Public Disclosure Authorized

Public Disclosure Authorized

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: 17238

IMPLEMENTATION COMPLETION REPORT

HAITI

EMPLOYMENT GENERATION PROJECT
(Credit No. 2765 - HA)

December 18, 1997

Environmentally and Socially Sustainable Development Sector Unit
Latin America and the Caribbean Regional Office

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

Currency Unit = Gourdes (G)

Average Exchange Rate:
(As of June 20, 1997)
US$1.00 = G16.70

WEIGHTS AND MEASURES

Metric System

FISCAL YEAR OF THE BORROWER

October 1 - September 30

ABBREVIATIONS AND ACRONYMS

AGETIP	-	Agence pour la Gestion de Travaux d'Infrastructure Publics
CASEC	-	Conseil d'Administration de la Section Communale
CDS	-	Centres pour le Développement et la Santé
CECI	-	Centre Canadien d'Étude et de Coopération Internationale
CHF	-	Cooperative Housing Foundation
EGP	-	Employment Generation Project
GOH	-	Government of Haiti
IO	-	Implementing Organization
MARNDR	-	Ministry of Agriculture
MDE	-	Ministry of Environment
MDOD	-	Maître-D'Ouvrage Délégué
MTPTC	-	Ministry of Public Works
PMO	-	Prime Minister's Office
PADF	-	Pan-American Development Foundation
SDR	-	Special Drawing Rights
UCG	-	Unité Centrale de Gestion
UNDP	-	United Nations Development Program
USAID	-	United States Agency for International Development

Vice- President	: S.J. Burki
Country Director	: O. Kalantzopoulos
Sector Director	: M. Koch-Weser
Staff Member	: P. Werbrouck

FOR OFFICIAL USE ONLY

IMPLEMENTATION COMPLETION REPORT

HAITI

EMPLOYMENT GENERATION PROJECT
CREDIT 2765-HA

TABLE OF CONTENTS

		Page No.
PREFACE		
EVALUATION SUMMARY		i
PART I:	**PROJECT IMPLEMENTATION ASSESSMENT**	1
	Background	1
	A. Project Objectives	1
	B. Achievement of Project Objectives	3
	C. Implementation Record and Major Factors Affecting the Project	5
	D. Project Sustainability	6
	E. Bank Performance	7
	F. Borrower Performance	8
	G. Assessment of Outcome	9
	H. Future Operation	9
	I. Key Lessons Learned	10
PART II:	**STATISTICAL ANNEXES**	11
	1. Summary of Assessments	12
	2. Related Bank Loans/Credits	13
	3. Project Timetable	13
	4. Loan/Credit Disbursement: Cumulative Estimated and Actual	14
	5. Key Indicators for Project Implementation	15
	6. Studies Included in Project	17
	7A. Project Cost	18
	7B. Project Financing	18
	8. Status of Legal Covenants	19
	9. Bank Resources: Staff Inputs	23
	10. Bank Resources: Missions	23
APPENDIXES:	A. Mission's Aide-Mémoire	
	B. Borrower Contribution to the ICR	
	C. Executive Summary Final report	

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

IMPLEMENTATION COMPLETION REPORT

HAITI

EMPLOYMENT GENERATION PROJECT
CREDIT 2765-HA

Preface

1. This is the Implementation Completion Report (ICR) for the Employment Generation Project in Haiti, for which Credit 2765 - HA in the amount of SDR31.8 million (US$50 million equivalent) was approved on July 11, 1995 and made effective on July 13, 1995.

2. The credit was closed on April 30, 1997; the original closing date was March 31, 1997. Final disbursement took place on November 20, 1997. The balance of SDR565,732.58 was canceled on December 18, 1997. The project's final audit has not yet been received.

3. The ICR was prepared by Pierre Werbrouck, Sr. Agricultural Economist, and Garry L. Charlier (Rural Infrastructure Specialist), Environmentally and Socially Sustainable Development Sector Unit, Latin America and the Caribbean Region. The ICR was reviewed by Messrs. Mark Cackler, (LCSES), O. Kalantzopoulos, M. Donoso Clark and J. Panzer (LCC3C). The Borrower provided comments that are included as appendix B to the ICR.

4. Preparation of this ICR started during the Bank's final supervision/completion mission in May 1997. It is based on material in the project file. The borrower contributed to the preparation of the ICR by providing opinions reflected in the mission's aide-mémoire and the project final report, the executive summary of which is attached as Appendix C.

IMPLEMENTATION COMPLETION REPORT

EMPLOYMENT GENERATION PROJECT
CREDIT 2765-HA

HAITI

EVALUATION SUMMARY

Introduction

1. The Employment Generation Project (EGP) originated during the Consultative Group follow-up meeting held in Haiti in May 1995. It was prepared on the basis of employment generation studies carried out for the Emergency Economic Recovery Credit (Cr. 2670-HA). The Project was conceived to bridge the transition from short-to medium-term economic assistance. It was to reach short-term poverty alleviation objectives during a politically volatile period and while democratic institutions were still fragile. It was estimated that nearly 1.6 million family members of unskilled workers in mostly economically depressed areas would benefit from income generated by the creation of about 487,000 person-months of employment.

A. Project Objectives

2. The objectives of the Project were to: (a) create short-term employment for people in extreme poverty in support of the Borrower's program for poverty alleviation; (b) rehabilitate seriously deteriorated economic and productive infrastructure in the Borrower's country; and (c) strengthen the capacity of non-government and community organizations operating in the territory of the Borrower and the Borrower's central and local authorities to manage labor intensive small-scale development projects, including the establishment of a national non-government contract management entity and the development of a longer term strategy for poverty alleviation, employment and small infrastructure maintenance.

3. Comments on Project Objectives. Considering the political situation, the short-term objectives were ambitious. The longer-term objectives mentioned under (c) would have stood a better chance of being reached in an institutional development program than in a short-term action-oriented project.

B. Implementation Experience and Results

4. The Project outcome is rated highly satisfactory. The employment creation component (92 percent) of the Project is rated highly satisfactory because: (i) the component reached the ambitious job creation objectives; (ii) project funds benefited the poorest layers of the population and provided the highly-needed cash to stimulate recovery from the economic hardships during the international embargo; and (iii) rehabilitation of crucial productive, economic and basic infrastructure along with protection/conservation of environmentally degraded or threatened areas meet or exceed appraisal expectations in most cases.

5. The institutional development component is rated satisfactory. The Project enhanced the managerial, administrative and operational capacities of UCG, participating municipalities and CASECs, NGOs, various community organizations and small rural private enterprises. The Project, however, fell short of developing a strategy for poverty alleviation through small-scale labor intensive investments on a more sustainable basis. The Project was closed one month after the original date in the Credit Agreement.

6. Among the key factors that affected the performance of the Project were: (i) strong Government support and excellent cooperation between the Bank and Government during project preparation and processing; (ii) UCG's pragmatic and effective management; (iii) excellent performance by NGOs and implementing organizations; (iv) a good project methodology; and (v) the Bank's flexible procurement and disbursement procedures and continuous follow-up.

C. Summary of Findings

Sustainability.

7. The sustainability of the Project is uncertain. Soil conservation and particularly irrigation works which directly concern the beneficiaries are likely to be maintained. Sustainability of sub-projects such as solid waste management and rural road rehabilitation is unlikely. They belong to the public sector domain and need specific funding. The Project strengthened national and local institutions with staff trained and experienced in labor-intensive infrastructure rehabilitation works at local levels. It did not establish a national non-government contract management entity to implement a longer term strategy for poverty alleviation, employment and small infrastructure maintenance.

Bank and Borrower Performance

8. Bank performance is rated highly satisfactory. In addressing GOH's urgent need and request for assistance, the Bank showed swift responsiveness and extreme creativity and flexibility that led to a record-breaking short period for preparation, appraisal, Board presentation, effectiveness and first disbursement. To ensure success during implementation, the Bank dedicated a significant amount of resources to assist the Borrower.

9. The Borrower's performance is rated satisfactory. While the Borrower was very actively involved in project preparation, subsequent administrations have reduced their support for the Project and eroded its sustainability. Nevertheless, the Project has achieved significant job creation results.

D. Future Operations

10. At present, an IDA-financed basic infrastructure project is being prepared. It is recommended that this project uses the private sector, which has been strengthened by the EGP, to act as a major player in project implementation. The possibility of bilateral donors using this approach also remains likely.

E. Key Lessons Learned

11. The lessons to be drawn from the implementation of this Project comprise the highly successful cooperation between private and public sector, eligibility criteria of sub-projects, participation by the beneficiaries and institutional development.

(i) a well coordinated partnership between public and private/non-governmental sectors can live up to tremendous challenges. NGOs have shown a substantial implementation capacity and drive, which the public sector cannot match. Future small infrastructure projects should take this experience into account and make use of this private implementation capacity;

(ii) not all infrastructure rehabilitation sub-projects are suited for labor-intensive methods. Road construction and some other sub-projects requiring heavy-duty equipment need more capital inputs for satisfactory completion than were agreed upon under the 60-40 percent rule for allocation of labor and capital expenditures. The type of sub-projects undertaken should be consistent with the type of resources available;

(iii) substantial and time-consuming participation with beneficiaries and local authorities are necessary from the inception of sub-projects to ensure sustainable post-implementation maintenance and operation. This often conflicts with the pressure to disburse and achieve quick results. Although tradeoffs are unavoidable, higher beneficiary contributions and participation in the sub-project design would have increased the likelihood of sub-project sustainability;

(iv) the Bank and the Government are able to move very fast when supported by senior officials. Fast project preparation need not to diminish quality. Moreover, flexibility in procurement, disbursement and intense supervision have ensured successful implementation; and

(v) more realism is needed about what can be achieved in terms of institutional development in such a short time period and in an environment such as the one prevailing in Haiti in 1995-96.

IMPLEMENTATION COMPLETION REPORT

EMPLOYMENT GENERATION PROJECT
CREDIT 2765-HA

HAITI

PART I - PROJECT IMPLEMENTATION ASSESSMENT

Background

1. The Employment Generation Project (EGP) originated during the Consultative Group follow-up meetings held in Haiti in May 1995. The reinstated constitutional Government requested IDA's support to continue financing the USAID Jobs Creation Project which was soon to be completed. The 1991-1994 international embargo and economic decline caused great hardship for the rural and urban poor who were left with few prospects for short-term improvement. In the context of an aggravated economic deterioration, the Government attached high priority to the extension of this Jobs Creation Project to alleviate poverty. EGP's swift identification and preparation benefited extensively from the Jobs Creation Project's successful experience and from initial work done on employment generation as part of the preparation of the Emergency Economic Recovery Credit (Cr. 2670-HA). With unemployment hovering near 70 percent, the Project was seen as a critical component in the maintenance of political and economic stability during this period of transition and emerging democratic institutions.

A. Project Objectives

2. EGP's objectives were to: (a) create short-term employment for people in extreme poverty in support of the Borrower's program for poverty alleviation; (b) rehabilitate seriously deteriorated economic and productive infrastructure in the Borrower's country; and (c) strengthen the capacity of non-government and community organizations operating in the territory of the Borrower, and the Borrower's central and local authorities to manage labor intensive small-scale development projects, including the establishment of a national non-governmental contract management entity along with the development of a longer term strategy for poverty alleviation, employment, and small infrastructure maintenance.

3. EGP was composed of two parts: employment generation and institutional development.

Part A: <u>Employment Generation</u>

4. This component was to carry out high priority small-scale development activities (including labor costs and associated equipment, management and supervision thereof), especially in the areas of (a) productive and economic infrastructure, including the rehabilitation of roads, culverts, bridges, and irrigation and drainage canals; (b) environmental protection, including watershed management, erosion control and soil reclamation; (c) pollution control, including urban solid waste disposal and clearing of urban waste water drains; and (d) other activities. It

was to create an estimated 487,000 person-months of short-term employment. This would generate an average income of US$70 (equivalent to about 6 months cash income) for approximately 325,000 extremely poor laborers supporting about 1.6 million family members.

Part B: Institutional Development

5. This component was to provide technical assistance (including training, studies and auditing services, vehicles, furniture, staff and other incremental operational support) for the implementation of Part A and develop the Borrower's long-term employment and poverty alleviation strategy.

6. The Project would:

(a) strengthen non-governmental and community organizations involved in the implementation of part A, as well as the Borrower's local authorities, by improving their capacity to identify, prepare, implement and maintain small-scale labor intensive economic development projects;

(b) assess the experience of previous employment generation programs, and increase the maintenance of investments in rural roads, irrigation and soil conservation by developing maintenance strategies; and

(c) support development and initial implementation of a longer term strategy to generate employment in economically depressed areas, including the creation of a national autonomous non-governmental entity able to provide delegated contract management services (e.g. as in the AGETIP model) [1] especially for small-scale labor-intensive works.

7. The Government of Haiti was the Borrower and UCG (Unité Centrale de Gestion attached to the Prime Minister's Office) was the implementing agency. To carry out Part A, UCG made agreements with four MDODs (Non-Governmental Organizations) which in turn made sub-contracts with other implementing organizations (NGOs, local authorities or other private sector organizations) to implement sub-projects.

8. **Comments on the Project Objectives**. EGP's objectives were ambitious and challenging in terms of outcome and disbursement flow. Implementation has shown that the goals were reachable. With respect to the institutional development component, it is doubtful whether the longer-term strategy objectives could have effectively been reached within such short project period. More time is needed to fully accomplish such goals.

B. Achievement of Project Objectives

9. EGP was an intense labor generation effort, with critical short-term benefits. It was also to form a bridge towards a more sustainable long-term approach. Accordingly, the primary goal

---

1 AGETIP refers here to management agencies for small public infrastructure works. These agencies have been successful for the implementation of municipal infrastructure works on the African continent and have been sponsored by the World Bank.

of EGP was to address immediate poverty alleviation needs through job creation and income generation and to improve severely dilapidated economic and productive infrastructure. EGP made substantial contributions to immediate poverty relief mainly through the creation of a large number of short-term jobs, a substantial injection of money in the local economies, the improvement of infrastructure affecting the livelihood of the poor, and the protection/ rehabilitation of various environmentally degraded locations. EGP also strengthened communities and implementing agencies and financed several interesting but scattered institutional development activities. As was feared for in the Staff Appraisal Report, it fell short of ensuring long-term sustainability.

Employment Generation Component

10. The main physical outcomes of the employment generation component are summarized below (Table 1).

11. EGP created 475,700 person-months of short-term employment in 18 months. The job distribution over the project period is irregular: about 25,000 jobs per month were created during the first project year (September 1995 - August 1996) and 60,000 jobs per month in the last quarter of 1996. This can be explained by the late recruitment of three MDODs whose contracts were only signed in the second quarter of 1996.

Table 1 : Summary of Project Outputs

Outcome	Appraisal estimate (a)	Actual/Latest estimate (b)	Percentage (b/a)
A- Job Creation			
Jobs created (person-months)	487,000	475,691	98%
Of which for women (person-months)	97,400	100,685	103%
Total wages paid (US$ million)	27	22	81%
B- Infrastructure Rehabilitation			
Roads Rehabilitated (km)	1,100	763	69%
Area under improved irrigation (ha)	--	62,000	--
Canals rehabilitated (km)	1,500	1,599	107%
Garbage/debris removed ('000 m^3)	200	177	89%
Erosion-protected area (ha)	8,000	13,000	163%
Water supply (km)	--	14.5	--
TOTAL COST (US$ million)	51.4	47.4	92%

12. The arithmetic average of 26,500 jobs per month created by EGP over that period is to be compared with the 40,000 monthly jobs provided by the national assembly industry before the military coup in 1990-91. Twenty-one percent of the jobs have been carried out by women. The total wages paid to workers and directly injected into largely depressed local economies amounted to US$22.0 million (53 percent of the component's total disbursement). About 317,100 individuals supporting some 1.6 million household members (22 percent of the Haitian population of 7.2 million) were employed in the Project all over the country. An average laborer received over a six week working period an income of about US$70 (31 percent of per capita GDP). Some additional US$4 to 6 million of Project funds have been channeled to the local economies as wages for employees of the private sector providing the building materials.

13. Independent studies on a sample of workers indicate that 60 percent of the earned income went to consumption (food, closing, housing), and 40 percent to investment (education, livestock, small-scale trade, and farming). The Employment Generation Component (US$47.4 million, 90 percent of total costs) of the Project was disbursed in its entirety by March 1997.

14. EGP carried out 158 community sub-projects in 96 (out of 133) municipalities in the nine geographic departments. Average sub-project size was US$276,000. Most of the SAR quantitative physical goals have been exceeded. The quality of the works is generally satisfactory (in over 75 percent of the sub-project samples independently evaluated). Durability (especially for rural roads) appears uncertain due mainly to the lack of adequate post-project maintenance mechanisms. In addition to the three initial eligible categories of works (productive and economic infrastructure including the rehabilitation of roads, culverts, bridges, and irrigation and drainage canals; environmental protection; and pollution control), EGP financed also rehabilitation expansion of potable water supply.

15. EGP had also some secondary benefits. The following are two examples of the kind of indirect/secondary benefits brought by the Project. At Goyavier/St-Marc, savings generated through the implementation of a soil conservation project enabled the community to initiate the construction of a local school and to attract other funding and assistance for completion. Self-confidence and positive momentum built within the community of Desdunes/Artibonite from the successful implementation of a drainage/irrigation sub-project allowed the community to raise more than US$32,000 to rehabilitate the badly deteriorated access road to that locality. Moreover the employment generation component contributed towards: (i) the training of specialized laborers; (ii) the development of local enterprises; (iii) the strengthening of local training centers; (iv) the elaboration of a technical reference manual for labor-intensive projects; and (v) the improvement of the environmental impact assessment system.

Institutional Development Component

16. Multiple diverse institutional strengthening actions were undertaken and their outcomes are generally satisfactory. EGP provided working experience in labor-intensive infrastructure projects to 135 implementing organizations (mostly local NGOs, community groups or associations, selected municipalities and small rural private firms). It provided staff training for municipalities, CASECs and selected central administration entities. It also financed: (i) basic office equipment and furniture for municipalities and CASECs; (ii) various urban studies (urban

development master plan outlines, strengthening of municipal fiscal management, and socio-economic studies); and (iii) equipment for the ministries of agriculture and public works. Some actions, however, were somewhat dispersed and lacked cohesion which reduced their impact.

17. UCG was slow to start with the development of a long-term strategy and the creation of a national autonomous entity to provide infrastructure contract management services. When UCG finally began actively promoting the proposal in mid-1996, GOH's interest and support for the creation of such autonomous entity had diminished. GOH had become more favorable to a public sector management approach of employment creation and infrastructure development. As a result, EGP fell short of developing a long term national strategy to support and promote employment generation in poverty stricken areas. It did not establish an AGETIP-type national institution with the capacity to carry out such a strategy on a sustainable basis.

C. Implementation Record and Major Factors Affecting the Project

18. Overall, the employment generation component (Part A) of the Project was implemented with some delay. The initial objective was to disburse most funds in the first project year to address immediate poverty situations after the economic embargo and to revive the rural economy. Late contracting of three MDODs and intense sub-project (particularly environmental) screening by UCG has caused some bunching at the end of the project period.

19. The institutional development component (Part B) was more difficult to implement as it lacked a basic design. This resulted in a very late start (April 1996) and several months of negotiations between UCG and the Bank on the component's objectives, strategies and content. Time for implementation and quality control was consequently reduced. To accommodate completion of some elements of the component, the Project closed one month later than planned. About US$2.2 million for Part B was not used. The major determinants of project implementation are discussed below.

20. **Government Support**. EGP's quick start-up benefited largely from GOH's strong support and commitment, and from an already existing, fully operational USAID Jobs Creation Project implementation structure kept in place thanks to bridge financing from the "Fonds d'Assistance Economique et Sociale" funded by the Interamerican Development Bank. Continuous support for the Project at the local level (municipalities, CASECs, NGOs) has been a key factor in EGP's overall success. At times, changes in the Central Government[2], however, generated distractions and delays (specifically with respect to the institutional development component).

21. **UCG Management**. UCG's flexible and efficient administrative and operational management has been a decisive positive factor in achieving the job creation and physical targets. Nevertheless, late contracting of three MDODs and delays in approving MDOD work-plans resulted in a 4-month lag in reaching interim job creation targets. This reduced the time allocated

---

2 The Project was implemented under three different Administrations.

for maintenance of sub-projects and bunched a considerable part of the works in the second semester of 1996. UCG's financial management performance declined after the closure of the project. It is expected that the final project audit will be qualified.

22. EGP's management arrangement with three layers of entities (UCG, MDODs, IOs), each with different and well specified mandates and responsibilities clearly stated in enforceable performance-type contracts was also a key element in ensuring efficient, within budget and timely delivery of project outcomes.

23. **MDOD Performance**. The management capacity and experience of the MDODs, particularly the Pan American Development Foundation responsible for two-thirds of the works, has been the center piece of EGP's successful implementation. The three other MDODs (Centre Canadien d'Étude de Coopération Internationale, Cooperative Housing Foundation and Centres pour le Développement et la Santé) have also proven to be highly capable of fulfilling their contract and delivering outcomes in excess of expectation, in a timely fashion, within budget and up to agreed quality standards. The same considerations are also applicable to most of the 135 implementing organizations involved in EGP's implementation. This collaboration between public and private sector is exemplary in the region and should be continued.

24. **Methodology**. EGP's methodology was built on the main success factors of the previous USAID Jobs-Creation Project. In particular, the use of sub-project prototypes was key in speeding-up the whole sub-project cycle (from formulation to implementation). Nevertheless, the design and formulation of sub-projects in some cases suffered from technical shortcomings due to oversimplification or lack of in-depth studies.

25. **Bank Procurement, Disbursement and Supervision**. The Bank's flexible procurement and disbursement system which allowed a sole-source contractor for US$32 million, accepted relatively high thresholds for direct contracting, provided advances to MDODs exceeding US$20 million without requiring a bank guarantee and relied exclusively on ex-post control has significantly facilitated field implementation. Moreover, funds were transferred to MDODs without an intermediary account in the Central Bank, hence speeding up money transfers.

26. As shown in Table 10 of the Statistical Annexes, the Bank conducted 11 project supervision missions between August 1995 and February 1997, seven of them emphasized the status of MDOD's hiring, the institutional development component's start-up and initiatives to establish an AGETIP-type contract management agency. This intense pattern of assistance to the project has contributed significantly to its successful implementation.

27. **Direct Payments to MDODs and OIs**. Direct payments to well-screened, reliable, but overall well-trusted MDODs and implementation organizations has been key to timely payment for works and wages; a critical concern in a politically and socially sensitive environment characterized by the public administration's past inability to pay on time.

28. **Foreign Exchange Fluctuations**. Nine months after start-up, fluctuations in the SDR exchange rate resulted in a reduction of about 7 percent (US$3.5 million) of the US$ amount of

the Credit available for the Project. Concurrently, a reduction in the Gourde/US$ exchange rate contributed to offset partially that loss.

D. Project Sustainability

29. EGP's sustainability contains two aspects: (i) the sustainability of the infrastructure works and post-project maintenance by responsible sector line agencies, local authorities and communities; and (ii) the sustainability of the employment generation program itself as to whether and how such activities in the longer run would fit into a comprehensive poverty alleviation and economic development strategy. These two questions were to be addressed by studies and technical assistance in the Project's institutional development component.

30. Sustainability (or durability) of physical rehabilitation works varies a great deal depending on location but also on the category of works. An independent evaluation of sub-project samples, indicates that soil conservation and particularly irrigation works are most likely to be sustainable. Initiatives already undertaken by beneficiaries to maintain and/or operate the rehabilitated irrigation systems (in more than 50 percent of the cases) or to protect soil conservation works in many sites are positive indicators for sustainability. Sub-projects such as garbage collection, street and drain cleaning along with rural road rehabilitation is likely to be less sustainable. People consider such works part of the public sector domain and will not maintain them on a voluntary basis without being paid. Such maintenance requires public funding and management, still a scarce commodity in Haiti.

31. Concerning the sustainability of the employment program itself, EGP did neither define a strategy for poverty alleviation through small-scale labor intensive type investments at local levels, nor establish an AGETIP or similar private management unit to promote employment on a more sustainable basis through creation and training of small local private contractors. Recent GOH initiatives in basic infrastructure investment opt for program management through sector line Ministries.

32. The Project, however, left behind strengthened national and local institutions (UCG, selected central administration agencies, municipalities, MDODs, and IOs) with staff trained and experienced in labor-intensive infrastructure rehabilitation works at local levels. Some of these MDODs could undertake large programs of small-scale infrastructure investments. EGP also left behind large quantities of tools and various type of office equipment and furniture. Those are very valuable and ready-to-use assets on which GOH has the option to keep building on.

E. Bank Performance

33. Overall Bank performance is rated as highly satisfactory. The involvement of the Bank was justified at a time when it was critical that donor-financed projects generated income for the poor during the transition to political and economic stability, while private led employment and economic growth would pick up the slack in the economy. In addressing GOH's urgent need and request for assistance, the Bank showed swift responsiveness and extreme creativity and flexibility. This led to a record-breaking time 10-week period for preparation, appraisal, Board presentation, effectiveness and first disbursement. This rapid turnover was the result of

tremendous cooperation and coordination within the Bank and between the Bank and GOH. EGP's design was based on the Borrower's extreme poverty situation, the judgment of in-country implementation capacity, risk assessment of success and sustainability that proved to be accurate. The Bank's performance during appraisal is thus rated highly satisfactory despite shortcomings in the preparation of sections of the institutional development component.

34. To ensure success during implementation, the Bank dedicated a significant amount of resources to assist the implementing agency. Eleven supervision missions took place over the 21-month implementation period. The Bank's responsiveness in addressing unforeseen implementation problems or issues was swift, and communication with UCG was steady. Close coordination between the Bank and UCG contributed to keeping the Project on track, and the required technical assistance was made available to UCG according to the implementation plan. Given the fast pace of project implementation, the change of task manager less than ten months before project completion caused some delay, but related negative impacts were eventually limited. The Bank has shown some inflexibility in the application of the rule of 60 percent (of sub-project expenditures for wages). It has maintained that UCG was to identify and finance sub-projects with a high labor content. It also feared that a reduction in the percentage of labor costs would make too many solid waste urban sub-projects eligible for financing under EGP.

F. Borrower Performance

35. Overall Borrower's performance is rated satisfactory. While the Borrower was actively involved in project preparation, subsequent administrations have reduced their support for the Project and its sustainability.

36. The Borrower's performance during project preparation is rated highly satisfactory. Upon its re-establishment in October 1994, the Constitutional Government mapped a coherent economic and social rehabilitation program to face the problems and challenges ahead. The Prime Minister's Office took a leading role in coordinating major donor emergency programs. To underscore the importance of emergency actions, it created the Central Implementation Unit (UCG) in December 1994 to ensure and supervise the implementation of the Economic Emergency Program and the EGP. The GOH expressed its request for assistance under EGP with a clear focus and high level of priority, fully supported and was actively involved in all phases of project preparation.

37. The Borrower's performance in implementing Part A of the Project is rated satisfactory. UCG showed adequate leadership in building on the previous JOBS Creation Project experience, in improving and adapting EGP's rules, procedures and standards to the new environment of the national post-embargo period and kept the employment generation component on track. Participation and involvement of central and local government authorities at all steps of sub-project cycle were routinely sought. UCG found it difficult to manage EGP under the 60/40 ratio (labor content over materials and other costs) mandated per sub-project. Nonetheless, MDODs and most IOs demonstrated a high level of flexibility, creativity and professionalism in carrying out their respective contractual commitments and in meeting (when not exceeding) outcome delivery targets. Despite widened positive response at local levels, active support of key central administrations and sector line ministries never materialized.

38. The Borrower's performance in implementing Part B of the Project is rated satisfactory. After initial enthusiasm, the Borrower demonstrated hesitation and at times noticeable lack of interest and support for the main long-term options of the institutional development component as agreed during project preparation. As a result, the institutional development objectives were only partially met and the Project's sustainability remains uncertain.

G. Assessment of Outcome

39. The ICR rates the overall outcome of this Project as highly satisfactory. UCG's evaluation of the outcome of the Project is included as Appendix B. In general, UCG also considers that the successful outcome of the employment generation component should be the defining factor of the overall evaluation.

40. The employment generation component (Part A), amounting to 92 percent of the Project is rated highly satisfactory for the following reasons: (i) the Project reached the ambitious job creation objectives; (ii) project funds benefited the poorest layers of the population and provided the highly-needed cash to stimulate recovery from the economic hardships during the international embargo; and (iii) rehabilitation of crucial productive, economic and basic infrastructure along with protection/conservation of environmentally degraded or threatened areas meet or exceed appraisal expectations in most cases.

41. An independent evaluation of EGP's economic impact indicates that the rehabilitation of irrigation schemes has provided most economic benefits to the country. The rehabilitation of roads and water supply showed also substantial return on investment. The returns on the construction of new roads were not evaluated as being important. Data lacked to carry out an economic evaluation of the soil conservation projects.

42. The outcome of the EGP's institutional development component (Part B) accounting for about five percent of the Project cost is rated satisfactory for the following reasons.

(i) the managerial, administrative and operational capacities of UCG, selected central Government bodies, participating municipalities and CASECs, NGOs, various community organizations and small rural private enterprises were significantly enhanced;

(ii) the Project has supported punctual operations, which may not always have been internally coherent, but which have mostly supported ongoing long-term strategic programs (such as UNDP's urban development program) which may prove to be vital to the country's development; and

(iii) communities have received large numbers of tools and equipment redistributed to beneficiaries after EGP's completion which they will be able to use for the maintenance of the works and completion of other works.

H. Future Operation

43. Despite various recommendations on ways to connect EGP's immediate poverty alleviation objectives with long-term development assistance, GOH decided not to create an AGETIP. It is however strongly recommended that future Bank-financed operations be carried out using the private sector capacity created under EGP.

44. During a project closing seminar future actions to build on EGP's positive achievements have been reviewed and discussed. UCG and the UNDP-funded technical assistance project HAI/94/003 "Priority Assistance to Municipalities" carried out by the United Nations Conference for Human Settlement (UNCHS-HABITAT) have expressed their intention to follow-up on a wide diffusion and "marketing" of the main studies carried out under EGP, specifically the seven urban development master plan outlines and the socio-economic studies.

I. Key Lessons Learned

45. The lessons to be drawn from the implementation of this Project comprise the highly successful cooperation between private and public sector, eligibility criteria of sub-projects, participation by beneficiaries, project ownership, institutional development, and realism in establishing project objectives. The lessons include:

(i) a partnership between public and private/non-governmental sectors can live up to tremendous challenges. NGOs have shown a substantial implementation capacity and drive, which the public sector cannot match. Future small infrastructure projects should take this experience into account and make use of this private implementation capacity;

(ii) not all infrastructure rehabilitation sub-projects are suited for labor-intensive methods. Road construction and some other sub-projects requiring heavy-duty equipment need more capital inputs for satisfactory completion than were agreed upon under the 60-40 percent rule for allocation of labor and capital expenditures. The type of sub-projects undertaken should be consistent with the type of resources available;

(iii) extensive participation with beneficiaries and local authorities are necessary from the inception of sub-projects to ensure sustainable maintenance and operation. This often conflicts with the pressure to disburse and achieve quick results. Although tradeoffs are unavoidable, higher beneficiary contributions and participation in the sub-project design would have increased the likelihood of sub-project sustainability;

(iv) the Bank and the Government are able to move very fast when supported by senior officials. Fast project preparation need not to diminish quality. Moreover, flexibility in procurement, disbursement and intense supervision have ensured successful implementation; and

(v) more realism is needed about what can be achieved in terms of institutional development in a short time period and in an environment such as the one prevailing in Haiti in 1995-96.

PART II - STATISTICAL TABLES

Table 1:	Summary of Assessments
Table 2:	Related Bank Loans/Credits
Table 3:	Project Timetable
Table 4:	Loan/Credit Disbursement: Cumulative Estimated and Actual
Table 5:	Key Indicators for Project Implementation
Table 6:	Studies Included in Project
Table 7A:	Project Cost
Table 7B:	Project Financing
Table 8:	Status of Legal Covenants
Table 9:	Bank Resources: Staff Inputs
Table 10:	Bank Resources: Missions

Table 1: Summary of Assessments

A. Achievement of objectives	Substantial	Partial	Negligible	Not Applicable
Macro policies				X
Sector policies				X
Financial objectives				X
Institutional development		X		
Physical objectives	X			
Poverty reduction	X			
Gender issues	X			
Other social objectives		X		
Environmental objectives	X			
Public sector management		X		
Private sector development		X		
NGO involvement	X			

B. Project sustainability	Likely	Unlikely	Uncertain
			X

C. Bank performance	Highly Satisfactory	Satisfactory	Deficient
Identification	X		
Preparation Assistance	X		
Appraisal	X		
Supervision	X		

D. Borrower performance	Highly Satisfactory	Satisfactory	Deficient
Preparation	X		
Implementation		X	
Covenant compliance		X	
Operation (if applicable)			

E. Assessment of outcome	Highly Satisfactory	Satisfactory	Unsatisfactory	Highly Unsatisfactory
	X			

Table 2: Related Bank Loans/Credits

Loan/credit title	Purpose	Year of approval	Status
Preceding operations			
1. Road Maintenance and Rehabilitation	Road maintenance and small infrastructure	1995	Active
2. Economic and Social Fund	Construction of Schools and Health facilities	1991	Active
3. Emergency Economic Recovery	Structural Adjustment	1995	Active
Following operations			
1. Basic Rural Infrastructure	Small Municipal Infrastructure	1996	Under preparation
2. Rural Development Project	Research and small rural investments	1998	

Table 3: Project Timetable

Steps in project cycle	Date planned	Date actual/ latest estimates
Identification (executive Project Summary)	5/95	5/95
Preparation	5/95	5/95
Appraisal	5/95	5/95
Negotiation	6/95	6/95
Board presentation	7/95	7/95
Signing	7/95	7/95
Effectiveness	7/95	7/95
Project completion	9/96	4/97
Loan closing	3/97	4/97

Table 4: Loan/Credit Disbursement: Cumulative Estimated and Actual (US$ thousands)

	FY 1996	FY 1997	FY 1998
Appraisal estimate	36,000	14,000	--
Actual	31,354	15,068	
Actual as % of estimate	87%	108%	
Date of final disbursement		November 20, 1997	

Table 5.A: Key Indicators for Project Implementation

I. Key implementation indicators in SAR/President's Report	Estimated	Actual
A. Employment Generation Component		
A-1. Job Creation		
- Jobs created (person-month)	487,000	475,691
- Of which women (person-months)	97,400	100,685
- Total wages paid (US$ millions)	27.0	22.0
- Daily wages paid (Gourdes)	36.0	36.0
A.2. Improvement of Infrastructure and Public Services		
- Road Rehabilitated (km)	1,100	763
- Irrigation		
Canals rehabilitated (km)	1,500	1,599
Sediment removed ('000 m^3)	1,800	1,816
- Urban Pollution		
Debris removed ('000 m^3)	200	177
Canals cleared (km)	66	59
Sediment removed ('000 m^3)	190	178
Streets cleaned (km)	300	442
- Soil and Water Conservation		
Land protected (ha)	8,000	13,000
Contour canals built (km)	700	2.010
Terrace and hedge rows (km)	300	2,268
Drywalls (km)	90	788
Gully plugs (km)	60	242
Trees planted ('000 trees)	1,000	2,946
Gabions (m^3)	2,600	13,043

Table 5.B: Key Indicators for Project Implementation (Continued)

I. Key implementation indicators in SAR/President's Report	Estimated	Actual
B. Institutional Development Component		
- Training	number trained	
UCG	3	2
MDODs	4	3
IOs	90	135
People	11,000	15,700
- Technical Assistance	number receiving TA	
UCG	22	13
IOs	450	135
Participating Communes	9	129
Participating Communal Sections	36	458
- Maintenance		
Plans developed (number)	45	22
Work undertaken by Communes/NGOs	54	30
II. Other indicators		
A. Employment Generation Component		
- Irrigation		
Areas with improved irrigation (ha)	--	62,000
- Urban pollution		
Street pavement (km)	--	15
- Soil and Water Conservation		
Ravines corrected (km)	--	600
- Water Supply		
Ditch excavation (km)	--	106
Pipe laying (km)		14
Standpost (unit)	--	192
B. Institutional Development Component		
TA for Ministries/ other administrations	--	8
Dump site plans developed	--	3
Urban development master plan outlines	--	7

Table 6: Studies Included in Project

Study	Purpose as defined at appraisal/redefined	Status	Impact of study
1. Economic Evaluation of Project Investments	Calculate the economic benefits from labor intensive small scale projects to identify those projects that contribute most to the local economy; serve as input to GOH's strategy for employment generation.	Study was completed at the end of the Project.	Study will help GOH in planning for future employment projects, in particular with respect to economic eligibility criteria
2. Strategy for Work Maintenance	Development of a maintenance strategy for rural roads that would benefit from relevant national and international experience and be consistent with sector guidelines	Study not carried out	--
3. Development of Long Term Institutional Strategies	Assist GOH to develop and implement long term strategies for building local institutions with capacities to manage and implement labor intensive investments (in the AGETIP model).	Study not carried out, but seminar took place	AGETIP-type approach awareness
4. Review of Haiti's Public Procurement Act	Identify main issues, bottlenecks and options in view Haiti's development needs and that GOH could include in revised Act proposal to be submitted to Parliament.	Study not carried out	--
5. Urban Development Studies for 7 secondary cities (Jacmel, Jérémie, Fort-Liberté, Hinche, Gonaïves, Miragoâne, Saint-Marc	Provide the selected municipalities with the appropriate planing and management tools in anticipation of future local development investments needs	Completed	Studies will help municipalities in planing urban development works and investments
6. Dump site certifications studies for 4 municipalities (Cap-Haitian, Gonaïves, St.-Marc, and Jacmel)	Identify potential and suitable dump sites and provide selected municipalities with technical assessments needed to get MDE certification	Completed	certified dump site should help municipalities achieve better solid waste management and environmental urban pollution control

Table 7A: Project Cost

Item	Appraisal estimate (US$ million)			Actual/latest estimate (US$ million)		
	Local costs	Foreign costs	Total	Local costs	Foreign costs	Total
A. Employment Generation Component						
1. Soil Conservation	14.5	0.8	15.2	11.1	--	11.1
2. Road Rehabilitation	14.5	0.8	15.2	10.9	--	10.9
3. Irrigation Works	9.6	0.5	10.1	10.9	--	10.9
4. Waste Management	9.6	0.5	10.1	9.9	--	9.9
4.bis. Potable Water Supply	--	--	--	2.2	--	2.2
5. MDOD's Management	0.07	0.6	.7	--	2.4	2.4
Subtotal Employment Gen. Comp.	48.2	3.1	51.4	45.0	2.4	47.4
B. Institutional Development	1.7	3.3	5.0	2.7	--	2.7
Project Administration				1.5	--	1.5
TOTAL PROJECT COSTS	**49.9**	**6.4**	**56.4**	**49.2**	**2.4**	**51.6**

Table 7B: Project Financing

Source	Appraisal estimate (US$ million)			Actual/latest estimate (US$ million)		
	Local costs	Foreign costs	Total	Local costs	Foreign costs	Total
IBRD/IDA	43.6	6.4	50.0	44.0	2.4	46.4
Beneficiaries	6.4	--	6.4	5.2	--	5.2
TOTAL	50.0	6.4	56.4	49.2	2.4	51.6

Table 8: Status of Legal Covenants
HAITI
Employment Generation Project, Cr. 2765-HA

Agree-ment	Section	Covenant Type	Present Status	Original fulfillment date	Revised fulfillment date	Description of Covenant	Comments
Credit	3.01a	5	C			"Due diligence covenant."	None
	3.01b	5	C			Borrower shall ensure that the UCG carries out the Project in accordance with the Operational Manual and the Quarterly Work Programs.	None
	3.01c	5	C			The Borrower shall comply with its obligations under the UCG Agreement.	None
	3.01d	5	C			The Borrower shall ensure that the UCG complies with its obligations under any MDOD Agreement.	None
	3.02	10	C			Procurement shall be governed by the provisions of Schedule 3.	None
	3.03	10	NYD			The Borrower shall furnish to the Association, no later than six months after the Closing Date, a plan for future operation of the Project, and carry out the plan with due diligence taking into account the Association's comments.	None
	3.04a	5	C			The Borrower shall ensure that the UCG will conduct the overall planning and monitoring of the Project; review and approve the proposals for Sub-projects; prepare program reports; oversee the carrying out of Sub-projects; undertake procurement; administer the withdrawals of the proceeds of the Credit related records, accounts and audits; and comply with the obligations relating to insurance.	None

	3.04a (continued)	5	C			use of goods and services, plans and schedules, record and reports, maintenance and land acquisitions.	None
	3.04b	5	C			The Borrower shall ensure that the UCG is headed by an executive director assisted by staff in adequate numbers.	None
	3.04c	5	C			The Borrower shall ensure that the UCG retains one or several MDODs under agreements containing terms and conditions satisfactory to the Association	None
	3.05	9	C			The Borrower shall ensure that the UCG: (a) maintains policies and procedures adequate to enable it monitor and evaluate the Project; (b) not later than January 31, April 30, July 31 and October 31 of each year furnishes to the Association a report on the progress of the Project, with regard to the preceding quarters.	Progress report received for the period ending 9/95,12/95, 3/96, 6/96, 9/96, 12/96, and 4/97.
	3.06a	9	C			The Borrower shall cause the UCG: (i) to prepare no later than Nov. 30 and May 31 of each year, a report integrating the results of monitoring and evaluation activities; (ii) to review with the Association not later than December 31 and June 30 of each year, the corresponding reports and, after, take all measures required to ensure the efficient Project completion and achievement of objectives.	The report of the third half-yearly evaluation has been issued and submitted in 05/97.
	3.06b	9	C			The report and the review scheduled for no later than November 30, 1995 and December 31, 1995, respectively will include an assessment of the sustainability of the Project, and an evaluation of the Borrower's policy options with the respect to employment generation programs.	The first, second, and third half-yearly reports discuss these points.

	3.07	10	C			The UCG may propose to the Association, for its review and approval, the financing of other activities that have a high labor content and positive impacts on the Borrower's economy, social development and environment.	At UCG's request, a new category for rural water supply has been approved.
	3.08a	9	C			No later than 30 days before the beginning of each calendar quarter, the Borrower shall ensure that the UCG will furnish to the Association a proposed Quarterly Work Program.	.....
	3.08b	9	C	08/13/95	08/13/95	Not later than one month after the Effective Date, the Borrower shall ensure that the UCG will: (i) furnish to the Association a Quarterly Work Program including the remaining of the current quarter and subsequent quarters; (ii) enter into a MDOD Agreement providing for the execution of such Program.	The first MDOD Agreement with PADF, was signed in 7/95. MDOD Agreements with CDS, CECI, and CHF were signed in April 1996.
	3.08b (continued)	6		08/13/95		(iii) contract an environmental assessment specialist of experience and qualifications satisfactory to the Association.	Specialists recruited as of 04/95.
	4.01	1	Soon			The Borrower shall cause the UCG to maintain records and separate accounts in respect of the Project, have them audited; and furnish to the Association, not later than two months after the end of each quarter, the report of such audit.	The first, second, third and fourth audit reports for the periods ending 9/95, 12/95, 3/96, 6/96 and 12/96 have been submitted. The fifth audit for the period ending with the Project closing in 4/97 is expected shortly.
	4.02	1				The Borrower shall have the records and accounts for the Special Account for each calendar quarter audited; and furnish to the Association, not later than two months after the end of each such quarter a copy of the report of such audit, including a separate opinion on statement of expenditure.	None

Covenant Types:

1 = Accounts/audits
2 = Financial performance/revenue generation from beneficiaries
3 = Flow and utilization of Project funds
4 = Counterpart funding
5 = Management aspects of the Project or executing agency
6 = Environmental covenants
7 = Involuntary resettlement
8 = Indigenous people
9 = Monitoring, review, and reporting
10 = Project implementation not covered by categories 1-9
11 = Sectoral or cross-sectoral budgetary or other resource allocation
12 = Sectoral or cross-sectoral policy/ regulatory/institutional action
13 = Other

Present Status:

C = Covenant complied with
CD = Complied with after delay
CP = Complied with partially
NC = Not complied with

Table 9: Bank Resources: Staff Inputs
(US$ thousands)

Stage of Project Cycle	Planned		Revised		Actual	
	Weeks	US$	Weeks	US$	Weeks	US$
Preparation to appraisal	4.1	22.4			4.1	76.1
Appraisal	8.6	27.7			8.6	27.7
Negotiation through Board approval	9.3	18.4			5.3	18.4
Supervision	22	89.9			45*	150.1
Completion	9	23.1			2.3	18.6
TOTAL	53	181.50			65.3	290.9

(*): about 20 additional staff weeks were funded by trust funds

Table 10: Bank Resources: Missions

Stage of project cycle	Month / year	Number of persons	Days in field (*)	Specialized staff skills represented	Performance rating		Types of problems
					Implementation status	Development objectives	
Through appraisal	05/95	8	80		--	--	--
Appraisal through Board approval	5/95 7/95	8 1	32		--	--	--
Supervision	8/95	2	6	PM,IE	HS	HS	None
	9/95	4	26	PM,IE, MA	HS	HS	"
	10/95	5	47	PM,IE,IE, ES,EC	HS	HS	"
	11/95	2	16	PM,IE	HS	HS	"
	01/96	2	16	PM,IE	HS	HS	"
	03/96	2	12	PM,IE	S	HS	Delay
	04/96	3	25	AE,PM,IE	S	S	"
	06/96	1	10	IE	S	S	"
	08/96	1	12	IE	S	S	"
	10/96	2	16	AE, IE	S	S	"
	02/97	2	15	AE, IE	HS	S	"
Completion	05/97	2	11	AE, IE	--	--	--

(*): about 120 additional days in field for IE were funded out of trust funds.

AE = Senior Agricultural Economist
EC = Economist
ES = Environmental Specialist
IE = Rural Infrastructure Engineer
MA = Municipal Analyst
PM = Portfolio Manager

Appendix A: Mission Aide-Mémoire

16 Mai 1997

HAITI

PROJET DE CREATION D'EMPLOI (PCE)
Cr. 2765-HA

Mission de Supervision et de Préparation du Rapport d' Exécution de Projet (ICR) du 12 au 17 Mai 1997

AIDE-MEMOIRE

1. Une mission de supervision de la Banque Mondiale, constituée de MM. Pierre Werbrouck, et L.M. Garry Charlier a séjourné en Haïti du 12 au 17 mai 1997. Des séances de travail ont eu lieu avec le Directeur Général de l'Unité Centrale de Gestion (UCG) et ses collaborateurs, les responsables du Pan-American Development Foundation (PADF), du Centre Canadien d'Etudes et de Coopération Internationale (CECI), des Centres pour le Développement et la Santé (CDS), de la Cooperative Housing Foundation (CHF), du PNUD/HABITAT. La mission a également participé au Séminaire de Clôture du PCE tenu les 15 et 16 mai 1997. La mission remercie l'ensemble des autorités et responsables nationaux rencontrés pour leur assistance et pour ces rencontres de travail très productives.

<u>EVALUATION DES ACQUIS DU PROJET</u>

2. La mission et l'UCG se sont accordées sur les points suivants:

<u>2.1- Création d'Emplois</u>: le Projet a atteint d'une manière hautement satisfaisante les objectifs de création d'emplois temporaires: 469,290 personne-mois créées au total (soit 96% des objectifs initiaux de 487,000 du SAR).

<u>2.2- Travaux</u>: Le projet a atteint d'une manière satisfaisante les objectifs de réhabilitation de l'infrastructure sévèrement détériorée du pays. Dans ce sens, le projet a réalisé 158 sous-projets dans le domaine de la réhabilitation de petits périmètres irrigués, conservation de sols, réhabilitation de routes rurales, assainissement urbain et adduction d'eau potable. En termes de quantité, les objectifs ont été largement dépassés. La qualité de travaux a été en général satisfaisante, bien que leur durabilité demeure incertaine, particulièrement du fait du manque de mise en place de dispositifs d'entretien pour la période post-projet.

<u>2.3- Renforcement Institutionnel</u>: Le projet a partiellement réalisé les objectifs institutionnels visés. Les activités entreprises et les résultats atteints sont généralement satisfaisants:

a) le projet a donné une expérience de travail à 135 organismes de base d'exécution (OE), a financé la formation de cadres des mairies, des OE et des ministères centraux;

b) le projet a financé: i) un appui aux municipalités et aux conseils d'administration des sections communales (CASEC) comprenant des équipements, des fournitures de bureaux et des études urbaines (schémas d'aménagement urbains, renforcement de la fiscalité municipale, études socio-économiques), ii) des équipements aux Ministères de l'Intérieur, de l'Agriculture et des Travaux Publics, iii) la formation des cadres de ces ministères et de certaines municipalités;

c) le projet n'a pas atteint l'objectif de développer une stratégie nationale à plus long terme en vue de favoriser la création d'emplois dans les zones économiquement défavorisées, ni de créer une agence nationale de maîtrise d'ouvrage déléguée (genre AGETIP) à même de mettre en oeuvre une telle stratégie.

EVALUATION DE LA PERFORMANCE DE LA BANQUE MONDIALE (Par l'UCG)

3. Malgré la rapidité avec laquelle le Gouvernement et la Banque Mondiale (BM) ont préparé le projet (2 mois), la performance de la BM a été hautement satisfaisante dans l'identification, la préparation et évaluation du projet. Pendant l'exécution du projet, elle a appuyé fortement le suivi de la mise en oeuvre du projet. Cependant, elle s'est montrée inflexible quant à l'application de la règle de 60% du contenu de la main d'oeuvre dans chaque sous-projet.

EVALUATION DE LA PERFORMANCE DE L'UCG ET MDOD

4. En ce qui a trait à la composante Création d'Emplois, la performance de l'UCG et des MDOD a été hautement satisfaisante. Quant à la composante institutionnelle, elle a démarré avec un important retard, ce qui a réduit le temps d'exécution, la performance et la qualité de cette composante. Toutefois cette composante a été bien appréciée par les instances bénéficiaires.

IMPACT DU PROGRAMME

5. Le projet a eu divers impacts socio-économiques: création d'emplois, avantages économiques de l'amélioration de l'infrastructure et services de base, injection de numéraires dans les économies locales, appui au renforcement de la capacitéd'une vingtaine de mairies, appui au processus d'organisation de la société rurale, formation d'ouvriers spécialisés et développement du secteur privé rural.

AUTRES APPORTS DU PCE

6. i) constitution d'un cadre méthodologique sur les travaux à haute intensité de main d'oeuvre;

ii) développement d'une expérience locale dans l'évaluation environnementale de sous-projets;

iii) renforcement de trois MDOD dont une haïtienne;

iv) constitution d'un réseau d'OE crédibles et compétentes;

v) distribution d'outils aux organismes locaux;

vii) renforcement au Cap-Haïtien de la capacité de production et de distribution de composte à partir du traitement d'ordures ménagères (dont 70% d'origine organique).

RAPPORTS

7. Les rapports suivants sont encore à recevoir de l'UCG: i) rapport technique et financier final; ii) rapport d'audit de fin de projet; iii) rapport final de l'étude économique du PCE; iv) rapport final sur la disposition des outils, matériels et véhicules; v) rapport d'évaluation des formations (composante de Renforcement Institutionnel); vi) rapport final du PNUD/HABITAT.

AUDIT

8. La mission a reçu le rapport d'audit couvrant la période se terminant au 30 décembre 1996 et date du 24 janvier 1997. Ce rapport recommande un certain nombre d'améliorations dans la gestion administrative des MDOD et de la documentation des dépenses.

Recommandation: Le rapport final d'audit devrait inclure: i) une opinion sur les état financiers; ii) une opinion sur les comptes spéciaux; iii) une opinion sur les Etats de Dépenses (SOE) préparés par l'UCG; et iv) une opinion finale sur l'administration comptable du projet.

RECUPERATION DES AVANCES SUR TRAVAUX

9. Un montant approximatif de US$541,000 (soit environ 1.3% du montant de la composant de Création d'Emplois) reste à justifier ou à être recouvré par l'UCG avant le 31 juillet 1997, date de clôture du compte du projet à Washington. L'UCG s'engage à récupérer les pièces justificatives des dépenses éligibles ou tout montant non justifié pour remboursement à l'IDA. S'il avérait impossible de récupérer ces montants dès OE, l'Emprunteur (en l'occurrence, le Ministère de l'Economie et des Finances), aura la responsabilité de rembourser le dit montant à l'IDA tel que spécifié dans l'Accord de Crédit 2765-HA (Annexe 4, paragraphe 6). L'UCG revesera également dans les meilleurs délais à l'IDA les reliquats rcouvrés des MDOD ainsi que les balances des comptes spéciaux moins les dépenses justifiées.

PROGRAMME FUTUR DU PROJET

10. En accord avec la section 3.03 de l'Accord de Crédit, l'Emprunteur a organisé un séminaire de clôture de projet pendant lequel des actions futures potentielles ont été revues et débattues. Les représentants de l'IDA ont formulé des commentaires sur ces plans d'action. Cependant les actions demandent des financements supplémentaires qui ne sont pas encore disponibles.

RAPPORT D'EXECUTION DE PROJET (ICR)

11. L'UCG a été informé de ces obligations de contribuer à la préparation de ce rapport (ICR). Cette contribution prendra la forme d'un résumé de son rapport final et qui devra couvrir les points énumérés en annexe 1 ci-jointe. L'IDA prévoit la finalisation du ICR pour le 31 juillet 1997.

Fait à Port-au-Prince, le 16 mai 1997

Pour l'UCG:	Pour la mission:
Monsieur Paul Latortue, Directeur Général	Monsieur Pierre Werbrouck Task Manager

Appendix B: Borrower's Comments

BUREAU DU PREMIER MINISTRE
Unité Centrale de Gestion
Delmas 60, rue Mercier-Laham #30, Musseau - Tél: (509) 57-9258 / 57-9281 / 57-9355 - Fax: (509) 57-9370

No. 3798

SCANNED FILE COPY
Accession No. | Box No.
F P N | DATE 10|29|97 | Log #
Action | CC
FILE (Co/alpha/Pname or #) Ln/Cr GR/TF ESW Co/Rg Adm Proc
HT- Employment Generation Project
HTPA 41583 / Cr. 2765

October 16th, 1997

Monsieur Pierre WERBROOK
Chief of Section ESSD
Latin American and Caribbean Region
THE WORLD BANK
1818 h. Street N. W.
Washington, D. C. 20433
U.S.A.

Dear M. WERBROOK :

At the UCG we have read the english version of the Implementation Completion Report (ICR) dated september 15, 1997. In general, we concur with the facts, ideas and opinions found in the report.

We have, however, three (3) comments:

1) Contrarily to what was noted in p.12, we believe this project had a considerable stabilizing effect not only on the short term macroeconomic situation but also on the short term political environnement. An average of additional 35.000 jobs over an 18 month period is considerable. This is equivalent to the number of jobs in the government sector and a multiple of jobs in the export industry sector. In september and october 1996, the project had 62.000 jobs. This coincided with the start of the school year (october), which is always a difficult time financially for people in a country where most families are poor and most schools are private because of a lack of public funding for education at all levels.

As the program approached its end and the number of jobs started reaching very low levels, the country entered a period of political instability from which it has not emerged yet.

2) Today, the need of this type of employment program is more widely recognized. Elected officials, especially, have now acknowledged the important role played by small projects of high labor content. A program with a labor content of 40% <u>on the average</u> will now find a secure ground of acceptance among a wide range of policy makers.

3) The loss of dollar revenue from the loan due to the change in the SDR exchange rate was a surprise for us at the end of the program. This affected the budget of institutional development. Cuts had to be introduced at the last minute.

We recommend that steps be made at the Bank to avoid these kinds of surprises.

We thank you on behalf of the UCG.

Cordially yours,

Paul R. LATORTUE
Executive Director

Appendix C: Executive Summary of Borrower's Final Report

RESUME EXECUTIF

Le Programme de Création d'Emplois (PCE) a été négocié entre la Banque Mondiale et le Gouvernement Haïtien au cours des mois de mai à juilllet 1995 dans un contexte de récent retour à l'ordre constitutionnel et de la nécessité d'une intervention d'urgence au bénéfice des couches les plus défavorisées de la population suite à la grave crise politique qu'a vécue le pays durant les trois (3) années précédentes.

Le Programme, qui comprenait une Composante de Création d'Emplois et une Composante de Renforcement Institutionnel, poursuivait deux (2) grands objectifs:

- Création de **487.000** personnes-mois d'emplois à travers notamment des travaux de réhabilitation de certaines infrastructures locales
- Renforcement de la capacité de certaines administrations nationales, municipales et locales

L'Unité Centrale de Gestion (UCG) a été choisie par le Gouvernement Haïtien comme Agent d'Exécution du Programme.

La stratégie générale de mise en oeuvre du Programme repose sur l'utilisation des services de Maîtres d'Ouvrage Délégués (MOOD) pour la réalisation de certaines opérations-clefs telles notamment la réalisation des études des projets, l'encadrement des organismes chargés de l'exécution des projets ainsi que la supervision des travaux. L'exécution des projets est assurée par des Organismes d'Exécution (OE) qui sont en grande partie des groupements communautaires et des organisations d'aide au développement. En tant qu'Agent d'Exécution du PCE, l'UCG est responsable de la planification et du suivi de l'ensemble du Programme.

L'Accord de Crédit 2765-HA relatif à l'exécution du PCE a été signé entre la Banque Mondiale et le Gouvernement Haïtien le 13 juillet 1995. Le premier projet du Programme a démarré physiquement sur le terrain le 18 septembre 1995. La fin officielle des activités du Programme est intervenue le 30 avril 1997. L'exécution des projets générateurs d'emplois s'est en principe étendue sur une période d'environ **15** mois.

Au niveau de la Composante de Création d'Emplois, les projets du PCE réfèrent aux cinq (5) catégories de travaux suivants: i) Réhabilitation de Petits Périmètres Irrigués; ii) Conservation des Sols et des Eaux; iii) Assainissement et adoquinage de rues en milieu urbain; iv) Réparation de pistes rurales; v) Réhabilitation et extension de petits systèmes d'Adduction d'Eau Potable.

Ces catégories de travaux ont été retenues en raison de leur potentialité à occuper une main d'oeuvre abondante. De fait, l'exigence fondamentale du PCE est que chaque projet doit allouer au moins **60%** de son budget au paiement de la main d'oeuvre non qualifiée.

Le PCE a permis la mise en oeuvre de **158** petits projets d'intérêt communautaire au niveau des **9** départements géographiques du pays. Environ **96** communes ont été touchées par les interventions du Programme.

Un nombre total de **135** OE ont participé à la mise en oeuvre des projets du PCE sous la supersion de **4** MDOD: la PADF, le CECI, la CHF et le CDS. Au cours de la période d'exécution du Programme, une quantité globale de **475.691** personnes-mois ont été créées. Cela sous-entend qu'avec seulement la mise en oeuvre du PCE, le Gouvernement a, pendant une période de **15** mois, créé des emplois temporaires pour une moyenne mensuelle de **32.000** personnes.

Les extrants physiques globales des **158** projets du PCE peuvent être synthétisés comme suit:

- Curage de plus **2.000** km de canaux d'irrigation, améliorant ainsi la situation de la présence de l'eau sur plus de **62.000** hectares disséminés dans les **9** départements géographiques.
- Aménagement de **13.000** hectares de terre dans les bassins versants les plus dégradés et traitement de **600** km de ravines à travers le pays
- Adoquinage de **13.5** km de rue dans **10** villes importantes du pays, enlèvement de **272.600** m^3 de déchets solides et aménagement de **4** sites de décharge dans **4** principales villes de province.
- Réparation d'environ **700** km de routes tertiaires au niveau des villages, bourgs et communautés rurales.
- Réhabilitation/extension de **18** petits systèmes d'adduction d'eau potable au niveau de plusieurs villes secondaires, en milieu rural et même au niveau d'un grand quartier populaire d'une importante ville de province.

Au niveau de la Composante de Renforcement Institutionnel, le bilan global des réalisations peut se résumer comme indiqué ci-après:

- Etudes urbaines au profit surtout des **9** chef-lieux de département et des **5** Mairies de la Région Métropolitaine dans la perspective du developpement futur de ces communes
- Support logistique aux MARNDR et aux TPTC et leurs représentants en province dans le cadre de la décentralisation des services de l'Etat (matériel roulant, ordinateurs etc.)

- Appui à la formation de cadres de l'Etat Central, de l'Etat régional et de l'Etat local sur les aspects modernes de gestion administrative, gestion comptable et gestion des projets de développement.
- Appui à la formation des Maires et des caissiers-payeurs des toutes les Mairies du pays.
- Appui à la formation de 1373 membres de CASEC au niveau du pays tout entier.
- Distribution d'équipements (bureaux, chaises et autres) à tous les 565 CASEC du pays et 132 Mairies.
- Appui à l'assainissement et à l'aménagement des sites de décharge dans 4 villes principales du pays.
- Récuparation des biens entre les mains des MDOD et distribution de ces biens à des organismes d'Etat.

En addition aux travaux réalisés, l'un des plus grands mérites du PCE a été de faire arriver l'argent au niveau des couches sociales les plus desheritées. Après tout, c'était le principal objectif du Programme.

Les budgets des projets exécutés accusent un montant global de l'ordre de 525 millions de gourdes. De ce montant, près de 347 millions de gourdes (environ 67%) ont été dépensées sous forme de salaires au bénéfice de la main d'oeuvre non qualifiée.

Selon une étude d'évaluation indépendante, l'argent reçu par les bénéficiaires directs a été dépensé à 60% pour l'achat de biens de consommation (nourriture, habillement, santé, loyer...) et à 40% pour l'achat de biens d'investissement (éducation, outillage, animaux, commerce ...)

L'exécution du PCE nous a permis de dégager les leçons suivantes :

i) Il y a dans le pays une très forte demande pour les travaux de création d'emplois

ii) Le PCE représente pour l'Etat un bon outil pour atteindre les coins les plus reculés du pays. Il est particulièrement bien adapté pour attaquer les problémes liés à l'environnement (curage, conservation de sol et de l'eau, stabilisation de ravines, reboisement etc...)

iii) Le concept de MDOD introduit dans le PCE est positif; car, il permet à l'Etat d'agir avec plus de célérité tout en augmentant sa capacité de coordination et de supervision

iv) Une supervision serrée des travaux ainsi qu' une bonne intégration des autorités locales et des élus locaux constituent deux facteurs-clefs du succès d'un programme de ce genre

v) L'exigence d'allouer au moins **60%** du budget de chaque projet à la main d'oeuvre non qualifiée doit être abandonnée. Une moyenne de **40%** sur l'ensemble de l'enveloppe apparaît plus réaliste. La réduction dans les emplois créés serait largement compensée par une plus grande durabilité des travaux et un plus grand soutien aux communautés pauvres des villes.

vi) Une animation bien orientée est une nécessité d'une extrême importance pour un progamme de ce genre.

vii) Dans le même ordre d'idées, le renforcement institutionnel s'avère une composante absolument indispensable du PCE..

viii) L'enveloppe de **50** millions de dollars US à dépenser sur une période d'une année est acceptable mais en augmentant le nombre de MDOD.

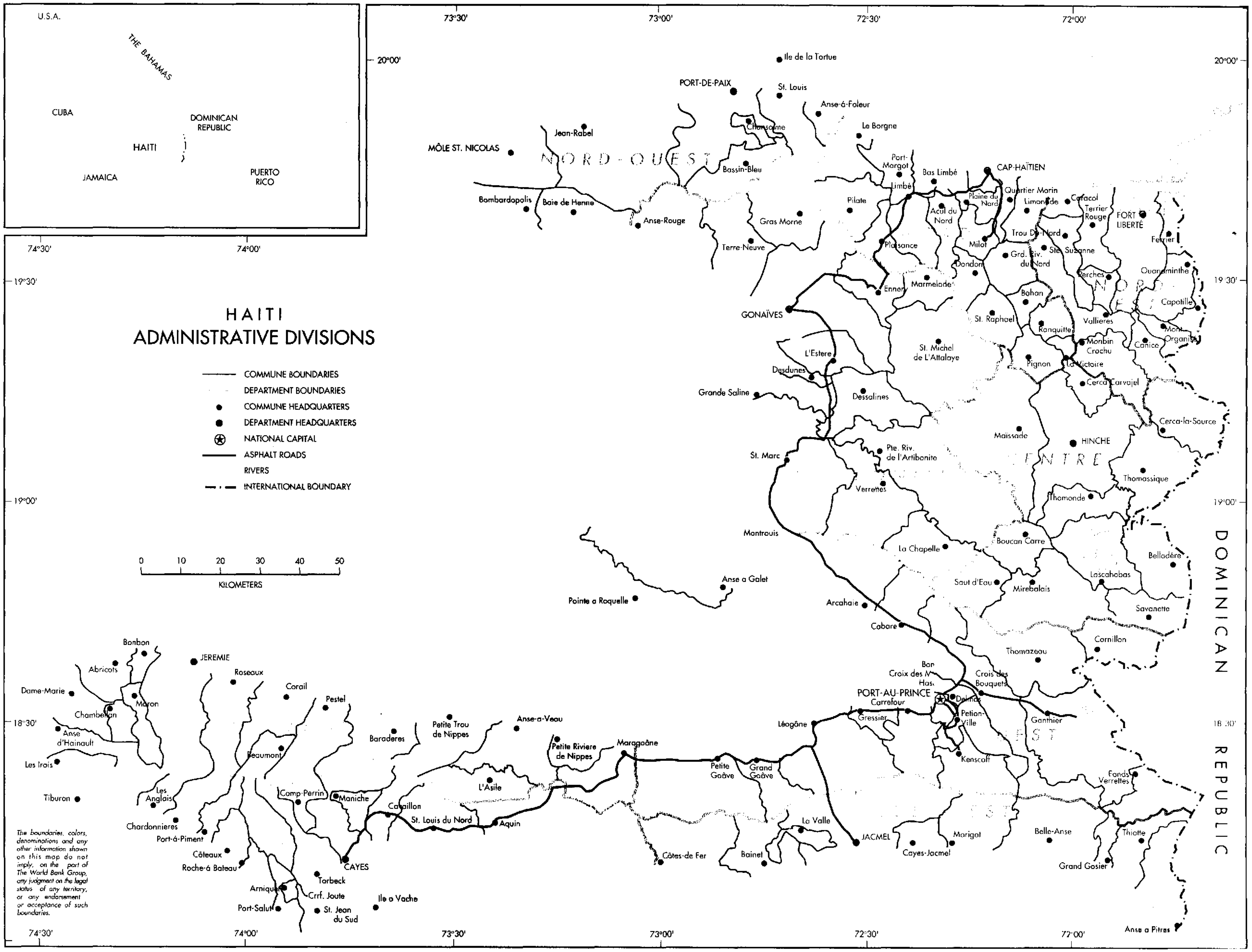
ix) L'adoption des mairies comme OE a constitué une bonne expérience: on aboutit à de très bons résultats chaque fois que la mairie est aidée par un comité d'appui technique.

x) Compte tenu du faible niveau de profit des projets du Programme, les firmes privées éprouvent de grandes difficultés à opérer comme OE.

Le secteur privé à caractère social (ONG, Coopérative, Groupement Communautaire ...) présente des avantages comparatifs dans ce sens. Il est possible cependant d'apporter des changements au Programme de façon à mener les taux de profits à un niveau normal et ainsi attirer les firmes privées succeptibles d'être des mains plus expertes.

Compte tenu de la 6ème journée de travail apportée sous forme de contribution volontaire (contre partie locale), l'exécution du Programme aura coûté globalement la somme approximative de **52.000.000** de US dollars. De ce montant global, environ **90%** ont été apportés par la Banque Mondiale au titre de l'Accord de Crédit 2765-HA. Les **10%** restants ont été pour leur part apportés par les organismes d'éxécution des projets et les bénéficiaires directs des travaux sous la forme de cette journée volontaire de travail par semaine.

IBRD 27091



HAITI
ADMINISTRATIVE DIVISIONS
COMMUNE BOUNDARIES
DEPARTMENT BOUNDARIES
COMMUNE HEADQUARTERS
DEPARTMENT HEADQUARTERS
NATIONAL CAPITAL
ASPHALT ROADS
RIVERS
INTERNATIONAL BOUNDARY
0 10 20 30 40 50
KILOMETERS
U.S.A.
THE BAHAMAS
CUBA
DOMINICAN REPUBLIC
HAITI
JAMAICA
PUERTO RICO
73°30'
73°00'
72°30'
72°00'
74°30'
74°00'
20°00'
19°30'
19°00'
18°30'
DOMINICAN REPUBLIC
NORD-OUEST
NORD
CENTRE
Ile de la Tortue
PORT-DE-PAIX
St. Louis
Anse-à-Foleur
Le Borgne
Jean-Rabel
MÔLE ST. NICOLAS
Chansolme
Bassin-Bleu
Port-Margot
Bas Limbé
CAP-HAÏTIEN
Limbé
Pilate
Bombardopolis
Baie de Henne
Anse-Rouge
Gras Morne
Terre-Neuve
Plaisance
Acul du Nord
Plaine du Nord
Quartier Morin
Limonade
Caracol
Terrier Rouge
FORT LIBERTÉ
Ferrier
Milot
Trou Du Nord
Ste. Suzanne
Grd. Riv. du Nord
Dondon
Ouanaminthe
Perches
Marmelade
Ennery
GONAÏVES
Bohan
St. Raphael
Capotille
Vallieres
Ranquitte
Mont Organisé
Carice
Monbin Crochu
St. Michel de L'Attalaye
L'Estere
Desdunes
Pignon
La Victoire
Cerca Carvajal
Grande Saline
Dessalines
Cerca-la-Source
Maissade
HINCHE
St. Marc
Pte. Riv. de l'Artibonite
Thomassique
Verrettes
Thomonde
Montrouis
Boucan Carre
La Chapelle
Belladère
Saut d'Eau
Mirebalais
Lascahobas
Anse a Galet
Pointe a Roquelle
Arcahaie
Savanette
Cabaret
Cornillon
Thomazeau
Croix des Bouquets
PORT-AU-PRINCE
Carrefour
Delmas
Petion-Ville
Gressier
Léogâne
Ganthier
Kenscoff
Fonds Verrettes
Bonbon
JEREMIE
Abricots
Roseaux
Dame-Marie
Corail
Moron
Pestel
Chambellan
Anse d'Hainault
Petite Trou de Nippes
Anse-a-Veau
Baraderes
Les Irois
Beaumont
Petite Riviere de Nippes
Miragoâne
Petite Goâve
Grand Goâve
Tiburon
Les Anglais
Comp-Perrin
Maniche
L'Asile
Cavaillon
Chardonnieres
St. Louis du Nord
Aquin
Port-á-Piment
La Valle
JACMEL
Marigot
Belle-Anse
Thiotte
Côteaux
Roche-á Bateau
CAYES
Côtes-de Fer
Bainet
Cayes-Jacmel
Grand Gosier
Torbeck
Arniquet
Crrf. Joute
Ile a Vache
Port-Salut
St. Jean du Sud
Anse a Pitres
The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.