

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

HAITI

LAND TENURE SECURITY PROGRAM IN RURAL AREAS

HA-L1056

GRANT PROPOSAL

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ELECTRONIC LINKS
REQUIRED
1. Monitoring & Evaluation Arrangements http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36660906
2. Environmental and Social Management Report (ESMR) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36657398
3. Procurement Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36660598
OPTIONAL
1. Technical Design and Feasibility Report http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36664274
2. Situation Analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36666539
3. Institutional Analysis for Land Tenure Security http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36614503
4. Social Impact Analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36614606
5. Detailed Budget http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36657387
6. Economic Analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36666530
7. Annual Work Plan (for the first 18 months) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36664291
8. Safeguard and Screening Form for Screening and Classification of Projects (SSF) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36663018

ABBREVIATIONS

CIAT	<i>Comité Interministériel d'Aménagement du Territoire</i> – (Interministerial Committee for Land Use Planning)
CIRAD	Agricultural Research for Development
CNIGS	<i>Centre National d'Information Géo Spatiale</i> – (National Center for Geo-spatial information)
DGI	<i>Direction Générale des Impôts</i> – (General Directorate for Taxes)
ESMR	Environmental and Social Management Report
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Strategy
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GRF	IDB Grant Facility
HLCS	Haiti Living Conditions Survey
IDB	Inter-American Development Bank
IHSI	<i>Institut Haïtien de Statistique et d'Informatique</i> – (Haitian Institute of Statistics and Data Management)
INRA	<i>Institut National de la Recherche Agronomique</i> – (National Institute for Agronomic Research)
MARNDR	Ministry of Agriculture, Natural Resources and Rural Development
ONACA	<i>Office National du Cadastre</i> – (National Office for Cadastre)
PFB	<i>Plan Foncier de Base</i> – (Basic Land Registry)
POD	Proposal for Operation Development
PIN	Parcel Identification Number
SFER	<i>Société Française d'Économie Rurale</i> – (French Society for Rural Economics)
SSF	Safeguard and Screening Form for Screening and Classification of Projects

PROJECT SUMMARY
HAITI
LAND TENURE SECURITY PROGRAM IN RURAL AREAS
(HA-L1056)

Financial Terms and Conditions			
Beneficiary of grant: Republic of Haiti		Amortization Period:	N/A
Executing Agency: Office of the Prime Minister through the Technical Secretariat of the <i>Comité Interministériel d'Aménagement du Territoire</i> (CIAT)		Grace Period:	N/A
		Disbursement Period:	5 years
Source	Amount		
IDB (GRF)	\$27,000,000	Supervision and Inspection Fee:	N/A
		Interest Rate:	N/A
		Credit Fee:	N/A
Total	\$27,000,000	Currency:	US\$
Project at a Glance			
<p>Project Objective/Description: The objectives of the program are to increase land tenure security of rural households in pilot targeted areas and improve the quality of land management services. The program consists of: Component 1: demarcation and clarification of property rights for at least 66,000 rural parcels on private and State lands in eight targeted pilot communes in the North and South of Haiti; and Component 2: institutional strengthening of the network of institutions and professional providers involved in land tenure security to improve the quality and efficiency of land administration services.</p>			
<p>Special contractual clauses: Conditions prior to first disbursement of the grant: (i) selection and contracting by the Executing Agency, in accordance with terms of reference previously approved by the Bank, of a financial specialist, a junior accountant and a procurement specialist dedicated to the program and assigned to the Executing Agency (¶3.1), (ii) implementation of a computerized accounting system satisfactory to the Bank (¶2.6); (iii) selection and contracting by the Executing Agency, in accordance with terms of reference previously approved by the Bank, of the program coordinator and the two regional coordinators assigned to the Legislation, Institutions and Land Tenure Unit of the Executing Agency (¶3.2); and (iv) approval by the Program Steering Committee and entry into force, of the Operations Manual, under terms previously agreed upon with the Bank (¶3.7). Special contractual conditions prior to the first disbursement for the execution of the field work of Component 1: the Executing Agency shall provide evidence satisfactory to the Bank of a valid general survey declaration duly authorizing the surveying of the lands covering the pilot communes of the program (¶3.5). Other Special execution conditions: prior to the execution of activities involving each of the Ministry of Finance through the General Directorate for Taxes (DGI), Ministry of Justice, ONACA, CNIGS, <i>Corporation des Arpenteurs</i>, and <i>Les professionnels du droit</i>, to the satisfaction of the Bank, CIAT shall enter into valid agreements with such entities establishing the terms of their respective cooperation and undertakings (¶3.3). Special disbursement: in order to enable the fulfillment by the Executing Agency of the conditions prior to first disbursement of the grant, an initial disbursement for up to US\$100,000 will be made to the extent the Beneficiary fulfills to the Bank's satisfaction all the standard general conditions prior to disbursement set forth in grant agreements, except for: (a) the submission of the initial execution report; and (b) evidence of reliable financial information systems and internal control mechanisms (¶3.6).</p>			
<p>Exceptions to Bank policies: None</p>			
<p>Special Aspects: five sole source contracts will be entered in accordance with Bank procurement policies (¶3.8 and Annex III)</p>			
<p>Project qualifies for: SEQ[X] PTI [X] Sector [X] Geographic[] Headcount []</p>			

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed and justification

- 1.1 Haiti is still a predominantly rural country. Approximately 60% of its population lives in areas classified as rural. Land constitutes a basic asset for Haiti's rural households¹, serving as a powerful fulcrum for access to labor and capital resources. Average landholdings are small (less than 1.7 hectares), often fragmented (two or more dispersed plots) and generally of poor quality. Available estimates indicate that there are approximately 1.5 million rural parcels.² Relative to other countries in the Region, access to land in Haiti's rural areas is widespread, with an estimated 80% of households having some form of rights to their land.³ Existing studies also suggest that the pressure on farm lands is high in Haiti.⁴ This is largely due to the difficulties faced by the agricultural sector to increase productivity from relatively small parcels, overcome food security challenges and reverse the deterioration of soils associated with deforestation and erosion. The demand for agricultural lands also stems from the expansion of cities into peri-urban areas.
- 1.2 The Haitian land tenure system is a French colonial inheritance. Private property rights are established through a notary deed registered in the *Direction de la Conservation Foncière* of the *Direction Générale des Impôts (DGI)* in the Ministry of Finance, based upon a parcel survey conducted by a commissioned surveyor. Land without private property rights is State land managed by the *Direction du Domaine* in the DGI. State lands in the private domain can legally be leased, sold or granted to private persons. After the independence in 1804, all the territory was declared "State land", except the area that was legally (titled) owned by freed slaves. Since independence, various types of land transactions have taken place: State grants on State land to private owners; sales between private owners; inheritance; leases on State land, etc. During the 19th and early 20th centuries, most of these transactions were legally made and duly registered and each new owner received a legal title on the inherited or purchased parcel of land. The land titling system functioned, albeit with a high cost of transaction and a low efficiency. This situation changed during the second half of the 20th century with (i) the impoverishment of the majority of rural households and (ii) the dispersion of the legal owners of the parcels, due to the high rate of emigration in rural areas. Most of the transactions since that time are not legally completed due to their prohibitive costs compared with the low value of increasingly smaller plots of lands and the absence of the legal owner or co-owners (in case of inheritance) at the time of the transaction.⁵ The sharing of lands in "family indivision" through

¹ In Haiti there is practically no difference between rural household and "*exploitant agricole*" or farmer. We can assume that there is one "*exploitant agricole*" per household.

² [Economic analysis 2011](#).

³ Rural Development in Haiti. Reference Document No. 5. Ministry of Agriculture, Natural Resources and Rural Development (MARNDR) and World Bank. 2005.

⁴ Government of France. Cadastre and land tenure security in Haiti: Findings and recommendations. Mission report (in French). 2010.

⁵ Defining a Land Tenure Policy for Haiti. Food and Agriculture Organization (FAO) and IDB. 1998.

several generations of successors without any formal surveying or registration of individual plots or rights illustrates this tendency.⁶

- 1.3 Land tenure management in Haiti thus remains largely informal and the situation has worsened in the last decades⁷. Hence many different forms of documenting property titles have come to coexist⁸. In 2001, it was estimated that 31.4% of owned parcels were individually owned with full title documentation (i.e., a notary act), 35.7% were individually owned but without full documentation and 29% were jointly owned through inheritance (i.e., 'indivision') with the balance (4%) of parcels belonging to the State. Overall, approximately 60% of all owned parcels had no property title.⁹
- 1.4 The fundamental elements for land tenure security are rudimentary in Haiti. Less than 5% of the country is covered by a cadastre. Parcel surveying is done on an *ad hoc* basis using outdated techniques that do not provide for geo-referenced measurement of parcels. The national positioning network essential for geo-referencing is incomplete. Deeds are manually registered and transcribed into the fiscal land registry maintained by the DGI and archived in chronological order, greatly hindering the retrieval of records for verification. There is no reliable, geo-referenced inventory of State lands. Although procedures for the transfer and sale of land exist, transaction costs are very high, representing 25-40% of the value of the parcel according to some estimates. Procedures are also lengthy, taking an average of 400 days to register a title (Table I-1). For these reasons, land owners usually prefer to enter into informal agreements rather than to pay the costs of obtaining full title. Tenure insecurity extends to farmers who hold leases on lands in the private domain of the State. Such leases have inherent risks under the current legal regime as they can theoretically be suspended by the State, and acquisition by prescription is not an option on State land. All these circumstances translate to high risks of multiple, competing claims over the same parcel, overlapping boundaries and other types of land conflicts. Indeed, although there are no centralized records of courts decisions, tenure conflicts are reported to represent a large share of the cases to be decided by local courts.

Table I-1: Transaction cost and time for land administration services

Phases	Costs	Time required
Authorization to conduct survey	0	10-20 days
Parcel survey demarcation	\$334-406	50-70 days
Preparation of deed by notary	\$119-213	1-90 days
Registration and transcription of deed	\$63	300 days
Total	\$516-682	361-480 days

⁶ Dorner, V. and M. Oriol. Indivision in Haiti: Rights, social arrangements and agriculture. *Institut National de la Recherche Agronomique (INRA), Société Française d'Économie Rurale (SFER), Agricultural Research for Development (CIRAD)*. 2009.

⁷ Olivier Delahaye. The constraints linked to land tenure. In identification of Potential Value Chains for Haitian Rural Markets. IDB. 2005.

⁸ Oriol, M.. Reconstruction, land tenure and housing (Orientation note for workshop). 2010.

⁹ [Economic analysis 2011](#).

- 1.5 While only limited documented quantitative evidence is available for Haiti, several studies hypothesize that this generalized land insecurity negatively impacts investments in agricultural production and the management of environmental resources¹⁰. Consistent with such arguments, Verner (2009)¹¹ reports a strong correlation between the ownership of formal rights on farm land and agricultural incomes. Despite strong predictions of the expected benefits of titling programs from neoclassical theory, which suggests in particular potential gains on investment, credit access and allocative efficiency, leading to agricultural productivity enhancement and natural resource conservation¹², quantitative evidence, based on non-experimental methods, on the impact of such programs is mixed, and evidence based on rigorous randomized experiments is nonexistent (see [Impact Evaluation Plan](#) for a review).
- 1.6 The weak capacity and lack of coordination between entities responsible for land administration services is another major challenge in improving land tenure security in Haiti.¹³ The local offices of the DGI are inadequate and in disrepair, thus threatening the condition in which valuable deeds and survey records are kept. The *Office National du Cadastre (ONACA)*, although legally responsible for establishing and maintaining the cadastre has no local offices and no functional relationship with the DGI, the local commissioned surveyors or notaries who have day-to-day responsibility for handling land transactions. If unresolved, this situation could lead to significant discrepancies between any cadastre constructed in the future and real land tenure patterns. This leaves the Government of Haiti without reliable tools for effective land use planning and natural resource conservation in rural areas.
- 1.7 **Government strategy.** As a result of recent consultations coordinated by the *Comité Interministériel d'Aménagement du Territoire (CIAT¹⁴)* tasked to coordinate national land policy, a general consensus has emerged on the strategy for modernizing the land tenure security system in Haiti. The main elements of this strategy are as follows: (i) maintain the basic tenets of the existing system provided by the Haitian civil code whereby titles are guaranteed by the private sector (i.e., through the surveyors and notaries) rather than the public sector to promote sustainability and reduce fiscal burden; (ii) focus on modernizing the existing system in a progressive manner, testing new tools and methodologies in

¹⁰ Smucker, G.R., White T.A., Bannister, M. 2002. Land tenure and the adoption of agricultural technology in Haiti. Paper presented at the 9th Biennial Conference of the International Association for the Study of Common Property. Victoria Falls., Zimbabwe, 17-21 June 2002; Dolisca, F. et al., Land tenure, population pressure, and deforestation in Haiti: The case of Foret des Pins Reserve. *Journal of Forest Economics* 13 (277-289). 2007.

¹¹ Verner, D. 2008. Labor Markets in Rural and Urban Haiti. Policy Research Working Paper 4574. World Bank.

¹² Feder, G. and Nishio, A. The benefits of land registration and titling: economic and social perspectives. *Land Use Policy*. Vol. 15, no.1, pp. 25-43. 1999.

¹³ [Institutional Analysis for Land Tenure Security](#).

¹⁴ CIAT is an inter-ministerial committee created by decree endowed with a Technical Secretariat which is under the office of the Prime Minister. The CIAT's mandate is to coordinate infrastructure and resource management, territorial planning and development.

the field first with a view to subsequently introduce legal reforms that are practical, transparent and reduce transaction costs; (iii) develop for selected pilot regions a permanent geo-referenced data base on land tenure that links parcels, owners/occupants and land rights (*Plan Foncier de Base*¹⁵ - PFB); and (iv) strengthen the full complement of actors involved in land tenure security, both public and private and reinforce the articulations between these actors.

- 1.8 **Conceptualization.** The program is based on the premise that land tenure is an important constraint to agricultural productivity and the protection of natural resources in Haiti. To address this constraint, the program will provide for investments in cadastre creation and land tenure clarification with a view towards testing and refining a cost-effective methodology for improving land tenure security in rural areas (Component 1) while simultaneously strengthening the institutional capacity for the provision of land administration services (Component 2).
- 1.9 The proposed strategy for the program is as follows. The operation has been designed as a pilot program in recognition that very limited documented experience exists in the use of systematic land tenure clarification procedures in Haiti. As a pilot, the program will be accompanied by a rigorous impact evaluation aimed at answering key questions regarding the relationship between land tenure security in rural areas, agricultural productivity and natural resources conservation. The program will focus on establishing fundamental building blocks to land tenure security (i.e., completion of the national geodetic network, creation of a land tenure data base; digitization of land records). The institutional strengthening activities will concentrate on targeted areas so that by the end of the program two regions in critical watersheds benefit from the combined results of enhanced land tenure security over a significant proportion of their area and enhanced capacity to provide land administration services at the local level. This program is complemented by the Policy Based Grant under preparation “Institutional Strengthening and Reform of the Agricultural Sector” (HA-L1074) which promotes the administrative and legal reforms aimed at facilitating some of the efficiency gains sought in the land tenure security program.
- 1.10 **Geographical scope.** Two pilot regions for the land tenure clarification and institutional strengthening activities were selected (114,858 hectares; 4% of total land area). The pilot region in the South is comprised of at least three communes (Camp-Perrin, Maniche, Chantal) covering main sections of the Ravine du Sud and Cavaillon watersheds. The pilot region in the North consists of at least five communes (Grande Riviere du Nord, Bahun, Ranquette, Vallieres, Sainte Suzanne) ensuring almost full coverage of the Grande Riviere du Nord watershed. All these pilot communes are predominantly rural areas. In all cases, the activities will take place in sub-watersheds targeted by existing Bank agricultural and

¹⁵ The decision was taken by CIAT to refer to a PFB rather than a cadastre to avoid the confusion that exists between the cadastre used in the French system (for fiscal rather than legal purposes) and the legal cadastre in other land tenure systems.

natural resources management investments (for example 2187/GR-HA). In both regions, the selected communes present different kind of land clarification issues, with challenges characteristic of lowlands and on hillsides. This will allow treating a range of land tenure situations (State land, private land property and land in 'indivision') and a diversity of ecological situations for eventual replication in other rural regions of the country.

- 1.11 The final beneficiaries of the program are 40,000 rural households¹⁶ in the eight targeted communes (25,000 in the North, 15,000 in the South) that hold or have access to at least one plot of land. More than 60% of those households are extremely poor¹⁷, with a US\$200.00 median income per household.
- 1.12 **Donor coordination.** The program design complements a parallel program of technical assistance in land tenure security financed (5 million Euros) by the Government of France. Strong synergies exist between the two programs such as: (i) a common methodology for land tenure clarification and the development of the PFB conceived with the oversight of CIAT; (ii) lessons learned for the smaller pilot interventions to be financed by the French cooperation in 2012 will provide experience for the Bank-financed program; (iii) the French financing will focus on urban and peri-urban rural areas; and (iv) common approaches will be used for the modernization of land administration services. The World Bank is also providing institutional strengthening support to the CIAT and other international organizations also finance land tenure activities mainly through support to the resettlement of persons displaced by the earthquake.
- 1.13 **Lessons learned.** This program incorporates lessons learned through other Bank-financed operations in Latin America and the Caribbean¹⁸, including with respect to ensuring the sustainability of the cadastral data base, linking the cadastre and the registration and striving for cost-efficiency in the services. In addition, the program builds on experience gained through more than thirty years of Bank agricultural investments in Haiti, particularly with respect to the need to provide for significant strengthening and modernization of public institutions to improve the effectiveness in the delivery of public services.
- 1.14 **Sustainability.** By lowering transaction costs through mass clarification and more efficient land administration services offered by public and private providers, the program will provide incentives for users to formally improve their land tenure security and sustain the PFB in the long term.
- 1.15 **Consistency with the Bank's Country Strategy.** The program is fully aligned with the Country Strategy with Haiti (2011-2015) (GN-2646), specifically with the strategic objective of protecting the environment, responding to climate

¹⁶ Estimated based on population census 2003, *Institut Haïtien de Statistique et d'Informatique (IHSI)*.

¹⁷ Verner, D. 2008. Labor Markets in Rural and Urban Haiti. Policy Research Working Paper 4574. World Bank.

¹⁸ See Barnes, G. Lessons learned: [an evaluation of land administration initiatives in Latin America over the past two decades. Land Use Policy 20 \(2003\) 367-374.](#)

change and enhancing food security and will contribute to the expected result of an increase in agricultural income in targeted areas such as the North. It is also included in the Country Programming Document for 2012.

- 1.16 **Consistency with objective of IDB-9.** The proposed program will contribute with the following lending program priority targets established in the Report on the Ninth General Increase of Resources of the Bank (IDB-9): (i) poverty reduction and social equity, as the program supports production of small farmers, an automatic-qualified sector; and (ii) climate change initiatives and environmental sustainability, as the program will provide incentives for the adoption of agricultural technologies and practices aiming at reducing land degradation, encourage a resilient agriculture and allowing farmers adaptation to future changes in weather and precipitation patterns. Likewise, the program is consistent with the institutional priority sector of protecting the environment, responding to climate change, and enhancing food security, in that it supports the regional development target for the annual growth rate of agricultural Gross Domestic Product (GDP) and the output of farmers given access to better services and agricultural investment.

B. Objective, components and costs

- 1.17 **Objectives.** The goal of the program is to contribute to agricultural productivity and promote medium and long term investments in agriculture and sustainable land and natural resources management. The objectives are to increase land tenure security of rural households in pilot targeted areas and improve the quality of land management services.
- 1.18 **Component 1. Parcel demarcation and land tenure clarification.** This component is aimed at clarifying property rights on private and identifying State lands in the eight pilot communes of the program. It will finance services and goods for the following: (a) surveying, demarcation and mapping of the communes and communal sections as the geographic grid for land tenure clarification activities; (b) collection, organization and digitization of existing land records in each of the communes from both the government land agencies and the local notary and surveyors' offices; (c) public information campaigns on land tenure and property rights, including raising awareness and providing support to obtain personal identification documents; (d) surveying and delimitation of parcels, collection of additional tenure data and mediation of boundary disputes in the field; (e) the preparation of a written tenure clarification diagnostic for each parcel (by notaries on private land, by DGI on State lands); (f) a public exposition of results and final community consensus on the results; (g) the certification of survey minutes and plans by the commissioned *arpenteurs* and their registration at DGI when there is an undisputed right to the land; and (h) the registration of all parcels in a land tenure data base (PFB) assigning a unique Parcel Identification Number (PIN) to approximately 66,000 surveyed parcels and linking them to their owners/occupants and property rights. To ensure that the PFB is continually updated, the *arpenteurs* and notaries will be required to submit information on new transactions to the administrator of the PFB making

reference to the PIN. The PFB will be administered by ONACA, the DGI and the *Centre National d'Information Géo-Spatiale* (CNIGS). It will provide the basis for developing territorial land use plans for each commune, resulting in a tool for the administration of State lands.

- 1.19 This component would also finance a pilot formalization activity, taking the process the additional step of preparing and registering deeds. The objective would be to measure on a small scale the incremental impact of formalization (instead of simply clarification) on agricultural productivity and natural resources conservation. Approximately 1,000 parcels would benefit from the formalization pilot, with a maximum of one parcel per household.
- 1.20 **Component 2. Institutional strengthening for land administration.** This component aims to improve the quality and efficiency of land administration services provided nationally and in the eight pilot communes by the network of institutions and professional providers involved in land tenure security. It includes financing for works, goods and services for: (a) modernization of the geodetic infrastructure to support parcel surveying and mapping; (b) general training in land tenure, property rights and land administration of land government agency staff and private sector professionals; (c) acquisition of advanced surveying technology and training of surveyors in the use of the technology; (d) acquisition of equipment for the preparation of deeds and training of notaries; (e) training and technical assistance for professional associations; (f) training of peace and civil court judges, clerks and lawyers in handling land tenure cases and a study of the role and performance of the judiciary in land administration; (g) construction of five land administration buildings complemented by the acquisition and installation of equipment consolidating services provided by ONACA and DGI; and (h) master's level training for four land government agency staff members in land administration. The institutional strengthening and training activities are to be completed to enable trained personnel to participate in the program execution.
- 1.21 **Costs and financing.** The total cost of the program is estimated at US\$27 million, which will be financed by the IDB Grant Facility (GRF). Table I-2 summarizes total cost by investment category and financial source.

Table I-2: Total cost by investment In thousands of USD				
CATEGORIES	IDB	GOH	TOTAL	%
I Administration and Supervision	2.315	0	2.315	8.6%
II Direct costs	22.199	0	22.199	82.2%
A Parcel Demarcation and Tenure Clarification	14.354	0	14.354	53.2%
B Institutional Strengthening for Land Administration	7.845	0	7.845	29.0%
III Other costs	2.486	0	2.486	9.2%
Audit	0.250	0	0.250	0.9%
Monitoring and Evaluation	1.000	0	1.000	3.7%
Contingencies	1.236	0	1.236	4.6%
TOTAL	27.000	0	27.000	100.0%
%	100.0%	0.0%	100.0%	

C. Key results indicators

- 1.22 The program has a Results Matrix (Annex II), agreed upon with the Technical Secretariat of the CIAT. Table I-3 presents the operation's key expected results in accordance with the matrix:

Table I-3: Summary of Results Framework (see detailed matrix in Annex II)				
Program objective: to increase land tenure security and improve quality of land management services				
Program outcomes	Indicators	Baseline 2012	Target 2017¹⁹	Verification
Increase in land transactions	Difference in the volume of land sales and leases between beneficiary and control groups	0	+10%	Household survey (external evaluation)
Increase in land value	Difference in the estimated land value (prices/ha) and prices of recent land transactions between beneficiary and control groups	0	+10%	Household survey (external evaluation)
Improved quality of land management services	Average time and cost for parcel registration	301 days \$600	66 days \$150	Parcel-based land tenure data base
Number of farmers given access to better services	Number of farmers with land tenure rights clarified	0	40,000	Household survey (external evaluation)

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The proposed program has been designed for an execution period of 60 months, with the following schedule of disbursements:

Table II-1: Financing Plan						
US\$	Total	Year 1	Year 2	Year 3	Year 4	Year 5
IDB	27.000	3.546	9.593	5.197	4.645	4.019
TOTAL	100.0%	13.8%	35.3%	19.1%	17.0%	14.7%

- 2.2 **Technical viability.** The program design is based on a [diagnostic](#) of the existing land administration system, a [feasibility analysis](#) as well as legal, [institutional](#) and [social assessments](#) financed by the Korea Poverty Alleviation Fund (ATN/KP-12687-HA). The design also benefitted from [studies](#) on policy and technical aspects of land tenure in Haiti financed by the French Cooperation. Various alternatives for the land tenure clarification and formalization procedures were examined on the basis of these assessments.

¹⁹ Target benchmarks are based on results from evaluations in other countries. See Results Framework.

- 2.3 **Economic viability.** At the farm level, improving land security through enhanced property rights is theorized to have three primary benefits. The first is that it creates an incentive for owners to make investments that improve the land, thereby increasing productivity. The second is that land formalization allows the use of land as collateral to borrow for investment and spending. Assuming that households and farms are credit constrained by the lack of such rights, this allows the possibility to borrow for productive purposes and also improve productivity. The third benefit is that it allows for land transactions in general or at a lower cost, allowing land to be transferred to its most productive use. Through each channel, land formalization is theorized to induce productivity gains and thus the returns to land. This should ultimately increase the stream of benefits that result from land ownership. This increased flow of land-related benefits combined with the reduced uncertainty associated with transactions -due to the formalization of the system- should increase the value of land improving the asset position of the owner. Beyond these benefits, land formalization may reduce costs at the farm level by reducing transactions costs as well as costs associated with land conflict. For a broader discussion of potential benefits see the Economic Analysis Annex.
- 2.4 Although the pathways through which tenure security can lead to enhanced agricultural productivity are well established, due to data limitations in the Haitian context, validating these pathways empirically has not been possible. The impact evaluation plan has been designed to allow for the ex-post empirical validation of the primary benefits expected of the program., For the ex-ante economic analysis a cost effectiveness exercise of the proposed intervention has been performed. The cost effectiveness analysis considers two alternative methods by which surveying and tenure clarification of 65,031 rural parcels can be achieved, comparing per parcel cost of obtaining survey minutes through the program or through individual means. The results show that the massive clarification of rights method followed by the program is the most cost effective solution, as the cost per parcel is US\$120 under the project compared to US\$150 under the current system. This 20% difference results in over US\$1.9 million in savings.

B. Environmental and social safeguard risks

- 2.5 This operation is classified as a category “B” operation under the Bank’s Environment and Safeguards Compliance Policy (OP-703). The [Environmental and Social Management Report](#) (ESMR) confirms that most of the environmental and social impacts are highly positive in terms of: (i) improved agricultural practices in line with long-term natural resource conservation and climate change adaptation; and (ii) enhanced information and tools for territorial land use planning. Given the precautionary approach of the program which focuses on documenting and recording existing rights, the social conflicts often associated with massive formalization efforts will be prevented with a view to gaining experience in the field to develop a gender sensitive typology of land tenure situations and procedures tailored to the specific rural context of each commune. Nonetheless, the ESMR identifies potential adverse impacts from the land tenure

clarification activities resulting from: (i) uncertainty in the procedures for clarifying State Lands leading to potential social conflicts; and (ii) accelerated land speculation associated with increasing land values particularly in peri-urban areas. The analysis was the basis for an Environmental and Social Management Plan (ESMP), which includes specific mitigation and prevention measures such as: (i) preparation of procedures to regularize tenure on State lands. The latter would become part of a policy on State lands that would be used for the regularization of tenure in the future; (ii) a bilingual (French/Creole) communication and participation strategy adapted to local conditions with particular gender dimensions and aimed at preventing potential future conflicts; and (iii) preparation of territorial land use plans for each commune setting guidelines for development in rural areas. The program complies with the Bank's policies on environmental and social safeguards (OP-703), access to information (GN-1831-28), natural disaster risk management (OP-704), involuntary resettlement (OP-710), and Gender Equality in Development (OP-270).

C. **Fiduciary risk**

- 2.6 Based on an assessment of the financial management and internal controls procedures of the Technical Secretariat of CIAT (Executing Agency), the Bank considers the overall risk rating to be high due to the lack of appropriate computerized accounting systems and weaknesses in internal control in the current structure where a clear separation of functions among administrative and accounting personnel is not evident. To mitigate those risks, **the Executing Agency will implement a computerized accounting system satisfactory to the Bank, and, will contract a financial specialist and a junior accountant, as conditions to first disbursement of the grant.** Training on Bank's financial management procedures will be provided to the CIAT fiduciary team on a continuous basis. Program financial management will be executed according to OP-273. The CIAT fiduciary team will maintain the required financial and accounting records and will prepare quarterly financial plans indicating cash flow needs for three months worth of program's activities stemming from agreed upon implementation plan and procurement plan. These financial plans will serve as the basis for advance of funds disbursements.
- 2.7 The institutional capacity analysis also showed that the Executing Agency does not have installed capacity to perform procurement activities. The risk is therefore high but will be mitigated through: (i) an ex-ante review; (ii) recruitment of a procurement specialist as condition prior to first disbursement of the grant; (iii) creation of a framework document of the procurement function to be included in the operations manual; (iv) establishment of a training plan upon program approval as well as during execution; and (v) the definition of a supervision plan in accordance with the identified level of risk.

D. Other risks

- 2.8 The other potential risks of the program are associated with: (i) a general delay in the delivery of products and outcomes resulting from insufficient institutional capacity, limited coordination among actors and an obsolete legal framework; (ii) incompleteness of the land tenure data base associated with budget limitations resulting from the lack of certainty of the number of parcels and unit cost per parcel; (iii) lack of reliability and sustainability of the land tenure data base associated with a lack of quality control of surveys and notary acts and an absence of data sharing mechanisms; and (iv) lack of compliance with rules and procedures, related with the high stakes of land regularization. The recommendations from the Risk Matrix were incorporated into the design and cost of the program.
- 2.9 As a goal of the program is to identify each parcel owner and include such information in the PFB, difficulty in identifying program beneficiaries poses an additional risk. It is estimated that between 15% and 40% of Haitians do not have a legal personal identification document. This is due to a personal identification system in Haiti that lacks institutional capacity to gather and capture personal identification information or to adequately archive and recover such information for use. To mitigate this risk, the program will support beneficiaries in obtaining an available form of identity document. Information on: (i) identity documents that legally establish personal identity; and (ii) methods to obtain those documents will be included in the public information campaign financed under Component 1.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary implementation arrangements

- 3.1 **Beneficiary and executing agency.** The beneficiary of the proposed program and related investment grant will be the Republic of Haiti. The Executing Agency for the program will be the Office of the Prime Minister through the Technical Secretariat of CIAT. The Executing Agency will be responsible for the overall administration, supervision and evaluation of the program. To meet its fiduciary responsibilities, the Executing Agency will be strengthened with a financial specialist, a junior accountant and a procurement specialist. **The selection and contracting by the Executing Agency, in accordance with terms of reference previously approved by the Bank, of a financial specialist, a junior accountant and a procurement specialist dedicated to the program and assigned to the Executing Agency, will be a condition prior to the first disbursement of the grant.**
- 3.2 In addition, the Legislation, Institutions and Land Tenure Unit of the Executing Agency will be strengthened with technical staff responsible for planning, coordination, monitoring and evaluation. This will entail the recruitment of a program director with demonstrated experience in land administration, two regional coordinators to be stationed in the pilot regions in the North and South of

- the country, a land tenure specialist, and support staff. **The selection and contracting by the Executing Agency, in accordance with terms of reference previously approved by the Bank, of the program coordinator and the two regional coordinators assigned to the Legislation, Institutions and Land Tenure Unit of the Executing Agency will be a condition prior to the first disbursement of the grant.**
- 3.3 Certain program activities will involve other institutions or organizations in accordance with their respective mandate, including the Ministry of Economy and Finance (MEF) through the DGI, the Ministry of Justice, autonomous government agencies such as the CNIGS and ONACA, and private land tenure actors such as the *Corporation des Arpenteurs* and non-profit organization *Les professionnels du droit*. In these cases, CIAT will enter into valid agreements with these entities to achieve the objectives of the program. The agreements will establish the parties' obligations for execution, including, as applicable, the methods and terms of the transfer of goods and services acquired by the Executing Agency for such entities to carry out specific activities under the program. No financial resources of the program will be transferred to the participating entities mentioned above. CIAT's entry into valid agreements with each of the MEF for DGI, Ministry of Justice, ONACA, CNIGS, *Corporation des Arpenteurs* and *Les professionnels du droit*, establishing the terms of their respective cooperation and undertakings will be a condition prior to execution of the activities involving such entities.
- 3.4 The Executing Agency will establish a Program Steering Committee, composed notably of a representative from each of MEF, the Ministry of Agriculture, Natural Resources and Rural Development, the Executive Secretary of the Technical Secretariat of CIAT, ONACA and CNIGS. This Committee will approve the Operations Manual, the Annual Plan of Operation and the bi-annual reports of the Executing Agency.
- 3.5 To support the Executing Agency in the execution of Component 1, a firm or consortium with demonstrated international experience in land tenure clarification and knowledge of the land tenure context in rural areas of Haiti and similar countries will be contracted to provide on-the-ground technical assistance for the land tenure clarification and formalization activities in the pilot regions. The following will be a special contractual condition prior to the first disbursement for the execution of the field work specified in Component 1: **the Executing Agency shall provide evidence satisfactory to the Bank of a valid general survey declaration duly authorizing the surveying of the lands covering the pilot communes of the program.**
- 3.6 **Special disbursement.** In order to enable the fulfillment by the Executing Agency of the conditions prior to first disbursement of the grant, an initial disbursement for up to \$100,000 will be made to the extent the Beneficiary fulfills to the Bank's satisfaction all of the standard general conditions prior to disbursement set forth in grant agreements, except for (i) the submission of the initial execution report; and (ii) evidence of reliable financial information systems

- and internal control mechanisms. Such special disbursement will finance the activities established in the first quarterly plan of operations submitted by the Executing Agency that enable it to fulfill the conditions prior to first disbursement of the grant and shall include: (i) selection of a consultant responsible for elaborating the operations manual of the program; (ii) selection of the three coordinators referred to in section ¶3.2 above; and (iii) selection and contracting of a financial specialist, a junior accountant and a procurement specialist. Under (i) through (iii) above, the selection is to be made by the Executing Agency in accordance with terms of reference previously approved by the Bank.
- 3.7 **Program's Operations Manual.** Program administration will be governed by an operations manual. The manual will set out the procedures to be followed by the Executing Agency and the other institutions associated with program execution with regard to programming activities, fiduciary management, procurement and contracting, audits, and monitoring, as described in Annex III, including environmental and social monitoring as described in the ESMR. **The approval by the Program Steering Committee and entry into force, of the operations manual, under terms previously agreed upon with the Bank, will be a condition prior to first disbursement of the grant.**
- 3.8 **Procurement.** All procurement activities will be performed in accordance with Bank rules and procedures, with no exceptions to the application of the Policies for the Procurement of Goods and Works (GN-2349-9) and Policies for the Selection and Recruitment of Consulting Services (GN2350-9). As stated in Annex III, the project will be subject to the special provisions for procurement activities in Haiti (OP-788-1). In case of conflict, the policies GN-2349-9 and GN2350-9 will prevail. Annex III also provides the justifications in accordance with Bank procurement rules and procedures for the contracting of works, goods and services for five direct contracts totaling US\$5,776,000. Finally, since the Executing Agency has no prior experience executing Bank operations, all procurement activities will be subject to an ex-ante review until institutional capacity allows the Executing Agency to be subject to ex-post supervision.
- 3.9 **Financial Audit.** Annual financial audits of the program will be submitted within 120 days following the end of each fiscal year including a review of procurement processes and disbursement requests based on agreed upon procedures. A final financial audit of the program will be conducted within 60 days following the last disbursement date. For accounting and audit purposes, the Haitian fiscal year will be respected. External audit firms approved by the IDB will be hired based on terms of reference agreed upon between the Executing Agency and the Bank. The Executing Agency will be responsible for the hiring of the audit firm.
- B. Monitoring and Evaluation**
- 3.10 The program has a [Monitoring and Evaluation](#) plan agreed upon with the Executing Agency and incorporated into the budget as a specific line item. It includes: (i) indicators for monitoring, evaluating, and measuring program impact,

and the means to develop a baseline; (ii) critical path for activities and outputs during program execution; and (iii) methodology, timeline, persons responsible for the basic monitoring instrument and budget to implement the plan.

- 3.11 **Monitoring.** The Executing Agency will submit semiannual progress reports to the Bank during the grant disbursement period. These reports will indicate the level of fulfillment of the program's output and outcome indicators, analyze problems encountered, and indicate corrective measures. Each year's second semiannual report will also include the annual work plan for the following calendar year, a disbursement forecast, an updated procurement plan, and the maintenance plan for the works executed under the program.
- 3.12 **Evaluation.** The Executing Agency will submit to the Bank: (i) a preliminary evaluation report 18 months after the effective date of the grant contract; (ii) a midterm evaluation report within 90 days after the date on which 50% of the grant proceeds have been committed; and (iii) a final evaluation report within 90 days after the date on which 90% of the grant proceeds have been disbursed. The final evaluation report will include the results of the program's impact evaluation.
- 3.13 An experimental approach will be used to evaluate the program's impact. The impact evaluation will help to answer which aspect of tenure security, and consequently, which component of the overall program design, contributes more to impacts on productivity and natural resource management, with special attention to the role of clarification of rights, addressing undivided inheritances, and formalization of rights. The main evaluation methodology proposed is based on a randomized roll-out of the different components of the intervention. Given that the different activities cannot occur all at the same time due to operational considerations, randomized phase-in is optimal both for a fair and transparent allocation and for the soundness of the impact evaluation. The impact evaluation design is based on three rounds of the household and plot survey (baseline, mid-term and endline survey), on three different groups of households: early treatment group, late treatment group and comparison group. This will allow estimating short-term and longer-term impacts of the clarification of rights. The short-term impacts will be estimated based on the randomized rollout of the intervention. The longer-term impacts will be estimated based on a non-experimental comparison group and a difference-in-difference matching estimator.
- 3.14 Statistical power calculations were performed with data from the Haiti HLCS 2001 to establish the number of households needed in each group and each survey round, both for the clarification of rights intervention and the formalization pilot proof of concept. The power calculations focused on the expected increases in rural household income. The estimated sample size is a total of 1686 households to be surveyed between early treatment, late treatment and comparison groups for the clarification of rights intervention, and 1016 for treatment and control groups for the formalization pilot. A budget has been included for the data collection for a sample of this size. Overall, the evaluation approach is expected to create a reasonable counterfactual for identifying program impact.

Development Effectiveness Matrix			
Summary			
I. Strategic Alignment			
1. IDB Strategic Development Objectives	Aligned		
Lending Program	(i) Lending to small and vulnerable countries, (ii) Lending for poverty reduction and equity enhancement, and (iii) Lending to support climate chance initiatives, renewable energy and environmental sustainability.		
Regional Development Goals	Annual growth rate of agricultural GDP (%).		
Bank Output Contribution (as defined in Results Framework of IDB-9)	(i) Individuals (all, indigenous, afro-descendant) receiving targeted anti-poverty programs, and (ii) Farmers given access to improved agricultural services and investments.		
2. Country Strategy Development Objectives	Aligned		
Country Strategy Results Matrix	GN-2646	Increase in agricultural income in target areas.	
Country Program Results Matrix	Not Available	The operation is included in the 2012 Country Program Document.	
Relevance of this project to country development challenges (If not aligned to country strategy or country program)			
II. Development Outcomes - Evaluability	Highly Evaluable	Weight	Maximum Score
	9.6		10
3. Evidence-based Assessment & Solution	8.4	25%	10
4. Ex ante Economic Analysis	10.0	25%	10
5. Monitoring and Evaluation	10.0	25%	10
6. Risks & Mitigation Monitoring Matrix	10.0	25%	10
Overall risks rate = magnitude of risks*likelihood	Medium		
Environmental & social risk classification	B		
III. IDB's Role - Additionality			
The project relies on the use of country systems (VPC/PDP criteria)			
The project uses another country system different from the ones above for implementing the program			
The IDB's involvement promotes improvements of the intended beneficiaries and/or public sector entity in the following dimensions:			
Gender Equality			
Labor			
Environment	Yes	The clarification of property rights promotes the adoption of environmentally friendly technologies.	
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	Korean-Knowledge Sharing (KSP)/IDB Program supported an exchange of experience in land administration from Korean and Jamaica.	
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan.	Yes	The impact evaluation is expected to provide empirical evidence of the effect of land tenure clarification and formalization on agricultural investments, productivity, income and natural resource conservation.	

The project is aligned with IDB institutional priorities. The project document clearly identifies the project's contribution to: (i) the IDB's lending objectives "Lending to small and vulnerable countries", "Lending for poverty reduction and equity enhancement" and "Lending to support climate change initiatives, renewable energy and environmental sustainability". (ii) the Regional Development Goal "Protecting the environment, responding to climate change, promoting renewable energy, and enhancing food security", (iii) the Bank Output Contribution to Regional Development Goals 2012-2015 "Social policy for equity and productivity" and "Protecting the environment, responding to climate change, promoting renewable energy, and enhancing food security." The project is also aligned with the country strategy's objective "Protect the environment, respond to climate change and enhance food security".

The Project document and its annexes provide a clear and complete justification for the project. Problems and their causes are clearly identified and discussed. The project's potential beneficiaries are also clearly identified and described. Although the project document and the evaluation plan include a clear discussion of the existing evidence of effectiveness of the improved land tenure clarification/formalization, it is still hard to define the potential validity of this evidence for the Haitian context. The project's metric is well defined and the result matrix includes valid indicators with baseline and targets at all level. The project document includes a complete and realistic Cost Effectiveness Analysis. It also includes a monitoring and evaluation plan (MEP) that is complete and follows the DEM outline. The evaluation strategy is convincing and based on robust impact evaluation methodologies, which are clearly discussed in the MEP.

The risks identified in the risk matrix are reasonable and they include mitigation measure and related metric to track their implementation.

RESULTS MATRIX

Goal	To improve agricultural productivity and promote medium and long term investments in agriculture and sustainable land and natural resources management through land tenure security
Objective	To increase land tenure security and access to land management services in pilot targeted areas

Impact/Indicators	Baseline	Target (2016)ⁱ	Comments and Assumptions
<i>Increase in agricultural productivity in targeted areas</i> Indicator: Difference in the increase of agricultural yields/ha or revenues/ha between the group of beneficiaries and control group	0%	20%	Means of verification: Program impact evaluation report Comments: The randomized process guarantees an initial difference between the beneficiary group and the control group equal to zero.
<i>Increase in agricultural investments</i> Indicator: <ul style="list-style-type: none"> Difference in the index of agricultural investments (based on reported investments in fixed and movable farm assets) between the group of beneficiaries and control 	0%	20%	Means of verification: Program impact evaluation report Comments: The randomized process guarantees an initial difference between the beneficiary group and the control group equal to zero. See endnote 1 for how the index will be calculated ⁱⁱ ..
<i>Improvement in natural resources management in targeted areas</i> Indicator: Difference in the probability and intensity of plot-level long-term productivity enhancing investments (such as terracing, reforestation, irrigation).	0%	20%	Means of verification: Program impact evaluation report Comments: Intensity to be measured as % of total hectares under a given technology investment. The randomized process guarantees an initial difference between the beneficiary group and the control group equal to zero.

Component I: Cadastre, tenure clarification and formalization in targeted rural areas								
Objective: Provide secure land tenure to private and state lands through parcel delimitation, rights clarification and formalization								
Component 1	Base (2012)	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments and Assumptions
Outcomes								
<i>Increase in land transactions</i> Indicator: <ul style="list-style-type: none"> Difference in the number of hectares of land sold and leased between the group of beneficiaries and control 	0%					10%	10%	Means of verification: Program impact evaluation report Comments: The randomized process guarantees an initial difference between the beneficiary group and the control group equal to zero.
<i>Increase in land value</i> Indicator: <ul style="list-style-type: none"> Difference in the estimated land value (prices/ha) between the group of beneficiaries and control Difference in prices of recent land transactions between the group of beneficiaries and control 	0%					10%	10%	Means of verification: Program impact evaluation report Comments: The randomized process guarantees an initial difference between the beneficiary group and the control group equal to zero.
Outputs								
<i>Parcel-based land tenure data base finalized.</i> Indicator: <ul style="list-style-type: none"> Number of parcels surveyed Number of parcels with tenure clarified Number of parcels recorded into the data base 	0 0 0	0 0 0	13,006 13,006 13,006	32,515 32,515 32,515	52,024 52,024 52,024	65,031 65,031 65,031	65,031 65,031 65,031	Means of verification: CIAT monitoring information system and parcel-based land tenure data base maintained by ONACA. Comments: The estimated number of parcels is based on measurements from 2010 land imagery and may underestimate the actual number of parcels.

Component I: Cadastre, tenure clarification and formalization in targeted rural areas								
Objective: Provide secure land tenure to private and state lands through parcel delimitation, rights clarification and formalization								
Component 1	Base (2012)	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments and Assumptions
<i>Percentage of clear parcels surveyed that are registered at the DGI</i> Indicator: <ul style="list-style-type: none"> Percentage of parcel survey minutes and plans with clear tenure that are registered at the DGI 	0	0	100%	100%	100%	100%	100%	Means of verification: Records maintained at local DGI offices. Comments: Baseline survey conducted in 2012 as part of the impact evaluation will verify baseline number of parcels with survey minutes.
<i>Private parcels formalized and registered under the formalization pilot</i> Indicator: <ul style="list-style-type: none"> Number of parcels with notary act Number of parcels registered and transcribed at DGI 	0 0	0 0	0 0	500 500	500 500	1000 1000	1000 1000	Means of verification: CIAT monitoring information system and parcel-based land tenure data base maintained by ONACA. Comments: Parcels registered at DGI will be reported to ONACA.
<i>Increase land registration in the targeted regions</i> Indicator: <ul style="list-style-type: none"> Number of beneficiary farmers with new registered parcels 							1000	Means of verification: Parcel-based land tenure data base maintained by ONACA. Comments: Parcels registered at DGI will be reported to ONACA.

Component II: Modernization of the Land Administration System								
Objective: Improve the quality and efficiency of land administration services provided nationally and in the targeted areas by the CIAT, CNIGS, DGI, Ministry of Justice, ONACA and professional providers								
Component 2	Base (2012)	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments and Assumptions
Outcomes								
<i>Improve land administration services at the national level.</i> Indicator: <ul style="list-style-type: none"> Average time for parcel registration (North and South) Average cost for parcel registration (North and South) 	301 days \$600					66 days 	66 days \$150	Means of verification: CIAT monitoring information system. Comments: Baseline information from calculations reported by Barthel and Rodrigues (2011) and will be verified in Year 1.
Outputs								
<i>National Geographic Positioning System Established and Functioning</i> Indicator: <ul style="list-style-type: none"> GNSS Continually Operating Receiving Stations upgraded and/or installed Number of Public and Private Sector Surveyors Trained in the use of the Geographic Positioning Network 	0 0	8 30	8 30	16 30	16 30	16 30	16 30	Means of verification: CIAT monitoring information system. Comments: 8 stations need to be upgraded and 8 installed.
<i>Commissioned notaries and surveyors with enhanced capacity in land administrative services in the pilot areas</i> Indicator: <ul style="list-style-type: none"> Number of surveyors trained with new equipment and software Number of notaries trained with new equipment and software 	0 0	18 19	18 19	18 19	18 19	18 19	18 19	Means of verification: CIAT monitoring information system. Comments: Baseline of existing capacity established in J.P. Pierre (2011).
<i>Judicial system for land tenure security strengthened in pilot areas</i> Indicator: <ul style="list-style-type: none"> Number of justices and clerks trained in the resolution of land tenure conflicts Study on judicial role in land tenure and administration finalized 	0 0	0 0	0 0	20 0	4 1	50 1	50 1	Means of verification: CIAT monitoring information system.

Component II: Modernization of the Land Administration System								
Objective: Improve the quality and efficiency of land administration services provided nationally and in the targeted areas by the CIAT, CNIGS, DGI, Ministry of Justice, ONACA and professional providers								
Component 2	Base (2012)	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments and Assumptions
<i>Local land administrative offices (ONACA/DGI) equipped and refurbished</i> Indicator: <ul style="list-style-type: none"> Number of offices built/refurbished Number of offices equipped 	0 0	0 0	3 3	5 5	5 5	5 5	5 5	Means of verification: CIAT monitoring information system. Comments: Baseline of existing capacity established in J.P. Pierre (2011).
<i>Training program in land tenure, property rights and land administration to GOH Land Agency staff, judges and private sector professionals implemented</i> Indicator: <ul style="list-style-type: none"> Number of staff and professionals trained 	0	80	170	170	170	170	170	Means of verification: CIAT monitoring information system. Comments: Baseline of existing capacity established in J.P. Pierre (2011).
<i>Training program to professional staff with graduate degree in land administration implemented</i> Indicator: <ul style="list-style-type: none"> Number of persons trained with a masters degree financed by the program 	0	0	0	3	3	3	3	Means of verification: CIAT monitoring information system.

ⁱ Target benchmarks are based on the experience of evaluations done in other countries: Ayawel Ali, Deininger and Goldstein, 2011, Environmental and Gender Impacts of Land Tenure Regularization in Africa: Pilot evidence from Rwanda, World Bank Policy Research Working Paper 5765;

Deininger, Ayawel Ali and Alemu, 2008, "Impacts of Land Certification on Tenure Security, Investment, and Land Markets Evidence from Ethiopia", WB Policy Research Working Paper. 4764; Field, Alfred, Erica Field and Maximo Torero, 2006, "Property Rights and Crop Choice in Rural Peru, 1994-2004, *MTID Discussion Paper 100*, IFPRI, Washington DC; Goldstein, M. and C. Udry. 2008. "The profits of power: Land rights and agricultural investment in Ghana." *Journal of Political Economy*, 116 (6): 980-1022; Macours, Karen, 2008, "Land Titling and Conflicts", mimeo, Johns Hopkins University.

ⁱⁱ For the Index of agricultural investments. Methods proposed by Kling, Liebman and Katz (see ref below) will be used to deal with multiple outcomes. Data on a number of separate indicators of agricultural investments will be collected. We will standardize each of them (by subtracting the mean and dividing by the st. dev), then create a weighted sum of them (with each getting equal weight) and use that as the outcome variable. We will alternatively also estimate the impact on each standardized outcome separately, using seemingly unrelated regressions, and then obtain the index of the estimated coefficients.

REF: Kling, Jeffrey, Jeffrey Liebman, and Lawrence Katz. 2007. "Experimental Analysis of Neighborhood Effects." *Econometrica* 75(1): 83-119.

FIDUCIARY ARRANGEMENTS

COUNTRY: CCB/CHA

PROJECT N° HA-L1056 **NAME:** Land Tenure Security Program in Rural Areas

EXECUTING AGENCY: Office of the Prime Minister through the Technical Secretariat of the Comité Interministériel d'Aménagement du Territoire (CIAT)

PREPARED BY: Marise SALNAVE and Emilie CHAPUIS

I. Executive Summary

The latest evaluation reports of the Republic of Haiti's Public Financial Management (PFM) systems are: a) the Haiti - *Public Expenditure Management and Financial Accountability Review* (PEMFAR IDB – WB, January, 2008) and the "Haiti – *Public Expenditure and Financial Accountability* (PEFA European Commission 2011). The latest assessment of the procurement system in Haiti was undertaken in the context of the 2007 PEMFAR and conducted in accordance with the methodology for assessment of national procurement systems based on the OECD/DAC-World Bank Working Group indicators. Country financial management systems and external control mechanisms, as evidenced by recent diagnostics, would require further improvements prior to conform to levels consistent with their utilization for the fiduciary management of IDB funded projects. To mitigate these weaknesses the Bank will continue in the foreseeable future to: a) rely on special project execution units in most cases and b) to conduct close operational supervision to Executing Agencies and activities to strengthen institutional capacity. External control will be performed for all Bank operations by independent audit firms acceptable to the Bank.

II. Executing Agency's Fiduciary Context

The Executing Agency for the project will be the Office of the Prime Minister through the Technical Secretariat of Comité Interministériel d'Aménagement du Territoire (CIAT). CIAT is an interministerial committee created by a decree of 30 January 2009 and is presided by the Prime Minister to whom it responds directly. CIAT works in collaboration with the Ministry of Interior and Territorial Collectivities (MICT), the Ministry of Economy and Finance (MEF), the Ministry of Planning and External Cooperation (MPCE), the Ministry of Agriculture and Rural Development (MARNDP), the Ministry of Public Works, Transport, Communications and Energy (MTPTCE) and the Ministry for Environment (MDE). Its mandate consists essentially in reviewing the legal and institutional framework in land planning and development, bringing technical assistance and support to local and national institutions for land ownership, assisting the above-stated Ministries in terms of urban planning, and contributing to developing a legal framework on land ownership and all related issues. CIAT currently executes projects from other international donors, namely AECID, AFD and the World Bank. To date, the Technical Secretariat of CIAT is comprised of a Coordinator of the Technical Secretariat assisted by an Administrative Officer, an Accounting Consultant and Administrative Assistant and is responsible for the management of the various projects implemented by CIAT.

In order to execute the present operation, the Technical Secretariat of CIAT personnel will be reinforced and will be responsible for the overall planning, administration, technical supervision and evaluation of this Project.

III. Fiduciary risk evaluation and mitigation actions

Finance

An assessment of financial management, internal and external control procedures was completed by Financial Specialist on July 1st 2011. The findings drive the Bank to consider the overall risk rating to be high due to lack of appropriate computerized accounting software and the lack of clear segregation of duties between the Administrative Officer and the Accounting consultant. Accounting records are prepared manually with the use of excel spreadsheets. In addition, CIAT does not have an administrative and accounting procedures manual. The principal reference documents for the recording of financial transactions are the law on the budget and public accounts (Loi de Finances 2007/08) and the budgetary codification issued by the Ministry of Finance (MEF). CIAT currently executes projects from other international donors, namely AECID, AFD and the World Bank, however the disbursement of funds are paid in some cases by direct payment by the donor and in some cases by CIAT based on prior approval of expenses by donor. Bank accounts are opened for each project executed by CIAT and bank reconciliations are prepared on a monthly basis. CIAT also prepares on a monthly basis reports on expenditures incurred which are sent to each donor. Filing of financial transactions is done by institution and kept in filing cabinets under the control of the Administrative Officer. There is no internal audit unit. There has not yet been an audit for the various projects currently executed by CIAT. This project will be the first IDB financing executed by CIAT.

Risks identified	Mitigating measures
<ul style="list-style-type: none"> High risk in financial reporting and monitoring due to lack of computerized accounting system. 	<ul style="list-style-type: none"> The implementation of a new accounting system satisfactory to the Bank will be required as a condition to first disbursement. CIAT does not have an operating manual. An operation manual including a section on accounting and administrative procedures should be prepared and will be required as a condition to first disbursement. Bank Fiduciary staff will conduct inspection visits on a quarterly basis to review accounting records and to make sure that project documentation is properly kept. External auditors eligible to the Bank will be hired to perform the financial audit of program as well an ex-post review procurement and disbursements processes based on agreed upon procedures.
<ul style="list-style-type: none"> Weakness in internal control mechanism in the current structure where a clear separation of functions between the Administrative Officer and the Accounting Consultant is not evident. 	<ul style="list-style-type: none"> The establishment of an Administrative Section to be managed by the Administrative Officer who would be responsible for the management of human resources, logistics and coordination of projects financed by different donors and a Financial Management Division managed by a Financial specialist assisted by a junior accountant. The recruitment of the Financial Specialist and the junior accountant will be required as a condition to first disbursement. Development of an operational manual as per above. Training on Bank's financial management procedures provided to project management team personnel on a continuous basis.

The implementation of the above mitigation actions should reduce fiduciary risk to medium risk.

Procurement

A capacity assessment has been performed by the Bank's procurement specialist on June 13, 2011. The findings show, among others, that: (i) The procurement cycle management represents a high risk since there is presently no procurement unit within CIAT and no internal manuals establishing rules and procedures to be followed to perform similar activities. To date CIAT essentially handles Price Comparisons for office supplies naming on a need-basis a person in charge of the said process. (ii) In terms of support and control systems, the risk is also found to be high, and in particular under the present operation since CIAT does not count with anticorruption initiatives.

In short, CIAT does not have installed capacity to execute project procurement and therefore, the level of risk for procurement related activities is high. It is important to note at this stage that the present operation will be subject to Bank's procurement rules and procedures and that CIAT expressly manifested the urgency and its willingness to recruit a procurement specialist prior to project's approval in order to ensure execution capacity as soon as the present operation comes into force. In light of the above, the project will be placed under ex-ante supervision for all procurement related activities and specific training will be provided by the Bank on Bank's procurement rules and procedures to the hired procurement officer to ensure capacity and efficiency upon project's approval and during execution. In any event, the Bank will request as a condition prior to first disbursement that a procurement specialist be contracted and that a clear determination of his/her functions be established by CIAT at an institutional level providing institutional definition of the framework of the procurement function. Given that the procurement unit within CIAT is to be created entirely, it is also recommended that CIAT also contracted a Procurement Assistant. A supervision plan will also be prepared with CIAT upon project approval as part of the foreseen mitigation measures for the good execution of this operation.

IV. Aspects to be considered in the Special Conditions of Contract

In order to move forward the contract negotiations by the project team, herein are those fiduciary arrangements that must be considered in the special conditions:

a) Conditions precedent to first disbursement:

- Implementation of a computerized accounting system and operations manual: The implementation of an accounting system acceptable to the Bank and the preparation of an operational manual including a section on administrative and accounting procedures.
- Fiduciary staff: CIAT will have to recruit a Financial Specialist and a junior accountant, as well as a Procurement Specialist as prior condition for disbursement.

b) A special disbursement to comply with conditions to first disbursement of grant

In order to enable the fulfillment by the Executing Agency of the conditions prior to first disbursement of the grant, an initial disbursement up to \$100,000 will be made to the extent the Beneficiary fulfills to the Bank's satisfaction all of the standard general conditions prior to disbursement set forth in grant agreements, except for (a) the

submission of the initial execution report and (b) evidence of reliable financial information systems and internal control mechanisms. Such special disbursement will finance the activities established in the first quarterly plan of operations submitted by the Executing Agency, that enable it to fulfill the conditions prior to first disbursement of the grant and shall include the following: (i) selection of a consultant responsible for elaborating the operations manual of the program, (ii) selection of the three coordinators, and (iii) selection and contracting of a financial specialist, a junior accountant and a procurement specialist; in each case, the selection is made by the Executing Agency in accordance with terms of reference previously approved by the Bank.

c) **Audit special requirements:**

- Annual financial audit of project to be submitted within 120 days following the end of each fiscal year; including a review of procurement processes and disbursement requests based on agreed upon procedures. A final financial audit of the project to be conducted within 60 days following the last disbursement date. For accounting and audit purposes, the Haitian fiscal year will be respected. External audit firms approved by the IDB will be hired based on terms of reference agreed upon between the Executing Agency and the Bank. CIAT will be responsible for the hiring of the audit firm.

V. Fiduciary Arrangements for Procurement Execution

The procurement fiduciary arrangements establish the conditions applicable to all procurement execution activities in the project.

1. Procurement Execution

1.1 All project related procurement activities will be performed by CIAT following Bank's Procurement Policies: Policies for the Procurement of Goods and Works financed by the Inter-American Development Bank (GN-2349-9) and Policies for the Selection and Contracting of Consultants financed by the Inter-American Development Bank (GN-2350-9) and the Special Dispositions for Procurement for Haiti (OP-788-1) and the corresponding updates such as approved by the Bank.

- Procurement of Works, Goods and Non-Consulting Services:** The contracts for Works, Goods, and Non-Consulting Services¹ generated under the project and subject to International Competitive Bidding will be executed through the use of the Standard Bidding Documents (SBDs) issued by the Bank. The processes subject to National Competitive Bidding (NCB) will be executed through the use of National Bidding Documents agreed to by the Bank. The technical specifications review during the preparation of the selection process, is the responsibility of the project sector specialist. As described in the procurement plan presented below, there will be five (5) direct contracts, but no prequalifications are anticipated, the works being simple in nature.
- Selection and Contracting of Consultants:** The consulting services contracts generated under this project will be executed through the use of the Standard Request for Proposals (SRFPs) issued or agreed to by the Bank. The terms of reference review for the selection of consulting services is the responsibility of the sector specialist.

¹ Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (GN-2349-9) paragraph 1.1: The services different to consulting services have a similar process as procurement of Goods.

- **Training:** The following table lists all foreseen procurement processes that will include a training component and will be contracted as consulting services. The procurement methods for these activities will remain unchanged and will not require that specific dispositions be taken in order to proceed.

Ref. No.	Category and description of procurement contract	Estimated Cost (US\$000)	Procurement Method
1	General Training Program in Land Tenure, Property Rights and Land Administration for GOH Land Agency Staff (DGI & ONACA), Judges from Selected Communes and Private Sector Professionals and follow-up technical assistance	.400	QCBS

The procurement processes listed below will most likely be bundled in order to ensure efficiency, reduction of transactional costs, among others.

Ref. No.	Category and description of procurement contract	Estimated Cost (US\$000)	Procurement Method
2	Training Program for Judges and Clerks of Justice (land law issues, case administration and archiving of court documents) and follow-up technical assistance	.200	QCBS
3	Training Program in modern land surveying and data processing for surveyors (Arpenteurs) in selected communes	.350	QCBS
4	Training Program in Modern Notary Processes and Data Processing for Notaries in selected communes	.205	QCBS
5	Training Program for Land Agency Staff and Judges	.400	QCBS

- **Direct Contracting:** There are five direct contracts foreseen under the present operation for which justification is provided below in accordance with Bank's rules and procedures on Direct/Sole Source Contracting.
- **Trimble Navigation Ltd:** At the request of the Government of Haiti (Centre National d'Information Geo Spatiale - CNIGS), Trimble Navigation Ltd will be contracted to provide the services and goods for the expansion of the existing geodetic network with 8 new permanent Continuously Operating Reference Stations (CORS) which will permit efficient and accurate geo-referencing of survey work across the country and therefore the reliability and sustainability of the Plan Foncier de Base. Trimble Navigation Ltd, a international firm that specializes in the provision and installation of the equipment for such permanent stations, was previously contracted through CNGIS to design, undertake the installation and train staff in the use and maintenance of the existing 6 permanent stations of the network which are now functioning satisfactorily. The justification for the single source contracting of Trimble Navigation Ltd in accordance with GN-2350-9 is as follows: (a) the expansion of the geodetic network with the 8 new CORS stations represents a natural continuation of the design and installation of the geodetic network undertaken by Trimble Navigation Ltd in 2010-2011; (b) the single source contracting will ensure continuity in the technical approach and highly specialized technology provided for the geodetic network. Now that CNIGS is using and maintaining the geodetic network with 6 CORs stations which provide partial coverage of the country, the network must be expanded to cover the entire county using the same specifications and with a technological platform that must be completely compatible with the installation of the existing stations to ensure full integration of geo-referencing functions and the achievement of the reliability and efficiency gains needed for modern cadastral operations; (c) Trimble Navigation Ltd has acquired considerable experience during the installation of the first 6 CORS stations regarding the specific needs and highly

specialized requirement for the geodetic network in Haiti; and (d) satisfactory performance was exhibited by Trimble Navigation Ltd during the installation of the existing portion of the geodetic network. The foreseen total amount of the contract is US\$2,3 million.

Arpenteurs: At the request of the Government of Haiti (CIAT), the arpenteurs commissioned to the 10 communes targeted by the program will be contracted to accompany the field surveying operations and to certify the surveying results prior to their official registration at the DGI. The justification for the single source contracting of the arpenteurs is: (a) the tasks to be performed under the project represent a natural continuation of the judicial surveying tasks they are currently performing in the communes to which they are commissioned; and (b) they are mandated by the Surveying Law of 1968 to perform these tasks in the communes to which they are commissioned. The foreseen total amount of the contract is US\$1,626,000.00.

- **Notaries:** At the request of the Government of Haiti (CIAT) the notaries commissioned to the 10 communes targeted by the program will be contracted to provide a legal opinion on the completeness and legality of the land tenure documents collected as part of the land tenure clarification activities. The justification for the single source contracting of the notaries is: (a) the tasks to be performed under the project represent a natural continuation of the land tenure clarification tasks they are currently performing in the communes to which they are commissioned; and (b) they are mandated by the Civil Code to perform these tasks in the communes to which they are commissioned. The foreseen total amount of the contract is US\$650,000.00.
- **Centre National de l'Information Géospatiale (CNIGS):** At the request of the Government of Haiti (CIAT), the Centre National de l'Information Géospatiale (CNIGS) will be contracted to establish the virtual georeferenced demarcation of communes and communal sections in the project pilot zones. This delimitation is needed because the Land Tenure Database will provide numeric informations to the Haitian administration, which is geographically organized in communes and communal sections. The justification for the single source contracting is that the CNIGS is by Haitian law the official and unique Haitian authority for public georeferenced delimitation of administrative boundaries. The foreseen total amount of the contract is US\$300,000.00.
- **Paris School of Economics:** At the request of the Government of Haiti (CIAT), the Paris School of Economics, a French research institute of international standing in economics, will be contracted to conduct a 'randomized roll-out impact evaluation' to measure quantitatively the economic and other impacts of the project on agricultural productivity, investments and natural resource conservation in the 10 communes targeted by the project. This impact evaluation is needed because very little verifiable empirical evidence exists in Haiti of land tenure impacts in rural areas as a foundation for national land policy. The justification for the single source contracting of the Paris School of Economics (PSE) for the randomized roll-out impact evaluation is as follows: (a) PSE is designing methodology and conducting impact evaluation for other agricultural technology and natural resources conservation projects financed by World Bank and IDB in the same regions targeted by HA-L1056. The conduct of the impact evaluation for land tenure security represents a natural continuation of their work and provides a unique opportunity to measure synergies between land tenure security, agricultural technology subsidies and watershed conservation; (b) the single source

contracting will ensure continuity in the methodological approach used to conduct the rural households in the same communes thus ensuring the accuracy of the impact evaluation; (c) PSE has experience of exceptional worth having conducted and published results on randomized roll-out impact evaluation on land tenure programs in the region. The foreseen amount of the contract is US\$900,000.00.

- c. **Domestic Preference:** The offers for goods originating in the Borrower's country will not have domestic preference² of price in International Competitive Biddings.
- d. **Other:** As shown in the procurement plan for this operation, one of the activities that will be performed under this operation is granting four scholarships for a total of up to US\$185,000. This activity is designed to ensure capacity building for CIAT personnel, sustainability of the results achieved under the present operation and replicability of the efforts deployed during project execution. For this activity, CIAT will proceed in two steps: (i) selection of the university and a specific program that will suit CIAT's needs and related to the present operation; (ii) selection of the beneficiary students who will be attending this program based on competence and motivation, knowing that a mandatory condition to their attending the said program will be their return to CIAT upon curriculum's completion (if not, they will have to refund the grant they received).

2. Thresholds (miles US\$)

Works			Goods			Consulting Services	
International Competitive Bidding	National Competitive Bidding	Shopping	International Competitive Bidding	National Competitive Bidding	Shopping	International Advertising	100% National Short List
= / >1,000	100-1,000	<100	= / >100	25 -100	<25	>200	<100

- 5.1 However, the thresholds applied to procurement related activities of this operation follow the ones established in the Appendix 1 of the Special Dispositions for Procurement as a response to the emergency situation arising from the Earthquake of 12 January 2010 in the Republic of Haiti (OP-788-1).

Works			Goods ³			Consulting Services
International Competitive Bidding	National Competitive Bidding	Shopping	International Competitive Bidding	National Competitive Bidding	Shopping	100% National Short List
≥1.000	<1.000	<1.000	≥100	<100	<100	<100

3. Main Procurement Activities (*To access the 18 month procurement plan, click [here](#))

Activity	Procurement Method	Estimated Date	Estimated Amount 000'US\$
Goods			
Purchase of surveying equipment and software for Commune surveyors	ICB	TBD	1.080
Purchase of computer equipment and software for Commune Notaries	ICB	TDB	475
Purchase of office and computer equipment, software and furniture for land administration offices in selected communes	ICB	TBD	360

² Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (GN-2349-9) Appendix 2.

³ Including different services other than consulting.

Purchase of computer and office equipment, software, electrical generators and furniture for PCU and Zonal Offices	ICB	TBD	375
Works			
Construction of jurisdictional land administration office	NCB	TDB	700
Firms			
Execution of parcel demarcation and land tenure clarification campaigns in northern region pilot	QCBS	TBD	3,200
Execution of parcel of land tenure clarification campaigns in southern region pilot	QCBS	TBD	2,450
Acquisition of parcel-based land information management system, software, installation, training and technical assistance	QCBS	TBD	1,300
Modernization of Geographic Positioning Infrastructure (HaitiPOS)	SSS	TBD	2,300
Individuals			
Project Coordinator (Land Administration Specialist)	NICQ	TBD	360
Land Tenure Specialist (Coordinator Component A)	NICQ	TBD	180
Financial Specialist	NICQ	TBD	180
Procurement Specialist	NICQ	TBD	180
Legal Specialist	NICQ	TBD	180
Monitoring and Evaluation Specialist	NICQ	TBD	180

4. Procurement Supervision

Procurement related activities will be subject to ex-ante review. The Bank will review its Procurement Supervision Method during project execution based on procurement management and monitoring which will be evaluated through Bank's constant support to procurement execution as well as six-month-reviews to evaluate increased capacity to execute in accordance with Bank's rules and procedures.

5. Special Stipulations

Measures to reduce the probability of corruption: Use of IDB standard bidding documents and IDB approved standard documents in Haiti knowing that all contract models include special provisions addressing the issue of the prevention and sanction of fraud and corruption in Bank financed activities.

Definition of the Procurement functions: CIAT will have to create operational guidelines on the procurement function within the institution, including a specific chapter on the means to prevent fraud and corruption.

6. Records and Files

The Executing Agencies will be required to keep files and track records of all procurement related activities financed by the Bank in their office in accordance with the Bank's Procurement Rules and Procedures.

Financial Management

1. Programming and Budget

. Country budget execution is affected mainly by the lack of cash-flow planning and monitoring and the weak capacity of the line ministries. Programming and budget planning, execution and monitoring at the project level will rely on IDB's project financial management formats and procedures.

2. Accounting and Information Systems

One of the major weaknesses of the PFM systems in Haiti is that the country lacks a sound accounting system, including clear standards and a related automated system. CIAT will put in place an accounting software and an operational manual that will be used for the financial management of the project.

3. Disbursements and Funds Flows *(including any use of the country's treasury system)*

The use of a Single Treasury Account is not implemented in Haiti. Project financial management will be executed according to OP-273. CIAT will open two separate bank accounts (USD and Gourdes) at the Central Bank for the management of the grant resources and the listing of authorized signatures on those accounts are to be provided to the Bank via the Ministry of Finance (MEF). The exchange rate valid at the day of disbursements will be used to record all expenses made in local currency. The Central Bank exchange rate will be used as the reference rate. CIAT will also have to prepare a chart of accounts for the project.

4. Internal Control and Audit

The Technical Secretariat of CIAT does not have an internal audit unit. External control will be performed by independent audit firms acceptable to the Bank based on terms of reference agreed upon between the Executing Agency and the Bank.

5. External Control and Reporting

External control will continue to be performed for all Banks financed projects by independent public accountant firms acceptable to the Bank. Audits will be performed in accordance with Bank's Guidelines for Financial Reports and External Audits. CIAT will be responsible for contracting an external auditor eligible to the Bank to perform the audit of the program as per described in Section IV (Aspects to be considered in special conditions) above. Financial audit cost is estimated at US\$250,000.

6. Financial Supervision Plan

Bank FM Fiduciary staff will conduct inspection visits on a quarterly basis to review the execution of financial plan and to make sure that project documentation is properly kept.

7. Execution Mechanism

CIAT will maintain proper financial management systems and will prepare an annual operation plan (AOP) a procurement plan and a twelve-month detailed financial plan indicating cash flow needs for the execution of project's activities stemming from AOP and procurement plans. The twelve-month financial plan will serve as the basis for advance of funds disbursements. According to planned activities, the majority of expenditures will be made for the payments of different consultations. For this reason and considering the experience of the Technical Secretariat of CIAT in the direct management of funds for current projects under its supervision, we recommend that disbursement of advances of funds are limited to cover the operational costs of the project for a period of three months and all other payments be made by direct payment by the Bank during the first year of execution of the project. CIAT will provide justification of at least 80% of advance prior to receiving subsequent advances.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-____/12

Haiti. Nonreimbursable Financing ____/GR-HA to the Republic of Haiti
Land Tenure Security Program in Rural Areas

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the IDB Grant Facility (hereinafter referred to as the “Account”), to enter into such contract or contracts as may be necessary with the Republic of Haiti, as Beneficiary, for the purpose of granting it a nonreimbursable financing to cooperate in the execution of a land tenure security program in rural areas. Such nonreimbursable financing will be for an amount of up to US\$27,000,000, which form part of the Account, and will be subject to the Terms and Financial Conditions and the Special Contractual Conditions in the Project Summary of the Grant Proposal.

(Adopted on _____ 2012)

LEG/SGO/HA-36694067-12
HA-L1056