Contracting		March 2023	9,000,000
Cash transfers and complementary services to residents of fragile areas of the West (Les centres Gheskio)	Direct Contracting		March 2023	5,000,000
Cash transfers and complementary services to residents of fragile areas outside the West (PIH)	Direct Contracting		Feb 2023	8,000,000

Adaptation of the Commcare solution (DIMAGI)	Direct Contracting		Jan 2023	300,0000
Technical assistance to GoH for assisting IDPs and the management of returning migrants to Haiti (OIM)	Direct Contracting		Jan 2023	2,500,000

To access, [Procurement Plan](#)

IV. Agreements and Requirements for Financial Management

<input checked="" type="checkbox"/>	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).
<input checked="" type="checkbox"/>	Treasury and Disbursement Management	<p>Disbursement methods. The Bank will disburse resources under the Advance of Funds modality established in Guide OP-273-12. 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>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 payments to WFP, AVSI, CECI, CARE, PADF, VIVARIO, Centres Gheskio, PIH, for the execution of component 1 & 2 related to transfers (cash and in kind) complementary services, payments will be made according to: (i) established mechanism and the payment terms defined in the contracts signed with FAES which will include the submission of technical and financial reports detailing the lists of beneficiaries paid and the amounts paid or services provided - number of food vouchers or food kits delivered. Depending on the specific areas of intervention, cash transfer mechanisms can include mobile payments, cash-in envelope or vouchers or a combination of modalities. 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	TOMPRO software will be used 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 audit and project reports	The external audit of the Project will be carried out by an independent auditing firm (IAF) eligible to audit operations financed by the Bank, selected and contracted in accordance with the terms of reference (TOR) and model contract previously agreed with the Bank.
☒	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-___/22

Haiti. Nonreimbursable Financing ___/GR-HA to the Republic of Haiti
Program to Strengthen Safety Nets for Vulnerable Populations

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 Program to Strengthen Safety Nets for Vulnerable Populations. Such nonreimbursable financing will be for an amount of up to US\$60,000,000, 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 ____ 2022)