OPERATIONS MANUAL

DRAFT

*HA-L1137*

*Temporary Social Safety Net and Skills for Youth*

Support income generation and employability among vulnerable youth

October 2018



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ACRONYMES

|  |  |
| --- | --- |
| ALMP | Active Labor Market Policies |
| BRS | FAES South Region (acronym in French) |
| BRSE | FAES South-East Region (acronym in French) |
| BRNE | FAES North-East Region (acronym in French) |
| BRNO | FAES North-West Region (acronym in French) |
| BRC | FAES Central Region (acronym in French) |
| BRH | Bank of the Republic of Haiti (acronym in French) |
| CC | Counsel Committee (Comité de Consultation, acronym in French) |
| CDD | Community Driven Development |
| CHO | Chief of Operations |
| CP | Project Coordinator (acronym in French) |
| CSCC | Civil Society Community Commission |
| DA | Administrative Division (acronym in French) |
| DG | Director General of FAES |
| DIE | Direction of Economic Initiatives (acronym in French) |
| DF | Finance Division (acronym in French) |
| DLCP | Fight against Poverty Division (acronym in French) |
| DPRI | Promotion and Institutional Strengthening Division (acronym in French) |
| DPS | Social Projects Division (acronym in French) |
| DSE | Monitoring and Evaluation Division (acronym in French) |
| EA | Executing Agency |
| ESA | Environmental and Social Assessment |
| ESMF | Environmental and Social Management Framework |
| ESMP | Environmental and Social Management Plan |
| ESMR | Environmental and Social Management Report |
| ESS | Environmental and Social Strategy |
| FAES | Fund of Economic and Social Assistance (acronym in French) |
| FY | Fiscal Year |
| GOH | Government of Haiti |
| IDB | Inter-American Development Bank |
| IMF | International Monetary Fund |
| INFP | Professional Training National Institute (acronym in French) |
| ISTEAH | Sciences, Technology and Advanced Studies Institute (acronym in French) |
| MAST | Ministry of Labor and Social Affairs (acronym in French) |
| MEF | Ministry of Economy and Finances (acronym in French) |
| MOF | Manual of Operations of FAES |
| MOP | Manual of Operations of the Program |
| NEET | Neither Employed nor in Education or Training |
| PEP | Pluriannual Execution Plan |
| PF | Financial Management Plan (acronym in French) |
| PLIS | Public Labor Intermediation Services |
| POA | Annual Operations Plan (acronym in French) |
| POD | Proposal for Operation Development |
| PPM | Procurement Plan (acronym in French) |
| PTE | Program of Temporary Employment |
| SMP | Staff Monitoring Program |
| TVET | Technical Vocational Education and Training |
| UAI | Internal Audit Unit (acronym in French) |
| UC | Communications Unit (acronym in French) |
| UCBR | Regional Offices Coordination Unit (acronym in French) |
| UE | Environmental Unit (acronym in French) |
| UL | Legal affairs Unit (acronym in French) |
| UPM | Procurement Unit (acronym in French) |

1. **Institutional aspects of the Project**
2. ***Generalities***
   1. ***Manual Objective***
3. This Manual of Operation of the Project (MOP) is an implementation guide for the Temporary Social Safety Net and Skills for Youth Project, which supports income generation and employability among vulnerable youth in Haiti. This project is financed by the Inter-American Development Bank through Operation HA-L1137 and is executed by the Fonds d’Assistance Economique & Sociale (FAES) in collaboration with the Ministère des Affaires Sociales et du Travail (MAST).
4. This MOP defines the main conceptual, operational, monitoring and evaluation elements of the project. It establishes the standards to be followed and the procedures to be used in the management of the project. The MOP promotes the application of standardized procedures and criteria, making the execution of Components transparent and fast. It determines the areas of responsibility and joint responsibility among the institutions involved in the implementation of the program.
5. The MOP is also an instrument to support the agents and entities involved in the Program so that the different activities are executed based on a global and coordinated vision, guaranteeing functioning and sustainable infrastructures.
   1. ***Scope and structure of the Manual of Operations***
6. This MOP contains among its chapters the objectives, scope and description of the project, institutions, operators and beneficiaries, municipalities, and a detailed description of how the project will be implemented. It is a dynamic document that will evolve to consider the changes that may occur during the project’s implementation.
7. The MOP is based on the approved POD document and provides the instruments and forms required, including the fiduciary arrangements and procedures, for the implementation program. This is within the Grant Agreement signed between the Government of Haiti and the IDB.
8. It contains the conditions that will govern the role of each institution involved in its implementation and the operational mechanisms and instruments that support its implementation and facilitate its evaluation, according to its defined objectives. It includes among other, details on the execution mechanisms to be followed by FAES for all activities including: (i) procedures for approval and updating it; (ii) description of the roles of each participant (FAES, MAST and Operators); (iii) procedures for the formulation, approval, execution of all activities and budget monitoring; (iv) procedures for the procurement of contracts, disbursement requests, payments, and the justification of funds; (v) monitoring and evaluation activities; (vi) environmental safeguard procedures; (vii) procedures for carrying out external audits and implementing auditors' recommendations; (viii) procedures for the safeguard of financial information; and (ix) for updating and implementing FAES code of ethics.
   1. ***Modifications***
9. The MOP must be updated regularly; this is as important as setting it up because the MOP might lose its effectiveness as the Program evolves. A list of the holders of the MOP will be maintained by the director of the Planning and Monitoring Department of FAES who will have to ensure the updating of all the copies each time a change will be brought to the MOP.
10. The responsibility for maintaining and updating the MOP rests with the Director General of FAES. He makes sure that the necessary copies are made available to staff and partners. The decision to make changes to existing procedures is made on his initiative with the non-objection of the IDB.
11. When the decision to make changes to existing procedures is considered, the Director General of FAES organizes a meeting to be attended by all the agents likely to be affected by these changes and consults the project partners in question on the points which may concern them.
12. This meeting will focus on the desirability of the proposed changes and the solutions to be adopted. At the end of this meeting, a report will be drawn up and shall include the following elements:

* *the procedures to be modified;*
* *the reasons why the changes are requested;*
* *the person responsible for drafting the new procedures to be included in the MOP*.

1. The person in charge of drafting the update of the procedures submits them to the Director General who decides on the final text before submitting it to the IDB.
2. Any update of the MOP should be in strict accordance with the provisions of the relevant Grant Agreement and the new version should be subject to the agreement of MAST and the non-objection of the IDB.
3. Once the updated MOP is approved by MAST and the IDB, FAES will distribute the new version of the MOP to the interested parties. The Planning and Monitoring Division in charge of the distribution will note in a register reserved for this purpose the date of transmission of the new version to the interested parties as well as the corresponding references. A registry to follow the update of each copy of the manual must be kept by the Planning and Monitoring Division.
4. All elements covered by this MOP will be governed by the provisions of the Grant Agreement. In the absence of indications in the latter, the legislation of the Republic of Haiti shall apply, unless it is contrary to the policies and procedures of the IDB.
   1. ***Definitions***
5. For a most clear understanding of some of the terms within each Component of the Program included in this manual, these definitions are provided as follow:

| **GLOSSARY** | **DEFINITIONS** |
| --- | --- |
| **Component I** | |
| Temporary Employment Programs (TEP) | Temporary employment programs are initiatives whereby beneficiaries receive a remuneration for performing a work that is temporary in nature. TEPs aim at alleviating transient poverty. They are typically used during periods of low economic growth, targeting informal/vulnerable people whose economic status is difficult to verify and providing income to low or unskilled groups. |
| Operators | They are legally established and duly registered organizations in the government system of the Republic of Haiti, with experience in identifying and prioritizing projects through participatory consultations at community level, they have experience in the management and execution of simple and complex development projects in the Republic of Haiti. Through Temporary Employment Programs, they promote capacity building and cash transfer, with the ability to coordinate and supervise all field activities, report on the payments to beneficiaries, and monitor and evaluate results. |
| Carpeta Técnica | Documento que contiene la información técnica, social, económica, legal, financiera y plan de sostenibilidad, que conforma el proyecto a realizarse, formulado de acuerdo a los lineamientos establecidos por el solicitante del proyecto y la institución gubernamental rectora. |
| Comunidad | Conjunto de familias e individuos que habitan en un mismo espacio geográfico, que se sienten unidos por vínculos de vecindad, que tiene objetivos o preocupaciones comunes, que poseen un mínimo de organización y se auto organizan para expresar las propuestas/preocupaciones de la comunidad. |
| Comunidad Rural | Es una comunidad/caserío que geográficamente no pertenece al casco urbano del municipio y que consecuentemente carece o se le dificulta el acceso a la infraestructura social básica y a los servicios. |
| Empoderamiento | Es un proceso de cambio a largo plazo en el que los individuos y las poblaciones tradicionalmente excluidas van adquiriendo capacidades, reivindicando colectiva o individualmente necesidades e intereses en el espacio privado y en el público, cambiando valoraciones y actitudes sociales y personales acerca de las capacidades y valores otorgados a los géneros, así como adquiriendo y ejerciendo control sobre los recursos productivos, reproductivos y comunitarios (Bucher, 1996:29) |
| Comunicación social | Es un campo de estudio sociológico que explora especialmente aquello relacionado con la información, cómo ésta es transmitida, percibida, y entendida por los diversos receptores, así como su impacto social. Sus estrategias se enfocan en utilizar la comunicación como medio y estrategia para la formación, sensibilización y empoderamiento de mujeres y hombres, en el marco de un proyecto de desarrollo. |
| Vulnerabilidad social | Condición social de riesgo y/o de dificultad, que inhabilita e invalida, de manera inmediata o potencial, al individuo o grupo de individuos afectando la capacidad de lograr un nivel mínimo de bienestar -en tanto subsistencia y calidad de vida- en contextos sociohistóricos y culturalmente determinados. Supone una limitación de un grupo social o sector concreto de la población enfrenta para poder enfrentar una situación de riesgo, en particular a partir de su condición de pobreza, género (las mujeres), jefatura de hogar, edad, discapacidad u origen étnico. La condición de mayor vulnerabilidad limita por tanto las posibilidades para acceder a las oportunidades de desarrollo y a mayores niveles de bienestar. Para efectos de este manual, el concepto se relaciona principalmente con el carácter multidimensional de la pobreza y su impacto en el manejo del riesgo personal y familiar. |
| Community Driven Development- (CDD) Projects | Community Driven Development Projects are projects whereby the community plays a key role in defining the need / challenge to be addressed as well as the response to the need. CDDs provide a way to facilitates access to social human and physical capital assets for the rural poor by creating the conditions for (i) transforming rural development agents from top-down planners into client-oriented service providers; (ii) empowering rural communities to take initiative for their own socio-economic development (i.e. building on community assets); (iii) enabling community-level organizations – especially those of the rural poor – to play a role in designing and implementing policies and programmes that affect their livelihoods; and (iv) enhancing the impact of public expenditure on the local economy at the community level. |
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| **Component II** | |
| Stipend | With regards to the training activities:  It refers to the economic support (monthly or by-weekly payment) provided to the beneficiary to support the participation in the training. The grant is meant to contribute towards the costs faced for participating in the training. The stipend is provided during the on-the-job training of the beneficiary for a maximum of three months. It is not meant to be a salary so it does not create a work-type relationship.  With regards to the entrepreneurship activities:  It refers to the economic support (monthly or bi-weekly payment) provide to the selected entrepreneurs to support their participation in the incubation program. The stipend is provided for a maximum of six months, conditional to the satisfactory participation to the incubation program, to be verified by the University of Ottawam and it is meant to contribute towards costs such as meals and transporation so that the entrepreneur can work full time on the business idea / startup. |
| Beneficiary | With regards to the training activities:  A natural person with at least 16 years of age who is facing difficulties to access income generating opportunities; who is participating into the training activities of Component II, after verifying the compliance with the eligibility requirements and conditions established.  With regards to the entrepreneurship activities:  A natural person with legal power (at least 18 years of age) who is selected to join the Incubation program because of the high potential of his/her business ideas and his/her strong commitment to working on his business ideas/startup. |
| Job seeker | A natural person with at least 16 years of age who is facing difficulties to access income generating opportunities and who is actively looking for such opportunities. |
| Professional training | A capacity building process based on a variety of learning tools (classes, on the job training, among other) that focuses on learning specific skills to improve the capacity to perform certain tasks needed for a particular job. |
| Job opening | Created by a formal, private or public potential employer, a job opening is the active search of a person to fill a vacant position. The sum of all job vacancies in the market constitutes the market demand. |
| Employability | Capacity or ability that a person has to perform a task needed for a job opening and thus to be employed. It is expressed through the formal achievement of learning targets. |
| Labor intermediation | Set of actions and services to encourage the meeting of the demand for workers with a certain skills set with the supply. The purpose of labor intermediation is to enable workers to obtain employment that matches their profile so that the needs of the empoyers are satisfied. |
| Labor insertion | A set of actions and services aimed at integrating the beneficiary into a new job. Labor insertions can include: access to timely, useful and reliable information on employment opportunities and on-the-job training opportunities; acquisition of work experience, among other. |
| Labor market | The labor market is based on the demand and supply of workers. It is the mechanism that allows demand to meet the supply of workers with specific skills sets. The labor market is based on the exchange of information about the demand and the supply; mechanisms for this exchange of information can be virtual (e.g. on-line platforms) or physical (e.g. job fairs). |
| Labor supply | The labor supply is the sum of the individuals who are able to work and wish to do so. The labor supply can be measured in general terms (all workers available) or broken down to specific sectors and skills sets (worker who can perform task a, b and c.). |
| Vacancy | Job position that does not count with the person with the skills to fill that position. A vacancy is considered filled when the persons to perform with the rights skills is formally engage (usually through a contract between the employer and the worker). |
| Labor market guidance | Service to help people looking for a job, which aims to improve their chances of employment, by providing advice and training on job search techniques, preparing a curriculum vitae, preparing for a job selection interview, as well as the development of personal aspects that contribute to this goal. |
| Active labor market policies | Direct intervention of the State – or other actors – in the labor market, to mitigate or prevent unemployment through a set of measures and actions such as: job placement; development of training and vocational training programs to boost specific labor supply; orientation for job seekers towards available vacancies, among other. |
| Operators | PENDING TEXT |
| Entrepreneur | Individual detecting an unsatisfied market need and aiming at providing a product or service that meets that need with the ultimate goal of making a profit. |
| Business idea | Idea concerning the provision of a product or service in the market to satisfy a market need. |
| Business Incubator | Set of training and capacity building activities aiming at providing support to an entrepreneur to develop his/her business idea and take it market. A business incubator can provide a variety of activities and services including, for instance: classes and lectures provides by experts on different aspects of a business (from developing a business plans, to marketing, to business incorporation, and more), interaction with experts and advisors on specific aspects of the business of the entrepreneurs, co-working space for the entrepreneurs, opportunities to present in front of potential partners and investors, initial funding to develop a minimum viable product or kick off the business, among others. |
| Co-working space | A co-working space is a shared work space, usually used by entrepreneurs in the initial stages of their business venture or by entrepreneurs that do not require exclusive space.  A co-working space can be an open space with shared internet, shared printers or meeting rooms, that can be used by all the entrepreneurs when needed. Co-working space allow to reduce operation costs for the participants and encourage interaction and cross-fertilization. |
| Startup | A startup is a formally incorporated business with less than 5 years of formal operations. |
| **General definitions for the program** | |
| Eligibility of origin | For this manual, it refers to how funds from the IDB loan (in this case the Grant Facility) that can be used only for the payment of Goods and services, Works, Non-Consultancies and Consultancies with regards to the country of origin. Only firms and individuals from IDB member countries can be contracted. Individuals or firms from other countries shall not be eligible to participate in procurement contracts. In the case of goods, their origin shall be from Bank member countries. For Consultants, they will be eligible if they are Bona Fide residents of IDB member countries. More details are available in the procurement section of this manual. |
| Eligibility according to the nature of the expenditure | The Goods, Works and Services should be procured in view of the principles of efficiency, transparency, economy, and equal opportunity described in the IDB Procurement Policies that apply for this project[[1]](#footnote-1). Also, the funds to procure them, shall be used as agreed within the financing legal agreement signed between IDB and FAES. |
| The Contracting Authority | To implement the program, FAES will select a natural or legal person to execute a works, provide a services or supply a goods. FAES will initiate all the procurement procedures through the Procurement Unit (UPM acronym in French). To this end, FAES can also be named as “The Contracting Authority”. The Contracting Authority (FAES) and the UPM will execute the Procurement Plan of the Program. |
| Effectiveness | Effectiveness means that the goods, works and services procured will fulfill the Program objectives |
| Accountability | The capability of the supplier/seller/contractor to provide the goods, services, works and consultancies in a well documented and clear way so that there is assurance that what is promised will be provided according to the terms and conditions agreed by the parties. FAES, as Contracting Authority, must document all procurement processes and is liable meaning accountable and must be ready at all time to report on the use of the funds of the Program, according to the principles of efficiency, transparency, economy and equal opportunity. |
| Transparency | Sharing of information in a clear and accessible way so that fraud is prevented and stakeholders are guaranteed that funds are being used according to the Grant Agreement that rules the Program, honestly, and are all accounted for. |
| Efficiency | Maximizing output from a given amount of inputs (resources) for the implementation of an activity. |
| Goods and Services | Goods are physical products purchased or manufactured on request. There is usually an element of service involved, such as when the agreement is for the purchase of goods to be assembled and/or installed. However, the extent of the service provided is directly related to acceptance of the goods purchased. Typical examples of goods are: office supplies and equipment, furniture, IT equipment, books, vehicles, medical supplies and other commodities. |
| Works | Works are related to civil works and includes new construction of structures of all kinds (buildings, etc), renovations, extensions, and repairs. This category can also include, water and sanitation, transportation and infrastructure to alberg equipment . For this Program, the expected works are very small. |
| Services | Services are classified as consulting services and non-consulting services. In some cases, they are simply classified as services because of the difficulty, at times, in clearly determining the difference. The distinguishing factor between the two, however, is the degree of importance of the measurable physical output of the requirement. When the output achieved requires a strong physical intervention, such as cabling network installation, it can be considered as a non consulting service. |
| Non-consulting services | Non-consulting services usually involve the use of equipment and specific methodologies to achieve their objectives. Some typical examples of non-consulting services are: equipment maintenance and repair, operation and maintenance services, utility management, installation and maintenance services, surveys and field investigations, and similar. |
| Consulting services | Consulting services are usually intellectual in nature. Advisory and project related services are typical consulting services; which includes: feasibility studies, project management, engineering services, finance and accounting services, training and development, to mention a few. |
| Providers/Suppliers  Contractors  Firms/Individuals | The Providers, Suppliers, Contractors and/or Consultants are entities of private nature, from the Private Sector or Foundations and/or Non Governmental entities that based on a signed contract, fulfill the needs of the Contracting Authority. The goods and connected services are usually provided by commercial enterprises called Suppliers. The work contracts are executed by Work Contractors or Engineering Firms. Consulting and Non Consulting Services are generally provided by firms as well as individual consultants. |

* 1. ***Documents of the project***

1. This project is governed by the following documents in the order of importance: i) The Grant Agreement; ii) the Proposal for Operation Development (POD); iii) the Memorandums of Understanding between FAES and MAST and between FAES and the Mayor’s Offices (the Municipalities); iv) this Operations Manual; and v) Other Operational Guides or Documents produced by FAES during project implementation.
2. ***The Program[[2]](#footnote-2)***
   1. ***Context and justification***
3. *Fiscal policy and management reforms.* In 2017, the Government of Haiti signed a Staff Monitoring Program (SMP) with the IMF which was necessary to promote economic growth and stability, to increase revenue mobilization and improve the quality of government expenditures. The main measure for revenue mobilization in the IMF program is the elimination of fuel subsidies through an increase in fuel prices. Losses from this subsidy represents 2% of Gross Domestic Product (GDP) in 2018.
4. While studies show that most of the resources destined for fuel subsidies go to the richest households, the same evidence indicates that the removal of subsidies has a stronger negative impact on the poor. Elimination of fuel subsidies would affect the poor, mainly through increases in transportation and food prices. Any increase in food prices represent an important loss of welfare for the poorest households since food represents a large share of their budget. Urban households, specially youth, are affected more since they spend more on transportation than rural households. The reforms included in the SMP must be accompanied by measures to mitigate social impacts, civil unrest and protect vulnerable groups who are already poor from becoming even poorer.
5. *Challenges of labor market insertion and skill development.* There are three main reasons behind poor labor market insertion of youth in Haiti. First, coverage and quality of education is low. Only 29% of children that begin the first grade of primary school reach final grade of upper secondary school. Only 20% of primary education students perform satisfactory in mathematics and 50% of students are functionally illiterate (low reading comprehension capacity). Only 25% of secondary education students pass official exams. Second, Haitians have insufficient information about labor market trends, available vacancies available and rely on informal job search methods, such as asking friends, family, and employers, and/or by visiting companies in person. These informal methods are relatively less effective for the most vulnerable population. In addition, there is a mismatch between the skills that companies require in their job vacancies and the skills available in the labor force. On the demand side, employers report difficulties in finding workers with the right skill sets. It is estimated that 83,650 additional skilled workers are needed in Haiti’s priority sectors, yet only 19,425 individuals are currently receiving training in these areas representing a gap of approximately 64,000 workers. Third, the country still has very limited availability of employment training programs for youth. Accessibility to entrepreneurship training and support is also limited. There is one center supporting entrepreneurship but is part of a private university with training fees being high (about US$450 per session and the aspiring entrepreneur would need several sessions). Within a context of high informality, Haitian youths also lack opportunities to learn from within a business, grow within a formal company and eventually venture out into the market with their own economic activity.
6. *Temporary Employment Programs (TEPs)* aim at alleviating transitory poverty and are generally used during periods of slow growth, targeting informal and low-skill workers. The TEPs are self-targeted and have been relatively effective in smoothing at least partially temporary income fluctuations of large segments of the population. In the last two decades, several countries in LAC, among others Argentina, Colombia, El Salvador, and Peru have used them for this purpose. In the rest of the world, some large scale TEPs have also been implemented. For example, in India a rural employment program evaluation showed positive impact on consumption in the short term and accumulation of nonfinancial assets over the medium term. TEPs have been commonly used in Community Driven Development (CDD) projects and reconstruction. In Haiti, the Social and Economic Assistance Fund (FAES) was created to coordinate labor intensive projects and has presence in all departments. It has played an important role in past decades in the implementation of CDD projects and other projects to promote economic opportunities. However, because of recent staff and budget reductions, the capacity of FAES needs to be strengthened particularly in updating accounting and contract management functions and in improving archiving systems.
7. *Limited economic opportunities for youth.* One of the salient development constraints in Haiti is the level of informality and the difficulty of starting a business. More than 95% of businesses in Haiti operate informally. In addition, Haiti ranks 189 out of 190 on the Ease of Doing Business Index. It can take up to 97 days to formally start a business. There were two recent pilot experiences (Haiti Entreprendre, March 2017 and Haiti Créative, October 2017) in Haiti implemented by the Bank. These pilots had the objective to identify high potential business ideas, assess skill level, and learn about the readiness of aspiring youth entrepreneurs to start their own business. Most applicants lacked knowledge on how to: develop a business plan, test their product or service in the market, effectively pitch a business idea in front potential partners and investors and legally incorporate the startup[[3]](#footnote-3). Successful interventions to support aspiring entrepreneurs include a combination of training and mentoring. Those participants in the pilots who had received some type of mentoring were able to present their business ideas in a more structured way.
8. *Active Labor Market Policies (ALMP) to improve labor market insertion* of the youth. Training and labor intermediation are ALMP. These interventions seek to achieve sustainable and efficient labor insertion and are widely used by countries around the world to address the challenges currently experienced also by young Haitians. Training programs can be an effective intervention when skills are a barrier to employment, especially among youth. Evaluations in the region show promising results of training programs for youth, particularly in access to work, and the effects are maintained in the long run. Best practices of effective training program include: (i) demand driven training; (ii) availability of high quality training providers; (iii) emphasis of on-the-job training; (iv) support to transition from school to work through labor intermediation; (v) provision of financial incentives to facilitate participation; and (vi) existence of monitoring and evaluation mechanisms. Available evidence also indicates the importance of the approach in disciplines related to science, technology, engineering and mathematics, the acquisition of digital skills and the development of socio-emotional skills. The literature shows evidence that socio-emotional training can increase productivity, earnings and employment retention.
9. Labor Intermediation Services (LIS) aim to improve labor supply and demand matching and may include: (i) information on the labor market; (ii) job placement; (iii) training and other ALMP; (iv) administration of unemployment insurance; and (v) migration management. International evidence shows that labor intermediation is cost-effective and that it helps the unemployed to find better paying jobs, compared to the unemployed who use other search methods, and increase the probability of finding formal employment. The characteristics for successful LIS include: (i) responding to specific barriers that job seekers and employers face for labor market insertion, including a strategy for initiating and maintaining links with employers, who provide the vacancies that job seekers could fill; (ii) provision of reliable labor market information and generation of timely and relevant information to facilitate decision-making by labor market agents (employers, job seekers, students, workers, private employment agencies, and government agencies); and (iii) good governance and an effective management of LIS.
10. *Situation and challenges of ALMP in Haiti.* Currently training programs are offered formally and informally. Only 10% of training centers are formal. The supply of training programs for youth in the country face two main challenges. First, there is low access to formal training programs, especially for vulnerable youth and women. Only 1% of workers in the country have a formal Technical and Vocational Education and Training (TVET) qualification. Poverty, lack of money to pay fees and transportation costs limit the access of the most vulnerable to formal training centers. In addition, a male-dominated environment in training centers and entrenched gender norms have deterred female participation. Second, the training offer has low relevance and quality. Available data on training programs outcomes show unsatisfactory results on labor market insertion. Among formal training centers that maintain statistics on labor insertion of their graduates, 45% reported a labor market insertion rate of less than 10%.
11. Currently, Haiti does not incorporate features attributed to successful training programs according to international best practices: (i) there is no system in place to identify skill requirements from employers and incorporate them in the definition of the training offer and content; (ii) although formal training centers are accredited by the National Institute of Professional Training (INFP), standards are not monitored and enforced; (iii) most training centers do not have systems in place to manage internships and the existing ones lack adequate funding; (iv) very few training centers in Haiti offer LIS needed to support students to obtain employment, in fact, 75% of jobs obtained by training graduates are secured through personal networks; (v) complete and accurate information regarding graduates’ pathways to employment is not available; and (vi) there is no financial assistance available to vulnerable youth to help them pay for food and transportation to participate in training programs. Finally, there is also a need to explore new training modalities that have proven their effectiveness in other countries, such as apprenticeship programs, and promote new training contents that are highly demanded by the market, such as training in digital skills, and put higher emphasis on soft skills in the training programs.
12. *Challenges in Public Labor Intermediation Services (PLIS).* The Ministry of Social Affairs and Labor (MAST), acting through its Directorate of Manpower of Labor (DML), is responsible for the PLIS. Currently, there is no database of jobseekers, employers and vacancies and there is no labor intermediation technological platform. The limited activities taking place at the PLIS are carried out by team of 15 staff and are restricted to Port-au-Prince and its proximity. There is no functional link between this service and the 13 regional offices of MAST. The challenges to deliver PLIS in Haiti are: (i) limited services to job seekers and employers and lack of relevance, and lack of a strategy approach to effectively engage employers; (ii) limited production of labor market information which captures the demand for government workers, furthermore such information is not widely shared; (iii) absence of an institutional framework that coordinates actors within an ineffective management system; (iv) absence of a strategic approach for the use of different channels (in person, via internet, and by telephone) for service provision; (v) absence of human resources management strategy; and (vi) absence of monitoring and performance-based management system for tracking jobseekers, vacancies and placements and information on costs and effectiveness of their interventions.
13. *Institutional challenges for FAES and challenges in targeting social protection programs.* FAES has recently faced staff and budget reductions which have undermined its capacity. Some of the activities that need strengthening include: (i) accounting and contract management systems need to be integrated to facilitate financial reporting and budget formulation to facilitate financial management functions; (ii) monitoring and supervision functions need strengthening particularly in Regional offices; (iii) procedures need updating; and (iv) archiving and correspondence system needs to be replaced. Strengthening these activities will help FAES regain its role as a strong institution. The MAST has a beneficiary information system (SIMAST) which already contains information on the beneficiaries of several social programs (for example the Kore Lavi and the Kore Fanmi) and is supported by a group of development partners including the World Food Program and United States Agency for International Development (USAID). However, the information of all social programs is not currently being entered, missing an opportunity to have a single registry of beneficiary of social programs.
14. *Lessons learned.* Community involvement in the selection and decision-making process of CDD is important to ensure community engagement and to be able to promote maintenance for the projects. Consultation of communities is a key aspect in both Component I and II. In the case of training, evidence in similar programs in different countries in the region (2546/OC-DR, 2365/BL-BO, 2793/OC-CH, 3136/OC-ME) shows that to improve access of the most vulnerable and improve the quality and relevance of training programs, it is necessary to: (i) identify specific barriers to participation; (ii) finance training and provide complementary economic support; (iii) guarantee adequate participation of the productive sector; (iv) guarantee quality of training centers and courses (v) ensure adequate follow-up and provide mentoring to beneficiaries during and after the training phase; (vi) strengthen LIS and link them with the training programs; and (vii) implement monitoring and evaluation mechanisms that allow continuous improvements of training interventions. These lessons will be incorporated in training activities of Component II and labor intermediation activities of Component III. In the case of entrepreneurship, the Haiti Entreprendre and Haiti Créative pilots confirmed that Haitian youth have entrepreneurial potential, but that capacity building is necessary. Successful experience from other countries has shown that a combination of co-working spaces as well as mentoring and training have been enabling environments to build capacity to foster creativity. The entrepreneurship activities of Component II are built on these lessons.
    1. ***Program’s strategy.***
15. This program aims at supporting the GOH in implementing two complementary strategies: (i) a short-term social safety net through the provision of temporary employment for the most vulnerable urban youth, with labor generated by the implementation of CDD projects to mitigate the impact of the SMP on the most vulnerable; and (ii) ALMP, including training and labor market intermediation, that is expected to increase the employability of the urban youth in the medium term, as well as support to youth entrepreneurship that is expected to foster their socioeconomic independence. Moreover, the project also aims at strengthening the institutional capacity of FAES and MAST to build stronger foundations for social protection policies and AMLP in Haiti.
16. The program will target capital cities of departments with the most vulnerable youth population, where vulnerability is measured by the percentage of youth (16‑35 years old) who are NEET (Table I.1). Due to training offer constraints, vocational training activities will be offered in Port-au-Prince and Nord-Est (despite having low level of NEET, labor demand from industrial parks is high). Within the targeted cities, municipalities and neighborhoods will be selected based on information on the percentage of youth that are NEET, collected by FAES in cooperation with local governments. For the Program of entrepreneurship and incubation of economic initiatives, there will not be any limitation regarding the geographical areas of intervention.

**Table I.1. Percentage of youth (16-35 years old) that are NEET, by departments**.

| **Department** | **Males** | **Females** | **Total** | **Area of intervention** |
| --- | --- | --- | --- | --- |
| **Artibonite** | 15 | 47 | 33 | **Gonaives** |
| Centre | 13 | 32 | 23 | Excluded: relatively low level of NEET |
| Grand'Anse | 27 | 29 | 28 | Excluded: relatively low level of NEET + it already benefited from post-hurricane interventions |
| **Nippes** | **33** | **39** | **36** | **Miragoane** |
| **Nord** | **33** | **40** | **36** | **Cap Haitien** |
| Nord-Est | 14 | 32 | 23 | Fort Liberté. Included despite low level of NEET- labor demand from industrial parcs is high |
| **Nord-Ouest** | **34** | **47** | **42** | **Port de Paix** |
| **Ouest** | **27** | **43** | **36** | **Carrefour Feuille, Cité de Soleil, Tabarre, Petit Goave, Delmas, Carrefour** |
| Sud | 18 | 41 | 29 | Excluded: relatively low level of NEET |
| Sud-Est | 19 | 22 | 21 |
| **Total** | **25** | **42** | **35** |  |
| Source: Labor Markets and Social Security Information System, 2018 based on *Enquête sur les Conditions de Vie Après Séisme*, 2012. Note: areas of intervention are in bold letters. | | | | |

* 1. ***Strategic alignment***

1. The program is consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008) and is strategically aligned with the development challenges of: (i) social inclusion and equality since the project targets vulnerable youth and promotes equal access to better job opportunities; and (ii) productivity and innovation by providing labor training which promote workers ‘productivity, and LIS (specially for women, youth and unskilled labor) which promote better matching between demand for workers and supply of job seekers. The program is also aligned with the cross-cutting theme of gender equality and diversity by promoting women’s economic opportunities and productivity. Additionally, the program contributes to the Corporate Results Framework (CRF) 2016-2019 (GN-2727-6) with the indicator beneficiaries of anti-poverty programs and beneficiaries of on-the-job training programs. Also, the project is aligned with the dialogue area of vocational training of the Country Strategy with Haiti 2017-2021 (GN-2904) and is relevant to the country development challenge of inclusion and poverty. Finally, it is aligned with the Labor Sector Framework Document (GN-2741-7), with the dimension for success “promote successful career paths while simultaneously enhancing productivity and social inclusion”.
   1. ***Objectives of the program***
2. The overall objective is to create a short-term social safety net for vulnerable urban youth while creating opportunities for training and labor intermediation for youth. There are three specific objectives: (i) provide short term income opportunities to youth through short term employment in vulnerable neighborhoods; (ii) improve the skills of youth living in vulnerable neighborhoods to create long term economic opportunities; and (iii) strengthen FAES’ procurement, administration and project management capacity and strengthen MAST’s labor intermediation capacity. The operation is structured in three components.
   1. ***Scope and structure of the program***
3. The beneficiary of the program will be the Republic of Haiti. The program will be implemented by FAES, which was created by decree in 1990 as an autonomous organization within the Ministry of Finance, with the mission of financing short-term, high-intensity projects to improve living conditions of the population. FAES has a long tradition of implementing CDD. It has an office in Port-au-Prince, five central units and five regional offices.
4. A Project Team (PE) will be established and will be responsible for ensuring the fulfillment of FAES’ operational and fiduciary obligations in all program’s components, including the procurement and management of contracts, the financial management and the management of safeguards and environment necessary for the implementation of the program, as well as to maintain the communication with the Bank. The program is structured in three components.

***Component I. Temporary safety net through temporary employment in small community development projects (US$27,5 million).***

1. This component aims to provide short term income opportunities to youth. It will finance: (i) stipends for beneficiaries participating in the TEP; (ii) socioemotional skill training for beneficiaries; (iii) construction materials, tools and safety gear associated to implementing community development projects; (iii) fees associated to making electronic payments; (iv) consultancy to develop the biometric system which will be used to monitor participation in the TEP; (v) biometric scanners; (vi) training associated to the use of the scanners; and (vii) administration fees *charged* by the operators who are in charge of facilitation of the consultation process to select the small projects, planning, costing, implementing, monitoring and reporting on community projects.
2. The small community development driven projects will be identified through a participatory process[[4]](#footnote-4). Youth who are neither working nor studying, between the ages of 18-35[[5]](#footnote-5) residing in selected vulnerable neighborhoods will improve their community surroundings while being temporarily employed. Each small community development project to be funded will have a maximum value of US$50,000 (exceptionally, up to US$75,000 conditional on no objection by the Bank) designed to be intensive in the use of low skill labor force. More specifically, the cost of labor will have to represent at least 70% of the total portfolio of projects of each operator. A Community Driven Development Project is a development initiative that provides control of the development process, supports to manage resources and decision-making authority directly to groups in the community.
3. **Eligible projects include:**(i) New or improved corridors, sidewalks, public stairs for urban roads; (i) Improved drainage infrastructure for urban roads; (iii) New or improved retaining wall limited to 3m in height, likely to accompany sidewalks or the protection of some small works; (iv) New or improved threshold gabion limited to 3m in height; (v) New or improved water kiosks, community cisterns, and rainwater capture, (vi) New or improved point to point (no networks) water distribution pipes, which require less than 4 weeks of works; (vii) New solar streets lamps installed (such as in parks or other small public spaces); (viii) Painting, fixing lighting, fixing windows, perimeter walls, as well as new spaces for preparing meals, as improvements in: schools, health centers, and daycare centers; (ix) New or improved community/public areas, benches, parks, sports, cultural and/or recreation places (open spaces, support to visual arts, music, theater, and sport for youth); and (x) Neighborhood beautification (e.g., murals painting of walls); and perimeter walls for cemeteries.
4. **Additional criteria for eligible activities / works are**: (a) Activities / works in landslide or flood prone areas are not eligible to the Program, unless the purpose of these activities / works is precisely to reduce occurrence/impacts of such events (typically gabions); (b) Activities / works requiring physical or economic displacement, are not eligible to the Program; and (c) Activities / works in protected areas are not eligible to the Program.
5. This component will fund about 400 community development projects, generating 168,000 months of temporary employment, with a target of at least 30% women. Salaries will be paid up to the national minimum wage. During the consultation process, the community will provide inputs for eliminating barriers for women to participate in the community projects and the operators will work with the community to find solutions to be included in the project’s communication material as well as in the project. In addition, communication materials (publications) will state that no experience in construction is required.

***Component II. Training for youth (US$7 million).***

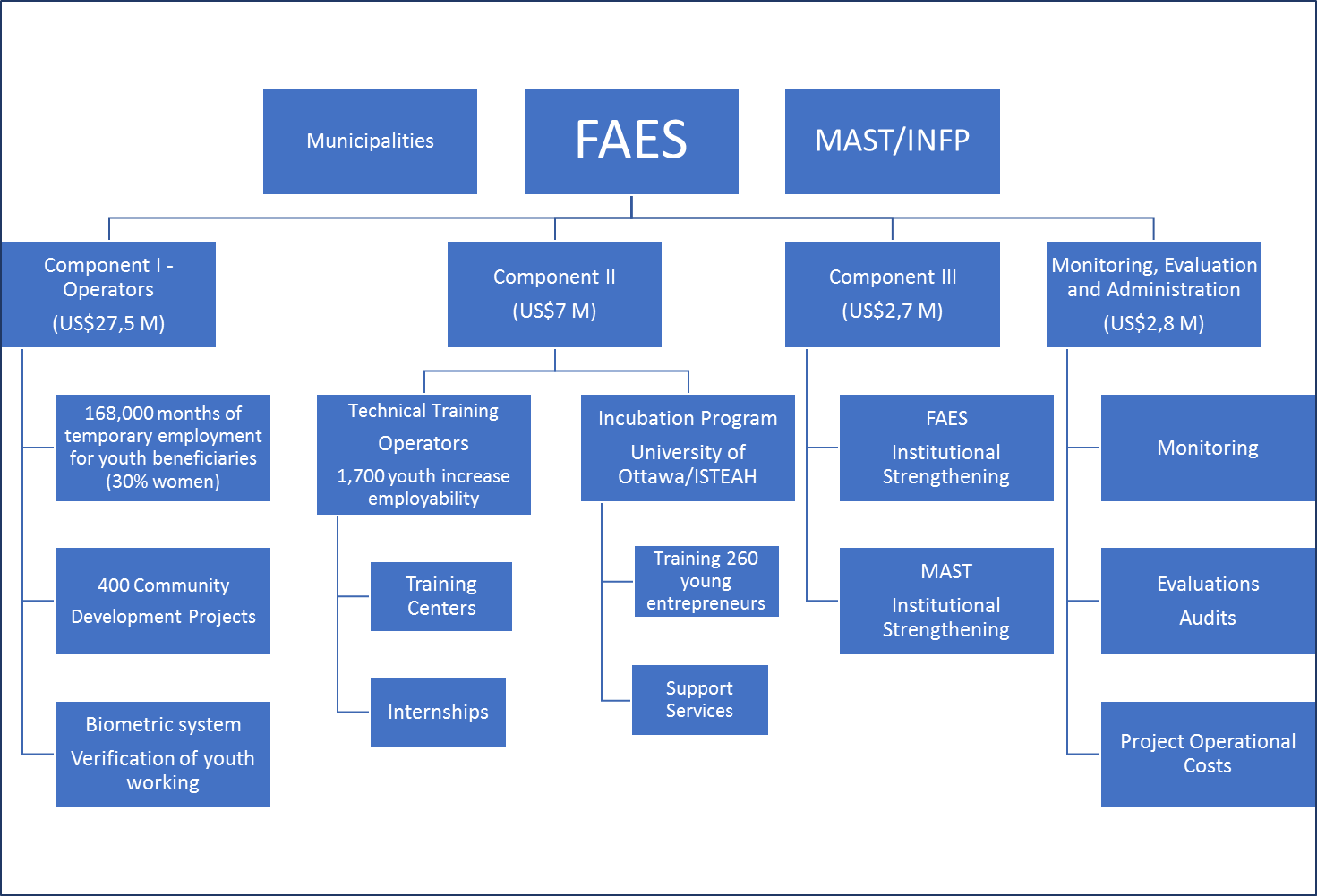
1. This component aims to improve youth skills and will finance two types of training activities: (i) demand driven technical training for 1,700 youth to increase employability; and (ii) training and support services for 260 young entrepreneurs.
2. *The Technical Training targeting increase of employability* for 1,700 youth has an eligibility criterion: (i) those between the ages of 16 and 29 years old; (ii) youth who are looking for a job and not studying; (iii) having completed then minimum level of education required by the training center, (iv) living in the targeted vulnerable areas; and (v) at least 30% of the beneficiaries will be women. Participation in the program will be allowed only once.
3. The training program financed in this component will include: (i) identification of training courses in high demand by the productive sector; (ii) identification of high quality formal training centers; (iii) provision of training that includes at least 600 hours of technical training, at least 72 hours of soft skills training, and a three-months internship (training will lead to certification); (iv) labor intermediation supporting transition between school to work, including the provision of labor market information and career guidance; and (v) monitoring and evaluation of labor market outcomes of beneficiaries.
4. Participants will receive a stipend to cover transportation and meal expenses. The component will also finance: (i) the design of a digital skills training module that could be used in these training programs and other future programs; and (ii) the design of an apprenticeship program. Gender equality will be promoted by awareness-raising of traditionally male careers and their respective training programs among women as well as for training centers on the importance of reducing biases.
5. *Business Incubation Program - The Training and Support services for young entrepreneurs* will include funding to: (i) design an Incubation training program to start an income generating activity; (ii) hiring executives to manage the incubation space and provide services to young entrepreneurs; (iii) establishing and providing equipment to set up a co-working space; (iv) launching awareness campaigns; (v) hiring trainers; and (vi) providing allowances to selected entrepreneurs.
6. The Incubation program will be implemented by the University of Ottawa in partnership with the local Haitian Institute of Sciences, Technology and Advanced Studies (ISTEAH) which will host the co-working space in Port-au-Prince but will have satellite workshops and other outreach activities in other areas. The University of Ottawa has already been collaborating with ISTEAH and both entities have networks of experts and investors that can be engaged to support the Incubation Program.

***Component III. Institutional strengthening for FAES and MAST (US$2.7 million).***

1. The objective is to strengthen FAES capacity in procurement, administration and project management and to strengthen MAST’s labor intermediation capacity. For FAES, the component will finance: (i) a consultancy to support the elaboration of the Manual of Operations for FAES (MOF); (ii) consultancies to improve the project and contract management systems and to design the correspondence filing and archiving systems; (iii) training courses on procurement, project management; and (iv) purchasing ITE equipment and office furniture for the central office and three regional offices.
2. For MAST, the project will finance consultancies for: (i) designing a service offer and attention model for jobseekers; (ii) designing a service offer and engagement strategy for employers; (iii) developing strategic management plan, including human resources and performance management strategy; (iv) designing the labor intermediation technology platform, including hardware and software; and (v) designing a labor markets information system including mechanisms to collect demand and supply side information, as well as to process and disseminate information. It will also purchase equipment for the PLIS office (OEL#2).
3. This component will also support MAST in strengthening and updating of the beneficiary information system SIMAST. SIMAST will be updated to ensure its capacity to include the information on the beneficiaries of temporary employment and training. This information will be collected at program entry using a form that includes the variables needed to calculate Haiti Deprivation Vulnerability Index (HDVI), which is a proxy means test. In addition, support will be provided to MAST to develop the social protection strategy which will include short and medium-term interventions.
4. Gender equality will be mainstreamed in the PLIS development activities by carrying out: (i) a diagnostic assessment to determine the causes of gender barriers in the labor market; (ii) developing and implementing a gender strategy, including awareness raising and skills development program for the PLIS staff as well as for businesses on the importance of reducing biases; (iii) organization of job fairs for women; and (iv) inclusion of wage negotiation in workshops for job seekers, targeted to women.

***Monitoring, evaluation and administration (US$2.8 million).***

1. This budget line will finance: (i) data collection platform for project implementation monitoring and reporting; (ii) financial audits; (iii) technical audits; (iv) middle term evaluation of intermediation activities; (v) Baseline evaluation and final evaluation (before / after) of training activities; and (vi) project administration costs. The administration costs include hiring the following consultants to address the weaknesses found in the institutional analysis: one procurement specialists senior, one procurement specialist for planning and contract management and administration, one financial specialist, one accountant, one environmental specialist and three monitoring specialists as well as other consultants to support the implementation of the program.
2. **Procurement.** The program team will apply the Policies for the procurement of works and goods financed by the Bank (GN-2349-9) and the Policies for the Selection and Contracting Consultants financed by the Bank. the Bank (GN-2350-9). In line with the institutional capacity analysis, the procurement process included in the procurement plan will be revised on an ex-ante basis. Other fiduciary arrangements are set out in Schedule III Fiduciary Arrangements for the execution of the program.
3. **Disbursements.** The financial management of the program will be guided by OP-273-6. Disbursements will be made by direct and advance payment of funds for activities arising from the annual operational and procurement plans. For the disbursement of cash advances, FAES will submit financial plans to the Bank covering cash requirements for periods of up to four (4) months. Disbursement supervision will be on an ex-post basis.
4. **Retroactive financing.** The Bank may finance retroactively under the grant, eligible expenses incurred by the beneficiary prior to the date of grant approval, up to US$8 million (20% of the proposed grant amount) provided that all the requirements are substantially similar to those requirements set out in the grant agreement requirements. These expenses must have been incurred or on after June 18, 2018 (approval date of the Project Profile) and under no circumstances shall expenditures incurred more than 18 months prior to the grant approval date be included. Expenses include hiring personnel and operators as well as funding activities to reach eligibility
5. **Audit.** FAES will be responsible for the recruitment of external auditors eligible to the Bank to perform the financial audit of the program as follows: (i) for the first two years of the execution semi-annual audits of the financial statements of the program will be required and submitted within 90 days after the close of each semester; and (ii) for subsequent years, the frequency of presentation of the audited financial statements (semi-annual or annual) will be based on financial management capacity of the FAES determined from the financial supervision missions and the update of the risk assessment. Financial Audits will be funded by project funds.



***Structure of the project***

* 1. ***Table of Project Financing***



1. The project financing is an IDB Grant facility with a total value of US$40 million, to be disbursed in four years.

***Detailed Budget of the Program (US$)***

|  |  |  |
| --- | --- | --- |
| **Components** | **BID (US$)** | **%** |
| 1. Temporary safety net through temporary employment in small community development projects (US$27 million) | 27,536,400 | 69.0 |
| 2. Training for Youth | 7,000,000 | 17.5 |
| 3. Institutional strengthening for FAES and MAST | 2,709,200 | 6.7 |
| Monitoring, Evaluation and Administration | 2,754,400 | 6.8 |
| **TOTAL** | **40,000,000** | **100.0** |

***Projected Disbursements (US$)***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2019** | **2020** | **2021** | **2022** | **TOTAL** |
| IDB | 14,175,300 | 18,648,500 | 4,415,200 | 2,761,000 | 40,000,000 |
| % | 35.5 | 46.6 | 11.0 | 6.9 | 100.0 |
| TOTAL | 14,175,300 | 18,648,500 | 4,415,200 | 2,761,000 | 40,000,000 |

* 1. ***Tools for the execution of the program***

1. *The Pluriannual Execution Plan (PEP).* At the program preparation stage, based on the identification of needs, the objectives, the outputs and outcomes, the risks and the financial resources available, a Pluriannual Execution Plan (PEP) is prepared in collaboration with all stakeholders. The PEP concerns the whole life of the program and includes a detailed description of all activities, their time frame within the 4 years of execution, and the estimated costs.
2. *The Annual Operations Plan (AOP).* Based on the PEP, FAES Project Implementation Team will prepare the AOP for the first fiscal year of execution. This AOP will include all the activities to be realized during the first fiscal year of execution for each Component of the Program, including timeframe and projected costs. The AOP preparation is coordinated by the Coordinator of the Project Implementation Team with the participation of all stakeholders including Technical Specialists from FAES and MAST that are part of the team and thus in charge of the execution of the project components, the FAES Financial Specialist in charge of the Financial Planning and Disbursements and the FAES Procurement Specialist in charge of the execution of the Procurement Plan.
3. *The Financial Plan (FP).* Based on the PEP the Financial Specialist will prepare the Project Financial Plan for the whole life of the program. In addition, based on the AOP, the Financial Specialist will prepare the Financial Plan (FP) for the first year of execution. This FP is prepared annually and is revised every four months. It shall include a detailed schedule of how the financial resources will be disbursed throughout the year. This information is the cross-checked with the timeframe and costs defined in the Procurement Plan updated every year. A copy of the initial FP is in Annex 5 of this MOP.
4. *The Procurement Plan (PP).* Based on the PEP and the FP, the Procurement Plan is prepared for the whole life of the program. This PP shall be updated every year with revisions every four months. Almost all of the execution of the program is through contracts, and every contract generates from a procurement process. Each procurement process starts with the identification of a need (from the PEP) and ends with the final execution of the contract, including contract and file administration and monitoring of the execution of the contracts. All the contracts are grouped by its type: in Goods, Works, Non-Consulting Services, Consulting Services, Individual Consultants and Operational Costs.
5. *Maintenance management – Maintenance Plan.* The Government of Haiti through FAES will preserve all the works and equipment included in the program in operating conditions as they were upon their acquisition. This means that the equipment will be preserved at an operational level that is compatible with their intended use, and adequately maintained, according to generally accepted technical standards. FAES will present to the Bank a report on the status of said works and equipment within the first quarter of each calendar year. FAES will also present an annual maintenance plan of three (3) years, following the completion of the first works and the reception of the first equipment acquired for the Program.
6. If, from the inspections conducted by the Bank or from the reports it receives, it is determined that maintenance does not meet the levels agreed upon, the Government of Haiti and FAES shall take the necessary measures to fully correct these shortcomings. In addition, FAES will include in the Semi-Annual Progress Report a section indicating what actions have been taken to guarantee the operating conditions of said equipment. The maintenance plan should include: i) detail of the organization/entity responsible for maintenance; and ii) information pertaining to the resources to be allocated for maintenance during the year of the maintenance plan.
   1. ***Requirements – IDB policies and procedures that apply.***
7. The program is consistent with the IDB Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008) and is aligned with the development challenges of: (i) social inclusion and equality; and (ii) productivity and innovation. Also, the program is aligned with the gender equality and diversity cross-cutting theme and the thematic area of the IDB Gender Action Plan of promoting women’s economic opportunities and productivity. The program contributes to the IDB Corporate Results Framework 2016-19 (GN-2727-6) through the indicator beneficiaries of anti-poverty programs and beneficiaries of on-the job training programs. Also, the program is aligned with the dialogue area of vocational training of the Country Strategy with Haiti 2017-2021 (GN-2904) and is aligned with the IDB Labor Sector Framework Document (GN-2741-7).
   1. ***Supervision, monitoring and reporting procedures***
8. The Bank will supervise the execution of the program according to the previsions stated in the Grant Agreement. FAES will present to the Bank the necessary reports as stated in the Grant Agreement, including among other, the Technical and Financial Audit Reports, Semiannual and Annual Report, Progress Monitoring Report (PMR), the Monitoring Framework to measure physical and financial progress and performance, and the Project Completion Report.
9. For the supervision of the execution of the Program the Bank will require the following:
10. A Pluriannual Execution Plan (PEP) submitted by FAES no later than ten (10) days after the date of entry into force of the Grant Agreement. The PEP will include the full planning of the Program including the expected products, according to the Project Results Matrix. The PEP will need to be updated as necessary, particularly in the event of significant changes that involve or could involve delays in the implementation of the Program, or changes in the product targets of the interim periods. The updated PEP will be presented in the semi-annual Program Progress Reports for the second half of each calendar year as stated in paragraph (b) that follows or at any time at the request of the Bank. The PEP will include at least the following information: (i) the status of the implementation of the Program, broken down by components and products; (ii) the Financial Plan of the Program which coincides with the calendar year and will respect the investment categories of the Schedule of Cost and Financing of the Single Annex and which will include budgets and cash requirements, based on the identified activities the following year; (iii) the updated Procurement Plan for works, goods and services other than consultancy services, as well as the updated Procurement Plan for consultancy services, including budget and expected disbursements; (iv) progress in achieving program targets and results; (v) progress towards achievement of outcome indicators for each component of the Program, in accordance with the Program Results Matrix and Program Implementation Schedule; (vi) the problems that have emerged; and (vii) the solutions that have been implemented; and
11. A Semi-annual Progress Reports of the project submitted by FAES in August and February of each year that will include the updated PEP and will describe physical (activity) and financial progress (as assessed by the Financial Plan) of the Project and summarize the supervision reports of the works done by the firms engaged for this purpose, as well as the internal supervision reports for the consulting services contracts.
12. The annual audited financial statements of the Program will be presented as follows: (i) for the first two years of implementation, semi-annual audits of the Program's financial statements will be required and submitted within 90 days of the closing of the program. each semester; and (ii) for subsequent years, the frequency of presentation of the audited financial statements (semi-annual or annual) will be based on the financial management capacity of FAES, determined from the financial supervision missions and the updating of the risk assessment. The fiscal year of the Project will be the period from October 1 to September 30 of each year.
    1. ***Results Framework – Matrix***
13. The expected results of the project are: (i) improved short term income opportunities through the creation of short-term employment in vulnerable neighborhoods; (ii) increased training and intermediation opportunities for youth between 16 and 29 years old who live in vulnerable neighborhoods; and (iii) strengthened capacity of FAES and MAST. Expected impacts include increasing the percentage of beneficiaries in training that worked in the previous week. Outcomes include increasing beneficiaries 18-35 who receive income of temporary employment who have remained employed in one community participation project for its entire duration and youths who receive a training certificate. The Results Matrix is included in MOP Annexes.
    1. ***Identification and management of risk.***
14. *Environmental and social safeguards.* As per IDB’s Environment and Safeguards Compliance Policy (OP 703), this program is classified as category “C” considering its potential environmental and social impacts were reduced to minimal thanks to strict eligibility and execution criteria. The Program’s net social and environmental impacts are likely to be positive, as communities will benefit from improved public spaces, schools and sanitary structures. With the appropriate Environmental, Social, and Health and Safety (ESHS) safeguards in place, the negative ESHS potential impacts of the community projects (e.g., improved sidewalks, upgrading of existing community centers, and renovation of existing schools) are expected to be minimal, localized inside existing footprints, and typical of small rehabilitation works (some noise and dust, minor traffic disruptions, some pollution, small quantities of wastes and debris) mainly during construction.
15. Eligibility/exclusion criteria ensure that no resettlement or loss of livelihoods will occur for any future activities under the multiple works operation and exclude works in landslide or flood prone areas. To ensure sustainability, the project will use operators for selecting the beneficiaries of the program following a list of transparent and clear criteria with a final sign-off by the respective target community. FAES will equally approve the final list of selected beneficiaries and needs continuous strengthening to ensure sufficient capacity to fulfill its role in the program. Further, the health and safety risks to workers and community members as well as full compliance with the legal minimum age for workers associated with construction will have to be carefully managed. Robust stakeholder engagement activities are included as part of the project’s implementation.
16. *Fiduciary risks.* Based on the results of the institutional assessment, the overall risk is medium. This operation has two financial risks, four procurement risks and one risk that applies to both functions. All risks are medium. The two financial risks are: (i) since the accounting system (TOMPRO) is not operational and financial reports are prepared manually (in Excel) there is a risk of having unreliable reports and since the budget is not included in TOMPRO (commitments are not recorded) it impedes effective budget formulation and monitoring; and (ii) there is a risk of project delays due to inadequate staffing in financial management, regional offices and Monitoring and Supervision Division (DSE). The four procurement risks which may lead to implementation delays and errors are: (i) a limited absorption capacity for the workload expected from this operation due to insufficient staff and knowledge of Bank’s policies by some members of the procurement unit; (ii) unrealistic planning of procurement activities; (iii) the procurement unit is not carrying out contract management functions which may lead to errors in budgeting; and (iv) deficient archiving system in procurement may lead to errors in contract management. For both financial and procurement there is a risk of slow implementation and of making errors since the MOF as well as the administrative and accounting procedure manuals are obsolete, furthermore, the procurement unit functions are not included and therefore the unit has not formally been instituted.
17. To mitigate the financial risks the project will: (i) integrate the accounting (TOMPRO) and contract management (SIIGPP) systems (and complete its operationalization) to generate financial reports automatically (in Bank’s format) and ensure an efficient and effective budgeting and contract supervision; (ii) strengthen financial management by recruiting an accountant (for the daily recording of transactions and reconciliation of accounts) and a financial controller to review and compile financial reports submitted by the operators and to submit disbursement requests to the Bank; and (iii) strengthen regional offices to ensure appropriate execution and monitoring of program activities (human resources and equipment) and support the DSE to monitor all project activities.
18. The mitigation measures for procurement risks are: (i) hire two procurement specialists (one senior) to ensure timely execution of procurement activities and strengthen knowledge of Bank’s policies by organizing face-to-face and hands-on training with the procurement unit’s personnel (e.g. on evaluation criteria for selection process); (ii) organize semi-annual workshops with technical counterparts to update the procurement plan (PPM for its acronym in French); (iii) integrate contract management as part of the procurement function by establishing procedures such as supplier performance evaluation; and (iv) establish an organized paper based and electronic filing system for procurement processes.
19. *To* mitigate the delays and avoid errors due to and outdated MOF, FAES needs to update its MOF to encompass all the procedures and execution mechanisms of all its divisions, including a code of ethics for the following points: (i) compliance with laws and regulations; (ii) confidentiality; (iii) conflicts of interest; (iv) good use of assets; (v) prohibited practices; (vi) gifts and gratuities; and (vii) mechanism for reporting illegal or unethical behavior.
20. *Other key issues and risks.* Three medium risks have been identified: (i) the number of youth willing to work exceeds temporary jobs available and creates discontent in communities causing project delays; (ii) given large infrastructure gaps in urban areas, communities might have expectations for more costly projects causing delays in project selection; and (iii) that there might not be enough engagement of the private sector with training and labor intermediation activities, which limits the creation of long term economic opportunities. To mitigate these risks: (i) a communication strategy will be developed and both number of jobs available and selection criteria will be communicated within communities before works start; (ii). the community will be informed of the types of works eligible and the consultation methodology will include mechanisms to manage expectations; and (iii) strategies will be designed to secure the engagement of private sector with both training and labor intermediation as well as communication strategy to engage stakeholders throughout the implementation.
21. These risks will be identified by all stakeholders during a workshop that will take place at the beginning of execution and other workshops will take place during the implementation of the program until completion, to ensure risk mitigation measures are applied accordingly. This initial workshop and the following risk management workshops will be accompanied by the Bank. For full data of risks and its management, the Risk Matrix has been included in the MOP’s Annexes.
    1. ***Environmental and Social Management Framework***
22. The ESMF includes detailed procedures for the inclusion of new projects under the program, the review and approval process for future ESAs, and the actions and procedures to follow to create the project specific managements plans that should be executed for all projects, to ensure their compliance with IDB Safeguards Policies. It also ensures that no future projects will be eligible if include physical or economic displacement or any activities in protected areas or critical natural habitats. Environmental and social eligibility, including exclusion criteria, have been developed for the further selection of project sites and specific activities to be included. A copy of the ESMF is included in MOP’s Annexes.
23. *Consultation and stakeholders.* To ensure that consultation procedures are followed effectively, in depth guidelines for stakeholder analysis and a Consultation Plan in preparation will be added to the ESMF. The ESAs for the sample projects, together with their ESMPs, will be presented and discussed during the consultations with interested parties. A stakeholder analysis will be developed to identify the main target groups to be included in the consultations and how to organize the outreach to maximize the participation of women, youth and marginalized groups. Further, the establishment and functionality of a grievance redress mechanism will be created and described in the ESMPs and its effectiveness will be verified and guaranteed throughout the process to ensure its operation and responsiveness throughout the entire cycle of the Program.
24. *The environmental and social documents of the project.* They will be provided to the supporting facilitators and FAES to ensure that these will be distributed among the stakeholders. In addition, simplified information material such as leaflets will be provided on the date of the consultations. Suggestions and comments will be considered and wherever possible, incorporated in the design of the program. Women will be encouraged to participate in the consultations and, by considering their input, improve their overall project design and process. The grievance redress mechanism to be operational throughout the life cycle of the project will be presented as part of the consultation process. The presentation of the grievance mechanism will be organized and carried out focusing on its functionality and responsiveness to incoming grievances both during the preparation and execution phase.
25. Invitations will be provided to key stakeholders in advance of the consultations; leaflets and radio ads will be used to enhance the participation rate. Attention will be given to taking into account the community’s preferences in developing the specific activities for each of the target neighborhood. Finding a safe modality to hold the meetings is crucial; FAES and the municipalities will coordinate with the local police as needed. Attendance lists will be filed and complemented, according to international best practices, with photos and minutes of the meetings to ensure the documentation of meaningful consultations. It remains to be noted once again, however, that the consultation methodology may need to change due to civil unrest to ensure that the consultations can be always held in an environment that guarantees the security of the attendees and organizers.
26. The Bank will provide continuous support to FAES to review the activities (construction works) proposed by the communities, to ensure that they comply with quality construction standards, accessibility, availability of areas for expansion inside the existing footprint, adequacy of the terrain (e.g., no steep slopes, no flood areas, no contaminated land) and other environmental and social criteria that will be defined during program preparation and analysis. The program activities will be coordinated with the respective line ministries (such as DINEPA in the case of water kiosks).
27. Although this project does not involve large-scale construction works, thus there is limited ESHS impacts, the mechanisms to be used by FAES will disseminate the good practice and enforce legal ESHS requirements. These requirements are to be covered in the environmental and social management framework and management plan included in MOP’s Annexes.

WORKING ON THIS SECTION

Plans and Reports to be prepare and deliver by FAES to the IDB

|  |  |  |  |
| --- | --- | --- | --- |
| Plan / Report | Scope of the Plan / Report | Delivery Date/Period | Responsible Division |
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1. ***Memorandums of understanding – agreements of collaboration***
   1. ***Operational strategy for the execution of the project.***
2. The program has been designed to be executed with interaction of multiple actors and different institutions operating in different sectors. The main objective as we mention at the beginning is to alleviate the unemployed, or underemployed and vulnerable youth of Haiti. This stakeholder is the so called “Beneficiaries” in light of the activities expected for Component I and Component II. However, there are two important arrangements that will be implemented to achieve this goal: (i) FAES is the Executing Agency of the whole program and (ii) MAST collaborates in the execution of all the technical training activities of Component II. Considering the different institutions that will intervene and the effective governance needed for the program execution, there are some institutional arrangements that are being signed between some of the stakeholders, in particular outlining how the different stakeholders participates and interacts for the execution and achievement of the Program objectives. Additionally, these agreements will regulate all the actions that are the responsibility of the FAES, as well as of the other stakeholders in the different components.
3. These arrangements are briefly described below and a copy of each is included in the Annexes of this MOP.
   1. ***Agreements of collaboration between Stakeholders***

*Institutional agreement FAES – each Municipality*

1. This is an agreement between FAES and the selected Municipalities, where the target neighborhoods are located. The Agreement will be signed by FAES, the Municipality and the Operators - once selected – that implement activities of Component I and II in that Municipality . It defines the responsibilities of each party during the execution of the activities in said components. A copy of the signed agreements signed is included in the Annexes of this MOP. These agreements will be updated if necessary.

*Institutional agreement FAES – MAST/INFP.*

1. This is an agreement between FAES and MAST for the execution of Component III and will also include the INFP with regards to the execution of the Professional Training under Component II. This institutional agreement will include the responsibilities and roles to be assumed by each Institution during program implementation. A copy of this signed document signed is included within the Annexes of this MOP.

*Institutional agreement FAES/MAST – Private Sector entities.*

1. This is an agreement between FAES/MAST and some selected organizations/firms of the Private Sector of Haiti that may be interested to participate as providers of internships during execution of Component II. Copies of these signed documents are included in the Annexes of this MOP.

*Institutional agreement UOttawa - ISTEAH*

1. This is an agreement between the University of Ottawa and the ISTEAH concerning the implementation of the Incubation Program for youth entrepreneurs. The agreement, among other things, will include the responsibilities of the two parties concerning the use of the space (including the area to be used as co-working space) to implement the incubation program as well as the use of decentralized facilities of ISTEAH for “satellite” activities throughout Haiti. The agreement will also include transitionary arrangements with the expectations that ISTEAH will inherit and fully manage the Incubator once the Program is completed. A copy of the signed document is included in the Annexes of this MOP. This agreement will be update as needed.
2. **Project management and implementation**
3. ***The Executing Agency – FAES and the Project Implementation Team***
4. FAES will execute through a Project Implementation Team (PIT) that will integrate supporting Consultants, aligned with FAES functional organizational structure. These PIT Consultants will be hired for the duration of the project and will include: one Consultant to support the coordination and execution of Component I; two Consultants to support the coordination and execution of Component II (one for Technical Training and one for Entrepreneurship Economic Initiatives); two consultants to execute the Financial Management of the project and two consultants for the implementation of the Procurement Plan of the project. Component III, as well as the Budgetary line that finances the operational costs, the Monitoring, Evaluations and the Technical and Financial Audits will be implemented directly by the Project Coordinator with support of one Coordinating Assistant and the Fiduciary consultants. The PIT will also include one consultant to ensure proper performance of the Environmental aspects of the project, based on the ESMF. Also, a group of Consultants will be hired to support the execution and the supervision as well as to monitor the execution of the Operators that will help FAES on the implementation of the project. A detailed description of the role and responsibilities of the PIT Consultants is provided at the end of this section.
5. The Director General (DG) of FAES, as highest authority, is responsible for the execution of the project. However; FAES has appointed a staff from the Programs Coordination Unit (UCP – Unite des Coordination des Programmes) as Project Coordinator (PC). The Components will be coordinated as follows: **Component I** will be coordinated by the Division of Economic Initiatives; **Component II (a)** will be coordinated by the Division of Promotion and Institutional Strengthening (DPRI); Component II (b) will be coordinated by the Division of Economic Initiatives; Component III and the Budgetary Line also know as Component IV will be coordinated directly by the Project Coordinator. As follows, we briefly describe the function of the project stakeholders in FAES and their coordination and interaction within FAES organizational structure.
6. ***The Project Coordinator (PC).*** The principal tasks of the PC are: (i) to conduct the preparation of the Annual Operation Plan (AOP) including the different activities of all the components according to the PEP; (ii) Manage the relations with the IDB and the various operators involved in the implementation of the project; (iii) Execute the financial management of the program (ensure that expenditure remains in line with the programming agreed with the Bank); (iv) Coordination, management and implementation of program activities with respect to established procedures; (v) the preparation of the project reports as agreed with the Bank; (vi) Coordination and holding of program meetings; (vii) conducting audits, monitoring and evaluation. The PC will be aligned but operationally independent from the Program Coordinators Unit within FAES institutional framework. Will be supported by the Chief of Operation and will report directly to the Director General. The PC will be responsible for the performance of all the Consultants integrating the PIT, observing at all times the code of ethics agreed by the GOH within the Grant Agreement.
7. ***Financial Management of the Project***. The Financial Management Division of FAES is responsible for the Financial Management of the Project, with support of a Financial Comptroller (FC) and a Project Accountant (PA) that will be hired for the whole life of the project. Based on the Annual Operational Plan (AOP) and the Procurement Plan (PP), the FC will prepare the Financial Plan for the financing of activities of the corresponding executing period. The Financial Plan, same as the AOP, is prepared every year and will be reviewed every four months. In addition to planning activities, the FC will: (a) verify financial and accounting reports; (b) verify the justification reports submitted for payment including supporting documents; (c) compile and integrate financial accounting information into milestone reports with an analysis of weaknesses and deviations; (d) conduct an initial analysis of any impact on the budget for restructuring and reallocation decisions (cost, result and rationality analysis). Under the supervision of the Financial Comptroller, the Project Accountant (PA) assists in complying with the accounting procedures and ensures the correct allocation of expenses, budget monitoring, registration of commitments, control and codification of materials and equipment of the project. The FC and the PA will observe at all times the code of ethics agreed by the GOH within the Grant Agreement and will work under the supervision of the PC, coordinated at all times by the Division of Finance (DF) of FAES.
8. ***Project Procurement execution***. The Procurement Unit of FAES (UPM) is responsible for the execution of the Project Procurement, with support of two consultants, a Procurement Specialist (PS) and a Planning and Contract Management specialist (PCM). Based on the Annual Operational Plan (AOP) and consistent with the Financial Plan (FP), the PS will lead the preparation of the annual Procurement Plan of the project, in collaboration with all stakeholders. Prepare and launch procurement processes including calls for expressions of interest, pre-qualification files and tender documents for goods, works, consulting services and other, support preparation of evaluation and qualification criteria, accompany Evaluation Committees with preparation of documents for bid openings and analysis of the offers and proposals, etc., all in accordance with the IDB Procurement Policies and procedures applicable to the project. The PS will work in close collaboration with all the project stakeholders. The PS will also support the ***Planning and Contract Management (PCM)*** specialist regarding the monitoring of the Procurement Plan and the Fiduciary follow up of the execution of the contracts. The PS and the PCM will work in collaboration with the Technical Specialists supervising the execution of the contracts, to ensure compliance of all contractual clauses, observing at all times the code of ethics agreed by the GOH within the Grant Agreement. The PS and the PCM will work under the supervision of the PC and will be coordinated at all times by the Procurement Unit Director (Unité de Passation des Marchés) of FAES.
9. ***Coordination of Component I.*** The execution of Component I will be responsibility of the Division of Economic Initiatives (DIE) in coordination with the PC and with direct execution support of one Consultant (CCI). The execution of Component I will also have support of several consultants as we describe below. The principal tasks of the CCI to support the DIE with the execution of Component I are to: (i) collaborate on the preparation of the Annual Operation Plan (AOP), providing all the information regarding the execution of Component I and participate in its preparation; (ii) prepare all the technical information such as Terms of Reference, Technical Specifications, Evaluation Criteria and Contact Conditions for the procurement processes to be executed for Component I; (iii) participate and support the implementation of the procurement and financial management policies and procedures that apply in regards to all activities related to Component I, observing at all times the code of ethics agreed by the GOH within the Grant Agreement; (iv) supervise as counterpart, the execution of all the contracts signed related to Component I within the AOP, with special attention to the contract execution of the Operators Contracts and their expected results; (v) collaborate with the technical and financial audits in all aspects related to Component I; (vi) collaborate with the Monitoring and Evaluation Team and the Environmental specialist to ensure completion of norms and regulations that apply for this project; and (vi) support the PC on the preparation of project reports as agreed with the Bank. For the execution of Component I, the DIE will also have the support of two Engineering Consultants for the supervision of the small works. In addition, three Social Technicians that will support Component I and II, will support the supervision of the North East, North West and Central Region execution. All the activities implemented by Component I will be monitored and evaluated by one Consultant that will be working at the Division of Monitoring and Evaluation of FAES.
10. ***Coordination of Component II (a).*** Component II (a) will be responsibility of the Division of Promotion and Institutional Strengthening Division (DPRI) in coordination with the PC and with direct execution support of one Consultant. For the execution of Component II (a), the consultant will also coordinate with the Technical Unit of the Ministry of Labor and Social Affairs (MAST for its acronym in French) and with the National Institute of Professional Training (INFP for its acronym in French). The principal tasks of the Consultant are to: (i) prepare, for the Annual Operation Plan (AOP), all the information regarding the execution of Component II (a) and participate in its preparation; (ii) prepare all the technical information such as Terms of Reference, Technical Specifications, Evaluation Criteria and Contact Conditions for the procurement processes to be executed for Component II (a); (iii) participate and support the implementation of the procurement and financial management policies and procedures that apply in regards to all activities related to Component II (a), observing at all times the code of ethics agreed by the GOH within the Grant Agreement; (iv) supervise as counterpart, the execution of all the contracts signed related to Component II (a) within the AOP, with special attention to the contract execution of the Operators Contracts and their expected results; (v) collaborate with the technical and financial audits in all aspects related to Component II (a); (vi) collaborate with the Monitoring and Evaluation Team and the Environmental specialist to ensure completion of norms and regulations that apply for this project; and (vi) support the PC on the preparation of project reports as agreed with the Bank. For the execution of Component II (a), the DPRI will also have the support of three Social Technicians that will support Component I and II, to support the supervision of the North East, North West and Central Region execution. All the activities implemented by Component II (a) will be monitored and evaluated by one Consultant that will be working at the Division of Monitoring and Evaluation of FAES.
11. ***Coordination of Component II (b).*** Component II (b) will be responsibility of the Division of Economic Initiatives (DIE) in coordination with the PC and with direct execution support of one Consultant. During execution and under the supervision of the DIE, the consultant will coordinate with municipalities and private enterprises to identify the labor market needs and facilities and conditions available for the development of new economic initiatives. The principal tasks of the consultant are to: (i) prepare, for the Annual Operation Plan (AOP), all the information regarding the execution of Component II (a) and participate in its preparation; (ii) prepare all the technical information such as Terms of Reference, Technical Specifications, Evaluation Criteria and Contact Conditions for the procurement processes to be executed for Component II (b); (iii) participate and support the implementation of the procurement and financial management policies and procedures that apply in regards to all activities related to Component II (b), observing at all times the code of ethics agreed by the GOH within the Grant Agreement; (iv) supervise as counterpart, the execution of all the contracts signed related to Component II (b) within the AOP, with special attention to the contract execution of the University of Ottawa and their expected results; (v) collaborate with the technical and financial audits in all aspects related to Component II (b); (vi) collaborate with the Monitoring and Evaluation Team and the Environmental specialist to ensure completion of norms and regulations that apply for this project; and (vi) support the PC on the preparation of project reports as agreed with the Bank. All the activities implemented by Component II (b) will be monitored and evaluated by one Consultant that will be working at the Division of Monitoring and Evaluation of FAES.
12. ***Coordination of Component III.*** The execution of Component III and the Budgetary Line of Project Operational Costs, project administration and Audits will be responsibility of the Project Coordinator with direct support of one consultant and an Administrative Assistant. The consultant will support the supervision of the project and for the strengthening the institutional capacity of FAES will coordinate with all the Technical Divisions of FAES. Also, through the PC, for the strengthening the institutional capacity of MAST, the consultant will coordinate with the Technical Unit of the Ministry of Labor and Social Affairs (MAST for its acronym in French). The Consultant principal tasks are to: (i) prepare, for the Annual Operation Plan (AOP), all the information regarding the execution of Component III and participate in its preparation; (ii) prepare all the technical information such as Terms of Reference, Technical Specifications, Evaluation Criteria and Contact Conditions for the procurement processes to be executed for Component III; (iii) participate and support the implementation of the procurement and financial management policies and procedures that apply in regards to all activities related to Component III, observing at all times the code of ethics agreed by the GOH within the Grant Agreement; (iv) supervise as counterpart, the execution of all the contracts signed related to Component III within the AOP, taking into consideration the participation of the Technical Unit of MAST for the contracts that will strengthen their institutional capacity; (v) collaborate with the technical and financial audits in all aspects related to Component III; (vi) collaborate with the Monitoring and Evaluation Team and the Environmental specialist to ensure completion of norms and regulations that apply for this project; and (vi) support the PC on the preparation of project reports as agreed with the Bank. All the activities implemented by Component III and the Budgetary Line will be monitored and evaluated by the Division of Monitoring and Evaluation (DSE) of FAES.
13. ***Environmental Specialist (ES).*** The environmental specialist will work under the supervision of the Project Coordinator (PC) and will coordinate the activities within its Terms of Reference with the Environmental Unit (EU) Coordinator and the Division of Social Projects (DPS) of FAES. The Terms of Reference for the ES are included in Annex 11 of this MOP.
14. ***Monitoring and Evaluation (M&E).*** Three Monitoring and evaluation consultant specialists will work under the supervision of the Project Coordinator (PC). One of the three consultants will coordinate the activities with the DIE for monitoring Component I execution. Another consultant will coordinate the activities with the DPRI and the DIE for monitoring Component II. The third consultant will support the monitoring and evaluation of the project execution, specifically in charge of data analytics information system. The three consultants will be working from the DSE office, each one with different tasks. The Terms of Reference for the M&E consultants and Data Analytic Consultant are included in Annex 11 of this MOP.
15. ***Supporting Consultants.*** To support the execution of the project within the different components, FAES will hire several consultants as described below:

***2 Engineers.*** These two engineers will work under the supervision of the Coordinator of Component I (CCI) and the Division of Economic Initiatives (DIE). Their main responsibility will be to support the project execution through the supervision of the Community Development Driven Projects (CDD) small works throughout the country. In this regard, while doing supervision, they will coordinate with the Division of Promotion of Institutional Capacity (DPRI), the Division of Monitoring and Evaluation (DSE), the Division of Social Projects (DPS), and the Regional Offices Coordination (CBR) of FAES. The Terms of Reference for the Engineers are included in Annex 11 of this MOP.

***3 Social Technicians.*** These three Social Technicians will work under the supervision of the Coordinator of Component I, under the supervision of the Coordinator of Component II, and the Regional Offices Coordination of FAES. The Terms of Reference for the Social Technicians are included in Annex 11 of this MOP.

***Project Administrative Assistant.*** To support the coordination and execution of the project as well as the interaction of operations between the Project Team and the different Divisions of FAES, a Project Administrative Assistant (PAA) will be hired. Within the support to the coordination and execution of the project, the PAA will organize and maintain the communications between the Project Team internally at FAES, with the Stakeholders and with the Bank. The PAA will also keep record and files of all reports produced by the Project, including a copy of all the products of contracts signed through all components. The Terms of Reference for the Project Administrative Assistant is included in Annex 11 of this MOP.

1. Below we have the organizational structure of the PIT of FAES. Some of the FAES officials will support in a cross-cutting manner and others will be specifically dedicated to certain components, according to their function and their relation to the objective to be achieved. The Terms of Reference for the Consultants of the PIT are included in Annex 11 of this MOP.



***Structure of the Project Implementation Team/FAES***

***Consultants within the Project Implementation Team***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ***No. PPM*** | ***Consultant***  ***Terms of Reference*** | ***Consultant Support*** | ***FAES Division Responsible*** | ***US$*** | ***Condition*** | |
| ***Yes*** | ***No*** |
| *QCNI/1137/FAES/2018/OC-05* | *Procurement specialist SR* | *Transversal* | *Procurement Unit (UPM)* | *156,000* | *X* |  |
| *QCNI/1137/FAES/2018/OC-06* | *Procurement Planning and Contract Management* | *Transversal* | *Procurement Unit (UPM)* | *78,000* | *X* |  |
| *QCNI/1137/FAES/2018/OC-07* | *Environmental* | *Transversal* | *Environmental Unit (UE)* | *78,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-08* | *Financial Management* | *Transversal* | *Finance (DF)* | *130,000* | *X* |  |
| *QCNI/1137/FAES/2018/OC-09* | *Accountant* | *Transversal* | *Finance (DF)* | *78,000* | *X* |  |
| *QCNI/1137/FAES/2018/OC-10* | *Monitoring and Evaluation at central office* | *Component I* | *Monitoring & Evaluation Division* | *130,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-11* | *Monitoring and Evaluation at central office* | *Component II* | *Monitoring & Evaluation Division* | *104,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-12* | *Data Analyst* | *Transversal* | *Monitoring & Evaluation Division* | *104,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-13* | *Social Specialist #1* | *Component I* | *Economic Initiatives Division* | *104,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-14* | *Social Specialist #2* | *Component II (a)* | *Promotion and Institutional Strengthening Division* | *104,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-15* | *Social Technician BRNE* | *Components I and II* | *Economic Initiatives Division coordinating with the Promotion and Institutional Strengthening Division and Regional Offices Coordination* | *78,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-16* | *Social Technician BRNO* | *Components I and II* | *Economic Initiatives Division coordinating with the Promotion and Institutional Strengthening Division and Regional Offices Coordination* | *78,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-17* | *Social Technician BRC* | *Components I and II* | *Economic Initiatives Division coordinating with the Promotion and Institutional Strengthening Division and Regional Offices Coordination* | *78,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-18* | *Engineer #1* | *Component I* | *Economic Initiatives Division* | *104,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-19* | *Engineer #2* | *Component I* | *Economic Initiatives Division* | *78,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-20* | *Technical Economist* | *Component II (b)* | *Economic Initiatives Division* | *78,000* |  | *X* |
| *QCNI/1137/FAES/2018/OC-21* | *Project Administrative Assistant* | *Program Coordination*  *Component III and Budgetary Line* | *Program Coordinator* | *62,400* |  | *X* |

1. ***Project implementation***
   1. ***General implementation***
2. Once the Grant Agreement that finances this project has entered into force and acquired full legal effect in accordance with the standards of the Republic of Haiti, FAES will submit to the Bank, the official signatures for the Special Account of the Project. Also, FAES will ensure that all the conditions agreed with the Bank are met, in terms of eligibility, first disbursement and execution.
3. The Special Contractual Conditions prior to the first disbursement. FAES will provide evidence to the Bank’s satisfaction to four conditions: First, the entry into force the MOP in pursuant with terms previously agreed upon with the Bank which is necessary to ensure that norms, procedures, roles and responsibilities of all actors are clearly defined. It needs to include a description of: formulation, approval and execution of activities; formats for disbursement requests and justification of funds; monitoring, reporting and evaluation activities; environmental safeguards; and code of ethics. Any modifications there-after will require Bank’s non-objection. Second, that the conceptual design of biometric monitoring system has been completed and is required to develop the project’s reports which operators will use for payment requests. Third, that contract management and financial management systems have been integrated. This is necessary to record and monitor contract commitments and to have automated, up to date budget information. Fourth, that the Project Implementation Team (PIT) has been established at FAES.
4. During execution, FAES will pay special attention to the Special Contractual Clauses:
5. FAES Project Implementation Team (PIT) will deliver to the Bank’s satisfaction within 90 days after each 12-month period, after operators have started to implement activities, the external technical auditor’s report determining that selection criteria for community projects and beneficiaries and the *verification of work or training has been followed* according to the MOP.
6. Within 12 months after the entry into effect of the non-reimbursable agreement with FAES, the PIT will present a Manual of Operations for FAES (MOF) (approved by its Executive Board) that includes: an organigram, detailed description of roles, responsibilities, and procedures for all its central units and regional offices. It also includes a description for planning, budgeting, procurement, financial management, administration of goods and services, personnel management, monitoring and reporting, risk management and internal and external audit procedures.
7. While implementing, FAES will strengthen its own institutional capacity. FAES through its PIT will supervise the execution of the different operators and service providers that will implement components I and II within the different geographical zones that have been prioritized according to specific criteria as defined below.
8. The Project Implementation Team (PIT) will be integrated by a Team of Consultants that have been described above regarding their roles and responsibilities and that will work in coordination with the different technical and administrative divisions of FAES. To identify the different areas that will be supporting the execution of this project, we include the table below in which we find the different units and areas of FAES; the name of the official function corresponding to each acronym is included in the table, in English. The acronyms respond to the French names of the functions in FAES organizational chart. They have been also included in the section of Acronyms, at the beginning of this MOP.

| Acronyms (French) | Function in FAES Chart (English) |
| --- | --- |
| DG | Director General of FAES |
| CHO | Chief of Operations |
| UCP | Programs Coordination Unit |
| UAI | Internal Audit Unit |
| UC | Communications Unit |
| CC | Counsel Committee |
| UL | Legal affairs Unit |
| UE | Environmental Unit |
| CBR | Regional Offices Coordination |
| UPM | Procurement Unit |
| BRS | FAES South Region |
| BRSE | FAES South-East Region |
| BRNE | FAES North-East Region |
| BRNO | FAES North-West Region |
| BRC | FAES Central Region |
| DA | Division of Administration |
| DF | Division of Finance |
| DPS | Division of Social Projects |
| DSE | Division of Monitoring and Evaluation |
| DPRI | Division of Promotion and Institutional Strengthening |
| DIE | Division of Economic Initiatives |
| DLCP | Division of fight against Poverty |

1. Regarding implementation, Components I and II will require a variety of activities and multidisciplinary expertise such as consultation methods; project planning and monitoring; risk identification and corresponding mitigation measures; monitoring and reporting, financial reporting. Component II will also require a participatory process to involve communities in vulnerable areas and since FAES has experience in this area, it was considered appropriate that FAES be responsible for these activities. The entrepreneurial activities of Component II will be carried out through the University of Ottawa with ISTEAH. For Component III, MAST will be in charge of the technical implementation of the strengthening of labor intermediation activities.
2. Also, for the execution of Components I and II, while FAES strengthens its institutional capacity, the PIT will first recruit Operators. Once the FAES capacity has been strengthened (particularly with regard to contract management, procurement functions and procedures) and once the MOF has been approved, another mechanism for implementation in which FAES will have a greater role will be adopted.
3. WORK ONGOING to describe the flux of activities within FAES Divisions and the Project Implementation Team

***Project Intervention – prioritized areas***

1. Geographical zones of intervention of the project – Geographical mapping - Selection mechanisms. The Project will be implemented at the urban level, having as universe the most precarious neighborhoods of prioritized Municipalities in Haiti. The neighborhoods have been selected by (placeholder explain). The selected neighborhoods constitute the main centers of urban population concentration in conditions of extreme poverty and social exclusion. PENDING
2. WORK ONGOIN to describe vulnerability

***Municipalities prioritized***

1. For the eligibility of the municipalities, two main criteria were taken as a basis: (a) Have Precarious Urban Settlements, and (b) That neighborhoods have low coverage of basic services. From the two criteria, X municipalities were selected with the Bank's no objection as listed below. Subsequently, other municipalities may be added, at the proposal of the Government of Haiti, provided that they meet the established criteria.
2. PENDING LIST OF MUNICIPALITIES FOR COMPONENT I AND II
3. FAES and the Municipalities will sign agreements of collaboration for the execution of Component I and Component II. Their roles and responsibilities are described through the description of the implementation of the project for each component.

***Biometric identification solution for Components I and II***

1. Within the execution of Component I and II, a Biometric identification solution has been considered to allow the creation and use of a digital universal ID which is unique to each individual. To be able to use biometric identification the hardware required is a fingerprint scanner prepared to capture biometric templates. The company selected for single sources has experience in collecting imprints in tough outdoor conditions, as well as collecting imprints for construction workers who often have scare on their imprints. The device has lithium-ion battery that lasts for up to 4,000 identifications. The scanner is paired with Android devices. The software includes an android application. The technology is open source.
2. Monitoring of project participation will be done through a biometric monitoring system that will store information on beneficiaries and verify identity and participation of those enrolled in activities. Operators will be responsible to monitor participation using biometric scanners. Monitoring to verify compliance of work or training participation only needs to be measured twice a week for each participant (it is not necessary to measure participants on the same day of the week).
3. For the training activities of component 2, biometric mechanisms will be installed in the selected training centers. The data collected through biometric mechanisms will feed the progress reports prepared by the training centers. During the internship, companies will answer a brief questionnaire that will allow to monitor attendance and performance of the beneficiaries. Contracts for the Operators should include all expenses related to the implementation of the system. Data from monitoring will be hosted in a database administered by FAES but could be provided as Software as a Service (SAS).
4. Biometrics solution will follow the following principles:

(i) Interoperability: data should use interoperable standards such as the ISO 19749-2 standard. Doing so will allow an organization/government to use the same data and technology across projects

(ii) Security: solution should follow current best privacy-by-design practice like using modern data protection standards such as TLS 1.2, AES and OAuth 2.0, ensuring two factor authentication, and adopting data anonymization/pseudonymization across data sets.

(iii) Privacy: adhering to the highest available standard when it comes to privacy/data security, and embracing key principles such as informed consent, privacy impact assessments (PIAs), and data subject rights (e.g. the right to be forgotten).

(iv) Accuracy: using biometrics in developing country contexts is extremely challenging, particularly when dealing with scarred, worn, or burned fingerprints. The solution should be adapted to the conditions to be found in the project.

(v) Operator training: adequate investments into capacity building. From training of trainers (ToT), to step down trainings for mobile operators in local language, to initial shadowing of the roll-out to catch the majority of mistakes.

***Strengthening capacities of FAES and MAST.***

1. In the case of Component III, MAST will receive technical support from the PLIS of France to design and implement the activities indicated in their Terms of Reference. FAES will procure all goods and services for MAST and an agreement between MAST and FAES will be signed once the operation is eligible. MAST will be responsible for: (i) coordinating the realization of technical assistance activities; (ii) proving inputs for monitoring and final reports, procurement plan, Pluriannual Execution Plan (PEP) and Annual Operational Plan (AOP); and (iii) technical approval of outputs and requesting FAES to make payments. MAST should share the information about vacancies with operators participating in the project and should add graduates of training courses to the job seeker registry. Coordination with the private sector will be promoted through the design and implementation of an engagement strategy as indicated in the Collaboration Agreement between FAES/MAST and the Companies potentially interested.
2. Once FAES has approved and implemented its MOF, FAES will: (i) start facilitating the consultation process; (ii) estimate project costs and timeline; (iii) contract and supervise small construction firms to implement the community projects; (iv) select the beneficiaries in a consultation process; (v) verify attendance of beneficiaries with biometrics; (vi) process electronic payments; and (vii) monitor, supervise and report all activities.

***Social audits within the project implementation***

1. The social audit as an instrument of transparency and as a participation mechanism gives citizens the right and duty to monitor the proper investment and execution of State resources and the actions of public and non-public officials related to the State resources and should be promoted by the municipalities and supported by the different executing agencies of the Program.
2. With the social audit exercise, we look for: (a) Ensure that people know how the resources coming from the Program are being used and how they are being managed by the municipality; (b) That people think and propose solutions to overcome difficulties; (c) Improve the processes of the Program, incorporating suggestions from citizens; (d) That citizens, through this mechanism, become involved and participate in decisions related to the management of public resources and the procedures for selecting participants.

***Technical Audits, Monitoring and Evaluation of the project execution***

1. For component I, the PIT/FAES will hire a Technical Audit for each fiscal year. The audit will be carried out every six months (January to June and July to December of each calendar year) until the end of the project. For component II, the audit will be carried out annually.
2. The technical audit will include: (a) Verification of the delivery of the products defined in component I, through a concurrent review and inspection of the internal controls and operational processes, as well as the follow-up of the results of the evaluations carried out; (b) Verification of the delivery of the products defined in component II, through a concurrent review and inspection of the internal controls and operational processes, as well as the follow-up of the results of the evaluations carried out; (c) Issue an opinion on the degree of compliance with the objective of component I and component II regarding the financing of cash-transfers and the delivery of training, taking into consideration the indicators defined in the Results Matrix; (d) Issue an opinion on the compliance of FAES regarding the technical, administrative and fiduciary (procurement, contract management and financial management) procedures stipulated in the loan agreement and its amendment, the Manual of Operations of the project and the Manual of Operation of FAES; and (e) Follow-up on the results obtained from the audit actions.

***Complaints and claims within the project implementation***

1. Beneficiaries and / or communities can submit their complaints and claims to different instances: FAES, or the Municipalities, or the Civil Society Community Commission (CSCC) as follows: (a) It may be verbal or written. If it is verbal, the information must be collected in the form of complaints, complaints or claims (format to be developed). If it is written it can be in the format or on plain paper, as long as it contains the information specified in the format; (b) The entity that receives the complaint will deliver a copy of the complaint, complaint, or claim to the complainant, with signature of received, will keep it if it is the defendant or channel it to the instance subject of the complaint, complaint or claim; (c) Said demand, complaint or complaint must be presented at the next meeting of the Civil Society Community Commission (CSCC), either by the defendant or by the persons who know of it; (d) It will be the obligation of the entity sued or involved in the complaint or complaint, to respond to it no later than 15 days, the complainant and before the CSCC; and (e) The CSCC will be in charge of following up on the complaint or complaint presented, until the response to it is provided. FAES and IDB will be informed at all times.
2. Handling complaints. WORK ONGOING REGARDING THIS TOPIC
   1. ***Activities and responsibilities during implementation***
3. The Project Implementation Team in FAES as described in prior sections above, will conduct implementation of the project following the provisions agreed by the Bank in the Annual Operational Plan, the Financial Plan and the Procurement Plan. The Project Coordinator (PC) as implementation leader will execute with support of the technical coordinators of each component within the organizational structure of FAES. The component coordinators will be directly in charge of performing the different activities for the achievement of the project objectives; however, every activity will be performed in coordination with the Technical Divisions of FAES. As follows, we list the activities and the roles and responsibilities of the stakeholders according to the phases of the project throughout the execution of its components.

***Component I detailed implementation***

1. For the execution of Component I and as stated before, FAES will initially hire Operators. There are several and multiple activities in which all stakeholders will intervene. We are including here the activities and the stakeholder in charge of performing them. We provide special attention to the Operators which are the initial executing arm producing immediate results in regard to the achievement of project objectives.

*Operators through the execution of Component I*

1. The Operators – Legally established and duly registered organizations in the government system of the Republic of Haiti, with experience in identifying and prioritizing projects through community participation consulting processes and during the management and execution of simple and complex development projects in the Republic of Haiti. Through Temporary Employment Programs, they promote capacity building and cash transfer payments, with the ability to coordinate and supervise field activities, and monitor and evaluate results.
2. Selection of Operators. The Operators will be selected mainly based on their experience in project management, and implementation of community development projects and/or cash transfer projects. The selection of the Operators will be done through a competitive process based on specific criteria that has been defined to ensure adequate capacity and quality of implementation for the achievement of the project objectives.
3. Operator Eligibility Criteria in Component I include: (i) previous similar experience in the management and implementation of community development projects or cash transfer projects; (ii) presence in the field (current or during the last 24 months) in the targeted communities; (iii) experience in conducting participatory methods to involve community members in the planning, development and monitoring of activities; (iv) the ability to plan, coordinate, monitor and report in accordance with Bank requirements; and (v) the implementation of at least one similar prior contract, of at least US $ 1 million, successfully achieved.
4. For Component I, operators will: (i) carry out a consultation process to identify and prioritize community projects in neighborhoods; (ii) estimate the cost and completion time of community projects; (iii) identify and register beneficiaries; (iv) verify participation through biometric fingerprint readers; (v) request and process electronic payments for beneficiaries; and (vi) monitor progress and prepare physical and financial activities and reports. All beneficiaries will be included in the register of beneficiaries.
5. Agreements between FAES, operators and municipalities will be signed. These agreements will describe the roles in the consultation process, the selection of small community projects and the identification of beneficiaries.
6. The consultation will be a responsibility of the Operators with support of the Municipalities, FAES and the Bank. As stated before, the result of the consultation will be the selection of potential Beneficiaries and the selection of a list of CDD projects. In this sense, the responsibility of the Municipalities will be to facilitate and support the activities performed by the Operators and the responsibility of FAES will be to supervise and approve the project list and the beneficiaries. These two products will be submitted to the Bank for revision and approval.
7. *The Consultation processes.* The Operators once they are hired will do a consultation process in the selected areas of implementation to identify potential community development projects. Planning and facilitation of a significant consultation process should: (i) Identify and map the beneficiaries and potentially affected people by the project; (ii) check community preferences for selecting specific activities in each neighborhood; (iii) provide information and recommendations to avoid and mitigate the negative impacts caused by the project or to which the project could contribute; and (iv) propose an alternative design to the project if necessary.
8. What makes the consultation relevant? (i) it should be done through an iterative process with analysis and integration into project decision-making; (ii) it should ensure representation of different categories of stakeholders in a disaggregated way; (iii) it should be conducted through a transparent and factual process, with fairness and non-discriminatory, respectful and without paybacks (iv) it should be done with systematic documentation and disclosure, as well as within responsibility based on rights and access to repair.
9. Scope of the consultations. First the operators will do a verification of relevant groups of potential beneficiaries. With a selected group, there must be an identification and discussion of project benefits and potential negative impacts, as well as a discussion regarding the mitigation and compensation mechanisms for adverse effects.
10. Issues relevant to beneficiaries during a consultation process cannot be predetermined. Beneficiaries will not be homogeneous, and we’ll find that different groups will have different concerns, and these concerns (and the beneficiaries themselves) may change over time. In that sense, a rule of beneficiary’s consultation is to keep an open mind about determining the scope and content of the consultation process, taking into account that some key issues should be covered in the beneficiary’s consultation process.
11. Within the beneficiary’s identification, the beneficiary’s analysis is a key element of a consultation process. The consultation process should generate information regarding the potential impacts, positive and negative, to complement studies and evaluations.
12. Based on the above, the activities that must be part of the consultation process are: (i) present the benefits and risks of the project based on information from the social and environmental study and other technical documents; (ii) develop a mapping of stakeholders (beneficiaries, affected individuals or groups, and interested parties) and a consultation plan using the format in the Annexes; (iii) check the preferences of the community in terms of selection of specific activities and transparency of the beneficiary selection process in each neighborhood: for example: Carrefour Feuille and Cité Soleil; (iv) provide prior information provided to stakeholders; (v) select appropriate forums and methods for the consultation process; (vi) present the grievance mechanism; (vii) ensure that stakeholder perspectives are reflected in the design and implementation of the project; (viii) provide feedback to stakeholders and ensure transparency in decision-making; and (ix) Document the public disclosure of the consultation process by developing clear documentation criteria.
13. *The expected products from the consultation process* are: (i) Detailed mapping of stakeholders (beneficiaries, potentially affected people or groups, interested persons or groups, etc.); (ii) conducting consultations in the Carrefour-Feuilles and Cité Soleil neighborhoods; (iii) a detailed list of community preferences and beneficiary selection method; (iv) a final consultation plan with detailed documentation of the ounces and results of the consultation by [date] following the methodology agreed with the Bank; (v) a Plan to ensure the safety of participants.
14. As a result of the consultation processes, the Operators will identify the CDD projects and the beneficiaries in compliance with the objectives of this operation. The CDD projects primarily targets a community-based organization or a representative local council of a community. This means that the beneficiaries of the implementation are from the community. Based on the nature of this project, the CDD will target only small-scale projects in the community. Based on the nature of this project, only eligible investment projects from the list below will be carried out. The community or locally based representation is responsible for designing and planning the subprojects in a participatory manner. The execution of these CDD projects will transfer resources to the beneficiaries in the community. The amount of transfer will depend on the number of CDD projects implemented. The community is directly involved in the implementation of the project. However, the community may also contribute to the project indirectly in the form of management and supervision of the operation and maintenance of the infrastructure when complete. An element of community-based monitoring and evaluation is a characteristic of these CDD projects. Social accountability tools such as participatory monitoring, community scorecards and grievance redress systems shall be applied to ensure accountability of the CDD implementation. The operators will prepare a list of projects with a projection of 6 months estimated timeframe and cost.

*The Beneficiaries within Component I*

1. The target population will consist of men and women over 16 years of age, preferably young people up to 35 years of age, and female heads of household residing in precarious urban settlements, who meet the requirements established for their participation in the Program and whose conditions of vulnerability and precariousness are prioritized according to the criteria indicated below.
2. The eligibility. The potential beneficiaries who meet the following requirements may participate in the program: (a) Reside for at least 6 months in the municipality and in the areas to be involved in each call to be held; (b) Be over 16 years old (inclusive); (c) Not have formal employment; and (d) Do not conduct studies / professional training in days and working hours (except flexible modalities). Participation in the program is aimed at individuals, so that you can have more than one participant per household, as long as you meet the established requirements. The Project is designed so that each participant develops a cycle of six months within it. Re-enrollment of participants from previous calls cannot be made.

*Identifying and preparing profiles of the CDD projects*

1. Prior to the definition of the CDD project profiles, it is necessary that the people residing in the prioritized community and the personnel of the Municipalities involved with the program, know the objectives, contents and scope of the project, emphasizing the typology of projects and their relationship with the development of their communities and the municipality. For the definition of the profiles of the community projects, the Operators will conduct the following steps:
2. Mapping and analysis of conditions of the municipality and neighborhoods.
3. Identification and participatory prioritization of projects by community organizations and the municipal government.
4. Preparation of profiles of prioritized community projects
5. The Operators will analyze the conditions of the municipalities and its neighborhoods. They will examine the conditions of the municipality to identify if there is a local development plan, know their development strategies, productive resources, strategic projects, strengths and main problems of the municipality, as well as the exploration of alternatives and actions for community development. This diagnostic analysis will be carried out by the Operators with general information received from the municipality and from the neighborhoods, with support of FAES/PIT Regional Team. The objective of this analysis is to know the characteristics and dynamics of the municipality and neighborhoods, which allow to better guide community projects. It is important that in this analysis the community organizations, the municipal technical personnel and the PIT Regional Team is incorporated.
6. After the previous step, the Operators, with the municipal government together with community organizations will identify community projects, according to the eligible MENU OF CDD PROJECTS agreed for the project and their needs and interests. In the same activity, the prioritization of projects is carried out taking into account the urgency, opportunity, the costs criteria, and the number of participants assigned to each municipality taking into account the minimum criteria of 70% labor and 30% materials and the minimum of 30% women participants within the beneficiaries identified within the criteria of labor.
7. In the end, this activity is endorsed jointly with representatives of the community and the municipality, indicating the prioritized projects, which are presented to the consideration of FAES and to the IDB, who finally decides according to the resources required by each project or the urgency priority they present. Once the Bank has provided the non-objection for the small community projects selected, it will be the municipality that will announce the list of projects that has been approved and when the small projects will begin (with the information provided by the Operators through FAES). The execution of the CDD projects will be supervised by the Operators and the Operators will be supervised by FAES through the PIT.

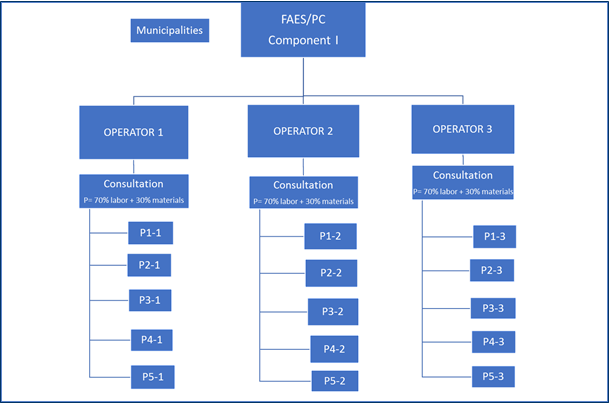
| Selection of Beneficiaries and CDD Projects | |
| --- | --- |
| ***Activity*** | ***Responsible*** |
| Prepare communication material (guidelines etc.) to describe the overall objective of the operation. | FAES/PIT |
| Identify community leaders and key stakeholders that will be invited to participate | Operators |
| Draft the list of key stakeholders (with inputs of Municipalities and FAES). | Operators |
| Elaborate description of consultative material explaining the process (including forms to be filled out) | FAES/PIT + IDB (ESG) |
| Translate consultative material to Creole and share material with operators | FAES/PIT |
| Elaborate a Plan (number of consultative events, date, location) for the consultative process to share with FAES and Municipalities for comments and information | Operators |
| Consolidate the consultative plan of each operator into one single document and include in the Project’s Annual Operation Plan (POA) | FAES/PIT |
| Draft Invitations for consultation processes | Operators |
| Sign Invitations for consultation processes | Operators + Municipalities |
| Distribute Invitations | Operators |
| Prepare and execute the events for Beneficiary’s registration | Operators |
| During the events, present the criteria already established for the small works. Animate/guide the discussion and collect the list of proposals and ideas from the participating stakeholders | Operators |
| Establish, with participating stakeholders, some basic criteria to rank the proposals received and, with them, validate the ranking (prioritization) | Operators |
| Submit the final list of small works CDD projects and a data base of Beneficiaries to FAES (cc Municipalities) | Operators |
| Review and validate the lists of Beneficiaries and CDD Projects | FAES/PIT + IDB |

*Selecting and implementing the community development driven (CDD) projects*

1. As stated above, the Operators will carry out the consultation process to identify the beneficiaries and the potential projects in the selected areas within the eligible according to the list approved in the Legal Agreement. For each project, the cost shall be evaluated within an average of 70% labor and 30% materials. The 70% of the labor cost will include 30% of women workers. FAES supports development and supervises the execution of the projects managed by the Operators in collaboration with selected Municipalities.
2. Community Development Driven Projects (CDD). Menu of eligible Projects

| **Menu of eligible Community Development Driven Projects** | |
| --- | --- |
| (i) | New or improved corridors, sidewalks, public stairs for urban roads. |
| (ii) | Improved drainage infrastructure for urban roads. |
| (iii) | New or improved retaining wall limited to 3m in height, likely to accompany sidewalks or the protection of some small works. |
| (iv) | New or improved threshold gabion limited to 3m in height. |
| (v) | New or improved water kiosks, community cisterns, and rainwater capture. |
| (vi) | New or improved point to point (no networks) water distribution pipes, which require less than 4 weeks of works. |
| (vii) | New solar streets lamps installed (such as in parks or other small public spaces). |
| (viii) | Painting, fixing lighting, fixing windows, perimeter walls, as well as new spaces for preparing meals, as improvements in: schools, health centers, and daycare centers. |
| (ix) | New or improved community/public areas, benches, parks, sports, cultural and/or recreation places (open spaces, support to visual arts, music, theater, and sport for youth). |
| (x) | Neighborhood beautification (e.g., murals painting of walls); and perimeter walls for cemeteries. |

1. *Additional criteria for eligible activities / works are:* (a) Activities / works in landslide or flood prone areas are not eligible to the Program, unless the purpose of these activities / works is precisely to reduce occurrence/impacts of such events (typically gabions); (b) Activities / works requiring physical or economic displacement, are not eligible to the Program; and (c) Activities / works in protected areas are not eligible to the Program.
2. The CDD projects will be implemented by the selected beneficiaries based on the nature of the works and their potential capacity, taking into account the 70%-30% labor/materials and the 30% of women criteria. A data base will be created by the Operators and shared with FAES in which there will be the information of each project, technical specifications, timeframe projection, cost and group of beneficiaries that will implement. The progress of implementation will be supervised by the Operators and by FAES. Based on the progress and the beneficiary’s participation, the payment to Operators and Beneficiaries will be done.



***Payment mechanisms for Operators and Beneficiaries in Component I***

1. Payment system to Operators for Component I. The advance for FAES and for the Operators should be for an amount that can be executed in 4 months maximum. It will be given based on a chronogram of execution. The list of projects consolidated from all Operators by FAES should include the amount and duration, starting and estimated ending date, and should be included in the POA. Based on this list the advance of FAES will be estimated. Also, based on this list, the advance and rest of payments for the Operators will be estimated. If the projects present a duration that requires a longer time for the reimbursement of the advance, the Bank will reconsider and instead of 3 months it may be 6 months. In the contracts of the Operators the terms of payments must be aligned with these terms.
2. Payment Mechanisms of Beneficiaries. Payment to Beneficiaries shall be through the Operators. The payment of Beneficiaries will be done every 2 weeks through the phone system (Digicel and BCN) through the Operators that will hire them based on the criteria already defined and agreed by FAES with the Bank. The payment will be cross check by the Operators with visits every week, to make sure the persons are working at the premises according to their contracts.
3. Verification mechanism. The working schedule should be in detail stablishing the name of workers, what they will be doing and the period where they will be working. The control will be done by the phone system verification and the biometrics system verification. These verifications will be done by the Operators and FAES can accompany the Operators in these visits from time to time. Also, as specified before, the projects will have a structure of 70% workforce and 30% materials. Within the 70% labor, the workers data sheet will specify the progress versus payment planned and approved in which the term of payment will be lump-sum every 2 weeks. The verification process of the phone payment and biometrics is crosschecked with progress.
4. The Operators will present reports in which they will show how much they spent in materials and how much did they pay to the workers with the report of verification of phone payment and biometrics for every two weeks. This report has to be consistent with the list of projects that were approved at the beginning, before the execution starts.

***Reports***

1. The reports from the supervision visits of FAES and the reports that will be prepared by the Operators will be standardized and prepared by FAES and approved by the Bank. The initial report of the Operators with the list of projects for the upcoming 6 months will include with the Data Sheet of each project, a photo of the place where the project will be executed. The progress reports and the final report presented by the operators will include a Data Sheet for each Project and photos of the project site in construction and finished.

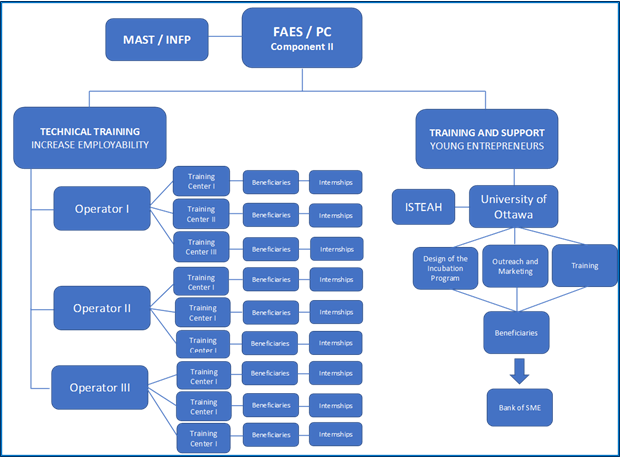
***Component II detailed implementation***

***II (a) – The Technical Training.***

1. A Technical/ vocational training to foster entrepreneurship capacity, including an internship to build work capacity. For training activities FAES will sign agreements with MAST and INFP and will support the selection of training centers to be done by the Operators. MAST/INFP will verify and confirm that training centers selected by the Operators are officially registered. Once INFP and MAST have reviewed the list of centers and confirmed that they comply with the quality, FAES will inform the operators of the list of training centers approved to be used through the implementation of Component II.
2. *FAES Project Implementation Team*. The responsibilities of FAES PIT are among other: (i) Coordinate the execution of the project with the different Technical and Stakeholder Divisions, responsible for the preparation and execution of the work plans and the monitoring of the implementation of Component II of the project; (ii) The Division of Promotion and Institutional Strengthening (DPRI), in collaboration with the Technical Unit of MAST, will be responsible for overseeing the training methodology and approving the training courses; (iii) The Division of Promotion and Institutional Strengthening (DPRI), in collaboration with the Technical Unit of MAST, will be responsible for validating the quality and ensuring the application of the selection criteria of the training centers; (iv) The Procurement Unit, in coordination with the DPRI, will be responsible for ensuring that the selection criteria of the training centers comply with the transparency and competitiveness required during the selection process conducted by the Operators; (v) The Administrative Department and the Finance Department will be responsible for the management and administration of the funds intended for the implementation of component II; (vi) The Project Coordination, in collaboration with the Finance and Administrative Division, ensures the availability and provision of resources for the implementation of training activities; (vii) The Project Coordination, in collaboration with the DPRI ensures the implementation of the training and certification activities of the target population in Component II; (viii) The DSE in collaboration with DPRI conducts process evaluation and qualitative evaluation of training activities, through external consultants hired for this purpose; (ix) The DPRI and Project Coordination, in coordination with MAST and INFP, establishes and ensures the application of the selection criteria for training centers that have been accredited by INFP as part of Component II; and (x) The DSE, and the DPRI oversees and monitors and evaluates the training and job placement actions carried out by the Operators, as indicated below, in the section of roles and responsibilities of the Operators.

*Operators through the execution of Component II*

1. FAES will hire Operators for the implementation of the Technical Training activity of Component II. The selection of the Operators will be done through a competitive process based on specific criteria that has been defined to ensure adequate capacity and quality of implementation for the achievement of the project objectives. As described for Component I, the Operators are organizations legally established and duly registered in the government system of the Republic of Haiti, with experience in identifying and prioritizing projects through community participation consulting processes and during the management and execution of simple and complex development and training projects in the Republic of Haiti.
2. Eligibility criteria of operators to implement component II include: (i) previous similar experience managing and implementing complex projects (complex is understood by either being community development projects or cash transfer project), including demand driven training programs for youth living in vulnerable areas financed by national or international funds (implemented at least one project within 5 years); (ii) evidence of in having coordinated at least two participatory consultation processes for projects including demand driven training programs for youth living in vulnerable areas; applying methodologies consistent with Bank’s procedures; (iii) on the ground presence in target communities implementing similar projects, engaging with community members in planning, developing and monitoring activities. On the ground presence must be current presence or presence in the last 24 months; (iv) evidence of having successfully implemented CDD project or cash transfer project including demand driven training programs for youth living in vulnerable areas (disbursement of at least 80% or more of resources and evidence of achievement in results matrix indicators); (v) evidence to plan, coordinate, monitor, and report according to Bank’s requirements (examples of project implementation plan and of monitoring and implementation reports and results matrix or log frame progress); (vi) at least one previous similar contracts (CDD or cash transfer including demand driven training programs for youth living in vulnerable areas) successfully achieved of at least $1 million-dollar value (provide information of contract: amount, duration and contact person).



1. The responsibilities of the Operators as part of the training activities in Component II include:
2. Analyze the demand for skills and the supply of training through the identification of potential jobs, with the support of relevant stakeholders such as municipalities, employers’ associations, companies, etc., and establish, in coordination with employers, the skills and abilities required to perform the tasks related to these vacancies;
3. Identify areas of opportunity for demand-driven training to channel resources to them and promote strategies that help improve employment opportunities for the target population;
4. Conducts, in coordination with FAES and municipalities, promotional and advisory activities related to the program for businesses, youth and the general population.
5. Disseminate, in coordination with FAES and municipalities, and with the support of relevant stakeholders (MAST, INFP, employers' associations, etc.), information on the training program among the target population and professional organizations;
6. Participate in the identification of training centers. Hire and pay the selected training centers for the provision of training services;
7. Carry out the evaluation of the training course planning and prepare for FAES the Document with the final list of beneficiaries and the training plan;
8. Identifies and register beneficiaries. Records and selects youth (aged 16-29) living in the two vulnerable urban areas included in Component II of the Program, who meet the criteria of the target population;
9. Prepare a diagnosis of the training needs of eligible candidates;
10. Consolidate a catalog of training centers and courses;
11. Coordinate and supervise the development of training courses and inform FAES
12. Verify that the beneficiaries participate in the training;
13. Make the payments to the beneficiaries;
14. Accompany beneficiaries three and six months after the end of the last phase of training, to help them access the labor market;
15. Provide mentoring and further training in interpersonal skills;
16. Monitor and prepare financial activities and reports;
17. Prepare and submit to FAES the Activity Reports in accordance with the signed contract.
18. Share the list of graduates of the training with MAST for inclusion in the jobseekers register; and
19. Share the know-how of the training model with INFP and MAST.
20. The Operators will hire the Training Centers based on MAST/INFP confirmation of their appropriate and qualified certification. The Operators will realize a consultation process to identify potential Beneficiaries and potential enterprises that might be interested to participate in this program. The interested enterprises will be part of the training program by offering internships to the students, to practice knowledge obtained through the trainings and strengthen learning absorption. FAES will support the development and will supervise the execution of the Operators through the trainings performed by the Training Centers. MAST supports the technical aspects of said development, including the results from the internships of the students at the enterprises.
21. The target population is expected to: (i) Apply for the program; (ii) Provide the operators / FAES with the requested information and commits to respect the rules of the program; (iii) Agree that, in the event of excess demand from the Program, its selection to participate in the courses will be defined by a random process, which will assign each candidate the same probability of participating in the Program, as defined by FAES; (iv) If applicable, attend the classroom training phase of the program in which they will receive demand-driven technical training in preparation for the training phase; (v) Attend the internship phase and comply with the operating rules of the company; (vi) Maintain the discipline required and makes the necessary effort to properly utilize the training received; and (vii) Take appropriate measures to avoid withdrawal from the training program if (a) Miss the training program for three consecutive days; (b) Missing four days in a month or accumulating ten absences during the training program; and (c) During the training period, violate the rules established by the company and / or operators and / or FAES.
22. The interested enterprises that will be part of the training program will: (i) Participate in the “on-the-job” training phase by providing inputs, equipment and facilities to provide work experience to youth who could fill potential vacancies in the company; (ii) Propose an internship plan to the training centers, which should be sent by the latter to the Operators and FAES for approval; (iii) Inform the training centers of the knowledge, skills and aptitudes required by their vacant positions in preparation for the development of the internship of the training program; (iv) Provide specific training, advice and supervision to youth beneficiaries during the internship, to ensure their good performance; (v) Keep track of the beneficiaries' presence during the internship phase; (vi) Evaluate the performance of the Beneficiary during and at the end of the course and provide the evaluation results to the Training Center, Operators and FAES; and (vii) Contract, depending on the availability of vacancies, the beneficiaries who successfully completed the training.
23. *The Training Program.* The objective of this component is to provide high-quality, demand-driven technical training to at least 2,000 young people between the ages of 16 and 29. Beneficiaries will receive funding for a 6-month training period followed by a 3-month internship period. Mentoring services, additional training to learn to be and support to the labor market will also be provided. Participants will receive a subsidy to cover transportation and food costs throughout the training process.
24. *Targeted beneficiaries and eligibility criteria.* Beneficiaries of the program will have to meet the following criteria: (i) Be between 16 and 29 years old; (ii) Having dropped out of school and being unemployed or in informal employment; and (iii) Living in the neighborhoods prioritized by the project.
25. *The Training Centers* will be both private and public. Training Centers are in charge of: (i) confirming that the candidate meets the minimum course requirements; (ii) adapting the content of the training based on the needs of the private sector; (iii) delivering training; (iv) evaluating skills acquisition; and (v) certificating beneficiaries who successfully completed the program.
26. *Training centers and eligibility criteria.* The training centers eligible to participate in the program must meet the following criteria: (i) Legal accreditation: The technical training will be suitable if provided by Training Centers accredited by the INFP or the MAST; (ii) Quality and relevance: The selected training should be oriented towards the demand of the companies, including a training in technical quality skills and know-how (soft skills) with a duration of six months (70 hours) and a three-month internship period (35 hours), leading to a legally recognized certification or competences certificate; (iii) Aligned with prioritized economic sectors: The selected training offer should be relevant to the economic development strategy established at national and regional level.
27. *Companies and eligibility criteria*. Companies eligible to participate in the program will need to belong to the sectors that are likely to create jobs and to offer internship opportunities to beneficiaries.

*Implementation procedures*

1. This section describes the procedures to be followed for the implementation of the youth training program. The stages of implementation are identified as well as the role and responsibilities of the different stakeholders during the different stages of the training process. The implementation of the Technical Training program of Component II will take place in eleven stages.

***Stage 1: Analysis of the demand for skills and analysis of the training offer***

1. The objective of this stage is to identify the demands for skills of companies in job-rich sectors and to identify the offer of courses and training centers that can meet the demands of companies and meet the criteria of quality and relevance required.
2. FAES will contract a consulting firm to: (i) Analyze the specific demand of the productive sectors for professional skills in priority economic sectors in Haiti, expanding economic sectors and generating demand for skilled workers and skills. The analysis will focus on the demand for skills of Port-au-Prince and North East region (free zone) businesses; and (ii) Identify courses and training centers that can meet the skill requirements of companies and meet the required quality and relevance criteria. The analysis will focus on training centers in Port au Prince and the North East region. Particular emphasis will be placed on analyzing the quality and relevance of the existing training offer.
3. The consulting firm will be in charge of: (i) Propose a methodology and create the necessary material for surveys of companies (survey and group focus for example); (ii) Collect field data from companies; (iii) Identify training centers and the provision of relevant and quality courses that can meet the training needs of companies. The analysis of supply will seek to identify the training centers best able to meet the demands of companies; and (iv) Analyze the data collected and present the results in a formal way, which includes: a) the presentation of a list and a description of the training requests of the companies, b) the identification of the sectors bearing the employment, c) the identification of the most requested courses, d) the presentation of a list of training centers and descriptions of their course offer (modules offered by the centers, capacity of centers, conditions of access training, among others). In order to ensure the rapid implementation of the training program, a first list of identification of training centers and courses will be proposed before the submission of the final report of the consulting firm.
4. In addition, the Operators will perform a Diagnosis of Employment Opportunities (DOE) in each area of intervention. To do this, they will organize, in collaboration with the FAES and the municipalities, a workshop with the main local economic actors (companies, employers' organizations, training centers, NGOs, etc.). This workshop will aim to obtain information on the characteristics of the productive sector, the human resources needs of companies and the employment and internship opportunities that may exist in the municipality of the intervention zone. This DOE must be updated at least once a year during the execution of the operation. The implementation methodology is given in Annex XXX. Once the information is collected, operators will process this information and prepare a report. The DOE results will be used to define the types of training courses to be developed.

***Stage 2: Selection of training centers and courses based on relevance and quality***

1. The objective of this stage is to select the Training Centers and the Offer of the Courses that could respond to the demands of the companies and that could meet the criteria in terms of quality and relevance. To do this, the following activities will be carried out: (i) FAES, in coordination with the relevant sector ministries (MAST and INFP + private sector), based on the consulting firm's proposals and / or DOE results, and following the IDB's selection policies, will select training and relevant courses to meet business demands for skills. The selected training centers must meet the criteria, legal, quality, relevance and alignment with the priority economic sectors; (ii) Once the training centers and courses have been selected, FAES will sign the contracts with the training centers; (iii) FAES and the relevant sectoral ministries convened by FAES (MAST and INFP) will be in charge of the validation of the survey methodology and the DOE, the identification list of training centers and the results of the demand analysis and the training offer and DOE results. A period of 10 days is planned for this validation. Beyond this period, in the absence of comments, the results of the analysis and the identification of the relevant training offer will be considered as accepted.

***Stage 3: Consolidation of course offer and selected training centers***

1. The objective of this stage is to develop a catalog of Training Centers and Courses that will be available within the program. To do this, the following activities will be carried out:

(i) The Operators will create a standard data sheet of the selected courses. The proposed standard data sheet should include consolidated relevant information of the courses: name of the center, name of the course, learning objectives, lesson plan and modules treated, location of the course, duration, prerequisites, number of courses places available, among others. The courses standard data sheet must be approved by FAES.

(ii) The selected Training Centers will provide the necessary information to the Operators for the preparation of the Courses Data Sheets. that will follow the standard format proposed by the operators and approved by FAES.

(iii) The Operators will be in charge of creating a catalog of training centers and courses available as part of the program that will compile the course sheets. The catalog must be approved by FAES.

***Stage 4: Information campaign for the Program and for the Offer of the Courses***

1. The objective of this step is to disseminate the offer of courses within the community in the areas targeted by the intervention. To do this, the following activities will be carried out:

(i) The operators will propose a dissemination campaign strategy and methodologies for the dissemination of the Courses Offer and to launch the recruitment process. They will create the necessary communication material for its implementation. The communication campaign will encourage and promote the participation of women and will encourage them to train in the most demanded skills in the labor market. Messages and specific communication material will be proposed to this end.

(ii) The Municipalities and FAES will validate the communication strategy and the methodology proposed by the operators to carry out the recruitment process. They will also validate the materials for the dissemination of the Courses offer.

(iii) The Municipalities and FAES will launch the recruitment process based on the methodologies proposed by the operators and will implement the communication campaign based on the strategy and equipment proposed by the operators.

(iv) The Operators will provide logistical and technical support to the Municipalities and to FAES during the stage of the information campaign for the dissemination of the Program and the Courses Offer that will be implemented in the communities where the targeted population is, within the areas prioritized by the project.

***Stage 5: Registration of interested candidates***

1. The objective of this stage is to screen eligible applicants on the basis of the eligibility criteria established by the program and presented in this section of the MOP. To do this, the following activities will be carried out:

(i) The Municipalities and FAES, with the logistic and technical support of the Operators, will proceed to the registration of the interested candidates. During this process, interested applicants will receive a presentation on (a) the conditions of participation, (b) the results of the skill application analysis, and (c) the available courses and their admission requirements. The logistic and technical support of the operators will include the mobilization of the personnel, the hardware and the furniture necessary for the good progress of the process.

(ii) Interested candidates should provide the following documents XXX

(iii) Operators will be responsible for recording information about interested candidates in a single computer database. The database should provide each interested applicant with a unique identification number and must contain all the information necessary to verify the eligibility criteria for each interested candidate: full name, age, personal telephone numbers, parents' telephone number or designated family members, ID, neighborhood of residence, grade level, employment status, interest in training and information on the level of vulnerability (number of children, income, among others). The computer system and hardware as well as the characteristics of the database will need to be approved by the IDB and FAES before the start of the pre-qualification process. Form 01 in Annex 13 provides a basis for the registration of information of interested candidates.

***Stage 6: Pre-selection of eligible candidates***

1. On the basis of the information gathered on the interested candidates, a pre-selection of the eligible candidates will be carried out according to the selection criteria established by the program and presented in this section of the MOP. The process will proceed in three phases:

(i) The operators, through the computer system used and on the basis of the information gathered on the interested candidates, will draw up a preliminary list of short-listed candidates meeting the eligibility criteria. The computer system used should allow an automatic verification of the eligibility criteria.

(ii) Operators will carry out a Training Needs Assessment (TNA) of eligible candidates. The TNA consists of a questionnaire and interview in which the candidates eligible for the training receive a professional orientation, become aware of the needs of the market (DOE, survey results if available) and answer a survey on their training needs and inform their interests in terms of training. The DBF will identify the best training options for each candidate. The results of the DBF will be recorded in the database by the operators.

(iii) A committee integrated by representatives of the Municipality, the community and FAES will be created to validate the list of preselected candidates on the basis of the selection criteria. This validation should be implemented in an estimated period of 10 days. Beyond this period, in the absence of comments, the list of short-listed candidates will be considered accepted. The Operators will provide logistical and technical support for a sound implementation of this stage. The final list of shortlisted candidates will be sent by the Operators to the Municipalities, to the community representatives and to FAES. The Operators will update the database with the identified shortlisted candidates.

***Stage 7: Final selection of beneficiaries***

1. The objective of this step is to establish the final list of beneficiaries selected to participate in the intervention. To do this, the following activities will be carried out:

(i) The operators will be in charge of identifying the training centers and the most suitable courses for each eligible candidate on the basis of the results of the Training Needs Assessment (TNA). Eligible candidates will present themselves at the training centers identified by the operators on the basis of the TNA.

(ii) Three possible options during the final selection of beneficiaries:

*1st option*: The training centers will conduct motivational interviews with the pre-selected candidates, analyze their profile and apply the admission rules in force. The training centers will draw up a list of eligible candidates from the pre-selected candidates. At least 30% of eligible candidates must be women.

*2nd option*: Operators will collect from the Training Centers the academic eligibility criteria for each course they offer and include them in the catalogs. The pre-selected candidates will go through the final selection process that will be carried out by the operators, based on the criteria of each Center.

*3rd option*: In the case that different centers can offer the same course and that the candidates would have been eligible for more than 1 center, a random selection method will be applied. The course will have an offer of X number of tickets with the names of the different centers that offer the course. The candidate will take a ticket at random and his ticket will indicate the name of the Training Center for which he was selected to take the course.

(iii) In the event that the number of eligible candidates is less than or equal to the number of places available in the training centers, the candidates identified as eligible by the training centers will be admitted and will be able to begin their training. At least 30% of women will have to participate in the training.

(iv) In the event that the number of eligible candidates exceeds the number of places available in the training centers, a public draw will be held to ensure the transparency of the final selection process. The public draw will be carried out by the committee with the logistic and technical support of the operators, following the following procedure: (a) 30% of the beneficiaries will be drawn from a pool of eligible candidates consisting exclusively of women; and (b) 70% of the beneficiaries will be drawn from a pool of eligible mixed gender and male candidates.

(v) The operators will draw up the list of final beneficiaries and update the database by identifying the candidates ultimately selected.

(vi) The committee will sign a minute with the final list of beneficiaries selected to participate in the intervention. The validation should be implemented in an estimated period of 5 days. Beyond this period, in the absence of comments, the list of selected candidates will be considered accepted. The operators will provide logistical and technical support for the smooth running of this stage. The final list of selected candidates will be sent by the operators to the Municipalities, to the community representatives and to FAES.

(vii) The committee will publish a notice with the results of the selection and will respond to any questions from the community about the selection process and its outcome.

***Stage 8: The training in the Training Centers***

1. The training centers will be in charge of the training of the beneficiaries. (Develop a little the content of the training)
2. Training Centers will be responsible for providing to the Operators and to FAES all the information needed to monitor the training period. The Training Centers will send a monthly report to the FAES and the operators (Annex XXX) containing: (a) the number of beneficiaries per sex, (b) age group, (c) training module, (d) the percentage of presence of each beneficiary, and (e) the number of modules processed per period, among others.
3. During the training phase, the Operators will be in charge of carrying out permanent mentoring with the beneficiaries and providing them with additional training hands on. Operators must have a training curriculum including hands on know-how and minimum of notions of creativity, entrepreneurship, leadership, innovation. During this mentoring the Training Centers will prepare the young people for the transition to the world of work and will accompany and counsel the beneficiaries during the internship period.
4. During the training phase, FAES will be in charge of the payment processes to: (i) beneficiaries, (ii) training centers and (iii) operators, following the procedures detailed in this MOP. FAES will be able to make random visits to training centers to check the progress of the process.
5. At the end, the training centers will send to FAES and to the Operators a final training report (Annex XXX) containing the number and the detailed list of beneficiaries who have obtained the diploma, including name, age, sex, notes on discipline and general average and diplomas obtained.

***Stage 9: Internship in companies***

1. The training centers will be in charge of maintaining a permanent dialogue with the companies in order to identify the internship and employment opportunities for the beneficiaries of the program. Operators will provide technical and logistical support to training centers in this process by promoting the program to companies and identifying additional internship and job opportunities. For each beneficiary, the training centers, with the support of the operators, will have to identify at least one internship opportunity.
2. The training centers, with the support of the operators, will be in charge of (a) planning the internship phase and (b) sending the trainees to companies.
3. They will collect information about companies offering internship opportunities: (i) Companies eligible to participate are XXX; (ii) Documents to be provided by the companies are XXX.
4. The training centers, with the support of the operators, will be in charge of monitoring the internships after the trainings and making sure there is a smooth successful implementation and absorption of the course. The Training Centers will implement the following:
5. The companies, at the end of each month of internship, will write an internship report (Annex XXX) containing the information of the beneficiaries, the percentage of presence of the beneficiaries, the skills transmitted during the internship, an evaluation of the beneficiaries by the master internship. The Companies will send the monthly reports of internships to the Training Centers and to the Operators.
6. The training centers, with the support of the Operators, will make random visits to the companies to verify the smooth absorption of the course. FAES will be immediately informed of irregularities detected. FAES will also be able to carry out random inspections of companies.
7. During the internship phase, the Operators will continue providing permanent mentoring to the beneficiaries and providing them with additional training hands on. By mentoring we mean preparing the young people for the transition to the world of work and the accompaniment and counseling of beneficiaries during the internship period.
8. During the internship phase, FAES will be in charge of the payment processes of (i) beneficiaries, (ii) training centers and (iii) operators, following the procedures detailed in this MOP.

***Stage 10: Monitoring and evaluation***

1. The Operators will be in charge of updating the single computer database containing information on program beneficiaries during the various stages of the program. To do this, they will have to consolidate monthly the information provided by the other stakeholders and integrate this information into the database. The monitoring and evaluation stage starts as follows:

(i) Prior to start the training, the Operators will establish a database with relevant information on a) interested applicants, b) short-listed candidates and c) final beneficiaries. Each beneficiary should have a unique identification number to cross and consolidate information from different databases.

(ii) During the training stage, based on the information provided by the Training Centers (Annex XXX), the Operators will update the beneficiary database with relevant information regarding the training progress at the training stage.

(iii) During the enterprise internship stage, based on information provided by the companies (Annex XXX), the Operators will update the beneficiary database with relevant information on the progress of the internship stage.

1. The computer system and hardware as well as the characteristics of the database will need to be approved by the IDB and FAES before the start of the pre-qualification process. The database should be accessible at all times for the FAES team and the IDB.
2. The information contained in the database must allow the monthly calculation of the following indicators contained in the monitoring and evaluation plan of the HA-L1137 program: (i) XXX Put Final Indicators on the Results Matrix
3. Three and / or six months after the end of the probationary period, surveys will be conducted among the beneficiaries and a group of pre-selected candidates to measure their respective professional integration. In addition, qualitative information on the overall progress of the component will be lifted. A consulting firm will be selected for this monitoring, based on the mythological criteria contained in the monitoring and evaluation plan of the HA-L1137 program.

***Stage 11: Closing and taking charge of the program***

1. The Municipalities, FAES, and the Operators will carry out the closing activities of the program. These activities will be: (i) Publish the results of the Program and the delivery of Certificates of Accomplishment; and (ii) Workshops to promote the ownership and support of the training model. During these workshops, town halls, FAES, sector ministries and operators will analyze the lessons learned, the success factors and the actions to be implemented to ensure the sustainability of the training model. Particular emphasis will be placed on the transfer to the public sector of the tools, methodologies and management techniques used for the implementation of the program.

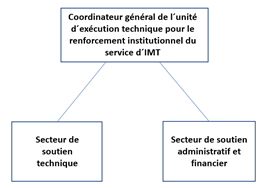
***Payment mechanisms for Operators and Beneficiaries in Component I***

***II (b) – The Entrepreneurship Economic Incentive Program - The Incubation Program***

1. To ensure effective implementation and transfer of know-how, the Incubation Program will be implemented by the University of Ottawa in a partnership with the local Haitian Institution, ISTEAH - *Institute des sciences, des technologies et des études avancées d'Haïti*. The University of Ottawa has been identified as implementer of exceptional capacity based on: (i) its unique expertise in delivering a training program of this kind while managing co-working spaces, (ii) its existing relations and exchanges with Haiti and Haitian trainers and its extensive knowledge of Haiti and its socioeconomic characteristics, (iii) its willingness to support this activity within the operation through the mobilization of its network of professors and students also of Haitian descents, potential investors and other partners and actors that have an interest in building human capital in Haiti.
2. The ISTEAH has been declared of Public Interest by the Government of Haiti, it has been supported by trainers and experts of the Haitian diaspora and has been leading ambition efforts to train Haitian youngsters and support Haitian talent (e.g. the establishment of the Knowledge City in Northern Haiti). The partnership with ISTEAH aims at establishing the Incubation Program within a Haitian entity so that the training activities can continue also after the completion of the operation. FAES will sign a contract with the University of Ottaway and a memorandum of understanding will be signed between the University of Ottawa and the ISTEAH.
3. The University of Ottawa has been collaborating with ISTEAH and both entities count with networks of experts and investors that can be engaged to support the Incubation Program. The University of Ottawa and the ISTEAH will sign an instrumental agreement for the implementation of the mentioned activities.
4. The University of Ottawa is responsible for the implementation of the Incubation Program of Component 2 for selected youth willing to start an economic activity. With the goal of transferring capacity to a local entity, the University of Ottawa will enter into an agreement with ISTEAH who will provide the space for the training activity and the co-working space for selected youth entrepreneurs and, based on needs, some of the local experts needed to implement the training program. The Incubation Program will consist of a six-month training (expected to be implemented twice a year) for 50 youngsters selected based on economic potential of their business proposition, during which they will learn various skills needed to develop and advance with their business.
5. The University of Ottawa is responsible for the overall implementation of the Incubation Program including, but not limited to: (i) the design of the Incubation Program, (ii) the outreach and marketing activities and the selection of applicants, (iii) the delivering – including training and hiring of trainers – and implementation of the training program, (iv) in coordination with ISTEAH, the administration of the space used for training and for the co-working space, (v) the production of all reports to FAES.
6. Deliverables. The University of Ottawa is expected to produce the main following deliverables: (i) the training program; and (ii) quarterly progress reports of the Incubation Program. The reports will provide a detailed overview of the work being conducted and will include, for instance, the number of applications received and how the selection process was conducted, the types of business propositions selected, lessons learned and recommendations for improvements, among other). The quarterly reports are expected to be produced at the beginning of every six-month training (each cohort) and three months later (mid-term report for each cohort). The report at the beginning of the following cohorts will provide an overview of the main results of the previous cohort.
7. Supervision. All Reports will be submitted to FAES, to the attention of the Direction for Economic Inclusion, who will be responsible for supervising the implementation of this activity and providing feedback to the University of Ottawa.
8. Knowledge and capacity transfer. The final report to be produced by University of Ottawa at the completion of the operation will include a detailed overview of the main results of the activity and how the responsibility for continuing the provision of training for youth willing to start an economy activity is being transferred to ISTEAH and how ISTEAH plans to carry on the program.
9. The University of Ottawa will implement the entrepreneurship activities. The University of Ottawa will rely on a Haitian Institute of Sciences, Technology and Advanced Studies (ISTEAH-for its French acronym) to host the co-working space in Port-au-Prince and to ensure continuity of the intervention (after project completion). Satellite workshops and other outreach activities will be carried out in other areas. The University of Ottawa and ISTEAH have already been collaborating and both have networks of experts and investors that can be engaged to support the Incubation Program. The will sign an agreement to detail role and responsibilities.

***Component III detailed implementation***

1. MAST. This section describes the role and responsibilities of MAST and how it is strengthened during the project implementation. MAST will be in charge of the institutional strengthening activities of the Labor Market Intermediation (LMI) function through the execution of Component 3.
2. MAST team will work in close collaboration with FAES regarding (i) planning activities related to institutional strengthening of the service (ii) provide FAES with the inputs required for the procurement process related to institutional strengthening of the LMI service, and (iii) coordinate the delivery of technical assistance activities related to the institutional strengthening of the LMI service. This section also describes the structure within MAST as Technical Executor (TE) and the expected results as part of the institutional strengthening activities of the LMI function.
3. The TE team will consist of a general coordinator, a technical sector and an administrative and financial sector. The general coordinator will preferably be a member of the MAST staff, regardless of their functional hierarchy. Other members of the team may be i) members of TE technical and administrative staff and / or ii) consultants recruited to support the activities developed. The basic structure of the TE is shown in the diagram below:



1. MAST will be the institution in charge of the technical execution of activities related to the institutional strengthening of the labor intermediation service of Component 3.
2. For the technical execution of the activities of institutional strengthening of the labor intermediation service of Component 3, MAST team will be led by one person, preferably a line staff of the MAST, regardless of her/his functional hierarchy. Other team members could be technical and administrative staff of the TE and/or consultants hired to support the activities developed. FAES will define the scope and technically coordinate with the TE in order to ensure coherence in the plans and programs the TE develop within the framework of the Program.
3. The institutional strengthening activities of the LMI function has as ultimate objectives the design and implementation of the following products: (i) The design of a service offer and a model of attention for jobseekers; (ii) The design of a service offer and an engagement strategy with employers; (iii) The design of a strategic management plan, including a human resources management and service performance management plan.; (iv) The design of a road map for the implementation of a labor market information system; (v) The implementation of a technology platform for labor intermediation; and (vi) The implementation of a modern public intermediation service equipped and operating
4. ***Financial Management of the project***

***Introduction and context***

1. This chapter is based on the Bank’s evaluation of the Institutional Capacity of FAES, the Fiduciary Annex of the Proposal of Operational Development (POD) of HA-L1137 and the Bank’s Fiduciary Guidelines OP-273-6 that apply for this project.
2. FAES is the executing agency for the Temporary Social and Safety Net Skills for Youth Project Grant and agreement between the Government of Haiti (GOH) and the IDB.
3. The Financial Unit in FAES is responsible for financial management and is composed of a Financial Director, a Chief Accountant and four Accountants. Considering the expected volume of transactions under this new operation, additional personnel is being hired. Modified cash basis is used for accounting purposes. TOMPRO system is used for accounting purposes; however financial reports are currently prepared using Excel spreadsheet. SIIGPP system is used for contract management. Interconnection of TOMPRO and SIIGPP is required to allow for efficient and effective budgeting and contract supervision. TOMPRO will be adapted to allow for automatic generation of financial reports in Bank’s requested formats.

***Risks and mitigation measures***

1. From the Bank’s institutional capacity evaluation of FAES, a risk of slow implementation and errors has been identified since FAES’ Manual of Operations (MOF) and the Administrative and Accounting Procedure Manuals is obsolete (dating from 2009 and 2002 respectively). FAES will update its Manual of Operations to mitigate these risks. The MOF will include a Code of Ethics for the following points: (i) compliance with laws and regulations; (ii) confidentiality; (iii) conflicts of interest; (iv) good use of assets; (v) prohibited practices; (vi) gifts and gratuities; and (vii) mechanism for reporting illegal or unethical behavior.
2. Adoption of the Grant’s Manual of Operations. FAES will prepare to the Bank’s satisfaction, the Manual of Operations for the project (MOP) which will include details on the execution mechanisms to be followed by FAES for all activities.

| **Risks** | **Mitigation Measures** |
| --- | --- |
| Since the accounting system TOMPRO is not fully operational and financial reports are prepared manually (in Excel) there is a risk of having unreliable reports and since the budget is not included in TOMPRO (commitments are not recorded) it impedes effective budget formulation and monitoring. | Integrate the accounting (TOMPRO) and contract management (SIIGPP) systems (and complete its operationalization) to generate financial reports automatically (in Bank’s format) and ensure an efficient and effective budgeting and contract supervision. |
| There is risk of project delays due inadequate staffing in financial management division, Regional offices and Monitoring and Supervision division (DSE) | Strengthen financial management by recruiting an accountant (for the daily recording of transactions and reconciliation of accounts), and a financial controller to review and compile financial reports submitted by operators and submit disbursement requests to the Bank. |
| Strengthen regional offices to ensure appropriate execution and monitoring of program activities (human resources and equipment). |
| Support the DSE to monitor all project activities. |

1. As defined in the Risks table above, FAES will hire for the execution of this project:
2. an accountant responsible for the daily recording of all transactions and reconciliation of project accounts; and
3. a financial controller responsible of revising the financial reports submitted by the various operators and preparing the disbursement requests and the justifications for the advance of funds. Also, FAES will complete the operationalization of the accounting system to ensure the monitoring and execution of approved budget and the automatic generation of financial reports in the format requested by the Bank. Interconnection between SIIGPP and TOMPRO are required for the operationalization of the accounting system.

***Financial Management requirements***

1. FAES, the executing agency (EA) for project HA-L1137, agrees with the Bank on financial management arrangements and requirements, which include the following:
2. financial planning and cash flow needs,
3. records and reports on the use of the project’s resources;
4. effective internal controls;
5. statement of accounts audited by independent entities; and
6. comprehensive supervision by the Bank.
7. The requirements listed below must be specifically met and read, interpreted and applied by FAES, as well as those in the Bank’s Guidelines OP-273-6 that apply to this project.
8. ***Programming and Budget.*** FAES will prepare annually an Annual Operation Plan (AOP), a Procurement Plan (PP) and a twelve-month detailed Financial Plan (FP). The FP will respect the budget lines defined in the Grant Agreement. The execution of the project’s FP will be evaluated every four months.
9. ***Accounting and Information Systems.*** TOMPRO system will be used for management of project funds. Detailed annual budget including sub-components and activities will be included in accounting system to facilitate the comparison of Actual vs Budget forecast and the production of financial reports by source of funds.
10. ***Disbursements and Funds Flow.***
11. The financial management of the operation will be guided by OP-273-6.
12. Disbursements will be made by direct payment and advance of funds method for the financing of activities derived from AOP and PP.
13. For the disbursement of advance of funds, FAES will submit to the Bank FP indicating the cash flow needed for periods of up to four months.
14. The supervision of disbursements will be ex-post.
15. FAES will also be responsible for the funding of the Operators accounts for the execution of activities and payment of beneficiaries based on advancement of works or services rendered according to: (i) the payment terms defined in the contracts signed with FAES and (ii) the procedures defined in the Grant Manual of Operations.
16. The justification of advance of funds will be submitted by FAES to the Bank on a quarterly basis, within 20 days after the end of each quarter, and will include the justification reports received from the Operators.
17. Payments to the beneficiaries will be made using Mobile Phone solutions and will be based on the number of working or training days. For the calculation of the payments for beneficiaries of component I, the daily national minimum wage as well as the type of work done will be considered.
18. As far as the regional offices are concerned, advance of funds will be provided by FAES for operating and supervision costs; the expenses incurred will also have to be included in the justification submitted by FAES. For each new advance, FAES will need to justify 80% of cumulated advance received.
19. The exchange rate on the date of the conversion of the currency in which the disbursement is made will be used to record all expenses made in local currency; the Central Bank of Haiti exchange rate published on that date will be used as the reference rate.
20. ***Financial Supervision Plan.*** Disbursement supervision will be conducted quarterly on an Ex-post basis upon submission of the justification reports for the advance of funds; the supervision will review the execution of the FP, all supporting documents, the recording of financial transactions and the implementation of audit recommendations. For the following years, the frequency of the visits is subject to change based on findings during supervision missions.
21. ***Execution Mechanism.*** FAES will maintain proper financial management systems and will prepare on a yearly basis: (i) an AOP; (ii) a PP; and (iii) twelve-month FP indicating cash flow needs. Disbursements will be executed as stated in point “Disbursement and Fund Flows” above.

***Financial Management objectives and procedures***

1. *Project Expenses.* This comprises all costs directly related to the implementation of the Project in keeping with the allocations in the grant/project agreement.
2. *The Finance and Administration Divisions.* These two divisions of FAES has overall responsibility for managing the finance function for operations. This includes overall management of funds and ensuring compliance with the relevant terms and conditions of the funding agreement. Day-to-day operational management of project funds is responsibility of the Financial Comptroller and the Accountant hired for the execution of this project. The Financial Director of FAES is responsible for overall management of the financial obligations of the project. Direct supervision of the Project Finance Management will be carried out by the Project Coordinator.
3. The primary objective of the Finance Division is to ensure that all resources are disbursed and used effectively and efficiently in achieving project objectives. As such, it will: (i) establish and maintain procedures for the fiduciary management of the projects; (ii) maintain the established Financial Management procedures; and (iii) maintain the established financial management systems.
4. ***The Accounting Procedures*** The accounting procedures will seek to: (i) define duties, responsibilities and authority; (ii) establish uniform treatment of similar tasks by means of established financial management procedures; (iii) ensure that financial policies and procedures are adhered to; (iv) formalize the operations of the Accounts Unit and facilitate communication with other departments, agencies etc.; (v) improve the scheduling of operations and workflow; (vi) assist in the development and maintenance of appropriate working procedures for various functions of the Accounts Unit; and (vii) ensure that the operation of the Accounting Department complies with the International Financial Reporting Standards (IFRS) and the nomenclature of the GOH accounts.
5. ***The Annual Budgeting and Financial Planning Process.*** The Project Team Coordinator, as part of the implementation of the project, must prepare an AOP every year no later than forty-five (45) days before the end of each corresponding calendar year. This AOP must reflect the actions to be carried out during one year of project implementation and consider the components (categories of investments) provided for in the grant agreement. AOPs will include target indicators, a work plan for the calendar year, updated procurement, treasury and risk mitigation plans and an infrastructure and equipment maintenance plan funded by the project. As follows, these may be considered as relevant activities regarding the annual budgeting and financial planning process:
6. In September of each year, the Project Coordinator prepares a draft of the overall operations. The Project Coordinator submits the activities and timelines to the Finance Director (FD).
7. Based on the Project Coordinator projections, the FD prepares not later than the end of October, the 1st draft of the budget, which will include all expected activities and funding.
8. The Finance Director prepares the budget and discusses it with the Project Coordinator.
9. The Project Coordinator with the Finance Director discuss the budget with the Chief of Operations and upon agreement, it is submitted to the Director General of FAES for approval.
10. Based on the approved budget, the Project Coordinator prepares the Annual Operational Plan (AOP) and submits it to the Chief of Operations and to the Director General for approval.
11. Based on the approved AOP, the Finance Director prepares an annual projected cash flow statement for the financial year.
12. The Financial Manager submits to the Project Coordinator, the projected cash flow statement to cover the needs of the Project for the financial year.
13. The Finance Director also submits the approved disbursement request to the IDB to require the funding.
14. IDB disbursements are made to the Project’s US Special Account.
15. From the US Special Account, the Director General of FAES authorizes the transfer of funds to the local account for expenditures.

| **Type of Disbursement** | **Mandatory Forms** |  |
| --- | --- | --- |
| Advance of Funds | * Disbursement Request ***form 6.1*** * Financial Plan   List of commitments (Liste des engagements) ***form 6.4***   * Financial progress reports (Etat déxecution du programme) ***form 6.5*** |  |
| Justification of Advance of Funds | * Disbursement Request ***form 6.1*** * Project Execution Status * Statement of Expenses (Etats de depenses par categories) ***form 6.7*** * Reconciliation of Bank Resources (reconciliation des ressources Bancaires) ***form 6.6*** * Financial progress report (Etat déxecution du programme) ***form 6.5*** |  |
| Direct Payment to Supplier or Reimbursement of payments made | * Disbursement Request ***form 6.1*** * Acceptable Supporting documentation * Beneficiary Payment instructions (formulaire d’ínstructions pour paiement au beneficiaire) * Statement of Expenses (Etats de depenses par categories) ***form 6.7*** * Financial progress report (Etat déxecution du programme) ***form 6.5*** * List of commitments (Liste des engagements) ***form 6.4*** |  |

1. ***Operation of the Bank Accounts.*** The Special Accounts, in US Dollars and Gourdes, will be opened as agreed in the Grant Agreement. The account is used to receive the IDB’s portion of funding and to finance exclusively its agreed portion of eligible expenditures.
2. *Special Accounts and authorized signatures.* FAES will open two special accounts (one in US dollars and one in Haitian gourdes) at the Bank of the Republic of Haiti (BRH) for the management of program resources and send authorized signatures to the IDB via the Ministry of Finance (MEF). In addition, for the execution of Component I and the training activities of Component II, each Operator will have to open a bank account in Haitian gourdes, to be used exclusively for this operation, either at Sogebank or Banque Nationale de Credit (BNC). The Institution will depend on the choice of the mobile payments service provider; the operators accounts will be used also to receive advances from FAES for the execution of activities and to pay the beneficiaries.
3. *Withdrawal of Eligible Expenditures*
4. The project accountant completes the disbursement request and reviews it with the Finance Comptroller.
5. The disbursement request forms are numbered sequentially, the first request being assigned number “one”.
6. The Accountant sends the disbursement request, with supporting documents, to the Finance Director for the first signatory. Once approved by the Finance Director, the disbursement request is sent to the Director General (DG) of FAES for final approval.
7. The Finance Director follows-up on the request sent to the DG.
8. If the DG returns the request for correction or any other adjustments, the Finance Comptroller determines the nature of the adjustments and takes immediate steps to rectify it.
9. On receipt of the request returned for corrections or any other adjustments deemed necessary, the Accountant prepares an amended request, including a reference to the previous request and noting the subsequent amendment(s). This is then approved by the Finance Director and re-submitted to the DG for approval.
10. Upon the approval of the disbursement request by the DG, the Financial Director is responsible for submitting the request, along with a cover letter, to the IDB.
11. *Receipt of Eligible Expenditures.* The Finance Director must ensure that funds received from the IDB match amounts requested and are properly recorded. The procedure for receipt of authorized allocation is:
12. Once the request is approved by the IDB, the funds are transferred electronically to the Special Account.
13. On confirmation of the transfer of funds to the Special Account, the Accountant prepares a pre-numbered US dollar receipt in duplicate for the Finance Comptroller revision and signature of the Finance Director, or the Project Coordinator or the DG.
14. IDB sends an electronic notification of the disbursement to the relevant personnel including information of disallowed amounts, if any. The book copy of the receipt is cross-referenced to the relevant request for withdrawal on file and vice versa.
15. If the amount received is different from the application amount, then this is queried.
16. The bank charges should be recorded separately on the book copy of the receipt for accounting purposes by the Accountant.
17. *Accounting for Receipt of Eligible Expenditures.* The Accountant will proceed as follows:
18. The book copy of the receipt is coded with the accounts to be debited and credited and entered into the computerized cash book by the Accountant on the same day that the receipt is prepared.
19. Once the receipt has been entered into the computer, it is stamped “POSTED” and initialed by the Finance Comptroller.
20. After the receipt has been processed on the computer, the Finance Comptroller will check the entry against the actual receipt to ensure the correct information was entered. Any error noted should be corrected before the receipt is posted to the cash book and interfaced to the general ledger.
21. The information entered into the computer would create journal entries into the general ledger
22. *Bank Reconciliation.* The Accountant will be in charge of the reconciliation procedure as follows:
23. At the end of each calendar month, the Accountant obtains the bank statement for the Project Special Accounts covering the previous month.
24. The Accountant reconciles the bank statement to the books of the Project. This includes tracing all expenditures on the bank statement with the Project cash book; accounting for all charges included on bank statement but not in cash book; and investigating and rectifying any discrepancy between the bank statement and the Project records.
25. This reconciliation is reviewed by the Finance Comptroller and the Finance Director.
26. ***Operation of the Local Project Bank Account.*** The rules that govern the operations of the Local Project Bank Account:
27. Funds are deposited from the Project Expenditure Account to the authority of the Project Team Coordinator. The deposit of funds to the Local Project Bank Account is for the sole purpose of paying contracted beneficiaries;
28. The total payment to contracted beneficiaries for the payment period is shown on a Summary Sheet submitted to the Project Team Coordinator by the Technical Specialist supervising the contract execution. This is reviewed and approved by the Project Team Coordinator.
29. The check is prepared by the Administrative Director and submitted to the Finance Director for its approval and for authorization of funds withdrawal.
30. The approved check is submitted to the DG for final signature.
31. The Accountant will lodge the check to the contracted beneficiary account.
32. ***Chart of Accounts.*** The Chart of accounts is a reporting line of all the accounting transactions undertaken with the revenue and loan funds provided for the project. It facilitates recording of expenditure on items budgeted and an assessment of the conformity with or deviation from targets. The Accounting Codes of the Chart of Accounts for the Temporary Social and Safety Net Skills Project was developed to conform to the Government of Haiti ’s system-wide Accounting Code.
33. ***Funds not disbursed.*** The funds allocated to the financing of a project must be used as soon as possible, in accordance with the timetable established for the project in question and, in any case, within the time allowed by the Financing Agreement, calculated from the date of entry into force of the Agreement unless a longer period has been agreed in writing between the Lessor and the State of Haiti. Otherwise, the part of the Contribution which has not been committed or disbursed, in accordance with the provisions of the Agreement, within the prescribed period, will be automatically canceled and, if necessary, returned to the Bank.

***Financial Audits: Internal and External***

1. The operations of the project will be audited by External Auditors acceptable to the Bank.
2. ***Audit Objective.*** The operations are assessed especially in relation to:
3. The use of suitable systems of internal controls on a day to day basis.
4. Consistent compliance with established rules and guidelines related to all operational areas.
5. Reliability which may reasonably be placed on reports used by external parties for draw-downs of financing, assessment of overall performance, etc.
6. Examining compliance with policies and established procedures in any specific area of operation which is regarded as critical to the achievement of IADB objectives;
7. Ensuring measures are in place for quality control and prevention of irregularities; and
8. Ensuring the overall efficiency of the operational procedures.
9. ***Internal Audit and Review.*** FAES will maintain adequate internal control systems and mechanisms. The internal audit unit of FAES will assure the supervision of the financial execution of the operation. The internal audit unit is being strengthened to ensure completion of the internal audit plan and to follow up to the audit recommendations.
10. The Internal Audit unit investigates and monitors performance in keeping with the agreed Manual of Operations of the Project (MOP), and the IADB’s operational guidelines under the terms of agreement entered into with the Bank. It also liaises and coordinates its work with that of the External Auditor.
11. ***External Audit and Review.*** The terms and arrangement of the audit should be in adherence to IADB’s policies and guidelines.
12. Audits of financial statements of the project will be performed in accordance with International Audit Standards and Bank’s Guidelines for Financial Reports and External Audits; the audits costs will be financed by the operation and are estimated at US$250,000. The operation financial statements will correspond to the Haitian fiscal year. An independent audit firm will carry out the audits of the project as specified below.
13. Special Audit Requirements and presentation of financial reports. FAES is responsible for the recruitment of external auditors acceptable to the Bank to perform the financial audit of the project as follows:
14. for the first two years of the execution: semiannual audits of the financial statements of the program will be required and submitted within 90 days after the close of each semester; and
15. for subsequent years: the frequency of presentation of the audited financial statements (semi-annual or annual) will be based on financial management capacity of the FAES determined by the financial supervision missions and the updating of the risk assessment. Financial Audits will be funded with the operation funds. For the audit of financial statements, the Haitian fiscal year will be used.
16. The Finance Comptroller is responsible to preparing and sending the financial reports to the auditors in proper time and to implement the Audit recommendations.

***Reporting***

1. Financial Management. An overall report on the financial management of the project in keeping with planned arrangements is required. This will assess progress of financial expenditures under the project.
2. Required Documentation for reports cycles:

(i) Details of Transfers from Accounts;

(ii) Extracts of the relevant Bank Reconciliation Statements;

(iii) Interim Unaudited Financial Statements (IFR);

- Statement of Sources and Uses of Funds;

- Expenditure by Components;

(iv) Details of the Disbursement Requests;

(v) Cash Flow Projections for the forth-coming four (4) month period;

(vi) Statement of contracted beneficiaries (summary); and

(vii) Contracts that exceed threshold limits.

1. Internal Audit/External Audit: A progress report on internal and/or external audit queries will be addressed based on the audit plan developed and agreed. Responses to Internal Audit queries, and implementation of relevant recommendations, will constitute an important mechanism for monitoring established performance service standards.
2. ***Project Procurement***

***Introduction and context***

1. This chapter is based on the Bank’s evaluation of the Institutional Capacity of FAES, the Fiduciary Annex of the Proposal of Operational Development (POD) of HA-L1137 and the Bank’s Fiduciary Procurement Policies and procedures GN-2349-9 and GN-2350-9 that apply for this project.

***Risks and mitigation measures***

***Policies and procedures***

1. For the Procurement of works, goods and services other than consultancy services the Procurement Policies are those dated March 2011 as contained in GN-2349-9, approved by the Bank on April 19, 2011. If the Procurement Policies are amended by the Bank, the procurement of works, goods and services other than consultancy will be conducted in accordance with the provisions of the Amended Procurement Policies.
2. For procurements of works, goods and services other than consulting services, any of the methods described in the Procurement Policies may be used, provided that the method in question has been identified for procurement in the Procurement Plan approved by the Bank.
3. The threshold for the use of the international tender will be made available to the Beneficiary or the Executing Agency, as appropriate, on the website www.iadb.org/procurement. Below this threshold, the selection method will be determined according to the complexity and characteristics of the procurement; this method should be reflected in the Procurement Plan approved by the Bank.
4. With regard to the use of the national competitive bidding method, the corresponding national competitive bidding procedures may be used, provided that the Bank considers that such procedures ensure economy, efficiency, transparency and general compatibility with Section I of the Procurement Policies and considers, inter alia, the provisions of paragraph 3.4 of these Policies.
5. With respect to the use of the national competitive bidding method, it may be used, provided that the procurement or recruitment is carried out in accordance with the bidding document agreed with the Bank.
6. The Beneficiary undertakes to obtain or, as the case may be, arrange for the Executing Agency to obtain, prior to awarding the contract corresponding to each of the Program's works, where appropriate, legal possession the buildings where the corresponding work will be built, the easements or other rights necessary for its construction and use, and the water rights that will be required for the work in question.
7. For the Selection and contracting consulting services, the Policies applicable are those dated March 2011 contained in GN 2350-9, approved by the Bank on April 19, 2011. If the Consultant Policies were to be modified by the Bank, the selection and contracting of consulting services will be conducted in accordance with the provisions of the Amended Policies for Consultants.
8. For the selection and contracting of consultancy services, any of the methods described in the Consultant Policies may be used, provided that the method has been identified for the corresponding in the Procurement Plan approved by the Bank.
9. The threshold for establishing the shortlist of international consultants will be made available to FAES, as appropriate, on the website www.iadb.org/procurement. Below this threshold, the shortlist may be composed entirely of national consultants.

***Preparing and updating the Procurement Plan***

1. Updating the Procurement Plan. In order to update the Procurement Plan, in accordance with the Grant Agreement, FAES shall use the system and formats for executing and monitoring the procurement plans as prescribed by the Bank.

***Procurement execution – roles and responsibilities***

1. The PIT/FAES is responsible for the following activities: (a) identify the needs compiled in the Annual Operational Plan; (b) define the project objectives and prepares the AOP in which the expected results are defined according to the needs; (c) identify the funds and define the timeframe for the achievement of the objectives; and (d) prepare the Financial Plan and the Procurement Plan through which the project will implement.

***Contract management and administration***

1. ***Ethics, transparency and governance***

***Ethics through the execution of the project.***

1. *Conflicts of interest.* The staff of FAES, MAST and the Municipalities may not hold, directly or through an intermediary, any interest in companies or consulting firms, or carry out any activity or responsibilities in public or private institutions called upon to maintain commercial relations with or benefit from them. They may not receive any remuneration, benefit, commission or honorarium in any form whatsoever from these same companies or institutions. Any staff is required, when recruited by the FAES, to complete a declaration setting out the list of its commitments, interests or holdings if any, that may conflict with the above rule. The staff should then have a period of one month or so to free from such commitments, interests or participations. The fulfillment of this obligation is an express condition of his permanent recruitment or retention.
2. *Obligations of Staff vis-à-vis the outside.* Based on the Donor’s Agreement signed by the Government of Haiti with the IDB, FAES is entrusted with a public service mission. As such, the staff is subject to an obligation of confidentiality, impartiality, discipline and the highest standards of ethics as it is imposed to the civil servants.
3. *Obligations of FAES service providers.* The objectives and operating principles of FAES require contractors to provide services in a professional, objective and impartial manner within the framework of their contracts. Service providers may only intervene in their areas of competence recognized by FAES. Thus, no consulting firm engaged by FAES to provide consultancy services for the preparation or execution of a project, is admitted intervening as a company, or provide services for this project other than those for which it has been approved by FAES. Similarly, no undertaking engaged by FAES to provide goods or carry out works, is admitted intervening as a consulting firm or project manager on behalf of FAES. The relationship between the Contracting Authority or the delegated Owner and its service providers, companies and suppliers is governed exclusively by the contracts or contracts that bind them.
4. *Fraud and Corruption*. FAES has full authority to ask the Bidders, Suppliers and Contractors of the contracts financed by Operation No. HA-L1137 to observe, in the execution of these contracts, the highest standards of professional ethics. FAES determines through this paragraph that the fraud and corruption clauses in the IDB Procurement Policies that apply to Operation No. HA-L1137 will apply to all contracts signed.

***Transparency through the execution of the project.***

1. Transparency, accountability and openness[[6]](#footnote-6). Transparency on the activities performed by the execution of community development events is fundamental to build public trust and to ensure accountability of their activities. Openness toward the public can help addressing the civil society’s demands for information and reduces possible tensions, and it also involves a social control by the civil society.
2. The use of websites has proved a very useful tool to promote the disseminations to stakeholders and civil society of sufficient information about public tenders, evolution of the project, its governance model, etc., also allowing interoperability with academia or other organized for around the project. The well-highlighted publication of data in open format and in standardized way, e.g. on websites, should be easily accessible to stakeholders and civil society.
3. Transparency promotes responsibility by making it clear to the entire team what needs to be accomplished. If the team doesn’t have a clear understanding of the problem, they won’t be able to come up with a solution.
4. In the case of project HA-L1137, the social audit may be exercised by a Civil Society Community Commission (CSCC), aimed at: (a) Control that the processes of calls and dissemination of information of the Program for the registration of participants, be public, transparent and comprehensive for all selected Beneficiaries; (b) Ensure that the process of pre-registration, registration and verification of information of eligible persons is carried out in a transparent and objective manner that guarantees the verification and veracity of said information; (c) Check that the community projects are executed according to the quality standards and to that established in the respective profiles; (d) Monitor and verify transparency in the administration of the resources of the Projects managed by the Operators; and (e) Ensure that the representatives of their Beneficiaries in the CSCC fulfill the function as such and that they channel the pertinent information of the Project to the communities.
5. Mechanisms to exercise transparency and access to information: (i) The municipalities and all participating entities will allow public access to information related to the Program; (ii) The municipalities will provide an information bulletin board in their facilities informing the citizens and, in particular, the communities / beneficiaries involved, of the results and execution of the same. In cases where municipalities have websites, these will also be used to inform about the Program; (iii) Periodically the Operators and the PIT/FAES will give information to the CSCC on the progress of the Program and the most important decisions about it; (iv) The community leaders representing the beneficiaries, on their part, will inform their representatives and will validate if the results and advances of the community projects are consistent with the objectives and goals of the Project; (v) At the end of each fiscal year, the Operators will submit a results report on the development of CDD project to the CSCC and the representatives of the participating beneficiaries. This report must also be made public; and (vi) The Communication Unit of FAES will respond to citizen complaints, demands and complaints related to the Project. This right and mechanisms of social control should be communicated from the beginning to the community leaders, facilitating their participation in the different stages of the Project.

***Project governance - prevention of fraud and corruption risks***

1. The project will be managed transparently with visibility to every task of the project and where everyone can see the status of each part of the project. Communication and reasoning about decisions regarding the project are well documented and can be found by anyone on the team.
2. Management can become difficult if stakeholders don’t work as a team. By helping team members perform better and be accountable for their actions it will also allow team members understand the roles expected of each other and how they can support one another when necessary. Stakeholders can motivate one another to improve their performance because they will understand how their actions impact the work of their colleagues.
3. Controls and checks are more effective if they are put in practice in a holistic way with the collaboration and the exchange of information and data by all institutions involved. To this end, it may be useful to consider a model of “collaborative supervision and control”, to prevent errors and ensure the adoption of timely corrective interventions in order to ensure the realization of the activities on time.
4. Interaction with parties that are subject to the controls should take place with a problem-solving approach through the request of advices and suggestions able to anticipate and avoid the possible occurrence of improper behavior, non-compliance, and illegality. Time interaction between entities using available digital technologies to the extent possible, is paramount to establish effective communication and procedures that will lead to effective controls. This will help gaining the confidence and trust without a feeling to be “under scrutiny” but rather supported by the control mechanism.

***SAMPLE CODE OF ETHICS FOR CIVIL SERVANTS[[7]](#footnote-7)***

1. The approach to public service codes of conduct varies between jurisdictions. Most states have introduced general public service codes of conduct that are enshrined in legislation. In some cases, agencies are required to use the broad model to develop agency-specific codes, which are not statutory instruments.
2. OECD countries state the standard of behavior expected of public servants in a collection of documents. The three most common forms are laws, codes of conduct, and guidelines. More than two-thirds of OECD countries established a legal framework for the standards of behavior expected of public servants. The form of legal documents ranges from Constitutions, general acts on civil service or public service, administrative procedures law, labor law, to dedicated codes on standards of conduct, disciplinary act and the conflict of interest and post-employment codes. Codes of conduct and codes of ethics or a civil service code are also a commonly used source in over one-third of the Member countries.
3. A competent and impartial public administration is a necessary condition for the appropriate performance of its duties; the public must have confidence in the authorities’ discharge of their duties, in accordance with the rule of law and the democratic frameworks. For this reason the reliability of the public administration can be guaranteed only when guiding principles that govern working for the administration are both explicit and known to all those involved. These guiding principles constitute the essence of the appropriate discharge of public-staff duties - and their importance has significantly increased during the past few years. The expansion of the discretionary powers of administrative bodies, the changes in administrative relations and the emphasis placed on interactive policy-making have all created more scope for civil servants’ individual responsibilities.
4. **Basic principles**

(1) Civil servants shall perform their official duties in compliance with the Constitution and law. When performing their operations, civil servants shall act exclusively in the public interest.

(2) Civil servants shall ensure equal treatment of the citizens and the legal entities when performing official duties.

(3) Civil servants shall perform their activities to a high professional level, which shall be continuously upgraded.

(4) Civil servants shall perform their activities in the most conscientious, direct, the most efficient, timely and methodical manner in the interest of the citizens and the other entities in realizing their rights, duties and interests.

(5) Civil servants shall not be engaged in any activities that are contrary to the legitimate performance of their official duties, and they shall do everything to avoid situations and conduct that could impair the interest or the reputation of the body in which he/she is employed or of the state administration as a whole.

(6) When communicating with citizens and other legal entities, the civil servants shall act in a manner that enables establishment of relations of mutual confidence and cooperation between these entities and the administration. In their relations with the citizens and the other legal entities, the civil servants shall show understanding, courtesy, respectability and highest possible will to help and shall not impede the realization of their rights and interests.

1. **Impartiality**

(1) When performing their official duties, civil servants shall not be influenced by partiality for achieving certain results.

(2) When performing specific tasks and deciding about the rights, the duties and the interests of the citizens and the legal entities, civil servants shall not be led by incorrect, unjustified or unreasonable assessment of the factual situation due to prejudice, realization of ambitions for career promotion, conflict of interests, intimidation or threats by the superior civil servants, the official managing the body in which the civil servant is employed or by the persons affected by the respective act or decision.

(3) When performing the official duties, civil servants shall provide equal treatment of the citizens contacting the body in which they are employed. To that effect, they shall not reject to render service to a person that is regularly rendered to other persons nor shall render service to a person that is regularly not rendered to other persons.

(4) Civil servants shall not deliberately cause damage to other person, group of persons, body or legal entity. On the contrary, they shall ensure the realization of the rights and the legitimate interests of the citizens and the other entities.

1. **Independence in reaching decisions**

(1) Civil servants shall independently reach decisions and shall decide objectively on the basis of the facts of the case, taking into consideration only the legally relevant facts and acting without unnecessary delay.

(2) Civil servants shall adhere to the appropriate procedure when performing the official duties within their competence, especially rejecting any pressure, even the one from their superiors.

1. **Misuse of the authorizations and the status of civil servants**

(1) Civil servants shall not use advantages arising from their status as civil servants nor shall they use the information acquired due to their position for their personal benefit. Their duty shall be to avoid any conflict of interests, as well as situations that could lead to suspicion for conflict of interests.

2) Except when legally correct, civil servants shall not offer nor provide any advantages that would in any way be related to their position in the state administration.

(3) Civil servants shall not consciously mislead the public or the other civil servants within the body.

(4) Civil servants shall refuse to act contrary to the legal regulations or in a manner that presents a possibility to misuse the authority arising from their position, should the citizens and the legal entities for whose rights and obligation they decide ask from them to act so.

1. **Information transparency**

(1) Civil servants shall treat the information they acquired due to their position in the state administration with the all necessary secrecy and shall provide appropriate information protection.

(2) Civil servants shall facilitate the access of citizens to the information they have the right to obtain for the purpose of realization of their rights and interests.

(3) Civil servants shall not refuse to provide and shall not provide incorrect data or information to the state bodies, the legal entities and citizens, should the provision of data be stipulated by law.

1. **Political activity**

(1) Civil servants shall perform their official duties and the determined policy of the body in which they are employed on politically neutral manner i.e. correctly and efficiently, without revising their political correctness.

(2) Civil servants shall not represent or express their political view in performing the official duties.

(3) Civil servants shall not carry out political activities that could undermine the confidence of the citizens in his/her ability to perform the official duties in a proper manner.

(4) Civil servants, in their relations with citizens and the legal entities as well as in their relations with the other civil servants, shall not mention, emphasis nor indirectly state their membership in specific political party.

(5) Civil servants shall not oblige other civil servants or persons without the status of civil servants in the body in which they are employed to join specific political party, nor shall they instigate them to act so by promising them career promotion.

1. **Conflict of financial interests**

(1) Civil servants shall not let their personal financial interest to be in conflict with their position and the status of civil servant.

(2) Financial interest shall include any benefit for the civil servant, for his/her family, relatives, friends, for physical persons and legal entities with whom he/she has or had business relations.

 (3) Civil servants shall not accept relations of cooperation with persons or organizations that have or had economic interest from the decisions or the activities of the body in which the civil servant is employed in the past three years.

1. **Gifts and other form of benefit**

(1) Civil servants shall not ask for nor accept, for themselves or for others, gifts, services, assistance or any other benefit that could affect or that could seem to affect their decisions for certain issues, or that could corrupt their professional approach towards certain issues.

(2) Civil servants shall not accept gifts or gratitude that could be deemed as reward for those activities the performance of which is their responsibility.

(3) Civil servants shall not ask for themselves or for other nor shall they accept gifts or other form of benefit from another civil servant or his/her relative.

1. **Protection and economy usage of government funds**

(1) Civil servants shall put all efforts to ensure maximum effective and economy management and usage of tangible assets, equipment and other objects entrusted to them, and shall prevent their illegal disposal.

(2) Civil servants shall take care of undertaking appropriate measures to ensure security of entrusted objects as well as of eliminating the possibilities to cause material damage in the body in which they are employed.

1. **Conduct at the service**

(1) Civil servants, except due to justified causes, shall not postpone or entrust the performance of the activities or the decision making within their responsibility to other civil servants. They shall not refuse the performance of the official duties of the working post assigned to them nor shall reject the orders by the direct superior civil servant, except in the cases stipulated by law.

(2) Respecting office hours, civil servants shall pay special efforts and time to perform the official duties. They shall limit absence from their working post to that strictly indispensable.

(3) Civil servants shall not use the objects or the equipment at their disposal assigned to them for official purposes for private ones. Except in cases of emergency, they shall not use the office telephone or computer equipment for personal needs. Civil servants having company vehicle at disposal shall use the vehicle for performing official duties and shall not transport persons not within the administration.

(4) Civil servants shall conduct correctly towards the other civil servants as well as the employees in the other state bodies.

(5) Civil servants shall pay special attention to the way they dress in order not to cause an impression of indecency or impairment of the reputation of the body in which he/she is employed.

1. **Conduct in private life**

(1) Civil servants shall avoid activities and conduct in their private life that could diminish the confidence of the public in state administration. They should avoid actions or activities that are in conflict with the legal or ethical norms and that could be a reason for their personal blackmail related to the performance of the official duties.

(2) Civil servants shall avoid situation in which, due to their position in the state administration, they are obliged to perform operations in favor of any person or in which they are subject to inappropriate influence by other persons.

1. **Public relations**

(1) Civil servants in direct contact with the citizens and the legal entities shall pay appropriate attention to each of their issues and shall provide explanations requested from them pertaining to their conduct and the conduct of the other employees in the body.

(2) When reaching decision about the cases, civil servants shall respect their chronological order and shall not refuse to undertake actions within their responsibility by indicating reasons such as the scope of work to be accomplished or the lack of time.

(3) Without influencing their right to publicly express their opinion, civil servants shall refrain from giving public statements that impair the reputation of the body in which they are employed or of the state administration as a whole.

(4) Civil servants shall not assume obligations or make promises pertaining to their decisions or actions or the decisions and the actions of the other civil servants or the official managing the body in which the civil servant is employed, should it cause, or should it confirm the mistrust in the administration or in its independence and impartiality.

(5) Civil servants shall, when preparing written materials and in any other communication, use clear and understandable language.

1. **Interface between civil servants and lobbyists**

Lobbyists are a feature of our democratic system. There is no ban on civil servants having dealings with them where this serves a proper purpose and is conducted in a proper manner. But the need for propriety is crucial. It is the job of all civil servants to make sure that they conduct their dealings with lobbyists in a manner which is proper and not open to misinterpretation.

It is not possible exhaustively to cover every situation which may arise, but the main points to have in mind for civil servants in dealings with professional lobbyists, given the nature of their work, is as follows.

1. **Some things are completely unacceptable**. For instance:

* Leaking confidential or sensitive material, especially market sensitive material, to a lobbyist.
* Deliberately helping a lobbyist to attract business by arranging for clients to have privileged access to Ministers or undue influence over policy.
* Saying or doing anything that could be represented as granting a lobbyist preferential or premature access to information, Parliamentary or Governmental, which the civil servant has received because of his/her official position.
* Accepting gifts or other benefits from a lobbyist which are offered to the civil servant because of his/her official position and could place the civil servant, or reasonably be considered to place the civil servant under an obligation to the donor.
* Giving the impression to a lobbyist that any particular advice, idea or information from their clients could or will be decisive in the decision-making process. Decisions are for Ministers who will want to weigh up all the evidence and all the advice they receive before they judge the public interest.
* Using knowledge about what is going on inside Government
* Using one’s position to help a lobbyist get a benefit to which he or she is not entitled.
* Offering, or giving the impression of offering, a lobbyist preferential access to Ministers or their officials.

1. **Civil Servants should**

* Consider whether meeting one group making representations on a particular issue should be balanced by offering other groups a similar opportunity to make representations.
* Always declare to their Department any personal or family business interests which may at some time create an actual or potential conflict of interest with the work of his/her department and comply with any instructions from the Department designed to eliminate the conflict.
* Be careful about accepting hospitality from a lobbyist
* Make sure that they understand the ground rules, that they make proper arrangements to deal with any conflict of interest and that they do not get tempted into doing something which would lay they open to criticism or be misunderstood.

1. **ANNEXES**

1. GN-2349-9 and GN-2350-9 [↑](#footnote-ref-1)
2. From the Proposal for Operational Development (POD) HA-L1137 [↑](#footnote-ref-2)
3. Optional Electronic Link#3 (IDB system) [↑](#footnote-ref-3)
4. Municipalities are important stakeholders. [↑](#footnote-ref-4)
5. Legal working age starts at 18 years old. [↑](#footnote-ref-5)
6. HIGH-LEVEL PRINCIPLES” FOR INTEGRITY, TRANSPARENCY AND EFFECTIVE CONTROL OF MAJOR EVENTS AND RELATED INFRASTRUCTURES. OECD in cooperation with Autorita Nazionale Anticorruzione (A.N.AC), 2016 [↑](#footnote-ref-6)
7. <http://www.aalep.eu/sample-code-ethics-civil-servants>. Submitted by Christian on FRI, 08/05/2016 - 15:37 [↑](#footnote-ref-7)