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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-H1660)

ON A

GRANT

IN THE AMOUNT OF US$ 2 MILLION EQUIVALENT

TO THE

THE REPUBLIC OF HAITI

FOR AN

ECONOMIC GOVERNANCE TECHNICAL ASSISTANCE PROJECT

March 30, 2010

Poverty Reduction and Economic Management
Haiti Country Management Unit (LCCHT)
Latin America and the Caribbean Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective January 31, 2010)

Currency Unit	=	Special Drawing Rights
1.55419 SDR	=	US$1
0.643421 US$	=	SDR 1

FISCAL YEAR

ABBREVIATIONS AND ACRONYMS

Vice President:	Pamela Cox
Country Director:	Yvonne M. Tsikata
Sector Manager:	Nick P. Manning
Project Team Leader:	Christine de Mariz Rozeira
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ABBREVIATIONS AND ACRONYMS

BRH	Banque de la République d'Haïti (Central Bank of Haiti)
CAS	Country Assistance Strategy
CEFOPAFOP	Centre d'Education et de Perfectionnement des Agents de la Fonction Publique (Training Center for Public Administration)
CMEP	Conseil de Modernisation des Entreprises Publiques (Council for the Modernization of Public Enterprises)
CNIMP	Commission National Intérimaire des Marchés Publics
CNMP	Commission Nationale des Marchés Publics (National Procurement Commission)
CPAR	Country Procurement Assessment Report
CSCCA	Cour Supérieure des Comptes et du Contentieux Administratif (Supreme Audit Institution)
CSO	Civil Society Organization
DGB	Direction Général du Budget
DSNCRP	Document de Stratégie Nationale pour la Croissance et pour la Réduction de la Pauvreté (Growth and Poverty Reduction Strategy Paper)
EGRO	Economic Governance Reform Operation
EGTAG	Economic Governance Technical Assistance Grant
EU	European Union
FM	Financial Management
GDP	Gross Domestic Product
GOH	Government of Haiti
ICF	Interim Cooperation Framework
ICR	Implementation Completion Report
IDA	International Development Association
IADB	Inter-American Development Bank
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
IGF	Inspection Générale des Finances (Inspectorate General of Finance)
ISR	Implementation Status Report
LICUS	Low Income Countries Under Stress
MDG	Millennium Development Goals
MEF	Ministry of Economy and Finance
MINUSTAH	UN Mission for the Stabilization of Haiti
NGO	Non-Governmental Organization
OMRH	Office de Management et des Ressources Humaines
PIU	Project Implementation Unit
PEFA	Public Expenditure and Financial Accountability
PEMFAR	Public Expenditure Management and Financial Accountability Review
PRSP	Poverty Reduction Strategy Paper
ROSC	Reports of Observance of Standards and Codes
SYSDEP	Système d'Informatisation des Dépenses (Expenditure Information System)
SYSGEP	Système de Gestion de l'Information sur les Programmes et Projets d'Investissement (Program and Project Investment Management Information System)
TOR	Terms of Reference
TTL	Task Team Leader

ULCC	Unité de Lutte contre la Corruption (Anti-Corruption Unit)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
VC	Video Conference

Haiti
Economic Governance Technical Assistance Project

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A. Basic Information

Country:	Haiti	Project Name:	Governance Technical Assistance Grant
Project ID:	P093936	L/C/TF Number(s):	IDA-H1660
ICR Date:	03/31/2010	ICR Type:	Core ICR
Lending Instrument:	TAL	Borrower:	THE REPUBLIC OF HAITI
Original Total Commitment:	XDR 1.4M	Disbursed Amount:	XDR 1.4M
Revised Amount:	XDR 1.4M		
Environmental Category: C			
Implementing Agencies: Ministry of Economy and Finance			
Cofinanciers and Other External Partners:			

B. Key Dates

Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	02/03/2005	Effectiveness:	12/19/2005	12/19/2005
Appraisal:	04/18/2005	Restructuring(s):		
Approval:	06/07/2005	Mid-term Review:	12/19/2006	06/19/2007
		Closing:	12/31/2007	09/30/2009

C. Ratings Summary

C.1 Performance Rating by ICR

Outcomes:	Satisfactory
Risk to Development Outcome:	High
Bank Performance:	Satisfactory
Borrower Performance:	Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)

Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Satisfactory	Government:	Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Satisfactory
Overall Bank Performance:	Satisfactory	**Overall Borrower Performance:**	Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	Yes	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
Central government administration	100	100
Theme Code (as % of total Bank financing)		
Administrative and civil service reform	24	15
Other accountability/anti-corruption	25	10
Other public sector governance	13	
Participation and civic engagement	13	5
Public expenditure, financial management and procurement	25	70

E. Bank Staff

Positions	At ICR	At Approval
Vice President:	Pamela Cox	Pamela Cox
Country Director:	Yvonne M. Tsikata	Caroline D. Anstey
Sector Manager:	Nicholas Paul Manning	Ronald E. Myers
Project Team Leader:	Christine de Mariz Rozeira	Linn A. Hammergren
ICR Team Leader:	Jenni Amanda Pajunen	
ICR Primary Author:	Jenni Amanda Pajunen	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document**)**
The objective of the Economic Governance Technical Assistance Grant (EGTAG) is to assist the GoH in strengthening its institutional capacity in the areas of budgetary planning and execution, investment and project planning, internal and external control, procurement, accountability, participatory monitoring, and reform constituency building. Specifically the EGTAG's development objectives are to: (i) improve the central

ministry's ability to program, execute and track use of public resources and better link them to concrete development goals, ensure an adequate performance of the external, ex-post control function by the CSCCA, and help the CNMP grow into its role as overseer of procurement practices and make open, competitive procurement the rule rather than the exception; (ii) advance the development of a human resource management plan and system, especially as regards ensuring adequate capacity in the financial management system; (iii) advance the development of the ULCC as an effective check on corruption while also encouraging the greater involvement of civil society in its own operations and as a monitor of public sector reform; and (iv) ensure as part of the project management process, an adequate system for communicating information on the reform programs and mobilizing public support for their furtherance.

Revised Project Development Objectives (as approved by original approving authority)

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Indicator Name: Percentage of unprogrammed budget resources			
Value quantitative or Qualitative)	4%	2%	2%	Target achieved. According to government estimates, the unprogrammed resources in budget year 2009-2010 are estimated to be 361 million gourds, while the total budget is 88.9 milliard gourds. The unprogrammed resources are 0.4% of the budget.
Date achieved	11/01/2005	11/01/2005	11/01/2007	12/10/2009
Comments (incl. % achievement)	Comments: (Source: Direction Generale du Budget) However, the Bank's FM specialist has noted that while the government has made a significant effort to capture all resources some such as those collected directly by some Ministries			
Indicator 2 :	Indicator Name: Percentage of non-salary public expenditures going through comptes courants			
Value quantitative or	10%	<10%	Eliminate the use of comptes	Achieved. Currently estimated

Qualitative)			courants	at less than 3% of total nonsalary public expenditures.
Date achieved	11/01/2004	11/01/2005	11/01/2007	12/10/2009
Comments (incl. % achievement)				
Indicator 3 :	Indicator Name: Percentage of external financing included in public budget			
Value quantitative or Qualitative)	TBD	100%	100%	Target achieved. All external financing is included in the budget.
Date achieved	06/30/2005	11/01/2005	12/01/2007	12/10/2009
Comments (incl. % achievement)	Comments: Source: Direction Generale du Budget			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Number of comptables designated and trained			
Value (quantitative or Qualitative)	0	20	15	Achieved target exceeded: 39 have been designated trained and deconcentrated in different institutions
Date achieved	06/30/2005	11/01/2005	12/07/2007	12/10/2009
Comments (incl. % achievement)				
Indicator 2 :	Number of auditors hired, trained, and doing audits for CSCCA (cumulative)			
Value (quantitative or Qualitative)	0	15	15	Achieved. 30 auditors from the CSCCA have been trained. As a result the backlog of audit reports (fiscal years 2003-2006) have been cleared.

Date achieved	06/30/2009	11/01/2005	12/07/2007	12/10/2009
Comments (incl. % achievement)				
Indicator 3 :	Percentage of noncompetitive procurements			
Value (quantitative or Qualitative)	35%	10% reduction	20% reduction	Achieved 20.8 % of non competitive procurement (so more than 20% of reduction) for the 2006-2007 period: as per CNMP data out of the 192 bids approved 20.8% were non competitive.see commentsinPDO
Date achieved	06/30/2005	11/01/2005	12/07/2007	12/10/2009
Comments (incl. % achievement)				
Indicator 4 :	Number of public employees in Human Resource Unit record			
Value (quantitative or Qualitative)	40000	TBD	50000 in OHR record (transferred from MEF)	Achieved. All public servants were included in the OMRH database. Further activities are planned to continue this HR process under EGTAG II
Date achieved	06/30/2005	11/01/2005	12/07/2007	12/10/2009
Comments (incl. % achievement)				
Indicator 5 :	Development of plan for creation of permanent human resource office (Office for Management and Human Resources, OMRH)			
Value (quantitative or Qualitative)	No plan	Approval of plan	Approval of plan	Achieved and related implementing activities ongoing. The OMRH was created by Decree of 05/17/05 and the Programme Cadre de la reforme de l' Etat 2007-2012 is being implemented
Date achieved	06/30/2005	11/01/2005	12/07/2007	12/10/2009

Comments (incl. % achievement)				
Indicator 6 :	Corruption cases identified by ULCC referred to judiciary for prosecution and follow-up			
Value (quantitative or Qualitative)	0	8	8	The Anti-Corruption Unit (ULCC) transmitted 12 cased to the competent authorities (administrative and judicial) and has been following up.
Date achieved	06/30/2005	11/01/2005	12/07/2007	06/22/2009
Comments (incl. % achievement)				
Indicator 7 :	Number of reports produced by CSO monitors and actions taken in response by agencies monitored			
Value (quantitative or Qualitative)	0	4/4	4/4	Achieved; CSO produced 5 reports published on the EGRO I and are available at www.mefhaiti.gouv.ht/societe civile (last report published in June 2006 and additional report to come
Date achieved	06/30/2005	11/01/2005	12/07/2007	12/10/2009
Comments (incl. % achievement)				
Indicator 8 :	Coverage of donor economic governance activities in PCU data base			
Value (quantitative or Qualitative)	No database	Database listing all programs	Database tracks program progress	Not Achieved because not applicable; a draft data base was conceived by the PCU at the beginning of the project; however the PCU does not have the authority to get information on economic

				governance.
Date achieved	06/30/2005	11/01/2005	12/07/2007	12/10/2009
Comments (incl. % achievement)				
Indicator 9 :	Ability of the general public to identify elements of MEF's reform programs.			
Value (quantitative or Qualitative)	TBD	25% of those surveyed can identify four elements	50% of those surveyed can identify four elements	Partially Achieved through 2 comp. of the project: component 3 and 4 on civil society and communication which raise awareness of civil society on governance reform(no survey expected)
Date achieved	06/30/2005	11/01/2005	12/07/2007	12/10/2009
Comments (incl. % achievement)				

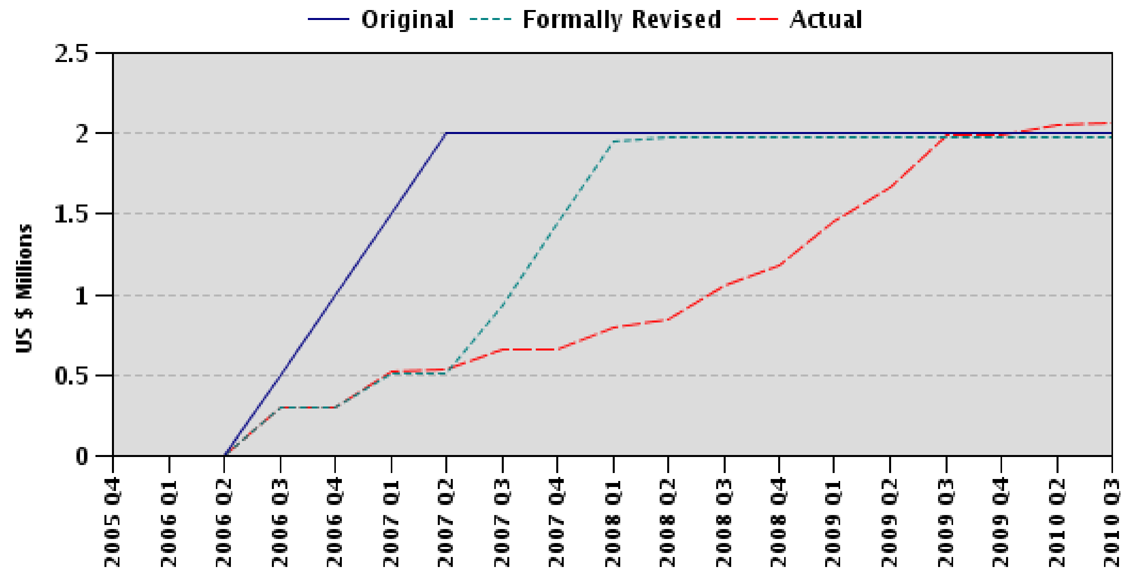
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	02/22/2006	Satisfactory	Satisfactory	0.00
2	07/29/2006	Moderately Satisfactory	Moderately Satisfactory	0.30
3	12/27/2006	Moderately Satisfactory	Moderately Satisfactory	0.54
4	06/20/2007	Moderately Satisfactory	Moderately Satisfactory	0.66
5	12/17/2007	Moderately Satisfactory	Moderately Satisfactory	0.86
6	06/23/2008	Moderately Satisfactory	Moderately Satisfactory	1.19
7	12/11/2008	Satisfactory	Satisfactory	1.68
8	06/25/2009	Satisfactory	Satisfactory	2.00
9	07/29/2009	Satisfactory	Satisfactory	2.00
10	12/21/2009	Satisfactory	Satisfactory	2.05

H. Restructuring (if any)

Not Applicable

I. Disbursement Profile



1. Project Context, Development Objectives and Design

(this section is descriptive, taken from other documents, e.g., PAD/ISR, not evaluative)

The Economic Governance Technical Assistance (EGTAG1) implementation completion mission was carried out in December 2009. The 7.0 Richter earthquake that hit Haiti on January 12, 2010 caused unimaginable human and material destruction and according to the first estimates affected 3.5 million people. This implementation completion review of EGTAG1 is based on the pre-earthquake scenario.

1.1 Context at Appraisal

(brief summary of country and sector background, rationale for Bank assistance)

1. Haiti was and continues to be the poorest country in the Western Hemisphere and one of the most disadvantaged in the world. The causes of this situation are complex and long-standing. For the past twenty years, the country has struggled to emerge from a cycle of internal conflicts and natural disasters that devastated its economy, augmented levels of poverty, and temporarily provoked the withdrawal of external assistance to the government.[1] In March 2004, following the resignation of President Jean Bertrand Aristide and pending elections that were scheduled for 2005, a Transition Government was put in place and initiated a program aimed at increasing political and social stability and jump starting the economy. There had been positive indications about its commitment to fighting corruption, encouraging civil society participation, and managing public resources in a transparent and efficient manner by such concrete steps as the preparation of a 2005 budget consistent with rules set forth in a new Organic Law, restrictions on the number and value of *comptes courants* (unprogrammed funds given to ministries to finance unanticipated expenses), the creation of an anti-corruption unit and a central procurement entity, and efforts to develop policy and make appointments based on technical and non-partisan criteria.

2. Donors had indicated that they would resume support, but further progress was obstructed by a state apparatus that had suffered its own devastation over the prior two decades, and had a severe shortage of adequately qualified and motivated personnel. Those staff were working within inefficient organizational structures and with procedures that allowed widespread recourse to various informal mechanisms. The organizations rarely had the resources to do their jobs, and lacked the means of tracking the majority of expenditures.

3. At project appraisal, it was concluded that if the Transition Government and the elected government that followed were to make efficient use of their own and external resources, increasing, *inter alia*, the quantity and quality of service delivery, they would have to effect immediate improvements in the administrative structure and initiate a longer-term program of incremental capacity building. The most critical area was economic governance, understood to encompass public resource management (financial, human, and material); the values informing it (e.g. discipline, ethics, transparency, and accountability); and the mechanisms for enforcing sanctions and taking corrective actions when legally mandated norms are violated. Absent positive changes in all these areas, even the best intentioned administration would not be able to design and execute programs encouraging economic growth, respond to citizen needs, and build the public support required for its own survival. It also would not be able to provide the necessary coordination and oversight for donor programs or discourage donors' past tendencies to undermine government norms by circumventing or ignoring them.

4. In the spring of 2004, the Transition Government led the donor community in putting together an Interim Cooperation Framework (ICF)[2] to guide future efforts. Because of its broad experience in the area, the World Bank, along with the IDB, accepted the Government of Haiti's (GOH) invitation to collaborate in the design and implementation of the sections on economic governance. As experience in Haiti and elsewhere demonstrated, progress here was vital not only to

1 World Bank lending to Haiti was suspended between 1997 and 2003. Donors remaining in the country worked largely through NGOs or other nongovernmental channels.

2 Details are provided in the program documents of Economic Growth and Recovery Operation (EGRO) (approved on January 6, 2005) and in the Transition Support Strategy for Haiti.

the Bank's own programs, but to those of the government and the entire community of donors. The task was enormous and required a combination of emergency short-term measures and a longer-term program tailored to the country's considerable resource constraints. Consistent with this approach, the technical assistance grant focused on economic governance, as opposed to a broader public administration reform, a civil service program, or targeted attention to individual sector ministries where activities were proposed, because poor financial resources management lay at the heart of Haiti's public sector weaknesses. The assumption was that if the government could develop a system, including the necessary personnel, to plan, direct, and track resource use, and to identify and control deviations, it would at least have the minimum essential tools to carry out its additional programs. The project proposal and the underlying assessment were the result of on-going dialogue with the government, a series of missions to identify and discuss needs, and prior diagnostic work by the Bank and other donor agencies focusing specifically on weaknesses in financial management, procurement, and overall public administration.

5. EGTAG1 was part of a broader program of institutional strengthening in Haiti. EGTAG1 was preceded by a LICUS Economic Governance Grant (FY05), which was the first emergency economic governance support operation after the Bank's re-engagement. The LICUS grant was designed before IDA-financing became available to the country, but in practice the two projects were implemented largely in parallel. This incremental approach was designed to facilitate the Bank's re-engagement and to focus on knowledge transfer for rebuilding project implementation capacity in the country. There are similarities, synergies and continuity in the design of the LICUS and EGTAG operations, which are explained in detail in chapter 1.5 of the original project document. However, LICUS was implemented directly by the Ministry of Finance, while a separate project implementation unit was created for the EGTAG1. Since 2004, IDA support for economic management and a governance reform program has included (i) a total of US$96.5 million of development policy loans under the three Economic Governance Reform Operations (EGROs); and (ii) two Economic Governance Technical Assistance Grants (EGTAG 1 and 2) amounting to US$4 million. In addition, a number of supporting analytical studies have been completed and the Bank portfolio in Haiti includes also sector investment operations such as an energy project to provide support for the electricity sector. The technical assistance grants complemented other donors' support for Haiti's economic reform program.

1.2 Original Project Development Objectives (PDO) and Key Indicators (*as approved*)

6. ***Project Development Objective*:** The objective of the Economic Governance Technical Assistance Grant (EGTAG1) was *to assist the GoH in strengthening its institutional capacity in the areas of budgetary planning and execution, investment and project planning, internal and external control, procurement, accountability, participatory monitoring, and reform constituency building.* The EGTAG1's development objectives were to: (i) improve the Ministry of Finance's ability to program, execute and track use of public resources and better link them to concrete development goals, ensure an adequate performance of the external, ex-post control function by the Cour Supérieure des Comptes et du Contentieux Administratif (CSC/CA, Supreme Audit Institution), and help the Commission Nationale des Marchés Publics (CNMP, National Procurement Commission) to grow into its role as overseer of procurement practices and make open, competitive procurement the rule rather than the exception; (ii) advance the development of a human resource management plan and system, especially as regards ensuring adequate capacity in the financial management system; (iii) advance the development of the Unité de Lutte Contre la Corruption (ULCC, Anti-corruption Unit) as an effective check on corruption, while also encouraging the greater involvement of civil society in its own operations and as a monitor of public sector reform; and (iv) ensure, as part of the project management process, an adequate system for communicating information on the reform programs and mobilizing public support for their furtherance.

7. ***Indicators:*** The indicators to measure progress with the project development objective were defined as (i) Percentage of non-salary current public expenditures going through current accounts; (ii) Percentage of un-programmed budget resources (in *autres interventions publiques*); and (iii) inclusion of external financing (disbursements and expenditures) in public budget. The other results indicators were: (iv) Number of accountants designated and trained in their functions; (v) Number of auditors hired, trained and carrying out audits; (vi) Percentage of direct (i.e. noncompetitive) procurements out of total; (vii) Number of public employees listed in the human resource unit's registry, and of new appointments, those made through a merit-based process; (viii) Development and approval of a plan to create a permanent human resource agency; (ix) Corruption cases identified by ULCC referred to judicial authorities for prosecution and follow-up; (x) Number of reports produced by CSO monitors and actions taken in response by agencies monitored; (xi) Greater public understanding of, and support for, reform program content; (xii) Coverage of donor

economic governance activities in the PIU data base; and (xiii) Civil Society Organization members' ability to identify elements of Ministry of Finance's reform programs.[3] Specific results expected in terms of project completion are listed in Annex III (Results Framework) of the Project Appraisal Document.

8. The implementation of the EGTAG1 in collaboration with activities of other donors was designed to provide an improved institutional and operational framework for the preparation and execution of the current and investment budget, tracking and control of expenditures, the implementation of the new procurement decree, identification, hiring, and training of key staff, and the dissemination of information on the reforms and processes to Haitian citizens. Emphasis was on bringing existing structures and practices into conformity with the improved legal framework in preparation for subsequent steps leading to further institutional strengthening and public sector modernization. Because of the short life of the project, the emphasis was on institutional change and the results indicators were intended to measure the extent of adoption of new practices and structures

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

9. The original Project Development Objective (PDO) and key indicators were not revised.

1.4 Main Beneficiaries,

(original and revised, briefly describe the "primary target group" identified in the PAD and as captured in the PDO, as well as any other individuals and organizations expected to benefit from the project)

10. The beneficiaries of EGTAG1 within the Government of Haiti include: (i) the Direction du Budget (including the Debt Department); (ii) the Commission Nationale des Marchés Publics (CNMP, National Procurement Commission); (iii) the Cour Supérieure des Comptes et du Contentieux Administratif (CSC/CA, Supreme Audit Institution); (iv) the Unité de Lutte Contre la Corruption (ULCC, Anti-corruption Unit); (v) the Office de Management des Ressources Humaines (OMRH, the Human Resources Management Office); and (vi) Civil Society. The beneficiaries for the LICUS grant and EGTAG1 were selected based on their relevance for recovery of the budgeting functions within the Government and management of donor funding, as well as based on previous experience of working with the Bank during the 1990s.

1.5 Original Components (*as approved*)

11. **Component 1 - Financial Resource Management:** This key area for economic governance was defined as the development of a capacity to produce and execute a budget, track its implementation, and reduce irregular budgetary use and expenditures.

12. **Subcomponent 1.1 - Budgeting:** It was assumed that the IDB would cover most equipment needs and help in the design of basic budgetary procedures (as established at the time of the new Organic Law). The EGTAG1 focused on ensuring that sufficient numbers of adequately prepared personnel occupy the required positions in the Ministry of Finance and other sector ministries. Activities included a diagnosis of current staffing patterns and needs, preparation and delivery of training programs, provision of long and short-term consultants to assist agencies in applying and refining new procedures, and development and implementation of plans to fill the staffing gaps. As the Ministry of Planning managed the investment budget, the same objectives were going to be addressed there, along with steps to ensure coordination of the investment and operational budgets and to strengthen project development capacity.

13. **Subcomponent 1.2 - External Control:** The LICUS-grant funding for the Supreme Audit Institution (Cour Supérieure des Comptes et du Contentiuex Administratif, CSC/CA) was supporting class-room and on-the-job training of auditors in their new ex-post control function. Under the EGTAG1, the CSC/CA's initial experience with ex-post auditing was evaluated, and further personnel, equipment, budgetary, and training needs identified, resulting in a plan for upgrading the agency's performance over the following two to three years. The EGTAG1 was designed to support implementation of and further adjustments to this plan.

[3] While ideally this should be response by the public rather than by CSOs , as the MEF will work directly with CSO groups, it was considered to be easier to obtain this information less formally from members of the groups involved. In addition, that approach would not require additional financing,

14. **Subcomponent 1.3 - Procurement:** The EGTAG1 built on assistance provided under the LICUS Trust Fund to support the newly created Commission Nationale des Marchés Publics (CNMP). The EGTAG1 supported the CNMP's assumption of the core regulatory functions mandated by law, including the creation of a public sector-wide corps of procurement officials, the further development of and training in standardized procedures and documents, and the creation of centralized databases of government suppliers and contract awards. It also continued the work initiated under the LICUS grant on the development of standardized bidding documents, publication of information on bids and contracts, and education of potential bidders and the general public with respect to the procurement process. As with all elements under this component, this was intended to be an incremental process in which new procedures were tested and modified according to preliminary results.

15. **Component 2: Human Resource Development:** During the project identification missions and as part of the Interim Cooperation Framework (ICF), a Bank consultant worked with 22 government agencies to develop an initial plan for meeting the most critical human resource needs. This plan was the basis for further development of this area but, given the consultant's estimates of what the GoH's minimal proposal would cost (in excess of $100 million), the EGTAG1's support focused selectively on five areas:

- (Covered under component 1, above) Ensuring minimal human resource needs are met for financial management, control, and procurement systems, within the core agencies and the rest of the central ministries.
- Ensuring that key ministries responsible for service delivery have adequate personnel, appropriately placed and trained, to plan and oversee this function.
- Working with the Ministry of Finance and Prime Minister's Office (pending creation of a Ministry for the Civil Service) and other executive agencies to develop plans for meeting their personnel needs over the next five years. While donor-financed consultants might temporarily perform some core functions, the longer-term need was to ensure that Haiti could recruit, maintain, and pay a permanent core staff. These plans, unlike the first effort, would also have to take financial constraints into account.
- Working with the above agencies to design a longer-term civil service reform, including the necessary legal foundation. Under any follow-on loan or grant, steps could be taken to initiate implementation, probably on an agency-by-agency, or function-by-function, basis.
- Enhancing the capacity of public sector training institutions to develop and deliver the training needed for the first three areas, and financing pilot courses.

16. **Component 3: Anti-corruption and Civil Society Engagement:** The LICUS Economic Governance Trust Fund supported the establishment of the anti-corruption unit and a program of civil society monitoring of governance reforms. The EGTAG1 was designed to do further fine-tuning, help develop a capacity for anti-corruption programming, including skills and techniques needed to identify areas of vulnerability and design remedies, and expand mechanisms for monitoring of governance reforms and performance by civil society organizations and ordinary citizens. Training in investigation of actual cases was intended to be financed by other donors.

17. **Component 4: Project Management and Communication:** Special emphasis was placed on developing mechanisms for communicating the content of reform proposals and their progress in order to ensure greater understanding and wider ownership of the efforts among all Haitian citizens. Initially, EGTAG1 was supposed to use the project management mechanism developed for the LICUS Trust Fund. However, a separate project implementation unit was formed to manage both EGTAG1 and two IDB projects for institutional strengthening. Funding for expenses was shared with the GoH and the EGTAG1 financed additional equipment and conference logistics needs.

1.6 Revised Components

18. The design of the project remained unchanged during the lifetime of the project.

1.7 Other significant changes

(In design, scope and scale, implementation arrangements and schedule, and funding allocations)

19. The delay between the EGTAG1 Board date and effectiveness was approximately six months and the project was extended twice from its original December 31, 2007 closing date. The first extension was for 12 months until December

31, 2008 and granted on November 27, 2007 on the basis of the delayed effectiveness date. The second extension was granted on November 13, 2008 for an additional 9 months and established September 30, 2009 as the closing date. This additional extension was justified partly by the delays caused by serious natural disasters (four massive hurricanes hitting the country in August-September 2008) and political unrest that prevented the government from implementing some of the scheduled activities. The factors behind these changes are discussed in detail in paragraphs 1.1 and 2.2.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

(including whether lessons of earlier operations were taken into account; risks and their mitigations identified; and adequacy of participatory processes, as applicable)

20. The present ICR finds the EGTAG1 quality of entry to be **Satisfactory**. The Quality Assurance Group (QAG) panel's report[4] on EGTAG2 which also reviewed the EGTAG1 project, considered the overall objectives of EGTAG1 as appropriate because it focused on key areas of economic governance. The QAG report also noted that the project was ambitious in its coverage, working with five government agencies as beneficiaries. It also mentions that the project includes "some innovative features in terms of the Bank's assistance to the country. EGTAG 1 and 2 introduce highly desirable elements of civil society monitoring of GoH activities. Donor collaboration has been strong."

21. Following the suspension of World Bank lending to Haiti from 1997 to 2003, the operation was prepared in 2004 under a transition government and implemented over a period when the country faced several political and natural disasters. As explained earlier, EGTAG1 was designed to build on the measures supported under the EGRO and the emergency assistance under the LICUS Trust Fund grant, and it was intended as one of the first steps in the Bank's program supporting government efforts to improve economic governance.

22. Bank technical assistance (TA) support was originally envisaged within the framework of a larger grant. However, the available IDA envelope was limited to US$2 million, thereby precluding support in the form of a more comprehensive $4 million operation. As a result, Bank TA took the form of two back-to-back US$2.0 million grants - EGTAG 1 and 2 - which were presented to the Board within one year of each other. A larger technical assistance operation (preparing the two economic governance technical assistance projects as one instead of splitting the total $4million into two phases) was considered and rejected for the following reasons: (i) a new government was expected to take office in early 2006, at which time the World Bank, in coordination with other donors, was going to discuss with it the next phase of technical assistance needs in the economic governance area that could be supported by a possible follow-on TA operation to ensure full government ownership, and (ii) the need to link additional assistance to performance in implementation of the program and achievement of results on the ground. Due to the phased approach, the second EGTAG1 operation was brought to the Board one year after the approval of EGTAG1 and the projects are largely interlinked. In retrospect, while political factors, along with the need to link the assistance to performance, justified the two phase approach for the EGTAGs, pooling funding should be considered for similar future operations. This would ease the administrative burden both for the Bank teams as well as for the counterparts.

23. EGTAG1 had a wide scope in terms of the thematic areas covered as well as the number of beneficiaries, especially considering the limited amount of financing available. It might be argued that this subsequently contributed to the delays in implementing the project. However, when designing the project, a broad-based approach to economic governance seemed necessary. Considering the interconnections between the economic institutions, leaving some of the agencies out of the scope of support could have had serious consequences on the results achieved under the other components. The beneficiaries for LICUS and EGTAG1 were selected based on their previous experience of managing donor funds and of working with the Bank during the 1990s, as well as for their relevance for recovering budgeting functions within the Government.

24. In addition, the following lessons learnt were considered during the preparation of the project (from the Project Appraisal Document): "Aside from the general lessons applicable to all LICUS countries, experience in Haiti over the last year indicates three important lessons: (i) the need to work incrementally; (ii) the importance of constant communication and coordination among and within governmental agencies and among donors; and (iii) the key role played by the counterpart agency and its PIU in effecting this coordinating function. Also, while the government has shown a capacity to draft and pass new laws, their implementation has lagged. Before supporting the adoption of new

[4] QAG Review of Public Sector Governance Guidance Framework (EGTAG II), 30 April 2008

legislation or systems, it appears thus important to assist the authorities in implementing existing legislation. The new budget law and procurement decree include many worthwhile innovations, and it will be important to ensure they are implemented in full. As a result, EGTAG1 focused on assisting the Government in putting into effect the innovations it has recently introduced by law. It has also been apparent that despite the recent greater emphasis on donor coordination, more attention is needed to enhance this further and this has been a main focus in the preparation of the EGTAG1 project and the definition of its project management arrangements."

25. Two risks to the project development objective (PDO) were identified in the preparation of the project. The first risk, assessed as moderate, was "the proximity of next elections and the chance that the new government will not support the project, or that because of the elections (or their failure to be held) civil violence will escalate." Although Government ownership of the project did not decline as a consequence of the change of Government in 2006 and the security situation did not significantly worsen over the implementation period, the project suffered from the political volatility and the beneficiaries reported severe security issues that delayed project implementation. The second risk to the PDO, assessed as substantial, was the fact that "insufficient donor coordination impedes advances in key areas." This was mitigated by regular Government-donors coordinating meetings in Haiti, coordinated project planning and implementation arrangements, as well as enhanced project supervision efforts. The project contributed to improving aid coordination in the field of economic governance in Haiti, although donor coordination continues to be a challenge.

26. In addition, three risks to individual project components were considered. The first, assessed as substantial, was "MEF's failure to establish a clear direction for implementation of the budget law could make it difficult to program activities, in this and in the other areas." Proposed joint donor project implementation arrangements for the activities supported by the EGTAG1 were contributing to improved coordination for the implementation of the budget law and this risk did not materialize. The second risk, assessed as moderate, was "weak institutional capacity in any or all components and failure to enact enabling legislation prevents forward movement in one or more of them." This risk did in fact materialize as project implementation was delayed as a consequence of capacity issues in the project implementation unit and among the beneficiaries and to some extent due to the staffing changes within the Bank team. The third risk, assessed as moderate, was that "GoH is unable to provide the staff needed for one or more of the agencies". The risk was mitigated through training and Government's commitment to fill the positions in the MEF, CNMP, CSC/CA and ULCC, where most key positions were staffed with qualified officials able to benefit from further capacity building support.

27. The project was prepared under a tight timeline, which was an additional burden for both the Bank and the counterpart teams. The Government was consulted during preparation of the EGTAG1 but, as part of the ICR reviews, the local counterparts suggested that in future operations the Bank could increase involvement of the national authorities in project design, while keeping in mind the capacity constraints and pressures from different donor organizations. It was suggested that the preparation of the next EGTAG could be more consultative. In practice, this could mean additional support to the Government and beneficiaries between approval and implementation. The terms of reference would need to be drafted in such a way that the supported institutions have a better grasp of the contents, objectives and the procedures of the project.

2.2 Implementation

(including any project changes/restructuring, mid-term review, Project at Risk status, and actions taken, as applicable)

28. The implementation of the project is rated as **Satisfactory.** Overall, the project was implemented in a precarious, difficult, and unpredictable political and natural environment. Between 2004 and 2009, there were three presidents and six different prime ministers. In Haiti, there is always the risk that social unrest may destabilize the country and lead to abrupt political changes that derail the reform process. Especially in 2008, Haiti experienced a series of natural disasters that threatened macroeconomic stability and diverted resources away from government priorities. In addition to the political stalemate following the food and fuel price riots, Haiti was hit by four back-to-back hurricanes (Fay, Gustav, Hanna and Ike) and tropical storms in August-September 2008, which caused damages and losses estimated at nearly a billion dollars, or about 15 percent of GDP. The security of Bank staff, project counterparts and the beneficiaries was continuously at risk since staff work in a tense and dangerous political environment. The project counterparts have reported serious security issues including kidnappings and a suspected murder over the implementation period.

29. A mid-term review, carried out in early 2008[5], rated the project as 'moderately satisfactory'. It pointed out the considerable slippage in starting the project due to the delays in recruiting and building the project implementation capacity of the PIU staff as well as among the project beneficiaries. Progress, especially in relation to activities with the CNMP, DGB and CSCCA, was described as unbalanced. The mid-term review recommended revising the project development objectives and indicators. This was not done because it was felt that the project was already at a late stage of implementation. However, and as a consequence of this mid-term review, the team took some proactive measures to better define the newly implemented EGTAG2 project. As a result, EGTAG2, along with the participation of the beneficiaries was restructured in 2009 and the components, as well as the results framework, were revised. Sharing the PIU between the WB and IDB was felt to be a positive experience, creating a natural space for more efficient aid coordination. The effectiveness of EGTAG2 was delayed as a consequence of delays in EGTAG1. However, the QAG Panel report of EGTAG2 commended the intimate knowledge of the two co-task team leaders, both of whom were fully committed to the successful implementation of the projects, while noting that the Implementation Status Report (ISR) had been grossly underutilized in the case of both EGTAG operations. In response to the report, the team agreed that conditions in Haiti required intensive supervision. The intensified supervision measures included consolidating the governance portfolio under one TTL in mid-2008 and establishing weekly videoconferences with the Project Implementing Unit (PIU) to monitor closely implementation of both EGTAGs and to increase the capacity of both this unit and the Government. Furthermore, the Haiti country office hired a field-based operations officer to support implementation of the portfolio; and the team hired a local economic governance consultant to assist with implementation of the EGTAGs, the LICUS grant and with donor coordination in the field. The task team at the Bank was also strengthened by the assignment of a senior procurement specialist who dedicated significant time to reviewing and commenting on procurement documents, providing advice to bring more efficiency to the contracting process. However, as is often the case in fragile states, even with a large supervision budget, it can be difficult to mobilize on a long term basis specialists in all the areas addressed by the project (civil society, anti-corruption work, budget reform, procurement reform, human resources reform).

30. Project implementation was delayed because of frequent staffing changes both on the Bank and counterpart side. On the Bank side, there were three task team leaders during the lifetime of the project as well as a number of other TTLs monitoring other related governance projects. During the first years of project implementation, the Country Management Unit (CMU) could have played a more active role in supervision. Some of the implementation status reports lacked comments from the CMU. The initial supervision efforts were performed mostly by staff in headquarters and there could have been a stronger involvement of the field office. However, it should be noted that at the time of project design the Haiti Office had just been reopened and was in the process of being staffed, and that these issues were addressed in the course of project implementation.

31. On the Government side, especially in the early phase of implementation of the project, there was a lack of clear vision of the goals that each government institution had to achieve. As a consequence, the team received ad hoc requests for activities that were not necessarily priority initiatives. Furthermore, it can be argued that the high number of project beneficiaries contributed to the delays in project implementation. As part of the preparation of an updated procurement plan, some beneficiaries developed a strategic plan for their institutions (*Unité de Lutte contre la Corruption, ULCC; Office de Management des Ressources Humaines, OMRH; and Cour Supérieure des Comptes et du Contentieux Administratif*, *CSC/CA*). EGTAG1 suffered from disbursement delays related to PIU capacity. The learning curve for the PIU over the lifetime of the project was steep and its capacity still needs to be reinforced, especially if other EGTAGs are to be prepared. The PIU coordinator noted that, due to staff shortages, PIU colleagues did not have sufficient time to attend trainings.

32. When the project closed, the EGTAG project implementation unit had a staff of four. The PIU is used for the implementation of both EGTAGs as well as projects financed by the Inter-American Development Bank. The project coordinator pointed out in the ICR interview that the dual role of the PIU was problematic – the PIU personnel are

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5 Haiti: Premier Projet d'Assistance Technique pour la Gouvernance Economique (EGTAG I) Evaluation à Mi-Parcours, portant sur la période du 5 décembre 2005 au 31 décembre 2007, 15 Mars 2008

considered Ministry staff from the Bank perspective and Bank staff from the Ministry perspective. The implementation unit exists in the government structure but should be better integrated. The PIU would also need resources to upgrade its office space. Due to the limited number of staff, the PIU colleagues are often too busy to participate in training activities and, consequently, the budget related to training has not been fully used. It would be necessary to hire a monitoring and evaluation (M&E) specialist to work on the baseline data and continuous M&E. Some criticism was expressed of the Bank's tendency to measure the effectiveness of projects based strictly on the speed of disbursements. The project coordinator had not experienced serious delays with obtaining non-objections from the Bank, which he received normally in less than a week. The weekly video conferences as well as the availability of the local consultant to support implementation of the project were considered as improvements in supervision by the Bank. It was suggested that it would be good to have the Bank staff based in Port-au-Prince, or visit more often.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

33. The monitoring and evaluation design of the project is rated as **Moderately Satisfactory.**

34. Defining indicators for institutional reform in fragile states is extremely challenging and the results agenda at the World Bank has evolved substantially since the preparation of the EGTAG1 project. The Bank's Quality Assurance Groups' 'Review of Public Sector Governance Guidance Framework' focused mainly on EGTAG2 but made also references to EGTAG1. The report took a critical stance toward the scope of the PDO and the indicators as follows: "current statement of development objective, while appropriate, is very broad and not supported by measurable and monitorable indicators to enable monitoring of progress and defining success. The project lacks adequate indicators and an appropriated monitoring and evaluation system. The project would benefit from a more realistic set of performance indicators and baseline data. Having said that, in a fragile state such as Haiti, the results frameworks need to be developed and utilized with caution. The indicators need to be few and realistic. They should be owned by local counterparts."

35. While the project development objective was very relevant, it could have been more specific. Both the Bank and government counterparts agreed that they had difficulties in identifying the baseline data for the monitoring and evaluation system. The result indicators were selected mainly by the project beneficiaries, who at the time did not have sufficient expertise on the subject matter. Although the project had several beneficiaries, there could have been fewer results indicators. The EGTAG1 performance indicators could have been SMARTer i.e. more specific, measurable, attributable, realistic and time-bound. The information about the achievement of the indicators was verified with the government counterparts and other beneficiaries as part of the implementation completion mission consultations. Finally, the project indicators were never changed and it was decided that, instead of undergoing a restructuring at such a late stage of implementation, the original project indicators would be kept, while the monitoring and supervision arrangements would be strengthened. The EGTAG1 experience helped to bring about changes in preparing more robust indicators during the restructuring of the follow-up operation EGTAG2, which was restructured by increasing selectivity and modifying the result indicators in November 2009. There were also issues with utilization of the Implementation Status Report (ISR) that were addressed towards the end of the project. Table 2 in Annex 2 summarizes the ISR Ratings of the project. The PIU would benefit from hiring a monitoring and evaluation specialist, especially if new EGTAGs are to be prepared.

2.4 Safeguard and Fiduciary Compliance

(focusing on issues and their resolution, as applicable)

36. Because of the nature of the project, safeguard analysis is not applicable.

37. The Government complied satisfactorily with Bank policy and procedural requirements. All the financial management and procurement ratings of the project remained satisfactory or moderately satisfactory. The PIU staff, which remained stable for the duration of project execution, became over time skilled in its tasks. The PIU was also responsible for the administration of IDB projects. Project statement of expenditure and disbursement requests were submitted most of the time in a timely manner, as were audit reports (which were also clean). No serious internal contractual issues arose to the level of reporting conditions except minor ones that were ultimately properly addressed.

38. As prior review thresholds for all projects in Haiti are fixed at zero, the team had to conduct an ex-ante review of each contract. The senior procurement specialist assigned to the Bank team was able to offer intensive assistance to the PIU staff on WB procurement methods and Guidelines based on the Bank review of all procurement processes. Over time this high level of supervision of procurement actions led to strengthened capacity in the PIU.

2.5 Post-completion Operation/Next Phase

(including transition arrangement to post-completion operation of investments financed by present operation, Operation & Maintenance arrangements, sustaining reforms and institutional capacity, and next phase/follow-up operation, if applicable)

39. All the results achieved by the project as well as the post-completion arrangements were altered as a consequence of the earthquake that hit Haiti on 12 January 2010 causing unimaginable destruction both in human losses and material terms, leaving approximately 3.5 million people affected. However, the sustained engagement with the beneficiaries and the donors working on Haiti throughout the implementation of the EGTAG1 project have positively contributed to establishing constructive working conditions necessary in this ever more challenging environment. Before the earthquake, the team in partnership with some beneficiaries had already started to prepare concise technical notes on the achievements made by the project in the different areas supported by the EGTAG1 project. These notes will be useful to provide some information on the reforms made by some institutions and restart the reform process.

40. The Government ownership of reforms has been increasing over the past years and the beneficiaries have become more acquainted with the Bank's rules. Under the pre-earthquake scenario, most project activities were going to be continued through the restructured EGTAG2 that was focusing especially on strengthening budget formulation and execution as well as budget monitoring and control. The strategy underlying the restructuring was to focus effort on areas where the Bank has a definite comparative advantage such as implementation of the recommendations of the Public Expenditure and Financial Management Accountability Report (PEMFAR) on budget planning, budget execution and budget execution internal and external controls, leaving aside activities for which substantial financial resources are available from other sources, be they from the World Bank or other donors. This refocusing of the program on these priority areas was coupled with non-lending technical assistance geared to supplement the government-executed technical assistance with more direct Bank inputs.

41. In principle, the fact that most of the beneficiaries' activities were going to be continued activities under EGTAG2 financing improves the sustainability of the results achieved under EGTAG1, but it is clear that the January 12, 2010 earthquake caused significant damage to government systems and threatens the project's results. Even without the natural catastrophe, considering the limited amount of national resources, the continuity of some of the results achieved under LICUS and EGTAG1 might have been uncertain without continued Bank support or support from other donors, who are increasingly coordinating with the Bank in the governance agenda. In view of the importance of economic governance for the stability of Haiti, the satisfactory results achieved with the country's key economic institutions and the emergency situation that the country is facing, it would be recommendable to proceed with the preparation of EGTAG3. As a consequence of the restructuring of EGTAG2 and concentration of resources for a more focused number of beneficiaries, some initially planned activities were not financed. The need for these should be revisited as part of the preparation of the new project. Furthermore, in the emergency situation that Haiti is facing in early 2010, the priorities of all Bank operations will need to be redefined.

3. Assessment of Outcomes

The Economic Governance Technical Assistance (EGTAG1) implementation completion mission was carried out in December 2009. The 7.0 Richter earthquake that hit Haiti on January 12, 2010 caused unimaginable human and material destruction and, according to the first estimates, affected 3.5million people. This implementation completion review of EGTAG1 is based on the pre-earthquake scenario.

Overall Rating: Satisfactory

42. The overall rating of the project is Satisfactory. The project was prepared under a transition government in a situation where the Bank had not been engaged in Haiti for several years. Implementation of the project was delayed. However, at closing most of the intended results were achieved and several indicators exceeded expectations. Without a doubt, the EGTAG grants and the LICUS trust fund resources were crucial in building capacity for the re-engagement of the Bank and in speeding up the preparation and disbursement of the EGRO loans. These grants were critical in starting key economic governance reforms such as those in the area of debt management or procurement. They also help the beneficiaries better define their goals and needs through the preparation of strategic plans for their institutions. The overall economic governance support approach chosen with LICUS and EGTAGs draws on the World Bank lessons learnt in fragile states. As such, starting the re-engagement with small pilots funded by trust funds that are scaled up with IDA resources represents a good fragile state case example.

3.1 Relevance of Objectives, Design and Implementation

(to current country and global priorities, and Bank assistance strategy)

Rating: Satisfactory

43. The Government remains committed to the reforms supported under the EGTAG1 operation. Both the LICUS and EGTAG1 operations can be considered as highly relevant as they contributed positively by building capacity and facilitating the Bank's re-engagement in Haiti, while supporting key pillars of the Government's poverty reduction strategy, the DSNCRP, by building state capacity and improving management of public resources. In particular, the operation contributed to: (i) modernizing and strengthening public financial management and capacity to raise and use public resources in a more efficient and transparent manner; and (ii) strengthening and implementing the legal framework for public procurement, thereby contributing to more transparent and cost-effective public expenditure. By addressing weaknesses in public financial management, the operations also contributed to improvements in the PEFA indicators in the medium term.

44. The World Bank's Country Assistance Strategy covering the Bank's financial years 2009-12 outlined the support to Haiti planned by the World Bank Group for the four-year period. The CAS was built on three pillars: (i) promoting growth and local development; (ii) investing in human capital; and (iii) reducing vulnerability to disasters. Total IDA allocations for the CAS implementation period were projected at roughly US$121 million. In addition, in January 2010, the Bank mobilized a further US$100 million of emergency assistance for Haiti to cope with the consequences of the January 12 earthquake. Cutting across the strategy was a two-pronged approach, combining longer-term institution building (including economic governance reform) with support for the Government in the delivery of quick, visible results to the population. This involves activities to (i) improve the effectiveness, transparency and accountability of public sector institutions; (ii) consolidate governance reforms including public financial management, from both the expenditure and revenue perspectives, and procurement to strengthen core institutions; and (iii) strengthen key sector ministries that are critical for service delivery.

45. The significant role given in the new CAS for institution building and economic governance reform demonstrates the relevance of the EGTAG operations for the development of Haiti. Both projects are well aligned with the Haiti CAS objectives by sustaining support to the Government's institutional strengthening agenda, the main expected outcome of which is an improvement in the effectiveness, transparency and accountability of public sector institutions. All beneficiaries interviewed during the mission considered the projects under evaluation as highly relevant for the development context of the country.

46. EGTAG1 was designed to build on the measures supported under the EGRO loans and the emergency assistance under the LICUS Trust Fund grant and it was intended as one of the first steps in the Bank's program to support government efforts to improve economic governance.

47. The EGRO I (FY2005) and EGRO II (FY2007) operations supported the same reforms as the EGTAG's in governance, civil service, public finance management, and public procurement. These include: (i) improving budget preparation and execution and monitoring through efforts to improve alignment of the budget with the DSNCRP, reduction in the use of discretionary ministerial accounts (*comptes courants*), and the establishment of an automated system to track expenditures; (ii) improving the control and reporting systems, including the deployment of financial controllers and public accountants in line ministries and submission of government accounts to the Court of Accounts and of the Budget Execution Law to Parliament; (iii) improving the accounting system with the adoption of budget and accounting nomenclatures; (iv) rationalizing civil service management through the completion of the registry for state employees of key line ministries and (vi) improving the state's capacity to fight corruption and enhancing the accountability of public employees.

48. As explained earlier, a larger technical assistance operation (preparing two economic governance technical assistance projects as one instead of splitting the total $4 million into two phases) was considered and rejected and it was thus decided to provide assistance to Haiti on economic governance reforms in a two-phase approach. In retrospect, for future operations, pooling funding should be considered to ease the administrative burden for both the Bank teams and for the counterparts.

49. It is recommended that operations in fragile states be simple in design and well defined. As part of the implementation completion reviews, some criticism was expressed suggesting that the scope and the number of beneficiaries of both LICUS and EGTAG1 were too large for the amount of financing available. However, considering the highly fragile and transitional circumstances in which the Bank re-engagement was being prepared, a broad-based approach to economic governance seemed necessary. Considering the interconnections between the economic institutions, leaving some of the agencies out of the scope of support could have had serious consequences on the results achieved under the other components.

3.2 Achievement of Project Development Objectives

(including brief discussion of causal linkages between outputs and outcomes, with details on outputs in Annex 2)

Rating: Satisfactory

50. The project development objective was to 'strengthen GoH institutional capacity in budgetary planning and execution, investment and project planning, control, procurement, transparency, participatory monitoring, and reform constituency building.' At closing, the project has met all the specific objectives, namely it: i) improved the Ministry of Finance's ability to program, execute and track use of public resources and better link them to concrete development goals; ensured adequate performance of the external, ex-post control function by the CSC/CA; and helped the CNMP grow into its role as overseer of procurement practices while making open, competitive procurement the rule rather than the exception; (ii) advanced the development of a human resource management plan and system, especially as regards ensuring adequate capacity in the financial management system; (iii) advanced the development of the ULCC towards becoming an effective check on corruption while also encouraging greater involvement of civil society in its own operations and as a monitor of public sector reform; and (iv) ensured, as part of the project management process, an adequate system for communicating information on the reform programs and mobilizing public support for their furtherance. The most significant results of the project include:(i) passing of the new procurement legislation; (ii) a new debt management system up and running; (iii) budget preparation and execution manual prepared; (iv) national civil service database set up, covering all civil servants; (v) improvement of both the capacity and equipment/facilities of CNMP, CSCCA, ULCC, and CEPOFAPOP. The results by area supported are explained in detail below and the results framework is included as Annex 2 of this report.

51. The EGTAG1 results by thematic area include:

1. **Improved Public Financial Resources Management:** First, the project financed implementation of a public debt management system, including a database that enabled the Government to produce regular debt reports at the end of 2009. The debt management system was purchased through United Nations Conference for Trade and Development (UNCTAD). Second, the IDA funds also financed technical assistance to support the implementation of the new legal framework for budget formulation and execution. The resulting action plan for the budget reforms is the basis for a PFM framework to be financed by various donors. As a result of the project, the capacity of the Direction Général du Budget has improved and a new legal framework for budget formulation and execution has been adopted. All three related results indicators were achieved. According to the Direction Général du Budget, the unprogrammed resources were lowered to 0.4% in budget year 2009-10.[6] The use of current accounts has nearly been eliminated as the percentage of non-salary public expenditures going through current accounts was below 3% and, according to the Ministry of Finance, all external financing was included in the budget. The formulation of a public financial management framework and a matrix of activities have been prepared with the support of various donors. It was endorsed by the Government in December 2009 (and it is taken into account when addressing the needs of the country after the devastating January 2010 earthquake).

2. **Supported the Upgrade of the National Procurement System:** Haiti's legal framework for procurement was revised with the aim to bring it up to international standards with support from the EGTAG and LICUS grants. The Procurement Law prepared in 2007 with EGTAG financing was approved by Parliament in June 2009 and constitutes a solid legal basis for the establishment of a modern and transparent procurement system. The follow-on project will continue to support the consolidation of this and other procurement reforms introduced since 2004. Even before the new procurement law was adopted, the CNMP had introduced standard bidding documents and a procedures manual to government procurement staff (including newly-appointed members of *Commissions Ministérielles and Commissions Spécialisées*) through a series of seminars delivered in 2006 and 2007. These standardized procedures and documents were consistent with the law prepared by the CNMP for submission to Parliament and their distribution, in advance of the law's passage, was intended to speed the adoption of improved procurement practices once the new legal framework was in place. Further, since its creation in early 2005, the CNMP has assumed a leadership role and improved public procurement practices through its review/approval of hundreds of procurement processes each year, as well as hands-on training of procurement staff in key purchasing entities. As a result, there is strong evidence that the percentage of noncompetitive procurement has declined. The related results indicator for EGTAG1 was ill-defined at the outset – as the number (rather than the value) of contracts awarded without competition as a percentage of all contracts awarded. Nonetheless, according to CNMP data, the percentage of non-competitive procurement was reduced to 20.8% of the contracts awarded in the 2006-2007 fiscal year, as compared to the baseline of 35% of contracts, more than meeting the target of reducing non-competitive procurement by 20% (i.e. to 28% of all contracts awarded). An even larger decline in non-competitive procurement can be observed if measured in terms of the total value of such contracts, rather than the number of contracts.

3. **Helped to develop the Human Resources Management Plan:** The project supported the recently created office for human resources management (Office de Management des Ressources Humaines, OMRH) through the design and implementation of a central human resource database of all salaried employees. The database was piloted in five key Ministries early in 2009 and is being rolled out for use by all central government ministries. All public servants are included in the database (which exceeded the target of 40,000 defined in the result indicator). An expansion of the system was contemplated with funds from the EGTAG2. In December 2009, the Government was undertaking civil service reform with funds from other donors.

4. **Strengthened Anti-Corruption and Civil Society Monitoring:** First of all, the Auditor General Office (CSC/CA) benefited from support by the project, thanks to which it received training and equipment. The Reports of Observance of Standards and Codes (ROSC) seminar and workshop, financed with grant funds, and a reflection seminar were expected to bring more clarity to the CSCCA strategy as the discussions at those events centered on the new law being drafted for the new organizational structure of the entity. The project's training

[6] However, the Bank's financial management specialist has noted that while the Government has made a significant effort to capture all resources, some such as those collected directly by certain Ministries, including university enrollment fees, sales of drugs or services, may not be captured and it is difficult to estimate what they amount to.

targets were exceeded: a total of 39 accountants were trained and decentralized in different government institutions. In addition, 30 auditors from the CSC/CA were trained, which helped clear the backlog of audit reports for fiscal years 2003-2006. Secondly, in the area of transparency and anti-corruption efforts, there have been many advances such as the establishment of an anti-corruption office (ULCC); campaigns to sensitize civil servants and citizens to the issues; nationwide dissemination of the results of the survey on corruption; and the enactment of a Law on Asset Declaration. The latter was approved in June 2008 and is available on the ULCC website. The report on first year compliance was submitted by the ULCC to the CSC/CA and to the Presidents of the Senate and Lower House on April 24, 2009. By the end of 2009, 395 persons had submitted their forms and, once the Asset Declaration Law becomes fully effective, the ULCC is expecting about 9,000 declarations. Twelve corruption cases were transmitted to the judicial and administrative authorities, which exceeded the target (eight cases).

5. **Built Communication Processes and Public Outreach**: The project helped to move forward the civil society monitoring reports which review the progress of the economic governance reforms supported by the Country Strategy. The reports are available at www.mefhaiti.gouv.ht/societecivile. The fourth of these reports was completed in September 2009. The director of ULCC estimated that approximately 2000 people participated in the outreach activities supported by the Bank and considered that public understanding about the existence of the ULCC and of corruption had increased as a consequence of those activities (no surveys available).

3.3 Efficiency

(Net Present Value/Economic Rate of Return, cost effectiveness, e.g., unit rate norms, least cost, and comparisons; and Financial Rate of Return)

52. Technical assistance projects are usually not subject to cost-benefit- or economic analysis. Furthermore, it is always difficult to measure the efficiency of institutional reforms, especially under fragile state conditions. As per the ICR guidelines, efficiency in the outcome rating is gauged by asking whether the costs involved in achieving project objectives were reasonable in comparison to both the benefits and recognized norms ("value for money"). It is worth noting that with just US$2 million, the project leveraged a significant volume of results for six different beneficiaries. In that perspective the project can be regarded as efficient. The project disbursed a total of $ 2, 056 418 or 103% of the original USD equivalent funds, benefitting from a gain in the exchange rate.

3.4 Justification of Overall Outcome Rating

(combining relevance, achievement of PDOs, and efficiency)

Rating: Satisfactory

53. A satisfactory overall outcome rating seems justified and it is in line with the implementation status ratings at the end of the project. As explained earlier, EGTAG1 is considered as very relevant to Government and Bank priorities. It contributed positively by building capacity and facilitating the Bank's re-engagement in Haiti and supported key pillars of the Government's poverty reduction strategy. Despite delays in implementation and execution of the project, at closing, the project has met all the objectives, namely it: i) improved the Ministry of Finance's ability to program, execute and track use of public resources and better link them to concrete development goals; ensured an adequate performance of the external, ex-post control function by the CSC/CA; and helped the CNMP grow into its role as overseer of procurement practices, while making open, competitive procurement the rule rather than the exception; (ii) advanced the development of a human resource management plan and system, especially as regards ensuring adequate capacity in the financial management system; (iii) advanced the development of the ULCC as an effective check on corruption while also encouraging greater involvement of civil society in its own operations and as a monitor of public sector reform; and (iv) ensured, as part of the project management process, an adequate system for communicating information on the reform programs and mobilizing public support for their furtherance. In terms of outcome indicators, all three project development objective indicators have been achieved and in addition, a number of intermediate result indicators were exceeded, including the indicators on the number of accountants trained (39, as opposed to the target of 15), the reduction in non-competitive procurements (reduced to 20.8% compared to a target of 28%) and the number of corruption cases processed (12, compared to a target of 8). This is a considerable achievement under the extremely fragile and volatile circumstances in which the project was implemented.

3.5 Overarching Themes, Other Outcomes and Impacts

(if any, where not previously covered or to amplify discussion above)

(a) Poverty Impacts, Gender Aspects, and Social Development

54. As the project focused on institution building and improving economic governance through technical assistance, the poverty, gender and social development implications are of an indirect rather than direct nature. However, as explained earlier, the project made positive contributions to improving civil society capacity. It can be argued that the results achieved with the public financial management systems may alleviate poverty in the longer term and that improving economic governance has the indirect positive effect of reducing poverty and promoting social development in the country. Haiti has struggled to overcome a legacy of predatory governance, e.g. slavery, colonialism, dictatorship, demagoguery, and narco-criminality, fueling cyclical social and political violence compounded by geographical vulnerabilities exposing Haitians to repeated natural disasters. Encouraging greater accountability and transparency in economic and other governance matters is critical for progress in normalizing state-society relations, which in turn is key to enabling sustainable development and poverty reduction. However, the same reason that makes this issue of critical importance also makes it extremely difficult to address: namely, the highly polarized and politicized nature of Haitian society – which is then reflected in both civil society and in the public sector. Overall, the Bank's operations, especially the capacity building initiatives, would benefit from sound social and conflict analysis of the stakeholders, dynamics, interests and trends.

(b)Institutional Change/ Strengthening

(particularly with reference to impacts on longer-term capacity and institutional development)

55. Both the LICUS grant and EGTAG1 helped to build government capacity, especially in budget preparation and execution, procurement and anti-corruption measures. This has also had a positive impact on the country's budget support absorption capacity. The capacity building achieved under the technical assistance grants enabled faster preparation of the EGRO development policy loans. Overall, there have been significant improvements of public financial management reforms in Haiti in recent years. The key areas of progress include budget preparation, execution, and control. The FY2008 budget was submitted to Parliament before the start of the fiscal year. The FY2009 budget was also submitted to Parliament, albeit late. This was mainly due to the political stalemate and exogenous shocks, which slowed the budget preparation process. However, the FY2008 and FY2009 budgets reflect the key priorities of the DSNCRP. Moreover, the coordination and consultation process between the Ministry of Economy and Finance, the spending ministries and the Ministry of Planning has improved during budget preparation. The budget classification system has also improved on both the expenditure and the revenue sides. The classification is based on the administrative and economic nature of the expenditures and is relatively close to international standards. To this end, the FY2008 and FY2009 budget laws also include a specific line for recurrent budget allocation for the Road Maintenance Fund (*Fonds d'Entretien Routier, FER*) as well as a line item for counterpart funds of about 9 and 6 million gourdes, respectively. Public expenditures executed through the "*comptes courants*" accounted for 3 percent of total operating expenditures excluding wages at end-February 2009.[7]

56. The most important results related to the EGTAG1 include: (i) Passing of the new procurement legislation (ii) New debt management system up and running (iii) Budget preparation and execution manual prepared (iv) National civil service database set up, all civil servants included (v) Improvement of both the capacity and equipment/facilities of CNMP, CSC/CA, ULCC, and CEFOPAFOP–the details are explained in the previous chapters as well as in the annexed results framework. Several of the EGTAG1 activities are continued under EGTAG2. However, the consolidation of EGTAG2 efforts around the budgeting functions and focusing on a more limited number of beneficiaries leaves out some agencies that were expecting to benefit from Bank support. Therefore, the future needs of the EGTAG1 beneficiaries should be revisited as part of the possible preparation of EGTAG3, especially considering the post-earthquake scenario.

57. The project contributed positively to donor coordination in Haiti even if aid harmonization continues to be a challenge. The Bank has had an active role in the economic governance coordination group led by the GoH. The Government prepared an 18-month priority program ahead of the donor conference that took place in April 2009. The

[7] World Bank: Haiti: Second Economic Governance Reform Operation (EGRO II), IDA Grant Number H269-0-HA, Release of the Floating Tranche – Proposed Partial Waivers of Four Conditions, June 2009

overall framework of the strategy is based on the DSNCRP and seeks to maintain stability, safeguard the progress already achieved, overcome the current crisis, and ensure that the country continues on a path towards economic security. It calls for immediate measures to: (i) balance public finances; (ii) create jobs rapidly; (iii) reduce vulnerability to natural disasters; (iv) stimulate the economy; and (v) maintain access to basic services (health and education). It also outlines proposals to strengthen development coordination.

58. The World Bank and the Inter-American Development Bank (IDB) cooperated closely on analytical activities and operations. The two institutions jointly prepared the Public Expenditure Management and Financial Accountability Review (PEMFAR), completed in 2008. Cooperation and coordination also took place at the project level in areas where both institutions are active, including public financial management, civil service management, procurement, and anti-corruption. Sharing the PIU with the IDB has been a promising experience and has helped to improve coordination and find synergies between the different institutions supporting the same sector. Preparation of the follow-up operation EGTAG2 was undertaken in close collaboration with other donor agencies active in the area of economic governance including the IDB, the United States Agency for International Development (USAID), the European Union (EU), the United Nations Development Programme (UNDP) and the Canadian International Development Agency (CIDA). However, the procedures used by the donors would also need to be harmonized, including the auditing processes that are currently very labor intensive. It was suggested in various ICR consultation meetings that the new procurement framework could be used as a platform for donor harmonization in Haiti. The matrix of donor support to economic governance reform agenda in Haiti is included in Table 4 of Annex 9.

(c) Other Unintended Outcomes and Impacts (positive or negative)

59. The project helped several supported institutions to define their strategic vision as some beneficiaries have developed a strategic plan for their institutions (Unité de Lutte contre la Corruption, ULCC; Office de Management des Ressources Humaines, OMRH; and Cour Supérieure des Comptes et du Contentieux Administratif, CSC/CA).

60. The capacity built by EGTAG1 contributed positively to implementation of the Economic Governance Reform Operations and other Bank-financed projects in the Haiti portfolio. The implementation of some of the planned reforms under EGRO II was delayed due to difficult circumstances, including the precarious security situation, the political stalemate and the food crisis in 2008. As a result, partial waivers for the release of the second tranche were provided in four areas:[8] (i) adoption by key sector ministries and public enterprises (Ministries of Education, Health, Public Works and Justice, and EDH and APN) of standard bidding documents and a procedures manual prepared by CNMP; (ii) improvement of human resource management by updating and thereafter maintaining an updated registry of state employees and defining a system, applicability and procedures for new merit-based appointments and promotions; (iii) competitive procurement in any further contractual arrangements for the purchase of power (whether through new contracts or the modification or extension of existing contracts) for the supply of electricity to Port-au-Prince and the main provincial towns, with due regard for IDA's environmental recommendations on that matter; and (iv) regular publishing on the MEF website, circulation to the media and transmission to Parliament of summaries of civil society organization quarterly monitoring reports after their adoption by the Consultative Committee and discussion with the MEF on progress achieved. Based on the EGTAG1 implementation completion review, it seems that by the end of EGTAG1 there were improvements in several areas where the waivers were issued.

61. The EGRO III Program Document acknowledges the importance of the technical assistance grants for the implementation of the EGRO loans. "Two ongoing Economic Governance Technical Assistance Grants (EGTAG 1 and 2, US$2 million each) have been helping the Government to strengthen its institutional capacity in the areas of public resource management. EGTAG1, approved by the Board in January 2005, was a core component of IDA's Transitional Support Strategy (TSS) for Haiti, aimed at restoring the credibility of public institutions in the wake of the political turmoil of the early 2000s. The project built on important advances made by the LICUS Economic Governance Grant (US$1.5 million) program, approved in November 2004, which provided immediate technical and financial assistance for institutional strengthening."

[8] For more information on the fulfillment of EGROII second tranche release conditions, see the EGRO Tranche Release Document.

62. By financing the debt management system through UNCTAD, EGTAG1 helped the Government meet one of the triggers for debt relief under the Highly Indebted Poor Countries (HIPC) initiative - enabling the Bank and IMF to cancel $1.2 billion of Haiti's debt on schedule at the end of June 2009. An additional unforeseen benefit of the UNCTAD contract was that it has served as a model for subsequent agreements signed by the Government with UN agencies for the provision of other critical services. The experience gained by the EGTAG project implementation unit in negotiating the UNCTAD contract enabled the Government to replicate quickly the positive experience of "contracting" UN agencies to provide support to the Health Ministry (Pan-American Health Organization's agreement for Health Surveillance System) and, most recently, to the Public Works Ministry (UNOPS for Labor-intensive Emergency works on Jacmel Road).

63. In the establishment of a civil society monitoring mechanism, there was initially some confusion between its role in promoting transparency and public accountability, on the one hand, and communications/public outreach of the government's economic governance reforms, on the other. These two objectives, while complimentary, can be potentially in conflict and for future operations it is recommended that they be carried out by separate agencies. Given the fragmentation of civil society organizations in Haiti, it was decided to try to create a new mechanism to perform the function of external monitoring. However, this proved to be difficult as a large part of the exercise then needed to be devoted to establishing internal organization, a shared vision of this new mechanism and compatible policies – somewhat delaying its ability to perform any monitoring role. The costs and benefits of trying to create a civil society mechanism *de novo* should be careful weighed up in future operations. On the World Bank side, more could be made of the Bank's convening power at senior levels of the GoH to ensure that civil society monitoring is taken seriously. Finally, given the extremely weak capacity of civil society in Haiti, there should be more resources committed to capacity building of civil society itself to be able to perform any monitoring function, and this should be provided through continuous in-country support (possibly by a third party specializing in civil society capacity building). The exercise would also benefit from more South-South learning (for both civil society and government - on lessons learned from similar experiences in other countries). Overall, the Bank operations, especially the capacity building initiatives, would benefit from sound social and conflict analysis of the stakeholders, dynamics, interests and trends.

64. Most of the material development results achieved by the Government of Haiti were slashed overnight as a consequence of the January 2010 earthquake. At the time of writing this implementation completion review the post-disaster assessments have not been completed. It is, however, clear that both the results achieved by the project and the implementation capacity of Haitian institutions has been dramatically affected by the earthquake. The intellectual results such as the legislation, improvements to the budget process, and capacity built under the EGTAG1 project will hopefully help in the rebuilding of Haiti. The US$65 million Haiti Infrastructure and Institutions Emergency Recovery Project that was prepared in the aftermath of the earthquake has two components related to economic governance and institutional support, where the EGTAG-experiences are of particular value. Component 2 of the project, re-establishing key economic and financial functions of the Government (US$10 million) includes the reinstatement of the Ministry of Finance's regular functions and aims at enabling key government officials and ministries to plan and direct the long term reconstruction program. Component 4 on Institutional Support, Reconstruction Planning and Project Management (US$5 million) is also related to the EGTAGs as the component will support the functioning capacity of key Haitian institutions that are part of the Government of Haiti crisis governance framework. It will also contribute to supporting planning activities for the short, medium and long-term reconstruction phases. The lessons learnt from the EGTAG should be considered in the design and implementation of the emergency operation.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

(optional for Core ICR, required for ILI, details in annexes)
Not applicable.

4. Assessment of Risk to Development Outcome

Rating: High

65. There are four main types of relevant risks: natural disaster-related risk, economic risk, political risk, and institutional capacity risk. The results achieved by the EGTAG1 have changed as a consequence of the 2010 disaster. At the time of writing of this report, the assessment of the emergency situation in Haiti is ongoing and it is not possible to reflect the findings here, but it is clear that both the results achieved by the project as well as the implementation capacity of Haitian institutions has been dramatically affected by the earthquake.

66. **Haiti is highly vulnerable to natural disasters including earthquakes, hurricanes and flash floods.** Frequent occurrence of large scale natural disasters derails the Government's reform efforts and diverts resources from the longer-term development agenda towards more urgent recovery and reconstruction needs. The Bank's ongoing portfolio of emergency recovery projects directly addresses this risk. In addition, the Bank will be able to respond to any future natural disasters by reallocating funds from pipeline or existing projects or other sources, including trust funds.

67. **The economic downturn in major international economies could have a serious negative impact on Haiti, through reduced remittances, donor funding and investment.** There is evidence of an impact in these areas already, which could jeopardize macroeconomic stability, poverty reduction, human development and private sector development in Haiti. Support from the Bank and other donors will be a mitigating factor for Haiti in these areas, but a serious crisis would also reduce the overall effectiveness of that assistance. In addition, the country is extremely susceptible to external shocks. As in 2008, extreme poverty and dependence on imported food and fuel could exacerbate the effects of the international commodity markets on Haiti. Strengthening food security, including through raising agricultural output, which has become a strategic priority for the Government and donors, would help mitigate such a risk.

68. **Haiti remains vulnerable to the political and social instability that has historically undermined development and the implementation of donor programs in the country.** Violent protests on several occasions during the implementation of the project illustrate the continuing fragility of Haiti. Difficult socio-economic conditions and multiple elections increase the risk of the recurrence of instability in the coming years. However, the active participation of government officials in the dialogue with development partners -- including the World Bank -- in the past provides assurance that Haiti will stay the course and continue implementing key economic reforms supported by the present Operation. Similarly, the presence of UN forces and the strong commitment of the international community, including the Bank Group, to supporting the Government and its reform program are stabilizing factors.

69. **Weak institutional capacity and delays that could arise from capacity constraints also continue to constitute important risks.** Despite achievements in terms of building up capacity in the Ministries of Finance and Planning, major constraints to the implementation of reforms remain due to weak institutional capacity to prepare, implement and oversee reforms. The risk of limited implementation capacity is mitigated by (i) sustaining reforms that have started generating positive results in terms of the country already having developed stronger capacity, for instance in public finance management and procurement; (ii) concentrating on a limited number of themes/areas; (iii) ensuring that the most difficult reforms are undertaken up-front; (iv) donor harmonization, which reduces the number of activities to be implemented by the Government and helps target technical assistance more efficiently; and (v) funding for critical actions. Haiti's development partners are providing financing for procurement, revenue mobilization capacity, transparency and governance programs and budget management reforms. The Bank will coordinate with the community of donors to enhance synergy and improve the efficiency of the EGRO III.

5. Assessment of Bank and Borrower Performance

(relating to design, implementation and outcome issues)

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

(i.e., performance through lending phase)

Rating: Moderately Satisfactory

70. The operation was put together under a tight timeline right after a period when the Bank had not had operations in the country (1997-2003). The project preparation and implementation had to be started with very low capacity levels, which caused a six months' delay in effectiveness as it took longer than expected both to hire the PIU staff and help the beneficiaries to get started with the project activities. In practice, this was also reflected in problems among the beneficiaries understanding the financed activities, which in turn resulted in time-consuming requests for activities that were outside the scope of the project.

71. The project benefited from lessons learnt from earlier operations, and especially from the LICUS grant experience, and the risks were adequately addressed. The fact that the project was prepared under a tight timeline and split into two phases caused an additional burden for both the Bank and the counterpart teams. It can be argued that the high number of project beneficiaries contributed later to the delays in project implementation. As explained earlier, the monitoring and evaluation aspects of the project were not appropriately addressed, and there were issues with the baseline data and the indicators. Considering the circumstances, the Bank's performance in ensuring quality at entry is rated as moderately satisfactory.

(b) Quality of Supervision

(including of fiduciary and safeguards policies)

Rating: Satisfactory

72. The supervision of EGTAG1 improved notably in the course of project implementation and is rated satisfactory at the closing. Over the lifetime of the project, according to the implementation status reports, progress towards the project development objectives, implementation progress, supervision, procurement and financial management were always rated either satisfactory or moderately satisfactory. The most problematic area of supervision seems to be the monitoring and evaluation, which was rated as satisfactory five times, moderately satisfactory three times and once as moderately unsatisfactory. The staff turnover and especially the frequent change of TTLs had implications for project implementation. During the first years of project implementation, the Country Management Unit (CMU) could have played a more active role in the supervision. Some of the implementation status reports were lacking comments from the CMU. The initial supervision efforts were performed mostly by staff at headquarters and there could have been a stronger involvement of the field office. However, it should be noted that when the project was being designed, the Haiti Office had just been reopened and it was in the process of being staffed, and that these issues were addressed during the implementation of the project.

73. Following the changes to the overall economic governance portfolio in 2008, the team developed with the Government an approach that was more intensive than usual, both to ensure that the project would be implemented in a timely fashion and also to boost the capacity of the different beneficiaries. The team, strengthened with a local consultant in Port-au-Prince and a Senior Procurement Specialist, had weekly meetings with the PIUs and frequent interactions and meetings with the beneficiaries. The ICR peer reviewer described the strengthened supervision arrangement as impressive and the positive impact to the project results is highlighted in the Borrower's comments to the ICR. It is worthwhile to notice that 68% of the project's disbursements were made from 2008 onwards.

74. Arguably, some of the implementation delays could have been prevented if the strengthened supervision arrangements had been in place from the start of the project. In addition, during the restructuring of the EGTAG2, the

team was able to have several strategic workshops with all the beneficiaries. Therefore, this project also acted as a coordination device for the GoH. There are no major unsolved fiduciary issues to report.

(c) Justification of Rating for Overall Bank Performance

Rating: Satisfactory

75. Despite the political and natural disasters and the extremely fragile circumstances, the project managed to close in a reasonable amount of time and achieved, and in some cases exceeded, the intended results. The project was extended twice but both extensions were well justified, first because of delayed effectiveness and, second, because four major hurricanes had hit the country. Especially after the re-organization of the economic governance portfolio in 2008, the Bank team took a more proactive and innovative approach in project management that was perceived as very positive improvement by the project counterparts. The EGTAG1 was crucial in building capacity, preparing the re-entry of the Bank and speeding up the preparation and disbursement of the EGRO loans.

5.2 Borrower Performance

(a) Government Performance

Rating: Satisfactory

76. The commitment of the Government, at both senior (ministerial) and technical levels, was essential to the success of the project. The Government was consulted during preparation of the project and had an active role in getting the project effective and implemented. Political support for the project remained despite the frequent changes to the Government. The counterpart funding was rated as satisfactory throughout the project.

(b) Implementing Agency or Agencies' Performance

Rating: Satisfactory

77. The project implementation unit has experienced a steep learning curve since the beginning of the activities and its performance at the end of the project is rated as satisfactory. The operation was prepared under a tight timeline right after a period when the Bank had not had operations in the country (1997-2003) and the number of beneficiaries added complexity to the implementation of the project. Consequently, project preparation and implementation had to be started with very low capacity levels, which caused delays in both the effectiveness and implementation of the project. The project beneficiaries reported some delays in eliciting responses to the non-objections from the PIU but the implementing agency performance improved notably under the strengthened supervision arrangement. The PIU capacity would need to be continuously reinforced, especially after the January 2010 earthquake and if other EGTAGs are to be prepared. It would be recommendable to hire a monitoring and evaluation specialist for the PIU to work on the baseline and continuous M&E.

(c) Justification of Rating for Overall Borrower Performance

Rating: Satisfactory

78. The overall performance of the Borrower is rated **Satisfactory** for the reasons outlined above. The high number of beneficiaries added complexity to PIU operations and explained to some extent the implementation delays. Borrower performance has been a critical factor in the success of the project and achieving the results under difficult circumstances.

6. Lessons Learned

(both project-specific and of broad general application)

79. EGTAG1 was an invaluable learning experience for both the Bank and the Government of Haiti. The design and implementation of the proposed operation teach us several important lessons:

80. **Re-engaging in Fragile States:** The LICUS and EGTAG projects represented a good fragile state case example of starting the re-engagement with small trust funded pilots that were scaled up with IDA resources. The trust funding was crucial in building capacity and preparing the re-entry before the IDA financing was made available. The impact of the technical assistance operations went beyond the results listed in the results framework by improving the budgeting functions of the GoH and supporting the implementation of the rest of the Bank's portfolio in Haiti. Linking the technical assistance and budget support created synergy and reinforced the Government's commitment to progress under the technical assistance arrangement. The project also shows that it is extremely important to maintain close collaboration with the Government and the donor community.

81. **Institutional reform in fragile states takes time and resources**: The experience of EGTAG1 demonstrates that institutional reform takes time and requires intensified supervision. Even with a large supervision budget, it is often difficult to mobilize specialists in all the areas addressed by the project (civil society, anti-corruption work, budget reform, procurement reform, and human resources reform). The fragile conditions - in the case of Haiti especially the political instability, natural disasters and low capacity within the institutions supported - have an impact throughout the project cycle by slowing down preparation and implementation and endangering the sustainability of the results. A step forward can be followed at any time by a giant leap backwards. Keeping the fragile state operations as simple as possible would likely contribute to shortening implementation delays. In fact, the EGTAG2 restructuring in November 2009 narrowed down the follow-up project's scope and beneficiaries to focus on supporting the Government in its budgeting functions.

82. **Approaching Economic Governance and Project Design:** While the two-phase approach of having two separate projects for the EGTAGs was justified by political factors and by the need to link the assistance to performance, for similar future operations, pooling funding for the Bank operations as well as between the different donors should be considered in order to ease the administrative burden for the Bank teams as well as for the counterparts. The scope of the project was wide for the limited amount of financing available. However, given the interconnections between the economic governance actors, leaving some of the agencies out of the scope of support could have had serious repercussions on the results achieved under other components. Selecting the beneficiaries based on their relevance for performing core state functions, such as budget preparation, execution, control and procurement and previous experiences with the Bank and other donors should always be considered. As a consequence of the delays in implementation, it was felt that the needs of the beneficiaries had changed to some extent. This was tackled on two occasions by reallocating resources within the components to better meet the needs of the institutions supported. This case confirms the need to allow flexibility in fragile state situations..

83. **Security Issues:** Several project beneficiaries suffered serious security problems during project implementation of the project. Consideration needs to be given to ways in which the Bank could provide better security arrangements for the colleagues, on both the Bank and Government side, who participate in the implementation of Bank-financed projects. Security aspects should be taken into account during project planning and budgeting.

84. **Project Preparation:** The Government was consulted during preparation of the EGTAG1, but it was pointed out that, in future operations, such preparation could be more consultative, while keeping in mind the capacity constraints and pressures from other donors. In addition, there could be additional support to the Government and beneficiaries between approval and effectiveness – in practice that would mean, for instance, drafting the TORs and explaining to the supported institutions the contents, objectives and procedures of the project.

85. **Project Implementation.** The project was prepared and implemented under extremely challenging political and natural circumstances, in a setting in which the capacity to implement projects is very low. These factors ended up delaying the implementation of the project. However, at the closing, the project has achieved most of its initial objectives.

There are no shortcuts or quick wins in building project implementation capacity in fragile states. That inevitably takes time and resources.

86. **Supervision:** The Bank's supervision was proactive and the strengthened supervision arrangement toward the end of the project was exemplary. In fact, in the case of EGTAG1, some of the implementation delays could have been prevented if such arrangements had been in place from the start of the project. It is essential to have a frequent exchange of information between the Bank and the project implementation staff as well as continued in-country support for supervision of the project. It is important to have country-based colleagues to help to move the agenda forward and participate closely in the supervision of the project. It is also essential to monitor the delays with non-objections. It would be important to aim at reducing the rotation of the task team leaders in order to minimize disruptions to the operations.

87. **Donor Coordination**: Sharing the PIU with the IDB and the active participation of the Bank in the Economic Governance group lead by the GoH have been promising experiences and have helped to improve coordination and to find synergies between the different institutions. New innovative approaches are needed to enhance donor coordination. Once it is fully implemented, the new procurement legislation could provide a platform for the donors to harmonize their procurement procedures in Haiti. Pooling the funding from the donors supporting the same sectors would improve aid effectiveness, help leverage the results of small-scale operations and put less stress fon the Government counterparts implementing the projects.

88. **Enhancing civil society capacity in fragile states:** It is recommended that, for future operations, promoting transparency and public accountability, on the one hand, and communications and public outreach of the government's economic governance reforms, on the other, would be conceptually separated. Overall, Bank operations, especially the capacity building initiatives, would benefit from sound social and conflict analysis of the stakeholders, dynamics, interests and trends. More could be made of the World Bank's convening power at senior levels of the Government to ensure that civil society monitoring is taken seriously. Given the weak capacity of civil society in many fragile states, there should be more resources committed to capacity-building of civil society itself, in order to enable it to perform any monitoring function, and they should be provided through continuous in-country support (possibly by a third party specialized in civil society capacity building). There could be also more South-South learning initiatives, based on lessons learned from similar experiences in other countries for both civil society and government.

89. **Sustainability:** Already in the pre-earthquake scenario, most of the results achieved under EGTAG1 were dependent on continued Bank support. The situation after the earthquake is being assessed at the time of writing this report but it seems inevitable that many of the steps taken forward have been dramatically reversed as the worst-case scenario related to natural risks materialized in early 2010. The lessons learnt from the EGTAG1 project will be taken into account in the design and implementation of the emergency recovery operations that the Bank supports.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

90. At closing of the project, the borrower hired an external consultant to carry out an independent evaluation of the project.[9] The borrower also prepared comments to the ICR that are included in Annex 7. Overall, the borrower shares the Bank's perception on the project results. The borrower's comments to the ICR emphasize the need to keep the project design simple, to continue to build the capacity of the PIU and the project beneficiaries, and to harmonize donor procedures (especially between the World Bank and the IDB). The borrower's comments also stress the positive impact of the strengthened supervision arrangements to achieve the results of the project.

91. In addition, the key points raised by the PIU Coordinator during the implementation completion review meeting[10] are the following:

- **Context:** The project was implemented under extremely challenging political and natural circumstances that ended up delaying implementation of the project (there were two extensions).
- The **most successful results** according to the coordinator at the closing of EGTAG1 include: (i) Passing of the procurement law (ii) Setting up HR and Debt management databases and (iii) Training and facility upgrades for CEFOPAFOP. All three institutions would need continued support to be able to implement the law and maintain the databases.
- The **civil society component** of EGTAG1 was felt to be problematic. Even though it is necessary to continue to improve the civil society organizations' capacity on transparency of public finances, the approach needs to be reconsidered. The Civil Society consultation committee that was set up experienced problems with representativeness. There are no existing national civil society consultation platforms in Haiti. Other donors, such as USAID and EU also provide support. The civil society debates and other events organized by the country office are felt to be useful.
- **The PIU** has experienced a steep learning curve since the beginning of the activities but its capacity would need to be reinforced, especially if other EGTAGs are to be prepared. The PIU currently has a staff of four. The coordinator feels that the dual role of the PIU is problematic – the PIU members are considered Ministry staff from the Bank perspective and Bank staff from the Ministry perspective. The PIU exists in the government structure but should be better integrated. The PIU would also need resources to upgrade its office space. Due to the limited number of staff, they are too busy to participate in training activities and consequently the budget allocations for training have not been used. The PIU would need a monitoring and evaluation specialist to work on the baseline and continuous M&E. Some criticism was expressed of the Bank's tendency to judge the effectiveness of projects too strictly by speed of disbursements.
- **Donor coordination:** Sharing the PIU with the IDB has been a positive experience and it has improved coordination between projects in the same sector. However, the procedures used by the donors would also need to be harmonized, including the auditing processes that are currently very labor intensive. It was suggested in various meetings that the new procurement framework could be used as a platform for donor harmonization in Haiti.
- **Project design and effectiveness:** The Bank needs to make sure that the national authorities are adequately involved in project design – although at the same time the GoH is suffering from capacity constraints – especially considering the large amount of donor pressures from different organizations. It was suggested that the preparation of the next EGTAG could be more consultative and there would be additional support to the GoH between approval and effectiveness – for instance, in drafting the TORs and explaining to the supported institutions the contents, objectives and procedures of the project.
- **Project supervision**: The project coordinator had not experienced serious delays with obtaining non-objections from the Bank (normally they come through in less than a week) and the weekly video-conferences

[9] Government of Haiti (Ministère de l'Économie et des Finances, Unité de Coordination du Projet): Projet d'Assistance Technique à la Gouvernance Économique EGTAGI H1660-HA, Évaluation Finale de EGTAG1, Rapport Final par Richard Mathelier, September 2009.

[10] Meeting with the Head of the PIU, EGTAG1, Port-au-Prince, Haiti, 7 December, 2009.

as well as the availability of the local consultant to support with implementation of the project were considered improvements to supervision by the Bank. The project coordinator suggested that it would be good to have the Bank staff based in Port-au-Prince, or to visit more often.

- **Financial Management:** At the closing of the project, a total of $ 2, 054 007 or 103% of the original USD equivalent funds was disbursed. The project benefited from the fluctuation of the exchange rates, which covered the additional 3%.
- **Lessons learnt:** An independent project evaluation report has been drafted by a consultant (Richard Mathelier). The Project Coordinator did not express views differing from the contents of the report.
- **Next steps:** The team reminded the PIU of the importance of completing the last disbursements by the deadline and discussed borrower responsibilities concerning the project completion report. The results for each component of the project were discussed; the findings are included under the assessment of the situation of each of the beneficiaries.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Component 1-Financial Resource Management	1.30	1.430	110%
Component 2-Human Resource Development	0.30	0.324	108%
Component 3- Anticorruption Unit	0.23	0.197	86%
4-Communication, Coordination and Project Management[11]	0.17	0.105	88%
Total Baseline Cost	2.00	2.056[12]	103%
Physical Contingencies	0.00	0.00	0.00
Price Contingencies	0.00	0.00	0.00
Total Project Costs	2.00	2.056	103%
Front-end fee PPF	0.00	0.00	.00
Front-end fee IBRD	0.00	0.00	.00
Total Financing Required	0.00	2.00	

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Borrower		0.00	0.00	.00
IDA GRANT FOR DEBT VULNERABLE		2.00	0.00	.00

[11] At the appraisal, the allocation for 'Project management, coordination and communication' was $120 000. The un-programmed $50 000 contingency is included under component 4 in the appraisal estimate.

[12] The project benefited from a gain in exchange rates

Annex 2. Outputs by Component
EGTAG 1 Results Framework

Status of agreed outcomes indicators:						
Indicators	**Measurement** *Insert the measured value, or a qualitative indicator, or a brief explanation of why indicators are not available, together with the date of the information*					
	Baseline Value		Progress To Date		End-of-Project Target Value	
	Number or text	Date	Number or text	Date	Number or text	Date
PDO indicator(s)						
Percentage of unprogrammed budget resources (Text Description) - Custom Indicator	4%	11/01/2005	Target achieved. According to government estimates, the unprogrammed resources in budget year 2009-2010 are estimated to be 361 million gourds, while the total budget is 88.9 milliard gourds. The unprogrammed resources are 0.4% of the budget.	12/10/2009	2%	11/01/2007
	Comments:		Comments: (Source: Direction Générale du Budget) However, the Bank's FM specialist has noted that while the government has made a significant effort to capture all resources, some, such as those collected directly by some Ministries such as University enrollment fees, sales of drugs or services, may not be captured and it is difficult to estimate what they amount to.		Comments:	
Percentage of non-salary public expenditures going through comptes courants(Text Description) - Custom Indicator	10%	11/01/2004	Achieved. Currently estimated at less than 3% of total nonsalary current public expenditures.	12/10/2009	eliminate use of comptes courants	11/01/2007
	Comments:		Comments:		Comments:	
Percentage of external financing included in public budget (Text Description) - Custom Indicator	TBD	06/30/2005	Target achieved. All external financing is included in the budget.	12/10/2009	100%	12/01/2007
	Comments:		Comments: Source: Direction Générale du Budget)		Comments:	
Intermediate outcome indicator(s)						

Number of comptables designated and trained (Text Description) - Custom Indicator	0	06/30/2005	Achieved target exceeded: 39 have been designated trained and deconcentrated in different institutions	12/10/2009	15	12/07/2007
	Comments:		Comments:		Comments:	
Number of auditors hired, trained, and doing audits for CSCCA (cumulative) (Text Description) - Custom Indicator	0	06/30/2005	Achieved. 30 auditors from the CSCCA have been trained. As a result the backlog of audit reports (fiscal years 2003-2006) has been cleared.	12/10/2009	15	12/07/2007
	Comments:		Comments:		Comments:	
Percentage of noncompetitive procurements (Text Description) - Custom Indicator	35%	06/30/2005	Achieved 20.8 % of non competitive procurement (so more than 20% of reduction) f or the 2006-2007 period: as per CNMP data, out of the 192 bids approved 20.8% were non competitive. See comments in PDO	12/10/2009	20% reduction	12/07/2007
	Comments:		Comments:		Comments:	
Number of public employees in Human Resource Unit record (Text Description) - Custom Indicator	40,000	06/30/2005	Achieved. All public servants were included in the OMRH database. Further activities are planned to continue this HR process under EGTAG II	12/10/2009	50,000 in OHR record (transferred from MEF)	12/07/2007
	Comments:		Comments:		Comments:	
Development of plan for creation of permanent human resource office (Office for Management and Human Resources, OMRH) (Text Description) - Custom Indicator	No Plan	06/30/2005	Achieved and related implementing activities ongoing. The OMRH was created by Decree of 05/17/05 and the Programme Cadre de la Réforme de l'État 2007-2012 is being implemented	12/10/2009	Approval of Plan	12/07/2007
	Comments:		Comments:		Comments:	
Corruption cases identified by ULCC referred to judiciary for prosecution and follow-up (Text Description) - Custom Indicator	0	06/30/2005	Achieved and target exceeded. The Anti-Corruption Unit (ULCC) transmitted 12 cases to the competent authorities (administrative and judicial) and has been following up.	06/22/2009	8	12/07/2007
	Comments:		Comments:		Comments:	

Number of reports produced by CSO monitors and actions taken in response by agencies monitored (Text Description) - Custom Indicator	0	06/30/2005	Achieved; CSO produced 5 reports published on the EGRO I and are available at www.mefhaiti.gouv.ht/societe civile (last report published in June 2006 and additional report to come)	12/10/2009	4/4	12/07/2007
	Comments:		Comments:		Comments:	
Coverage of donor economic governance activities in PCU data base (Text Description) - Custom Indicator	No data base	06/30/2005	Not Achieved because not applicable; a draft data base was conceived by the PCU at the beginning of the project; however the PCU does not have the authority to elicit information on economic governance.	12/10/2009	Data base tracks program progress	12/07/2007
	Comments:		Comments:		Comments:	
Ability of the general public to identify elements of MEF's reform programs. (Text Description) - Custom Indicator	TBD	06/30/2005	Partially Achieved through 2 comp. of the project: component 3 and 4 on civil society and communication, which raise awareness of civil society on governance reform (no survey expected)	12/10/2009	50% of those surveyed can identify 4 elements	12/07/2007

Table 2: Summary of the EGTAG1 ISR Ratings

ISR number	ISR Date	Project Development Objective	Implementation Progress	Financial Mgmt	Project Mgmt	Counterpart Funding	Procurement	M&E
10	12/21/2009	S	S	S	S	S	S	S
9	7/29/2009	S	S	S	S	S	S	S
8	6/25/2009	S	S	S	S	S	S	S
7	11/12/2008	S	S	S	S	S	S	MS
6	6/23/2008	MS	MS	S	MS	S	S	MU
5	12/17/2007	MS	MS	MS	MS	S	MS	MS
4	6/20/2007	MS	MS	S	MS	S	MS	MS
3	6/27/2006	MS	MS	S	S	S	S	S
2	7/29/2006	MS	MS	MS	S	S	MS	S
1	2/22/2006	S	S	S	S	S	S	S

Annex 3. Economic and Financial Analysis

(including assumptions in the analysis)

Not applicable

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Supervision/ICR			
Solange A. Alliali	Sr Counsel	LEGLA	
Alexandre Arrobbio	Sr Public Sector Mgmt. Spec.	LCSPS	
Ana Bellver Vazquez-Dodero	Sr Public Sector Mgmt. Spec.	LCSPS	
Franka Braun	Carbon Finance Specialist	ENVCF	
Hilarion Bruneau	Consultant	CTRFC	
Susana Carrillo	Senior Governance Specialist	WBIGV	
Joseph Irvens Denis	E T Consultant	LCCHT	
Auguste Tano Kouame	Lead Economist and Sector Lead	LCSPR	
Stephanie Anne Kuttner	Consultant	EASTS	
Patricia E. Macgowan	Consultant	LCSPT	
Carmen Machicado	Operations Officer	LCSPS	
Jesus Martinez	E T Consultant	LCSPS	
Maria Del Carmen Minoso	Senior Operations Officer	LCSPS	
Fabienne Mroczka	Financial Management Analyst	LCSFM	
Ahmadou Moustapha Ndiaye	Manager, Financial Management	ECSC3	
Mark Nelson	Lead Specialist	WBIPS	
Chris Parel	Consultant	AFCSN	
Fily Sissoko	Sr Financial Management Specia	AFTFM	
Antonius Verheijen	Lead Public Sector Specialist	AFTPR	
Roberts Waddle	E T Consultant	LCCHT	
Yao Wottor	Senior Procurement Specialist	LCSPT	
Christine de Mariz Rozeira	Economist	LCSPS	

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	**USD Thousands (including travel and consultant costs)**
Lending		
FY05	33	151.64
FY06		0.00
FY07		0.00
FY08		0.00
Total:	33	151.64
Supervision/ICR		
FY05		0.00
FY06	17	119.63
FY07	18	92.90
FY08	19	104.31
FY09	28	0.00
Total:	82	316.84

List of Colleagues met during the LICUS Economic Governance and Economic Governance Technical Assistance ICR mission December 7-10, 2009 in Port-au-Prince, Haiti

Yves Jumelle, PIU Coordinator, EGTAG 1
Amos Durosier, Director (Unite de Lutte contre la corruption, ULCC)
Mr Hulzer Adolphe, Director(Commission Nationale des Marchés Publiques, CNMP)
Lucien Moise, Member (CNMP)
Martin Jean-Louis, Member (CNMP)
Francis Gratia, Coordinateur General, (Primature, OMRH)
Murielle Antoine, Director (Centre de Formation Professional pour Administration Publique, CEFOPAFOP)
Max Jarotte, Vice-Director (CEFOPAFOP)
Alfred Metellus, PIU Coordinator, (LICUS/Ministère de l'économie et des finances MEF)
Franz Carly, Accountant (LICUS/MEF)
Abel Metellus, Director (Direction Générale du Budget)
Joseph Affricot (DGB/Direction de la Dette Publique)
Marie Cheelip (DGB/Direction de la Dette Publique)
Jean Michel Silin (MEF/Direction des Etudes et la programmation budgétaire)
Lorrol Maurival MEF/Direction des Etudes et la programmation budgétaire)
Emmanuel Jean Pierre (MEF/Direction de Contrôle Budgétaire)
Jean Jean-Jacques (MEF/ Direction de Contrôle Budgétaire)

World Bank EGTAG1 ICR Team
Christine de Mariz Rozeira, Economist, TTL of EGTAG1, LCSPS
Jenni Pajunen, Jr. Professional Officer, ICR Team Leader, LCSPS
Carmen Machiado, Operations Officer, LCSPS
Patricia McGowan, Sr. Procurement Specialist, Consultant, LCSPT
Nick Manning, Sector Manager, LCSPS
May Olalia, Senior Operations Officer, LCSPS
Jonathan Cavanagh, Consultant/Editor, LCSPS

World Bank colleagues who were consulted during preparation of the ICR
Alain Trocher, Consultant, LCSPS
Auguste Kouame, Lead Economist, LCSPR
Joseph Denis, Economist, LCCHT
Linn Hammergren, former TTL of the Project (retired)
Luc Razafimandibmy, Senior Economist, LCSPE
Maricarmen Minoso, Sr. Operations Officer, LCSPS
Mary Morrison, Country Officer, LCC3C
Sally Burningham, Operations Adviser, LCSDE

World Bank Colleagues who commented on the ICR as part of the virtual Quality Enhancement Review (from February 22 to March 1, 2010)

Adrian Fozzard, Lead Public Sector Specialist, Peer Reviewer, PRMPS
Alan Carroll, Country Operations Advisor, LCC3C
Auguste Kouame, Lead Economist, LCSPR
Stephanie Kuttner, Social Development Consultant, LCSOS/EAPVP
Patricia McGowan, Sr. Procurement Specialist, Consultant, LCSPT

Annex 5. Beneficiary Survey Results

(if any)

Not applicable

Annex 6. Stakeholder Workshop Report and Results

(if any)

Not applicable

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

Le rapport de fin d'exécution du projet EGTAG I établi par la BM retrace, de façon claire le contexte de préparation et de conception de ce projet d'assistance technique qui vise à améliorer la Gouvernance Economique d'Haïti, pays le plus pauvre de l'hémisphère occidental et constamment aux prises avec des conflits politiques internes et des désastres naturels catastrophiques qui n'arrêtent pas de mettre en péril les faibles bases de son économie nationale.

Dès lors, les objectifs de ce projet de $ 2 millions de dollars sur 2 ans qui visent à réformer en Haïti le cadre macroéconomique, la gestion budgétaire, le contrôle des dépenses publiques, la passation des marchés, la lutte contre la corruption et la réforme du secteur financier, paraissent plutôt ambitieux et difficiles à satisfaire.
Ces objectifs ont été néanmoins poursuivis, et le projet EGTAG I a été organisé de manière pratique en 4 composantes orientées vers l'appui aux différentes réformes projetées :

- Composante 1 : Développement de la capacité du gouvernement en matière de gestion des ressources financières ;
- Composante 2 : Développement des ressources humaines ;
- Composante 3 : Transparence publique et participation de la société civile ;
- Composante 4 : Stratégie de communication.

Le rapport de la Banque a été alors plutôt analytique et a passé en revue les difficultés de mise en œuvre, face aux nombreuses Institutions bénéficiaires et compte tenu de la tache importante de coordination et de gestion de l'ensemble des différentes activités définies et devant concourir à la poursuite des objectifs fixés.
L'UCP ne reviendra pas en détail sur ces différentes analyses qu'elle partage pour l'essentiel, mais complètera plutôt les leçons apprises en signalant certaines difficultés rencontrées et que l'on gagnerait à éviter pour la bonne exécution de tels projets.

- Au niveau de la conception du projet, il est nécessaire de bien définir la ligne de base du projet et d'associer davantage les bénéficiaires au « staff appraisal report » de ce projet ; de mieux adapter les indicateurs de résultats aux objectifs poursuivis et de s'assurer qu'une méthode de suivi/ évaluation du projet soit intégrée dans le processus même de gestion du projet.

- En matière d'achat, l'éclatement du budget en de multiples activités pour lesquelles il a fallu, à chaque fois, reprendre l'ensemble des procédures de passation de marchés entrainant une répétition d'actions similaires, a contribué à ralentir le rythme d'exécution des décaissements. Le projet gagnerait en efficacité si la plupart de ces différentes activités pouvaient être regroupées. Cependant, il n'a pas souvent été possible à l'UCP de faire cette conciliation qui aurait largement pénalisée les bénéficiaires les plus prompts et les plus aptes à présenter à temps leurs requêtes.

  De plus, l'UCP assurant également la gestion de projets financés par la BID, il serait également intéressant de pouvoir concilier les procédures de ces deux bailleurs.

  D'ailleurs, eu égard à la promulgation de la nouvelle loi sur la passation des marchés et à la publication des décrets d'application, il devient désormais utile pour la CNMP non seulement d'inviter les différents bailleurs à harmoniser davantage leurs procédures de passation, mais également et surtout, à s'assurer désormais du plein respect par ces bailleurs des nouvelles dispositions légales.

- Il n'a pas toujours été facile de faire comprendre aux bénéficiaires la nécessité de retenir et de présenter des activités à financer où les besoins à satisfaire sont en harmonie avec les objectifs préalablement définis par le projet. Aussi, la mise au point des TDR a souvent été un exercice laborieux et fastidieux. On gagnerait au moment de la mise au point des projets, à mieux tenir compte des besoins des différents bénéficiaires et à retenir des objectifs davantage en harmonie avec lesdits besoins.

- Le mode de supervision exercé par la BM à travers les vidéoconférences a été particulièrement intéressant et a permis de résoudre rapidement bien des divergences, permettant ainsi de compenser certaines faiblesses et de réduire de façon appréciable, les délais pour accorder les non objection.

- Comme outil de coordination et d'exécution de projets, il importe d'insister sur l'importance de la mise en place des Unités de gestion de projets et sur l'intérêt de renforcer leur capacité de gestion et ancrage dans l'amélioration pratique de la gestion des projets.

- Il est a noter qu'il serait important de prendre en compte dans le calendrier d'exécution des projets, les délais de mise en place, de structuration et d'opérationnalisation des Unités mais aussi et surtout les délais d'apprentissage des bénéficiaires à la dynamique d'exécution de projets.

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

Not applicable

Annex 9. List of Supporting Documents

Government of Haiti (Ministry of Planning and External Cooperation): Document de Stratégie Nationale pour la Croissance et pour la Reduction de la Pauvreté 2008-2010 (Growth and Poverty Reduction Strategy Paper) HAÏTI, November 2007

Government of Haiti (Ministère de l'Économie et des Finances, Unité de Coordination du Projet): Premier Projet d'Assistance Technique pour la Gouvernance Économique (EGTAG 1), Don IDA-H1660 – Évaluation è Mi-Parcours, portant sur la période du 5 décembre 2005 au 31 décembre 2007. March 2008.

Government of Haiti (Ministère de l'Économie et des Finances, Unité de Coordination du Projet): Projet d'Assistance Technique à la Gouvernance Économique EGTAGI H1660-HA, Évaluation Finale de EGTAG1, Rapport Final par Richard Mathelier, September 2009

Gouvernement Haitien/Banque Mondiale Fonds Licus: Rapport d'Évaluation de Fin de Projet par Hugues Foucault, September 2009.

World Bank: Project Appraisal Document on a Proposed Grant to the Republic of Haiti for an Economic Governance Technical Assistance Project, Report No: 32147-HT, April 25, 2005

World Bank: LICUS Implementation Trust Fund Application Form for the LICUS Economic Governance Grant, FY04

World Bank: Project Appraisal Document on a Proposed Grant to the Republic of Haiti for a Second Economic Governance Technical Assistance Project, Report No: 35909-HT, May 16, 2006

World Bank/Quality Assurance Group: Review of Public Sector Governance Guidance Framework, April 2008

World Bank: Haiti: Public Expenditure Management and Financial Accountability Review, A World Bank Country Study No. 44651, June 2008

World Bank/International Development Association/International Finance Corporation: Country Assistance Strategy for the Republic of Haiti for the Period FY09-12, Report No 48284-HT, May 4, 2009.

World Bank/International Development Association: Program Document for a Proposed Grant to the Republic of Haiti for a Third Economic Governance Reform Operation (EGROIII), Report No 49499-HT, November 2009

World Bank: Project Supervision Documents including aide-memoires, implementation status reports, requests for no-objection, audit reports, extension memos as the documentation on EGTAG2 restructuring, EGRO I-III program documents and tranche release reports. 2005-2009

Table 3: World Bank Support to Economic Governance in Haiti after the re-engagement 2004-2009

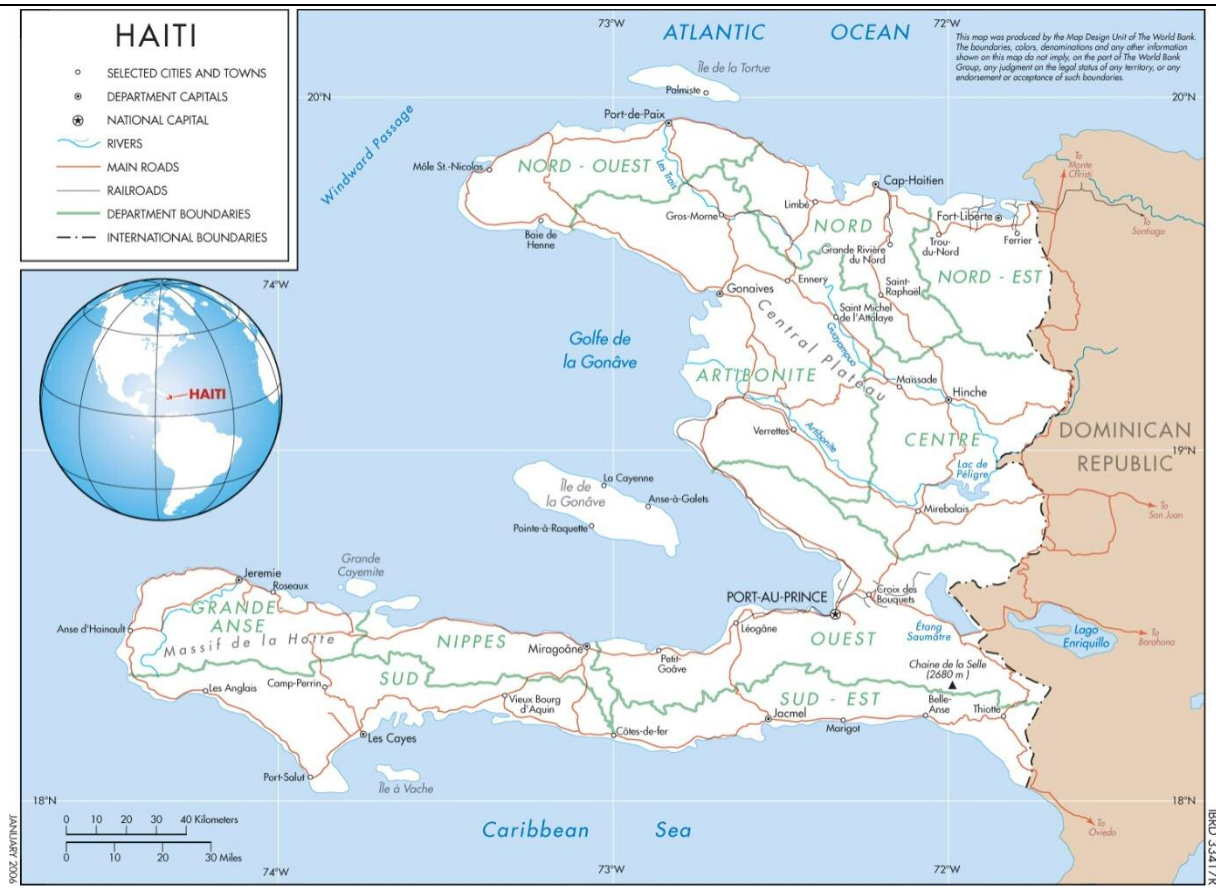
Support	Approval	Size (million $)	Type
LICUS Economic Governance Reform Grant	FY05	1.5	Technical Assistance
EGTAG1	FY05	2	Technical Assistance
EGRO I	FY05	61	Development Policy Loan
EGTAG2	FY06	2	Technical Assistance
EGRO II	FY07	23	Development Policy Loan
EGRO III	FY10	12.5	Development Policy Loan
Country Economic Memorandum (CEM)	FY07	n/a	Analytical support

Public Expenditure Management and Financial Accountability Review (PEMFAR)	FY07	n/a	Analytical Support
Financial Sector Assessment Program (FSAP)	FY08	n/a	Analytical Support
Report on the Observance of Standards and Codes	FY08	n/a	Analytical Support

Table 4: Donor Support to Economic Governance Reform Agenda in Haiti, 2009

Area	**Technical Assistance**	**Budget support**
Public Financial Management		
• Planning	IDB (Prodev)	
• Budget preparation	IDB (Economic Governance Project) World Bank (EGTAG II) CIDA (PARGEP)	World Bank (EGRO III)
• Budget execution	USAID IDB (Economic Governance Project)	IDB (Fiscal Sustainability I)
• Monitoring and control	World Bank (EGTAG II)	IDB (Fiscal Sustainability I) World Bank (EGRO III)
• Public debt management	World Bank (EGTAG II) CIDA (CEMLA) IDB	IDB (Fiscal Sustainability I)
Human Resources Management	World Bank (EGTAG II) IDB (HRM Project) UNDP CIDA (PARGEP)	
Revenue mobilization • General Tax Directorate (DGI) • General Customs Administration (DGA)	CIDA (PAMFR) IDB (Economic Governance Project) USAID CNUCED	IDB (Fiscal Sustainability I) World Bank (EGRO III)
Public Procurement	IDB (Economic Governance Project) World Bank (EGTAG II)	World Bank (EGRO III)
Electricity sector	World Bank (PREPSEL) IDB CIDA	IDB (Fiscal Sustainability I) World Bank (EGRO III)

MAP


HAITI
SELECTED CITIES AND TOWNS
DEPARTMENT CAPITALS
NATIONAL CAPITAL
RIVERS
MAIN ROADS
RAILROADS
DEPARTMENT BOUNDARIES
INTERNATIONAL BOUNDARIES
HAITI
ATLANTIC OCEAN
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Île de la Tortue
Palmiste
Port-de-Paix
Windward Passage
Môle St.-Nicolas
NORD - OUEST
Cap-Haïtien
Limbé
Gros-Morne
NORD
Fort-Liberté
Ferrier
Trou-du-Nord
Grande Rivière du Nord
Baie de Henne
Ennery
Saint-Raphaël
NORD - EST
Gonaïves
Saint Michel de l'Attalaye
Central Plateau
Golfe de la Gonâve
ARTIBONITE
Maïssade
Hinche
Verrettes
Artibonite
CENTRE
DOMINICAN REPUBLIC
Lac de Péligre
La Cayenne
Île de la Gonâve
Anse-à-Galets
Pointe-à-Raquette
Mirebalais
Grande Cayemite
Jeremie
Roseaux
GRANDE ANSE
PORT-AU-PRINCE
Croix des Bouquets
Anse d'Hainault
Massif de la Hotte
NIPPES
Miragoâne
Léogâne
OUEST
Étang Saumâtre
Lago Enriquillo
Petit-Goâve
Chaine de la Selle (2680 m)
SUD
Les Anglais
Camp-Perrin
Vieux Bourg d'Aquin
SUD - EST
Jacmel
Belle-Anse
Thiotte
Marigot
Côtes-de-fer
Les Cayes
Port-Salut
Île à Vache
Caribbean Sea
To Monte Cristi
To Santiago
To San Juan
To Barahona
To Oviedo
0 10 20 30 40 Kilometers
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73°W
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JANUARY 2006
IBRD 33417R