

## TC Document

### I. BASIC INFORMATION FOR TC

- **Country:** Haiti
- **TC Name:** Pilot Case in Productive Communal Areas
- **TC Number:** HA-T1151
- **Associated Loan/Guarantee:** HA-L1068 and HA-L1048
- **Team Members:** Felipe Gomez-Acebo, Team Leader (CMF/CHA); Joaquin Dominguez (CMF/CHA); Manuel Pacheco (IFD/CMF); Agustin Filippo (VPC/HRC); Jose Irigoyen (VPC/HRC); Goro Mutsuura (VPC/GCM); Hyun Jung Lee (LEG/SGO); Nelly C. Wheelock (FMP/CHA); and Stephanie Suber (IFD/CMF).
- **Date of TC Abstract authorization:** 2 December 2011
- **Donors providing funding:** Japan Special Fund (JSF)
- **Beneficiaries:** Haitian Micro-producers
- **Executing Agency and contact name:** IDB – Felipe Gómez-Acebo (CMF/CHA), with selected “Software Providers” (SPs) as sub-executing agencies for the PCAs (¶4.3)
- **IDB Funding Requested:** US\$1,350,000 (JSF)
- **Local counterpart funding:** at least US\$256,000 cash and/or in-kind, TBD case-by-case, as counterpart resources from selected SPs
- **Execution period:** 4 years
- **Disbursement period:** 4 years 2 months
- **Required start date:** June 2012
- **Types of consultants:** Individual consultants and firms
- **Goods:** The TC will also finance the purchase of goods (equipment for the PCAs)
- **Prepared by Unit:** IFD/CMF, in coordination with CDH/CDH
- **Unit of Disbursement Responsibility:** CHA
- **TC Included in Country Strategy:** Y / TC included in CPD: Y
- **GCI-9 Sector Priorities:** Lending to Small and Vulnerable Countries

### II. OBJECTIVES AND JUSTIFICATION OF THE TC

- 2.1 **Objectives.** The present TC pursues as a general objective, the development of more sustainable livelihoods for the beneficiary vulnerable Micro-producers (MP), through the improvement of the sustainability of their productive capacities.
- 2.2 **The specific objective** of this TC is to support the development and organization of the MP productive units, comprised in pilot [Productive Communal Areas](#)<sup>1</sup> (PCA), enabling them to generate sustained profits, thus creating investment capacity.

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<sup>1</sup> Areas where the MPs will have their workshops all together organized by an SP (See 2.4 & 2.5). .

- 2.3 **Justification.** Generalized poverty in Haiti, widespread unemployment, and unequal income distribution<sup>2</sup> develops into large scale vulnerable livelihoods, partly caused and reinforced by the income discontinuity typical at the Bottom of the Pyramid. In fact, 95% of productive units in Haiti, often one-person microenterprises, are considered informal<sup>3</sup> and have a subsistence nature.<sup>4</sup> Without sustained flow of revenues, MPs focus on their very short term subsistence, lacking any kind of term planning. Therefore, investment levels within families and their productive activities are virtually absent, being trapped in a vicious cycle, where their future capacity of sustainable income generation is deprived and their vulnerability preserved.
- 2.4 The PCA concept, through the transfer of intelligent capital (as productive workshops gathered in common spaces with common services) and basic technology (labor organization and technical support), looks for grouping MPs with similar skills in clusters managed by an SP, to increase their productivity and enable a sustainable and profitable activity. The PCAs would be oriented to value chains from economic sectors where the MPs would have competitive advantages to fulfill the market demand or where conditions would let the creation of a specific market niche that could be served by the MPs
- 2.5 The PCA approach seeks to incise in this vicious cycle, enabling the beneficiaries to develop sustainable productive activities, so as to generate continued returns:
- a. It is expected the intervention will change the pattern by beginning a virtuous cycle, where the sustained investment will increase the maintainability of the transferred assets, and in turn, MP's and in their livelihoods sustainability.
  - b. This model aims to tackle the identified factors by providing both the "hardware" and the "software" pillars to set and organize income-generating activities for the vulnerable population that will be benefiting from the program.
    - (i) The "hardware" consists of the land, as well as basic and productive assets and specialized training, provided by: (i) the Government of Haiti (GoH) through the programs funded by the Bank: HA-L1048 "Support to the Shelter Sector Response Plan" (2318/GR-HA) and HA-L1068 "Generation and Development of Productive Tissue in Prioritized Areas of Economic Development Program"; and (ii) by the Bank's Multilateral Investment Fund's HA-M1035 "Improving Economic Opportunities of Vulnerable Youth in Haiti" (ATN/ME-12636-HA), which is being carried out by the Haitian NGO IDEJEN.
    - (ii) The "software" consists of the organization of the productive activity, and will be provided by a specialized Non-Governmental Organization (NGO) or a social business, selected by a special committee formed for this TC as described in ¶4.3 below. This "Software Provider" (SP) will manage the

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<sup>2</sup> In fact: (i) more than 72% of the population was living in poverty in 2010, with less than US\$2/day; (ii) the unemployment rate is close to 70%; and (iii) the poorest 10% receive 0.7% of the national income, while the richest 10% receive 47.7%.

<sup>3</sup> Haiti Presidential Commission on Competitiveness, 2010.

<sup>4</sup> de Groote, Roberto / Ropert, Maria Angelica (2010). Diagnóstico sobre las MiPyMEs Haitianas y sus desafíos para acceder al crédito.

collective activity, having the responsibility of organizing the MP and conducting the relationships with the clients.

- 2.6 The TC plans to finance the creation and start-up of four PCA pilot cases, by providing financing for the “software” pillar for them, assisting in organizing responsibilities within the PCA and complementing resources for the “hardware” pillar, when needed.
- 2.7 **Alignment with Country Strategy and GCI-9 Priorities.** This TC is consistent with the Bank’s Country Strategy with Haiti 2011-2015 (GN-2646) as it contributes: (i) to the objective of promoting private sector investment; and (ii) supporting the four main thematic sectors (agriculture, water, energy and transport). It is also aligned with GCI-9 lending program priorities, “Lending to Small and Vulnerable Countries”; and with GCI-9 Regional Development Goals “Institutions for growth and social welfare”.

### III. DESCRIPTION OF COMPONENTS, ACTIVITIES AND BUDGET

- 3.1 The activities of this TC are structured in four components, which will be executed in each of the pilot PCA:
- 3.2 **Component 1: Project Management (US\$1,036,800).** It will provide a managerial team for each PCA, consisting of: (i) a Project Manager (PM), who will be ultimately responsible for the sustainability of the pilot PCA and the proper completion of the pilot PCA project; (ii) a Project Coordinator (PC), who will ensure an adequate organization and the day-to-day business operations of the enterprise; and (iii) a Field Assistant (FA), who will advise the PC on the technical aspects of the design and logistical arrangements for the PCA. These will be individual consultants hired by each selected SP for the corresponding PCA, and financed by the IDB Japan Special Funds (JSF).
- 3.3 **Component 2: Technical Assistance (US\$256,000).** This component encompasses the MP technical training for the productive activities at each pilot. The training will be organized by the PC, with the technical support of the FA, and under the coordination of the PM.
- 3.4 **Component 3: Equipment (US\$196,000).** This component will finance the SP equipment deemed necessary in the managerial daily responsibilities of the SP, such as computers, communication devices, office logistics and transportation. The equipment will be financed by the IDB JSF funds, which may be complemented by a contribution from the counterpart SP if deemed necessary to ensure financial sustainability of the pilot for the duration of the project.
- 3.5 **Supervision & Other Costs (US\$117,200).** The TC allocates resources to monitor, evaluate and audit the funded activities, as well as the accomplishment of all Bank’s policies. Additional funds are intended to the dissemination of the outcomes and to provide legal support.

### 3.6 Indicative Results Matrix:

Indicators	Baseline	Intermediate Targets			Final Target		Expected Completion Date
		Year 1	Year 2	Year 3	Year 4	Year 6	
		Outcome Indicators					
PCA’s MPs average annual savings rate relative to the minimum capital required to replace productive capacity at the beginning of the project.	0	0%	10%	30%	50%	100%	<u>October 2016</u>
		Deliverables (Outputs) Indicators					
MPs assisted by PCAs	0	0	150	150	300		October 2016

### 3.7 Indicative Budget (in US\$):

Component / Activity	IDB (JSF)	Counterpart (selected SPs) <sup>5</sup>	Total Funding
<b>Component 1. Project Management</b>	<b>1,036,800</b>	<b>0</b>	<b>1,036,800</b>
4 project coordinators (\$3,000/month, 4 years)	576,000		576,000
4 project managers (\$1,700/month, 4 years)	326,400		326,400
4 field assistants (\$700/month, 4 years)	134,400		134,400
<b>Component 2. Technical Assistance</b>	<b>0</b>	<b>256,000</b>	<b>256,000</b>
SP- provided technical training of beneficiaries for productive activity in 4 pilots (\$64,000 per pilot)	0	256,000	256,000
<b>Component 3. Equipment</b>	<b>196,000</b>	<b>0</b>	<b>196,000</b>
Equipment needed for supporting MP's productive activity in 4 pilots (\$49,000 per pilot)	196,000		196,000
<b>Component 4. Supervision &amp; Other Costs</b>	<b>117,200</b>	<b>0</b>	<b>117,200</b>
Contract Preparation (280 hs /\$50/hs)	14,000		14,000
Midterm & Final Evaluations (\$15,000 & \$35,000)	50,000		50,000
Audit (4 annual audits)	38,200		38,200
Dissemination (1 report @ \$6,000, 1 event @ \$9,000)	15,000		15,000
<b>TOTAL TC</b>	<b>1,350,000</b>	<b>256,000</b>	<b>1,606,000</b>

3.8 **Monitoring Arrangements.** As part of the terms of reference, the PC of each pilot PCA will produce quarterly progress reports to be submitted to the PM and the Bank to make the monitoring of the program.

<sup>5</sup> Cash and/or in-kind, TBD case-by-case, as counterpart resources from selected SPs.

- 3.9 **Audit & Evaluation Reports.** There will be a midterm evaluation, which will start 18 months after the beginning of the TC, and a final evaluation, which will start at the completion of the TC, to assess the impacts of the TC based on the indicators defined in the result matrix. Both evaluations will be carried out by an individual consultant, contracted by the Bank. Annual audits, to be carried during each of the four years of implementation, will cover a single analysis on the TC resources, regardless of the SP funded by them, and will be conducted by certified independent auditing firms acceptable to the Bank according to Bank policies, and financed by the IDB JSF funds.
- 3.10 **Dissemination.** The project team will work in close collaboration with Japanese aid agencies and representatives in Haiti to disseminate the outcomes of the TC, promoting visibility and assessing the replicability of this model in other countries of the region with similar challenges. All findings will be published in order to promote high-quality knowledge dissemination and provide additional analytical sector work for Haiti.

#### IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 At the request of the Government of Haiti, the Executing Agency will be the Bank through IFD/CMF [see Annex V]. Despite this arrangement, government authorities will be fully involved in the execution of this TC. Bank participation will facilitate the process to manage the selection of the SP and the close monitoring of an experimental mechanism under a pilot project. IFD/CMF's sector specialist in the Country Office will have overall technical responsibility for this technical cooperation and be the focal point for execution.
- 4.2 Procurement will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9); and will be complemented by the "Disposiciones de Adquisiciones para Haití" (OP-788-1).
- 4.3 An SP will be selected for each PCA, as sub-executing agency for that PCA<sup>6</sup>, on a rolling basis. The selection will be done through a special committee composed of members from the Japanese Trust Fund, the Bank, and the GoH.
- a. This SP will be responsible of organizing the activities in the PCA, including: (i) negotiating buyer's commitment (directly or through anchors<sup>7</sup>); (ii) designing the production operations; (iii) and a management structure; (iv) identifying the needed common facilities and providers/operators; and (v) proposing a detailed business model sustainable that allows for partial payback of the delivered productive units in the complex. Whenever possible, the team will incorporate the best Japanese business model suitable for industrial production at a micro-level (e.g. One Village One Product).
  - b. The Bank will enter into a TC agreement with each SP, which becomes the sub-executor of the TC for the particular PCA. As part of the selection process, the Bank,

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<sup>6</sup> Applies Operation Administration Manual OA-421; III.A.2. Change of Executing Agency.

<sup>7</sup> Meaning intermediary or trader companies

will determine that the SP has legal standing and sufficient legal, financial and administrative capacity to be a sub-executor of this TC. For this, the Bank will request supporting documentation, including legal documentation, as part of the proposal submitted by the SP. Direct and indirect employment, sustainability of the proposal in terms of profits and the amount provided as counterpart by the SP, would be the main eligibility criteria for the SP selection.

- c. Each SP will receive resources from this TC for the corresponding PCA and shall also provide counterpart resources for the TC. The SP will be subject to all Bank rules and policies required of a Bank TC executing agency, in particular, with respect to eligible expenses, procurement, hiring, reporting, audits, financial management, and disbursements, unless specific exceptions are approved. An Operation Administration Manual will regulate these issues and others relating to program execution, and will be ready before entering in any agreement with the SP.
- 4.4 As part of the selection criteria, the MP for a PCA will be selected by the SP on the basis of the skills needed to work in that particular productive activity. Each SP will administer the saving deposits of the MP, which will accrue in an account as a condition of showing self-sustainability.
- 4.5 In the framework of the implementation of the “hardware” components covered by HA-L1048 and HA-L1068 (mentioned in ¶2.4), two additional arrangements will be put in place: (i) the SP shall enter into an agreement with the GoH to manage the property of the PCA and setting the rights and obligations of both parties, and (ii) every MP will enter into a contract with the GoH for the transfer of the property where the PCA will be established, once the MPs have shown financial self-sustainability by the end of the pilot PCA. These contracts will be regulated by the corresponding Haitian property laws and will meet the acceptable requirements of the Bank.
- 4.6 **Conditions prior to First Disbursement.** None.

## V. MAJOR ISSUES

- 5.1 **Risks and Mitigation.** Three potential risks have been identified, and will be mitigated through the actions described below:
  - a. The high degree of vulnerability (e.g. poverty, lack of training) of the MP engaged in the productive activity represents a potential risk. The activity of the PCA could be interrupted or affected if the MP decide to abandon the program or do not fulfill their productive obligations. As mitigation measure, the SP will identify a set of potential MP and create a waiting list for replacements as needed, then ensuring the productive activity continuity.
  - b. Since PCA will be developed upon demand, there is a risk that no proposals are received, or their quality does not fulfill the minimum requirements. To mitigate this risk, the Bank is actively pursuing potential developers (particularly SP), and has already received preliminary proposals from NGOs with experience in Haiti (for instance Aid to Artisans or American Refugee Committee), and is in conversations with other potential partners (such as *Cérep de la Gaspésie et des Iles* or Green Flame Phoenix).

- c. Another risk involves the demand for the products produced by the PCA. If the productive activity is not capable to offer a product that fits customer standards, or that can compete in the market, the pilot becomes financially unsustainable. This risk is mitigated by requiring that the selected SP present projects in value chains with enough anchors interested in working with the selected MP.
  - d. The role of the Bank as an executing should be also noted as a special aspect. In this regard, it is worth highlighting that the role of the Bank will be one of facilitator of a process that will be driven by local authorities. This limited role is expected to allow for a smoother execution; but also presents itself as an opportunity to prepare local authorities for assuming the execution of similar projects in the future.
- 5.2 **Phasing of Components.** Each pilot PCA will need financing in all four components simultaneously. However, each PCA will be selected on a rolling basis upon demand, and the productive activities and their financial requirements will vary among the pilots, thus not being possible to determine the amount in advance. This issue is addressed by allowing for flexibility within budget components to allow proper cost allocation to the particularities of each PCA. This will be monitored carefully by the Project Team in order to maximize the scope of activities.

## **VI. EXCEPTIONS TO BANK POLICY**

- 6.1 N/A.

## **VII. ENVIRONMENTAL AND SOCIAL STRATEGY**

- 7.1 Considering that pilot PCA will deliver investment and technical assistance funds on demand, it is not possible to establish *ex ante* its social and environmental impacts. Consequently, and taking into consideration the Bank's Social and Environmental Safeguards Policy B.13 (GN-2208-20 y OP-703), the present operation does not formally require classification. In addition, having done a preliminary revision of the activities potentially selected by the pilots, low and moderate risks are expected.
- 7.2 Nevertheless, the Bank will ensure that the Government of Haiti, and the selected SP as sub-executing agencies fulfill the requirements of the existing social, environmental, labor and health regulations in Haiti, aside from the social and environmental policies of the Bank, and its list of excluded activities.

### **Required Annexes:**

- Annex I: Letter Request.
- Annex II: Terms of Reference (Project Manager, Project Coordinator, and Field Assistant).
- Annex III: Procurement Plan.



**MINISTERE  
DE L'ECONOMIE ET DES FINANCES**

*Le Ministre*

**BM/BID/222/10-11**

No. ....

Port-au-Prince, le **31 OCT. 2011** .....

Monsieur Edouardo Marques **ALMEIDA**  
Représentant Résident  
Banque Interaméricaine de Développement  
(BID)  
**En ses bureaux.-**

**Objet : Mobilisation de ressources de coopération technique pour la Conception  
de micro-parcs industriels.**

**Monsieur le Représentant Résident,**

Le Ministère de l'Economie et des Finances a l'avantage de vous faire part de sa décision d'autoriser la Banque Interaméricaine de Développement à travailler sur la mise en place de projet pilote de conception de micro-parcs industriels.

Le Ministère permet à la BID de prélever sur les ressources de coopération technique pour mener à bien ce projet et également d'assurer sa gestion.

Il demeure entendu avant toute avancée, qu'une rencontre réunissant les Ministères de l'Economie et des Finances, du Commerce et de l'Industrie, soit organisée pour convenir des grandes orientations d'un tel projet.

Le Ministère de l'Economie et des Finances profite de l'occasion pour vous présenter, **Monsieur le Représentant Résident**, l'expression de ses salutations distinguées.

André Lemerrier **GEORGES**

cc. : MCI

M. Ericq Pierre, Bureau du Directeur Exécutif, BID



## **INTER-AMERICAN DEVELOPMENT BANK**

### **IFD/CMF**

#### **TERMS OF REFERENCE**

##### **CONSULTING SERVICES: PROJECT MANAGER**

##### **“PILOT CASE IN PRODUCTIVE COMMUNAL AREAS”**

### **I. BACKGROUND**

- 1.1 Generalized poverty in Haiti (around 80% of the population were living in poverty in 2009, with less than 2 USD a day), widespread unemployment (approximately 70%) and unequal income distribution (the poorest 10% receive 0.7% of the national income, whilst the richest 10% receive 47.7%) develops into large scale vulnerable livelihoods, partly caused and reinforced by the income discontinuity typical of the households occupying the lowest levels of the Pyramid. This fact has been amplified as result of the earthquake that stroke the Nation in January 2010 affecting large parts of the productive sector of the country, with a great impact in the base of the Pyramid, mainly in the housing sector and in their capabilities (assets) to generate sustained revenues.
- 1.2 Haiti may be in a stage of development that could produce significant improvements in its weakest productive sector with smart capital and basic technology additions. However, to deliver productive assets at no cost among vulnerable segments represents a high risk, since they might be sold in the short term and consequently, the intervention becoming unsustainable and its impact significantly reduced.
- 1.3 Considering the above mentioned points, IDB includes in its Private Sector Development Strategy, the development of Productive Communal Areas (PCA), a new perspective focused on the Micro-producers closest to the base of the Pyramid, through the creation of a cross fertilization concept between business, social goals and infrastructure programs (productive and basic infrastructure; and housing, in some cases), ending with the “silo” thinking generally adopted in these approaches.
- 1.4 The concept seeks to tap in Haiti’s human capital through the delivery of smart capital (productive workshops, common equipment and housing when necessary) and basic technology (labor organization and technical training), allowing vulnerable Micro-producers to carry out a productive activity, thus generating sustainable earnings. These productive complexes will target sectors where

Micro-producers either have a competitive advantage, or the opportunity exists for the creation of a niche market.

- 1.5 The PCA approach involves the following parties:
  - a. The Hardware pillar: An infrastructure package supporting the productive activity of the complex. It consists of the land, houses (only in the Productive Housing approach) and workshops (in all cases), a common productive area, capital means of production, basic infrastructure, training and the selected Micro-producers (the beneficiaries). The sustainability of the activity will be ensured through the request to the Micro-producers of a compulsory monthly saving, finally intended to replace the initial production capacity installed.
  - b. The Software pillar: The organization of the productive activity. The “SW provider” (SP) of the complex, normally a NGO or a social business, but also a for-profit company, will be in charge of the selection of the Micro-producers, will organize the productive activity within the PCA and will also provide access to the markets, managing when necessary the contracts with the buying party (clients/anchors).
  - c. The end market ensuring the sustainability of the PCA. The orders of the complex could be provided by:(i) an international anchor (or Sponsor) and (ii) one or several local anchors, both ordering to the entire complex output; or by (iii) individuals ordering separately to each of the Micro-producers.
- 1.6 All the planned resources would be put together, through a set of contracts, in a separated fund, managed temporarily by the SP, and finally transferred to the Micro-producers, once they had demonstrated their sustainability, at the end of the Program.
- 1.7 In this context, the bank has pledged new resources from the Japanese cooperation, with the purpose of supporting 4 PCA pilots. Funds will be intended, through a Technical Cooperation, to support the SP in its organizational task (consultancy services here described) and complementing the Hardware pillar as well, with resources for Micro-producers training and equipments. The present Technical Cooperation would be executed by the Bank, who in turn will select, together with the JSF, the counterpart of each Pilot (SP), considering the most competitive proposals. Each chosen proposal would involve a signed agreement between the Bank (as executing agency) and the selected SP, who will automatically become the sub executing agency and partner of the project, contributing with additional funds, being then completed the joint venture between parties.

## **II. OBJECTIVE**

- 2.1 The Bank seeks, through these Terms Of Reference, to employ a Project Manager (PM) who will be in command of the management of the productive activity of each of the pilots, on behalf of the SP in charge of the Software pillar, and with the support of a Project Coordinator (PC) and a set of Field Assistants (FA).

## **III. OUTLINE OF THE CONSULTANCY**

### **A. To ensure the proper accomplishment of SP's goals, the PM will be responsible of the following tasks:**

- 3.1 General supervision of the pilot's constitution and regular operations:
- a. Supervising that the orders are attended in tune with the time, quality and cost agreed. PM is the ultimate responsible to ensure the general sustainability of the productive activity, while guaranteeing the sustainability of the Micro-producers engaged.
  - b. Approval of the organizational structure for production proposed by the PC.
  - c. Ensuring that the eligibility criteria of the Micro-producers and the final beneficiary selection is aligned with the framework determined by the Bank's Housing programs.
  - d. Adjustment to the Working Group established rules (Strategic level of the concept), which ensure the flexibility of the Micro-producers to access other markets and work with other productive activities different from the determined by the SP.
  - e. Ensuring that the training plan designed and the equipments requirements identified by the PC and the FA, fit with the real necessities of the Micro-producers and the productive activity.
  - f. Administrative, financial and economic supervision.
  - g. Analysis of results, taking into consideration the evaluation and monitoring periodic reports submitted by the PC.
  - h. Ensuring the alignment of the decisions taken with the Board of Trustees (the governance level of the PCA) specifications, making sure its team is aware of them.

3.2 Regular interaction with:

- a. The Project Coordinator of the PCA:
  - Specifying its assignments, supervising and evaluating its performance, and ensuring the stream of information coming from the Board of Trustees.
  - Receive PC's feedback and decide or authorize specific actions to address erratic situations.
- b. The Software Entity in charge, regularly reporting the activity's status, and acting on its behalf.
- c. The Board of Trustees, reporting and working under its guidance.
- d. The Executing party, that is to say, IDB, dealing with the implementations issues arising and guaranteeing the terms of the agreement:
  - Labor, social and environmental conditions.
  - Commercial margins applied to the production of the Micro-producers.
  - Creation and maintenance of the database and the collection of information of the different participating actors.
  - Accordance with the procurement, selection and contracting Policies, in the employment of the TC's resources.
  - Ensuring transparency standards, providing evidence of appropriate management practices when requested.
- e. The Government of Haiti, regarding rights and responsibilities of the SP as a trustee.
- f. The Micro-producers of the PCA, in respect of the legal relationship that engages both parties ("Employment" Agreement), including the payment duties of the SP and its responsibility managing the savings generated by the Micro-producers activity.
- g. The purchasers of the output:
  - Conducting the relationships with the customers.
  - Facilitating access to markets, bringing business opportunities to the PCA.
  - Identification and negotiation of anchors' commitment.
  - Assumes all responsibilities with a third party providing a buying agreement.

- 3.3 Managing the trust that will hold the productive infrastructure, the land and the equipment provided, until its property is finally transferred to the beneficiaries at the end of the Project. PM must ensure the accomplishment of its fiduciary duties to the government and to the Micro-producers.
- 3.4 Managing the use of TC's resources, ensuring that the amounts committed by the parties are provided, and they are enough to enabling the proper development of the project. Provide evidence to the Bank of the legal, financial and administrative capacities of the management team, in order to execute properly the task and the resources.
- 3.5 Ensuring the fulfillment of legal issues, following the council of the legal advisor.
- 3.6 Officially representing the pilot, on behalf of its Board of Trustees.
- 3.7 Managing the completion of the project, through assessing the property transfer to the Micro-producers at the end of the intervention, ensuring the suitable closing and supporting the potential evolution to a cooperative of producers, if desired by the PCA's beneficiaries.
- 3.8 Ideally, PM will be involved in the recruitment process of the rest of the SP team.

#### **IV. EXPECTED RESULTS OF THE CONSULTING SERVICES**

- 4.1 The PM, through the PC and with the FA support, commits to deliver the following products:
  - a. A quarterly update of the activities developed by the PCA complex, providing all the relevant information to the Executing and Sub Executing agency.
  - b. An annual report, including the financial and economic performance during the fiscal year.
  - c. A final report, including: (i) a summary of the productive complex performance, throughout the project, (ii) a financial and economic report of the pilot, (iii) main difficulties faced and actions taken, (iv) main findings of the model, best practices and key points identified. The products delivered are expected to be a preferential source for the divulging activity included in this Technical Cooperation.
- 4.2 Furthermore, the PM is required to submit an annual report, summarizing its individual main tasks and results.

## V. . CHARACTERISTICS OF THE CONSULTANCY

- 5.1 **Consultancy type:** Individual consultant.
- 5.2 **Post of Duty:** Haiti. To be more specific, the consultant professional activity will be based in the same location of the pilot productive complex. In this sense, some potential areas have already been indentified, mainly in the northern territories and other poles of economic growth.
- 5.3 **Opening date and duration:** At the foundation of the PCA pilot complex, until the end of the assisted productive activity, after four fiscal years.
- 5.4 **Minimum qualifications:**
- a. Master in finance, economics or business administration.
  - b. The PM will demonstrate expertise (at least 5 years) in the project management: planning and operational supervision.
  - c. PM will display proficient negotiation and communication skills, ability to manage teams and to transmit authority and assume responsibility as well.
  - d. Managerial skills both results and social goals oriented, are required.
  - e. Demonstrated field work experience in Haiti.
  - f. Relevant experience in productive housing or/and cooperative organizational initiatives. Specific technical knowledge of the business chosen for the pilot.
  - g. Fluency in Creole, French and English.
- 5.5 **Amount:** US\$144.000

## VI. COORDINATION AND SUPERVISION

- 6.1 **Technical Coordination:** CMF/CHA (executing agency) / SP (sub executing agency).
- 6.2 **Disbursement contact:** Gloria Lugo, ICF/CMF (glorial@iadb.org, tel: +1 202 623 3005).

## **VII. PAYMENTS**

- 7.1 **10%** of the total amount of the contract at the signature of the contract.
- 7.2 **30%** of the total amount of the contract after the submission and acceptance of the annual reports, at the end of the first (10%) second (10%) and third year (10%), and the acknowledgment of the quarterly expected reports.
- 7.3 **40%** of the total amount of the contract distributed among equivalent monthly payments during the four year services.
- 7.4 **20%** of the total amount of the contract after the approval by the Bank and the Sub executing agency, of the Final Reports, delivered at the end of the four year period.

## **INTER-AMERICAN DEVELOPMENT BANK**

### **IFD/CMF**

#### **TERMS OF REFERENCE**

#### **CONSULTING SERVICES: PROJECT COORDINATOR**

#### **“PILOT CASE IN PRODUCTIVE COMMUNAL AREAS”**

### **I. BACKGROUND**

- 1.1 Generalized poverty in Haiti (around 80% of the population were living in poverty in 2009, with less than 2 USD a day), widespread unemployment (approximately 70%) and unequal income distribution (the poorest 10% receive 0.7% of the national income, whilst the richest 10% receive 47.7%) develops into large scale vulnerable livelihoods, partly caused and reinforced by the income discontinuity typical of the households occupying the lowest levels of the Pyramid. This fact has been amplified as result of the earthquake that stroke the Nation in January 2010 affecting large parts of the productive sector of the country, with a great impact in the base of the Pyramid, mainly in the housing sector and in their capabilities (assets) to generate sustained revenues.
- 1.2 Haiti may be in a stage of development that could produce significant improvements in its weakest productive sector with smart capital and basic technology additions. However, to deliver productive assets at no cost among vulnerable segments represents a high risk, since they might be sold in the short term and consequently, the intervention becoming unsustainable and its impact significantly reduced.
- 1.3 Considering the above mentioned points, IDB includes in its Private Sector Development Strategy, the development of Productive Communal Areas (PCA), a new perspective focused on the Micro-producers closest to the base of the Pyramid, through the creation of a cross fertilization concept between business, social goals and infrastructure programs (productive and basic infrastructure; and housing, in some cases), ending with the “silo” thinking generally adopted in these approaches.
- 1.4 The concept seeks to tap in Haiti’s human capital through the delivery of smart capital (productive workshops, common equipment and housing when necessary) and basic technology (labor organization and technical training), allowing vulnerable Micro-producers to carry out a productive activity, thus generating sustainable earnings. These productive complexes will target sectors where



Micro-producers either have a competitive advantage, or the opportunity exists for the creation of a niche market.

- 1.5 The PCA approach involves the following parties:
  - a. The Hardware pillar: An infrastructure package supporting the productive activity of the complex. It consists of the land, houses (only in the Productive Housing approach) and workshops (in all cases), a common productive area, capital means of production, basic infrastructure, training and the selected Micro-producers (the beneficiaries). The sustainability of the activity will be ensured through the request to the Micro-producers of a compulsory monthly saving, finally intended to replace the initial production capacity installed.
  - b. The Software pillar: The organization of the productive activity. The “SW provider” (SP) of the complex, normally a NGO or a social business, but also a for-profit company, will be in charge of the selection of the Micro-producers, will organize the productive activity within the PCA and will also provide access to the markets, managing when necessary the contracts with the buying party (clients/anchors).
  - c. The end market ensuring the sustainability of the PCA. The orders of the complex could be provided by: (i) an international anchor (or Sponsor) and (ii) one or several local anchors, both ordering to the entire complex output; or by (iii) individuals ordering separately to each of the Micro-producers.
- 1.6 All the planned resources would be put together, through a set of contracts, in a separated fund, managed temporarily by the SP, and finally transferred to the Micro-producers, once they had demonstrated their sustainability, at the end of the Program.
- 1.7 In this context, the bank has pledged new resources from the Japanese cooperation, with the purpose of supporting 4 PCA pilots. Funds will be intended, through a Technical Cooperation, to support the SP in its organizational task (consultancy services here described) and complementing the Hardware pillar as well, with resources for Micro-producers training and equipments. The present Technical Cooperation would be executed by the Bank, who in turn will select, together with the JSF, the counterpart of each Pilot (SP), considering the most competitive proposals. Each chosen proposal would involve a signed agreement between the Bank (as executing agency) and the selected SP, who will automatically become the sub executing agency and partner of the project, contributing with additional funds, being then completed the joint venture between parties.

## **II. OBJECTIVE**

- 2.1 The Bank seeks, through these Terms Of Reference, to employ a Project Coordinator (PC) in order to manage the daily productive activity of each of the pilots, on behalf of the SP in charge of the Software pillar, and more specifically, reporting directly to the Project Manager (PM) in command.

## **III. OUTLINE OF THE CONSULTANCY**

**A. To support the managing responsibilities of the SP and its PM, the PC will be charged with the following tasks:**

- 3.1 Primary participation in the foundation of the pilot:
- a. Design of the eligibility criteria, identification of the Micro-producers and selection of the final beneficiaries, whilst ensuring their minimum skills to carry out the productive activity.
  - b. Training coordination: identification of the technical assistance necessities of the Micro-producers, design and implementation plan.
  - c. Identification of the initial productive equipments requirements.
- 3.2 General coordination of the productive activity of the PCA pilot. That includes:
- a. Design an organizational structure for production: Procedures design.
  - b. Administrative direction.
  - c. Financial and economic planning, and analytic accountability as well. Develop a business plan including a minimum guaranteed running time.
  - d. Supervision of the activity developed by the FAs.
  - e. Proper maintenance of the properties including the productive common space.
  - f. Evaluation of the productive activity developed within the complex, using the resources allocated for the entry in the component 3.
  - g. Ensuring the alignment with the specifications designed by the PM and proceeding under the guidance of the pilot's Board of Trustees.
- 3.3 Close coordination and sustained report to the PM, referring to the productive activity status and its evolution.

- 3.4 Specification of the FA's assignments. Continued performance supervision and evaluation of the objectives accomplishment. Supervision of the assigned tasks, maintaining a close relationship, based on frequent communication, in order to ensure the stream of information coming from the PM.
- 3.5 Ensure the efficiency of the activity and the professional development of the Micro-producers, with the aim of accomplish purchaser's requirements and to enhance the future sustainability of the productive complex, beyond the intervention of the Bank. In this sense, the PC must identify and report to the PM the needs and the difficulties faced by the complex, and to implement the corresponding actions employing the available resources.
- 3.6 Design appropriate mitigation procedures in cases where significant environmental and social risks are identified.

#### **IV. EXPECTED RESULTS OF THE CONSULTING SERVICES**

- 4.1 The PC, together with the FA commits to deliver the following products:
  - a. A quarterly update of the activities developed by the PCA complex, providing all the relevant information to the Executing and Sub Executing agency (SP).
  - b. An annual report, including the financial and economic performance during the fiscal year.
  - c. A final report, including: (i) a summary of the productive complex performance, throughout the project, (ii) a financial and economic report of the pilot, (iii) main difficulties faced and actions taken, (iv) main findings of the model, best practices and key points identified. The products delivered are expected to be a preferential source for the divulging activity included in this Technical Cooperation.
- 4.2 Furthermore, the PC is required to submit an annual report, summarizing its individual main tasks and results.

#### **V. CHARACTERISTICS OF THE CONSULTANCY**

- 5.1 **Consultancy type:** Individual consultant.
- 5.2 **Post of Duty:** Haiti. To be more specific, the consultant professional activity will be based in the same location of the pilot productive complex. In this sense, some

potential areas have already been identified, mainly in the northern territories and other poles of economic growth.

5.3 **Opening date and duration:** At the foundation of the PCA pilot complex, until the end of the assisted productive activity, after four fiscal years.

5.4 **Minimum qualifications:**

- a. Master in finance, economics or business administration.
- b. The PC will demonstrate expertise (at least 3 years) in the project coordination: execution, monitoring and evaluation.
- c. Demonstrated field work experience in Haiti.
- d. Relevant experience in productive housing and/or cooperative organizational models. Specific technical knowledge of the business chosen for the pilot.
- e. Fluency in Creole and French.

5.5 **Amount:** US\$81.600

## VI. COORDINATION AND SUPERVISION

6.1 **Technical Coordination:** CMF/CHA (executing agency) / SP (sub executing agency).

6.2 **Disbursement contact:** Gloria Lugo, ICF/CMF (glorial@iadb.org, tel: +1 202 623 3005).

## VII. PAYMENTS

7.1 **10%** of the total amount of the contract at the signature of the contract.

7.2 **30%** of the total amount of the contract after the submission and acceptance of the annual reports, at the end of the first (10%) second (10%) and third year (10%), and the acknowledgment of the quarterly expected reports.

7.3 **40%** of the total amount of the contract distributed among equivalent monthly payments during the four year services.

7.4 **20%** of the total amount of the contract after the approval by the Bank and the Sub executing agency, of the Final Reports, delivered at the end of the four year period.

## **INTER-AMERICAN DEVELOPMENT BANK**

### **IFD/CMF**

#### **TERMS OF REFERENCE**

##### **CONSULTING SERVICES: FIELD ASSISTANT**

##### **“PILOT CASE IN PRODUCTIVE COMMUNAL AREAS”**

### **I. BACKGROUND**

- 1.1 Generalized poverty in Haiti (around 80% of the population were living in poverty in 2009, with less than 2 USD a day), widespread unemployment (approximately 70%) and unequal income distribution (the poorest 10% receive 0.7% of the national income, whilst the richest 10% receive 47.7%) develops into large scale vulnerable livelihoods, partly caused and reinforced by the income discontinuity typical of the households occupying the lowest levels of the Pyramid. This fact has been amplified as result of the earthquake that stroke the Nation in January 2010 affecting large parts of the productive sector of the country, with a great impact in the base of the Pyramid, mainly in the housing sector and in their capabilities (assets) to generate sustained revenues.
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- 1.3 Considering the above mentioned points, IDB includes in its Private Sector Development Strategy, the development of Productive Communal Areas (PCA), a new perspective focused on the Micro-producers closest to the base of the Pyramid, through the creation of a cross fertilization concept between business, social goals and infrastructure programs (productive and basic infrastructure; and housing, in some cases), ending with the “silo” thinking generally adopted in these approaches.
- 1.4 The concept seeks to tap in Haiti’s human capital through the delivery of smart capital (productive workshops, common equipment and housing when necessary) and basic technology (labor organization and technical training), allowing vulnerable Micro-producers to carry out a productive activity, thus generating sustainable earnings. These productive complexes will target sectors where

Micro-producers either have a competitive advantage, or the opportunity exists for the creation of a niche market.

- 1.5 The PCA approach involves the following parties:
  - a. The Hardware pillar: An infrastructure package supporting the productive activity of the complex. It consists of the land, houses (only in the *Productive Housing* approach) and workshops (in all cases), a common productive area, capital means of production, basic infrastructure, training and the selected Micro-producers (the beneficiaries). The sustainability of the activity will be ensured through the request to the Micro-producers of a compulsory monthly saving, finally intended to replace the initial production capacity installed.
  - b. The Software pillar: The organization of the productive activity. The “SW provider” (SP) of the complex, normally a NGO or a social business, but also a for-profit company, will be in charge of the selection of the Micro-producers, will organize the productive activity within the PCA and will also provide access to the markets, managing when necessary the contracts with the buying party (clients/anchors).
  - c. The end market ensuring the sustainability of the PCA. The orders of the complex could be provided by: i) an international anchor (or Sponsor) and iii) one or several local anchors, both ordering to the entire complex output; or by iii) individuals ordering separately to each of the Micro-producers.
- 1.6 All the planned resources would be put together, through a set of contracts, in a separated fund, managed temporarily by the SP, and finally transferred to the Micro-producers, once they had demonstrated their sustainability, at the end of the Program.
- 1.7 In this context, the bank has pledged new resources from the Japanese cooperation, with the purpose of supporting 4 PCA pilots. Funds will be intended, through a Technical Cooperation, to support the SP in its organizational task (consultancy services here described) and complementing the Hardware pillar as well, with resources for Micro-producers training and equipments. The present Technical Cooperation would be executed by the Bank, who in turn will select, together with the JSF, the counterpart of each Pilot (SP), considering the most competitive proposals. Each chosen proposal would involve a signed agreement between the Bank (as executing agency) and the selected SP, who will automatically become the sub executing agency and partner of the project, contributing with additional funds, being then completed the joint venture between parties.

## **II. OBJECTIVE**

- 2.1 The Bank seeks, through these Terms Of Reference, to employ a Field Assistant (FA) in order to assist the operational task of the Project Coordinator (PC), both under the leadership of the Project Manager (PM) in charge of managing the pilot.

## **III. OUTLINE OF THE CONSULTANCY**

### **A. To support PC's responsibilities, the FA will be charged with the following tasks:**

- 3.1 Administrative and financial support:
- a. To deal with the administrative daily activities.
  - b. To support in the creation of a database. Maintenance of the database and collection of information of the different participating actors, with the help of the available resources in component 3.
  - c. To handle the relations with the Micro-producers and the flow of information within the complex: gathering information and regular internal communication.
  - d. To support the financial and economic planning of the PC.
  - e. Accountability of the everyday productive activity.
- 3.2 Operational support:
- a. To participate in identification and final selection of the Micro-producers.
  - b. In field support to the coordination of the productive activity.
  - c. Assistance to the PC in the evaluation of the productive activity developed within the complex.
  - d. Daily monitoring of the pilot and continuous status report to the PC.
  - e. To support training coordination: support the implementation plan designed by the PC.
  - f. Control of PCA's operations and implementation of the designed procedures, organization of the Micro-producers.

- g. Technical responsible of the productive activity. Regular supervision of the equipments and coordination of the technical maintenance.
- 3.3 To support the PC in any other activity required:
- a. To support the identification of the initial productive equipments requirements.
  - b. To carry out the considered necessary research in the productive housing field, among others.
  - c. To inform periodically the PC, and to follow its guidelines.

#### **IV. EXPECTED RESULTS OF THE CONSULTING SERVICES**

- 4.1 The FA commits to deliver, together with the PC, and, on behalf the PM, the following products:
- a. A quarterly update of the activities developed by the PCA complex, providing all the relevant information to the Executing and Sub Executing agency.
  - b. An annual report, including the financial and economic performance during the fiscal year.
  - c. A final report, including: (i) a summary of the productive complex performance, throughout the project, (ii) a financial and economic report of the pilot, (iii) main difficulties faced and actions taken, (iv) main findings of the model, best practices and key points identified. The products delivered are expected to be a preferential source for the divulging activity included in this Technical Cooperation.
- 4.2 Furthermore, the FA is required to submit an annual report, summarizing its individual main tasks and results.

#### **V. CHARACTERISTICS OF THE CONSULTANCY**

- 5.1 **Consultancy type:** Individual consultant.
- 5.2 **Post of Duty:** Haiti. To be more specific, the consultant professional activity will be based in the same location of the pilot productive complex. In this sense, some potential areas have already been indentified, mainly in the northern territories and other poles of economic growth.



- 5.3 **Opening date and duration:** At the foundation of the PCA pilot complex, until the end of the assisted productive activity, after four fiscal years.
- 5.4 **Minimum qualifications:**
- a. Bachelor in finance, economics or business administration.
  - b. Professional experience (at least 2 years) in project coordination assistance: supporting planning, execution, monitoring and evaluation.
  - c. Demonstrated field work experience in Haiti.
  - d. Experience in productive housing and/or cooperative organizational models desirable. Specific technical knowledge of the business chosen for the pilot.
  - e. Fluency in Creole and French.
- 5.5 **Amount:** US\$ 33,600

## **VI. COORDINATION AND SUPERVISION**

- 6.1 **Technical Coordination:** CMF/CHA (executing agency) / SP (sub executing agency).
- 6.2 **Disbursement contact:** Gloria Lugo, ICF/CMF (glorial@iadb.org, tel: +1 202 623 3005).

## **VII. PAYMENTS**

- 7.1 **10%** of the total amount of the contract at the signature of the contract.
- 7.2 **30%** of the total amount of the contract after the submission and acceptance of the annual reports, at the end of the first (10%) second (10%) and third year (10%), and the acknowledgment of the quarterly expected reports.
- 7.3 **40%** of the total amount of the contract distributed among equivalent monthly payments during the four year services.
- 7.4 **20%** of the total amount of the contract after the approval by the Bank and the Sub executing agency, of the Final Reports, delivered at the end of the four year period.

## Proyecto: Pilot Case in Productive Communal Areas

Número de Proyecto: HA-T1151

Período comprendido en este Plan de Adquisiciones: 48 meses Octubre 2012 - Septiembre 2016

No. Ref. <sup>1</sup>	Categoría y descripción del contrato de adquisiciones	Costo estimado de la Adquisición (US\$)	Método de Adquisición <sup>2</sup>	Revisión (ex-ante or ex-post)	Fuente de Financiamiento o porcentaje		Precalificación <sup>3</sup> (Si/No)	Fechas estimadas				Status <sup>4</sup> (pendiente, en proceso, adjudicado, cancelado)	Comentarios	
					BID %	Local / Otro %		Publicación AEA		Terminación del Contrato				
1	BIENES								Sem.	Año	Sem.	Año		
1	Sistemas y equipos informaticos / comunicacion	120,000	CP	ExAnte	100%	0%	No	2	2012	2	2013	Pendiente	Contratos múltiples	
2	Movilidad / Elementos de transporte	76,000	CP	ExAnte	100%	0%	No	2	2012	2	2013	Pendiente	Contratos múltiples	
	Subtotal Bienes	196,000												
2	OBRAS													
	N/A	0			0%	100%								
	Subtotal Obras	0												
3	SERVICIOS DIFERENTES A CONSULTORIA													
3	Evento Difusión (Logística)	9,000	CP	ExAnte	100%	0%	No	1	2016	2	2016	Pendiente		
	Subtotal Servicios Diferentes a Consultoría	9,000												
4	SERVICIOS DE CONSULTORIA													
4	Project Manager	576,000	CCIN	ExAnte	100%	0%	No	2	2012	2	2016	Pendiente	Contratos múltiples	
5	Project Coordinator	326,400	CCIN	ExAnte	100%	0%	No	2	2012	2	2016	Pendiente	Contratos múltiples	
6	Field Assistant	134,400	CCIN	ExAnte	100%	0%	No	2	2012	2	2016	Pendiente	Contratos múltiples	
7	Asistencia Técnica Directa	256,000	CCIN	ExAnte	0%	100%	No	2	2012	2	2014	Pendiente	Contratos múltiples	
8	Preparacion de contratos	14,000	CCIN	ExAnte	100%	0%	No	1	2012	2	2016	Pendiente	Contratos múltiples	
9	Mid Term Evaluation	15,000	CCIN	ExAnte	100%	0%	No	1	2014	2	2014	Pendiente		
10	Final Evaluation	35,000	CCIN	ExAnte	100%	0%	No	1	2014	2	2016	Pendiente		
11	Informe final	6,000	CCIN	ExAnte	100%	0%	No	1	2016	2	2016	Pendiente		
	Subtotal Consultorías Individuales	1,362,800												
12	Auditoría anual	38,200	SBCC	ExAnte	100%	0%	No	2	2012	2	2016	Pendiente		
	Subtotal Servicios de Consultoría	38,200												
	Total	1,606,000												

<sup>1</sup> Si hubiesen grupos de contratos individuales similares que van a ser ejecutados en distintas localidades o distintas épocas, éstos pueden incluirse agrupados bajo un solo rubro con una explicación en la columna de comentarios indicando el valor promedio individual y el período durante el cual serían ejecutados.

<sup>2</sup> **Bienes y Obras:** **LPI:** Licitación Pública Internacional; **LIL:** Licitación Internacional Limitada; **LPN:** Licitación Pública Nacional; **CP:** Comparación de Precios; **CD:** Contratación Directa; **AD:** Administración Directa; **CAE:** Contrataciones a través de Agencias Especializadas; **AC:** Agencias de Contrataciones; **AI:** Agencias de Inspección; **CPIF:** Contrataciones en Préstamos a Intermediarios Financieros; **CPO/COT/CPOT:** Construcción-propiedad-operación/ Construcción-operación- transferencia/ Construcción-propiedad-operación-transferencia (del inglés BOO/BOT/ BOOT); **CBD:** Contratación Basada en Desempeño; **CPGB:** Contrataciones con Préstamos Garantizados por el Banco; **PSC:** Participación de la Comunidad en las Contrataciones. **Firmas Consultoras:** **SBCC:** Selección Basada en la Calidad y el Costo; **SBC:** Selección Basada en la Calidad; **SBPF:** Selección Basada en Presupuesto Fijo; **SBMC:** Selección Basada en el Menor Costo; **SCC:** Selección Basada en las Calificaciones de los Consultores; **SD:** Selección Directa.

**Consultores Individuales:** **CCIN:** Selección basada en la Comparación de Calificaciones Consultor Individual Nacional; **CCII:** Selección basada en la Comparación de Calificaciones Consultor Individual Internacional.

<sup>3</sup> Aplicable para el caso de las Políticas nuevas solo para Bienes y Obras. En el caso de las Políticas Antiguas es aplicable a Bienes, Obras y Servicios de Consultoría.

<sup>4</sup> Se utilizará la columna "Estatus" para adquisiciones retroactivas y actualizaciones del plan de adquisiciones.